



County of Fairfax, Virginia Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2020



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Fairfax County Government Center

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Fairfax County District Map

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2020



DEPARTMENT OF FINANCE

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COUNTY OF FAIRFAX, VIRGINIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2020
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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 23, 2020

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

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the County of Fairfax, Virginia (the County) for Fiscal Year (FY) 2020 (July 1, 2019 - June 30, 2020) 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 XXIX.

ECONOMIC CONDITION AND OUTLOOK

For the first eight months of FY 2020, the County's underlying economy was quite robust. Its Gross County Product, adjusted for inflation, increased at a rate of 2.2 percent in calendar year (CY) 2019, following an

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estimated 3.1 percent increase in CY 2018, according to economic forecasting conducted by IHS Markit Ltd. It was expected that the local economy would continue to expand for the remainder of CY 2020 and CY 2021. Then, in March 2020, the novel coronavirus (COVID-19) emerged to significantly hit local economies and jobs. The national and local economies were partially shutdown to reduce its spread. The number of weekly claims for unemployment insurance had been holding steady at historically low levels. Initial weekly claims in the County shot up, from 145 the week of March 14 to approximately 21,000 on April 4. The number of continuing claims increased from 1,278 on March 14 to a maximum of around 49,000 on June 6. Continuing unemployment claims have since decreased, as the gradual reopening of the economy began, though they remain at many times their pre-pandemic level. In April, the unemployment rate in the County jumped to 10.2 percent, up from 2.7 percent in March. By the summertime, with the phase three reopening measures underway, the unemployment rate lowered and stood at 6.0 percent by August of 2020.

The Board of Supervisors (BOS) and County Executive have continuously monitored the County's revenue and economic outlook as the uncertainty of FY 2021 unfolds. A special Midyear Budget Review will be conducted to closely review the financial accounts and fiscal patterns. The impact of economic conditions on FY 2021 revenue will become more apparent in upcoming months after several months of actual FY 2021 collections have been received. The County's revenues depend on the course of the pandemic, the prospects of developing a vaccine and effective treatments, the duration of the restrictions established by governments to control the spread of the virus, consumer confidence, businesses' responses, as well as the effect of current and future fiscal and monetary measures implemented in support of the economy.

The Local Economy

Total employment in Fairfax County increased a net of 9,689 jobs (1.6 percent) in CY 2019, as reported by the U.S. Bureau of Labor and Statistics. Almost 5,000 of these jobs were in the Professional and Business Services sector. With these new jobs, this sector finally surpassed the previous peak level experienced in CY 2012, prior to the job losses due to the federal sequestration in CY 2013 and CY 2014. Unfortunately, in early 2020 when COVID-19 started disrupting economic activity nationwide, the County experienced significant employment decreases. The effects of the job losses have been concentrated in the Leisure and Hospitality sector, which includes restaurant and hotel positions, where the number of jobs fell by over 42 percent, between May 2019 and May 2020. Job losses have also significantly impacted the Retail sector and Other Services sector, which includes personal care, maintenance, and in-home household services. Businesses had to reposition their marketing strategies. A few examples were: restaurants added more outdoor seating and also advertised curbside pickup, gyms moved equipment and classes outdoors, realtors held virtual open houses, and car dealerships delivered cars to your home for a test drive. Then, July 1, 2020, the County began phase three of the reopening, and with it the promising message of growth and expansion. There was increased indoor capacity permitted and other loosening of the tighter restrictions held in the earlier phases. The County's resiliency started to show positive signs of strengthening its economic base.

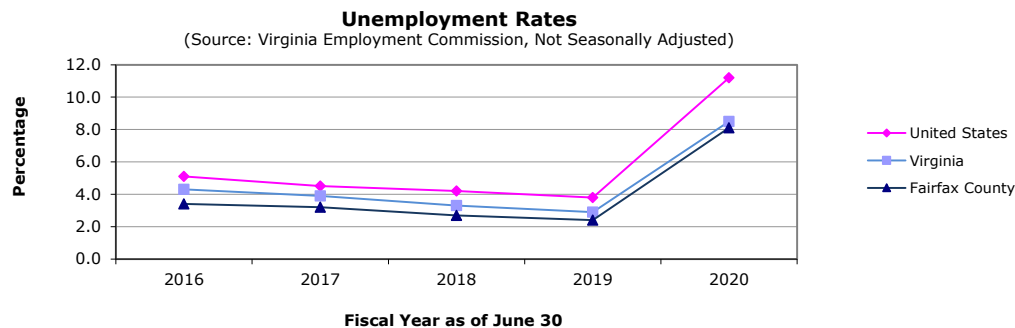
Because the economy of the Washington D.C. region is knowledge-based, it is somewhat insulated from the supply-chain manufacturing disruptions affecting other regional economies. Federal procurement spending accounts for about 30 percent of the Washington D.C. region's economy, which will allow for the workforce of the federal government and federal contractors in the Professional and Business Services sector to recover faster from the disruption and resume normal operations. As many of the County's revenue categories such as Sales Tax and Transient Occupancy Taxes are extremely sensitive to economic conditions, actual FY 2020 receipts ended the fiscal year below the revenue estimates. Sales Tax receipts increased 1.5 percent for FY 2020 compared to 2.7 percent in FY 2019, but were down by 12.3 percent for March, April, and May. In addition, Transient Occupancy Tax receipts decreased 31.2 percent for FY 2020 compared to an increase of 3.6 percent for FY 2019, and were down 77.2 percent for the months of April, May, and June.

A revenue category of particular concern during FY 2021 is Business, Professional, and Occupational License (BPOL) Tax. FY 2020 BPOL revenue, which was a function of economic activity during CY 2019, increased

at a solid 4.0 percent compared to 3.0 percent in FY 2019. FY 2021 BPOL revenue will be based on gross receipts of businesses generated during calendar year 2020. County businesses file and pay their BPOL taxes simultaneously on March 1 each year based on their gross receipts during the previous calendar year. Very little actual data will be available to help assess the impact of COVID-19 and forecast FY 2021 BPOL receipts throughout the fiscal year.

It should be noted that in FY 2020, the County received over \$200 million in one-time federal stimulus funds from the Coronavirus Aid Relief and Economic Security (CARES) Act Coronavirus Relief Fund to cover eligible expenses related to the direct response to the health crisis, such as public health needs, as well as those incurred to respond to “second-order effects” of the pandemic, including providing economic support to those impacted from employment or business interruptions. The guidance provided by the federal government specifically prohibits CARES funds to be used to offset revenue losses.

As illustrated on the following chart, Fairfax County’s unemployment rates, not seasonally adjusted, have consistently tracked below both state and national percentages even during these historic, unprecedented, pandemic times. For June of FY 2020, Fairfax County’s unemployment rate was 8.1%. The unemployment rates for the state of Virginia and the United States (U.S.) were 8.5% and 11.2% respectively.



Looking back ten years, comparing the end of FY 2010 to FY 2020, in relative terms, the County has consistently reported the lowest unemployment rate, not seasonally adjusted. For FY 2010, the unemployment rate, not seasonally adjusted, reported for Fairfax County was 5.2%, as compared to Virginia of 7.2% and U.S. of 9.6%; and for FY 2020, Fairfax County reported 8.1%, as compared to Virginia of 8.5%, and U.S. of 11.2%. Maintaining the lowest unemployment rate, confirms its stronger economic base.

Economic Development

The County’s strategy for economic development strives to promote a vibrant, diversified business community, while enhancing the commercial tax base. This strategy has been challenged during the upheaval caused by COVID-19 and with shutdown of business operations. Remote working redefined many business models, as did virtual learning for students. Most residents stayed home as well as County employees except for essential workers.

Fairfax County Department of Economic Initiatives has developed and led several COVID-19 response activities. This includes the following business support and economic recovery initiatives.

- Developing, promoting and overseeing the \$2.5 million Small Business COVID-19 Recovery Microloan Fund. The source of funding is the Economic Opportunity Reserve.
- Developing, promoting, and overseeing the Fairfax RISE: COVID-19 Small Business and Non-Profit Relief Grant Program which is currently up-to \$58 million. The primary source of funding is the CARES Act.

- Leading the County’s business communication and outreach, including the following: monitoring and updating the COVID-19 business webpage; answering business questions via emails and phone calls; designing and mailing business resources postcards to 38,000 businesses; and, with the Department of Tax Administration, managing business resources including automated phone calls to Fairfax County businesses.
- Convening a business continuity working group to coordinate partners across the County in the response to the COVID-19 crisis impacting the local business community.
- In partnership with the Fairfax County Economic Development Authority (FCEDA), leading an Economic Recovery Framework and Action Plan for business retention and economic competitiveness.

FCEDA plays a major role in carrying out the economic development activities of the County. During the COVID-19 pandemic, FCEDA worked very closely with the County to keep the business community’s competitive edge. A lot of the workforce in the County are employees of small businesses that provide hospitality, tourism, food and beverage, retail trade, and passenger transportation. These business areas were hit the hardest. Through the collaborative efforts of the County and FCEDA, small businesses were provided several opportunities to help sustain them through the worst of these times. FCEDA also hosted a virtual career fair for recent college graduates. There were about 1,000 participants and 18 companies in virtual attendance.

FCEDA operates under the direction of seven commissioners appointed by the BOS. 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. 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 CY 2019, FCEDA assisted 19 foreign-owned businesses with their expansions in the County. There are over 430 foreign-owned firms from 49 countries located in Fairfax County.

During CY 2019, the FCEDA worked with 131 companies adding approximately 10,000 jobs to Fairfax County’s economy. The largest corporate announcements were as follows: TekSystems added 840 jobs in Merrifield; Inova Schar Cancer Institute created 500 jobs in Merrifield; EY added 481 jobs in Tysons; Aerotek created 413 jobs in Fairfax; and Randstad Technologies added 300 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 131 businesses making job announcements, 112 are U.S.-based. Among the U.S. firms, 22 are minority-owned, woman-owned or veteran-owned companies. Of international businesses, 19 companies with headquarters or parent companies overseas, announced expansions in Fairfax County in CY 2019.

The total office space inventory in the County was 119 million square feet as of CY-end 2019, making Fairfax County the largest suburban office market in the Washington D.C. area. Industrial/flex inventory in the County were reported at 39 million square feet.

Online Resource: <https://www.fairfaxcountyedda.org/publications/annual-report-2019/>

MAJOR INITIATIVES AND ACCOMPLISHMENTS

Fairfax Forward

To say the least, FY 2020 was an eventful year. The fiscal year launched with the celebration of the Apollo 11 Lunar Jubilee and it ended with the novel coronavirus global pandemic (COVID-19) plaguing countries around the world. During March of 2020, the County was clamped down tightly and entered phase zero. Then, at the beginning of June, the County guardedly and gradually started moving forward. As it progressed through each of the State's defined phases, the County showed its resiliency. While facing the economic struggles and the severe health issues from COVID-19, businesses, residents, and employees of the County cautiously and unitedly progressed forward.

Turning back to the hazy days of summer, in July of 2019, there were special events being held to honor the Apollo 11 Lunar Jubilee. Located within the County's boundaries, in Chantilly, Virginia, is the Steven F. Udvar-Hazy Center. The Udvar-Hazy Center is a museum that displays many aviation and aerospace artifacts. It is a part of the Smithsonian Institution. Specifically housed at this satellite site are select items from the Apollo 11 mission. For example, there are items such as the flotation collar and bags used to retrieve the Apollo 11 Columbia space capsule and the National Aeronautics and Space Administration (NASA) Mobile Quarantine Facility where the astronauts stayed for 65 hours after their return to Earth. There were volunteer-guided tours that highlighted these artifacts and gave special tributes to honor the astronauts and their historic mission. For the children, there were special lunar story-time readings.

The members of the NASA astronaut team were Neil Armstrong, Edwin "Buzz" Aldrin, Jr., and Michael Collins. On July 20, 1969, as Neil Armstrong took his historic first step on the lunar soil, he profoundly stated to the NASA Command Center, "That's one small step for man, one giant leap for mankind." The second astronaut to walk on the moon was Buzz Aldrin. Then, at the conclusion of this memorable mission, all of the astronauts were quarantined for a total of 21 days from the point of their historic moon departure. Ironically, fifty years later, people are being quarantined for at least 14 days due to exposure to COVID-19.

Online resource: <https://www.britannica.com/story/moon-landing-just-the-facts>
<https://www.fairfaxcountyed.org/media-center/udvar-hazy-center-and-county-parks-are-celebrating-50th-anniversary-of-the-apollo-11-lunar-landing/>

There are two Fairfax County Public Schools (FCPS) named after the astronauts who walked on the moon, Neil Armstrong and Edwin "Buzz" Aldrin, Jr. The official school names are Armstrong Elementary School and Aldrin Elementary School. Both of these elementary schools are located in Reston, Virginia, which is not too far from the Steven F. Udvar-Hazy Center.

Online resource: <https://www.fcps.edu/schools-centers>



As the fiscal year progressed towards the last quarter of FY 2020, the County along with the world were plagued with the deadly impact of COVID-19. 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 board meeting on March 24, 2020, the BOS enacted an Emergency Ordinance to assure the 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 County was proactive in taking the necessary measures to protect its residents and staff while maintaining essential operations. Wherever it was feasible,



assistance from a distance became the new normal for business operation. Many employees were able to telework without disrupting the high quality of service provided by the County to the community, and its business functions continued to operate smoothly. For the essential personnel, who had to report on-site, they were equipped with the necessary Personal Protective Equipment (PPE). Depending on the employee risk exposure level, the County provided training on the proper wearing, usage and disposal of the PPE. Flexible pandemic leave options were also offered to County staff to help them address the ongoing impact of COVID-19.



During these unprecedented times, the BOS continued to conduct business, using video conferencing and passing the virtual gavel. In April, the BOS approved the authorization to establish the Fairfax County Small Business COVID-19 Recovery Microloan Fund. Then, on May 28, 2020, the BOS held another emergency special meeting, electronically. The special meeting was held to adopt an Emergency Ordinance that would temporarily permit the expended use of outdoor space for outdoor dining and for outdoor fitness and exercise activities. This would begin when the County moved into phase one on May 29, 2020. The County, along with the entire Northern Virginia Region, were approved by the governor to delay entering phase one behind most of Virginia to prevent any spiking of positive cases. The region had been experiencing a much higher number of positive cases as compared to the state. Northern Virginia region encompassed Fairfax, Arlington, Loudoun, and Prince William counties plus the cities of Alexandria and Fairfax; and the towns of Dumfries, Herndon, Vienna and Middleburg. The delay was a period of two weeks. Then, on June 12, 2020, the County entered phase two, a week behind most of the state.



Online Resource: <https://www.fairfaxcounty.gov/boardofsupervisors/2020-board-meetings>

The BOS also approved the Fairfax Relief Initiative to Support Employers (RISE). This grant program was meant to provide immediate relief to small businesses and non-profits impacted by COVID-19. During the period of June 8-15, 2020, the County accepted applications for Fairfax Relief Initiative to Support Employers (RISE). The awardees of this grant program did not have to pay back the monies awarded. A unique feature of this grant program was the minimum allocation of 30% of total funding set aside towards awards for women-owned, minority-owned, and/or veteran-owned businesses. The funding came through the Coronavirus Relief Funds, ultimately from the federal CARES Act. Grant funds were allocated based on number of full-time-equivalent (FTE) employees:



- Employees 1 – 10: \$10,000
- Employees 11 – 25: \$15,000
- Employees 26 – 49: \$20,000

Online Resource: <https://www.fairfaxcounty.gov/economic-success/fairfaxrise>

One Fairfax

One Fairfax is a social and racial 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. The 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>

Economic Success Strategic Plan

Reflecting the BOS' Priorities while embracing the County's vision, the Fairfax County Economic Success Strategic Plan was initially established in 2015, then updated in the fall of 2018. The focus is on four fundamental themes: People, Places, Employment, and Governance. Each of the four themes contains a vision of what to aspire to and the related fundamental strategies.



The six goals of the plan are as follows:

1. Further Diversify Our Economy
2. Create Places Where People Want To Be
3. Improve the Speed, Consistency, and Predictability of the Development Review Process
4. Invest in Natural and Physical Infrastructure
5. Achieve Economic Success Through Education and Social Equity
6. Increase Agility of County Government

Online Resource: <https://www.fairfaxcounty.gov/economic-success/>

Fairfax County Strategic Plan



During FY 2019, the County's strategic plan started to take root. Meetings were held with staff and then meetings reached out to the community. The process is designed to have staff and the community "shape the future." The intent is to look over the next decade and address the changing needs of our community while recognizing the fiscally constrained environment.

Based on community feedback, the nine priority areas are as follows:

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

Online Resource: <http://fairfaxnet.fairfaxcounty.gov/Dept/County/Strategic-Plan/Pages/default.aspx>

Diversion First



Diversion First offers alternatives to incarceration for people with mental illness, co-occurring substance use disorders, or developmental disabilities who come into contact with the criminal justice system for low-level offenses. The goal is to intercede whenever possible to provide assessment, treatment, or needed support, in order to prevent repeated encounters with the criminal justice system and promote a safer community with enhanced public safety.

Diversion First programs provide treatment and support as alternatives to criminal justice system involvement whenever possible. The Merrifield Crisis Response Center (MCRC), located at the Fairfax-Falls Church Community Service Board's (CSBs) Merrifield Center, is a 24/7 assessment site. It allows patrol officers to transfer custody of nonviolent offenders to a Crisis Intervention Team (CIT) trained officer, or deputy, for a mental evaluation, instead of taking them to jail. The Community Response Teams (CRT), a public safety and health and human services partnership, provides outreach and case management to frequent utilizers of public safety services, with the goal of better outcomes for individuals served and more efficient utilization of public safety resources. Diversion First also provides opportunities for intervention throughout the criminal

justice system. Individuals booked into the Adult Detention Center (ADC) are screened with the Brief Jail Mental Health Screening, and the CSB provides behavioral health services to inmates at the ADC. The Sheriff's Office, in collaboration with the CSB, operates the Striving to Achieve Recovery (STAR) program, a peer led jail-based addiction recovery program focused on recognizing trauma, identifying triggers, managing stress, and developing social supports. The court system has also made tremendous strides in providing services to the Diversion First population, to include the Supervised Release Program, which provides intensive supervision in the community in lieu of incarceration. In addition, three specialty dockets are available: the Veterans Treatment Docket; the Drug Court; and the Mental Health Docket. Individuals who are diverted to one of these dockets participate in a structured process that integrates treatment and court supervision, with successful completion potentially resulting in reduced or resolved charges.

Due to COVID-19, the second half of FY 2020 brought significant challenges. However, programs quickly adapted and developed solutions for ensuring continued services. Some programs sustained in-person services, while telehealth options allowed programs to continue or even expand their scope of service delivery. Specialty dockets operated virtually throughout the spring. MCRC continued to provide opportunities for diversion, from potential arrest and linkages, to behavioral health services and supports. The number of people transported to the MCRC by law enforcement remained steady during the pandemic. Programs developed new ways of doing business and while difficult, the last several months of the fiscal year had also presented some opportunities for even greater collaboration. During FY 2020, there were significant efforts focused on developing a multiagency data system, with the goal of measuring short and long-term outcomes. This work will continue with a focus on refining data collection processes, defining and reporting outcomes related to reduction in incarceration, recidivism, and the connection to treatment and other supports.

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

Fairfax County Police Department

With the onset of COVID-19, the County's emergency management systems were activated to preserve the sanctity of all human life. Through robust and ongoing collaborative stakeholder teamwork, with the communities served, the Fairfax County Policy Department (FCPD) changed its lines of business, to keep all safe, while reducing COVID-19 risks. This resulted in the re-allocation of personnel resources to provide alternative non-emergency reporting by staffing our Community Reporting System (CRS) 24/7. At peak periods, the CRS has handled up to 43% of the non-criminal calls for service through live customer care service, with a police officer who is trained to make the electronic police report and the case follow-up with the community member requesting services. The FCPD also created a temporary Emergency Management Bureau designed to ensure all operations in the field are supervised by an Infectious Disease Response Team, led by Safety Officers, to mitigate COVID-19 exposure risks. FCPD continually revises its strategic plan and its Five-Year Strategic Staffing Plan. As the County rapidly urbanizes, FCPD wants to ensure operational and personnel needs are met, and to ensure the successful expansion of the department, across all bureaus and divisions, including the future opening of the South County District Station. While meeting FCPD vision elements of preventing and fighting crime, and keeping pace with urbanization, the FCPD values all community partnerships. FCPD understands organizational employee wellness and community wellness are foundational pillars to preserving the sanctity of all human life and providing equitable law enforcement services to all. By engaging all stakeholders, the FCPD continues to live its vision statement.

Virginia Task Force 1

Virginia Task Force 1 (VA-TF1/USA-1) is a premier disaster response and humanitarian resource maintained by the Fairfax County Fire and Rescue Department through partnerships with the United States Agency for International Development (USAID) and the Department of Homeland Security (DHS), through the Federal Emergency Management Agency (FEMA). Nationally, the team deploys as VA-TF1, and, internationally, as USA-1 to natural and man-made disasters on short notice. During FY 2020, Task Force members deployed to help victims affected by ebola crisis, Hurricane Dorian, and the Tirana, Albania earthquake. The federal

government pays the costs for training, equipment, supplies, and personnel. Additionally, Task Force members participated in capacity building and training of other rescue resources around the world.

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 using current technologies to create new business processes and improve government efficiency. This commitment became quite evident during the spring of 2020, as COVID-19 started to take a stronghold grip and paralyze the normal daily life of the County.

The pandemic has emphasized the importance of ensuring that all elements of the County's technology structure are current, capable, modernized, secure, and mobile friendly. Significantly higher numbers of Fairfax County employees are now working remotely, which has placed unprecedented stress on agency network and computing resources. In response, the IT department aggressively moved to increase mobile options and improve the ability to conduct work and County business remotely and securely. Additional laptops and mobile phones were procured for immediate deployment and additional mobile access licenses and additional network bandwidth were secured to accommodate increased remote work. Moving forward, the County will continue to identify additional mobility options, including, but not limited to, procuring additional mobile hardware (laptops/tablets), identifying the viability of virtual desktop infrastructure (VDI) software, analyzing the existing network bandwidth, expanding remote access/participation, reviewing our current amount and distribution of licenses to make sure they are fully supportive of a more mobile workforce, and reviewing whether our current help desk services, IT equipment, and related software are all sufficient for a mobile workforce future.

Technology Strategy

The County's technology strategy is strategic and agile. It supports and is aligned with the nine priority areas of the Fairfax County's Countywide Strategic Plan. County IT goals and guiding principles are reviewed periodically for applicability and relevance against new strategic priorities, service demands, IT trends, and budget dynamics. The County's IT governance aligns information technology investments and programs with the County's strategic business goals. The Board's IT Committee, senior executive committees, and a citizen advisory committee provide oversight and guidance on technology programs and IT investment strategies. Various steering and governance boards are focused on specific programs and enterprise-wide projects. The County promotes the use of enterprise scale application platforms when business processes cut across County agencies, to have service delivery efficiency and reduction in time-to-market.

Multiple agencies are collaborating on a major strategic initiative to improve the speed, consistency, and predictability of the development review processes, and improve access to data and reporting. A related initiative is the continued digitization of the electronic plans, which allows for the submission and review of building plans enabling architects, engineers and construction professionals to submit changes online by marking-up or editing drawings 24 hours a day, 7 days a week from anywhere in the world. Other initiatives such as The Health and Human Services (HHS) Integrative Strategy is designed to harness the enormous amount of data and facilitate efficiency in social and health services client service delivery and improve reporting across many programs. The tax systems modernization initiatives include transformation of the IT platforms, enhanced online self-service capabilities, and improved analytics and reporting capabilities. Lastly, the Next Generation 9-1-1 (NG911) initiative, is a multi-phase effort, transitioning to a modern platform with text, video, and photographs to support the effectiveness in public safety.

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

e-Government

The County's Digital/e-Government program is the centerpiece of its nationally recognized technology services portfolio, enabling 24/7 online citizen information and services, supporting the County's goal of a "government without walls, doors, or clocks." The comprehensive strategy is the foundation for the County's Open Government, Transparency, Customer Service, and Public Engagement strategies, as well as facilitating County agencies' operational effectiveness goals, such as a mobile workforce and Continuity of Operations. The web strategy is recognized for its technology governance in digital solutions communication with residents, government communities and business, e-services, and incorporation of social media capabilities in the County agencies' business toolkit. This multi-channel platform includes the County's website, Interactive Voice Response (IVR), mobile applications, emergency alerts, podcasts, RSS newsfeeds, moderated discussion sessions, Newswire, specialized blogs, and the County's presence on social media channels such as YouTube, Facebook, Twitter, and others. For key public engagement tools, there are specialized blogs for County agencies to reach extended audiences. Crowdsourcing and Alert Notification allow for enhanced reporting of emergency information, to and from the public. Integrated with Customer Relationship Management (CRM) technology, these programs enhance public access/experience and are the cornerstones of the County's goals for delivery of information, services and engagement. The CRM platform was also used to develop an enterprise-wide capability to manage and track Freedom of Information Act (FOIA) requests for responsiveness and timeliness. This application is used by over 30 agencies, with approximately 170 distinct users, and has streamlined and improved compliance efforts.

Cloud Services and Cyber Security



Fairfax County has been a leader in developing an enterprise-wide approach for the underlying technology infrastructure, using a centralized open systems architecture and standards that support the needs of all agencies. The architecture includes cloud hosting and co-location services. The County embraces cloud computing based on business requirements for enabling convenient access via on demand networks to a shared pool of configurable computing resources (e.g., networks, servers, storage, applications, and services) that can be rapidly provisioned and deployed with minimal management effort or service provider interactions.

The County's IT security infrastructure uses a 'defense in-depth cyber security approach' which includes Next Generation Firewalls, Federated Identity Management, access controls, real-time monitoring and reporting tools, and policy enforcement with an investment strategy that is proactive and allows for new tools and timely processes when needed. The IT security program includes data privacy, the County's enhanced PCI (Payment Card Industry) Compliance program, and the technical profile for e-commerce transactions. The County's network and security strategies facilitate building automation systems environments, support facilities management goals, and also enable furtherance of Wi-Fi services for County sites. DIT continues to provide secure remote access capacity for County workers, implementing a top tier mobile device management technology, in addition to providing flexibility and improving worker productivity, as well as supporting County Continuity of Operations (COOP) needs.

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

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 effectively and efficiently manage future growth. 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. The 2019-2020 Progress Report provides monitoring data and updates on the progress of implementing the vision for Tysons contained in the Plan.

Highlights of major accomplishments are as follows.

- 1.1 Million square feet of development delivered since 2018.
- 3.3 Million square feet under construction.
- 14 Capital Bikeshare stations operating.
- 34 Tysons Area Metrorail Station Access Improvement Projects completed.
- Opening of Scotts Crossing Road, connecting Route 123 with Jones Branch Drive, via a new I-495 crossing.
- Review and analysis of the Silver Line Metro Rail ridership and other modes of transportation.
- Implementation progress on the Grid of Streets.

A culture of public outreach with a collaborative approach involving stakeholders has been critical in reaching the milestones achieved to date. This approach remains critical to meet all the goals set forth in the Plan for Tysons. The Tysons website serves as primary point of information about Tysons.

Online Resources: <https://www.fairfaxcounty.gov/tysons/annual-report>

Reston Transit Station Areas

In February 2014, the Board 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 40 applications resulting in an additional 5.8 million square feet of non-residential development and an additional 12.0 million square feet of residential development within the corridor. These approvals include, approximately, 4.9 million square feet of open space, 1.9 million square feet of park space, and more than \$100 million in proffered contributions to the Reston Road Fund.

Online Resources: <https://www.fairfaxcounty.gov/transportation/projects/silver-line>
<https://www.fcrevite.org/reston-guidelines>
<https://www.fairfaxcounty.gov/planning-zoning/comprehensive-plan/special-planning-areas>

Inova Center for Personalized Health

Inova Health System (Inova) is Northern Virginia's largest hospital system and one of the largest employers in the County. Located adjacent to its already-thriving medical cluster, Inova Fairfax Hospital, Inova is creating a true community campus with five main buildings housing: the Inova Schar Cancer Institute (opened on May 13, 2019); Inova Clinic; Inova Personalized Health Accelerator, Inova Research, Shenandoah University; Research Partnership (University of Virginia, George Mason University, Inova and the Commonwealth of Virginia); and the Conference Center, Inova Sports Medicine and Hitt Center for Healthy Living.

Capital Project Summary Reports (interactive map)

The Department of Public Works and Environment Services (DPWES) has an interactive map available to the public that provides information on the Capital Project Summary Reports.

Online Resource: <https://fairfaxcounty.sharepoint.com/sites/DPWES/SitePages/CapitalFacilities.aspx>

Land Development Services

Land Development Services (LDS) ensures every building and site developed in Fairfax County meets required safety, health and environmental standards. In any given month, LDS staff process 5,750 permit applications, on average, 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 2020, LDS processed 70,226 permits and conducted 222,264 site and building inspections. LDS collected \$43,011,928 in total revenue for permit and inspection fees. Large scale construction projects, such as office buildings and planned mixed use areas – for example Reston Gateway or Tysons Corner – continue to add to the health of the local economy, long after buildings are completed, due to real estate taxes, employment and more. LDS expected to exceed the previous year’s revenue before the global pandemic caused changes to ongoing and planned work in the fourth quarter of the fiscal year.



More than 48,000 people visited LDS offices during the first eight months of FY 2020 to conduct in-person transactions. During March and April, the pandemic compelled the agency to design a new virtual and all-electronic business model. This posed unprecedented challenges for LDS staff and customers in the fourth quarter. The agency planned to move all systems online by 2022, but achieved the seemingly impossible, by transitioning to all electronic permitting within days to allow site and building projects to continue despite the pandemic. Although demand for permits dipped temporarily, March through June, by about 30%, residential construction rebounded to pre-pandemic levels, as families embraced the “safer at home” concept, building new pools, decks, sunrooms and more. Commercial construction continues to improve at a slower rate, but normally follows the trajectory of the residential home improvement market.

Transportation Improvements

On December 3, 2019, the BOS approved the FY2020 – FY2025 Transportation Priorities Plan (TPP) to direct County priorities for transportation projects through FY2025. The current funding estimate for transportation capital projects is \$3.036 billion. The FY2020 – FY2025 TPP updates the FY2015 – FY2020 plan that the Board approved in 2014. The FY 2020 – FY2025 TPP includes funds from a variety of federal, state, local, and private sources, and includes projects previously approved by the Board, as part of other, stand-alone funding plans. For example, the Reston and Tysons Funding Plans (approved by the Board Winter 2017, and Winter 2012, respectively) span decades in terms of project implementation and funding. The TPP includes those projects scheduled for implementation between FY 2020 – FY 2025. As a result, the TPP has evolved into an all-inclusive, comprehensive funding plan for the County transportation priorities.

The major sources included in the TPP, and the aggregate assumptions utilized in preparing the TPP for the December 2019 adoption, include revenue of approximately \$3.036 billion. The main sources of the TTP funding, based on historical estimates, are as follows: federal funds from Congestion Mitigation Air Quality (CMAQ), Regional Surface Transportation Program (RSTP) and transportation alternatives, in the amount of \$314.0 million; state funds from Smart Scale, secured through six year program cycles, and Revenue Sharing, in the amount of \$330.6 million; regional funds from Northern Virginia Transportation Authority (NVTA), secured through six year program cycles, in the amount of \$738.2 million; local funds from Commercial and Industrial Taxes, General Obligation Bonds, NVTA Local Distributions in the amount of \$952.3 million; private contributions for transportation projects from proffers in the amount of \$181.5 million; and carryover of previous allocations in the amount of \$519.4 million.

Metrorail Capital Improvement Projects

The Metro Capital Funding Agreement (CFA), which supports the Metro's Capital Improvement Program (CIP), includes funding for rehabilitation and safety improvements, new rail cars, power upgrades for running eight car trains, and additional buses for operating Priority Corridor Networks. The Washington Area Metropolitan Transit Authority (WMATA) and member jurisdictions approved several one-year extensions.

I-66 Express Lanes

The County is working closely with 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). When express lanes open on I-66 outside the Beltway, the tolling inside the Beltway will increase from High Occupancy Vehicle (HOV) 2+ to 3+. In June 2018, the widening of the eastbound lane of I-66 began between the Dulles Connector Road and Fairfax Drive. A new lane is anticipated to be opened in late 2020. VDOT has 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 will finance, design, build, operate and maintain the project. Improvements will also be made to the I-66/Route 28 Interchange, as a part of one of the four FY 2017 key transportation priorities. Construction activities are underway, and the project is expected to be completed in late 2022.

Route 7 Widening

Route 7 is being widened from the Reston area to the Dulles Toll Road, with VDOT administering the \$314 million fully funded 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 the spring 2019. Early improvements have been completed at Baron Cameron Avenue including a third left-turn lane from Route 7 to Baron Cameron Avenue. The project has an expected completion date of July 2024, and construction is currently approximately 35 percent complete.

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 NVT. \$250 million is being provided to these projects over the next several years. In the County, Route 28 was widened on the northbound lanes 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, and the project is anticipated to be completed by summer of 2023.

Fairfax County Parkway Widening

The Fairfax County Parkway will be widened from four to six lanes, from Route 123 to Route 29. In addition, Pope Heads Road intersection will be converted to an interchange. Design work continues on the Popes Head Road interchange. Land acquisition for the interchange is scheduled to begin in late 2020, and the interchange is expected to be completed in late 2024.

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 (VDRPT) 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 2030.

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 Richmond Highway

Corridor Improvements project is being administered by VDOT with support from the County. 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 2025 with completion by 2028. Phase two spans Richmond Highway between Frye Road and Sherwood Hall Lane. Construction for phase two is anticipated to start in 2027 with completion in 2029.

Jones Branch Connector

The Jones Branch Connector project was planned to meet the goals of the County in the Tysons area, including the development of a grid of streets that is pedestrian friendly, and to support multimodal forms of transportation. The project provides an alternative route between Tysons East (Route 123) and West (Jones Branch Drive), bypassing the I-495/Route 123 Interchange. This project extended and widened the existing Jones Branch Connector that provides access to the I-495 Express Lanes eastward along Scotts Crossing Road, ending at Route 123 adjacent to the McLean Metrorail Station. The project included federal, state, and local funding. The total cost estimate for engineering, right-of-way acquisition, and construction is approximately \$60 million. This project was completed in February 2020.

Environmental Vision

In the County, environmental impact decisions are guided by the County's policy framework, described in the Board's *Environmental Vision*, first adopted in 2004 and updated in 2017. The document addresses seven core areas: land use; transportation; water; waste management; parks and ecological resources; climate and energy; and environmental stewardship.

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, programs and projects, including the Community-wide Energy and Climate Action Plan (CECAP) and the upcoming Climate Adaptation and Resilience Plan (CARP). The OEEC supports a more comprehensive and effective approach to implementing the goals, objectives, and targets of the BOS' policies, goals and initiatives. These BOS policies, goals and initiatives include the Environmental Vision, the 2007 Cool Counties Declaration, the 2009 Energy Policy, the County's Comprehensive Plan, the 2018 Fairfax County Operational Energy Strategy and the action items described in the 2019 and 2020 Fairfax Green Initiatives Board Matters #1 and #2.

Online Resource: <https://www.fairfaxcounty.gov/environment-energy-coordination/>
<https://www.fairfaxcounty.gov/environment-energy-coordination/energy-strategy>
<https://www.fairfaxcounty.gov/environment-energy-coordination/fairfax-green-initiatives>

Sustainable County Operations

The BOS policies and goals recognize that environmental quality is essential for everyone living and working in the County. A healthy environment enhances the quality of life and preserves the vitality that makes the County a special place to live and work. The County's *Sustainability Initiatives* report describes the efforts to promote sustainability and protect the environment. It provides an overview of many of the programs and projects carried out by the County, and its partners, and details significant efforts made over time to reduce the County's operational demand for water and energy through efficiency, conservation, and education.

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



Environmental Improvement Program

The Environmental Improvement Program (EIP) supports the BOS Environmental Vision and other environmental energy policies and goals. The EIP was developed by the County's inter-agency Environment Coordinating Committee (ECC), which helps ensure coordinated action across the County departments, agencies, authorities, and schools. The EIP provides the County Executive and BOS with environmental and energy action-oriented opportunities and initiatives that support the BOS policies and goals. EIP projects are selected based on a formal project selection process supported by the Environmental Quality Advisory Council. The EIP projects approved for funding in FY 2020 included several projects proposed by the Fairfax County Park Authority (FCPA), including its Invasive Management Area program, energy efficiency and renewable energy systems to be incorporated into FCPA's Sully Woodlands Stewardship Education Center, and the implementation and maintenance of natural landscaping projects on the County-owned properties.



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

Affordable Housing

The mission of the Fairfax County Redevelopment and Housing Authority (FCRHA) focuses on the planning, development, preservation, rehabilitation, financing, and management of housing, primarily for low- and moderate-income households in Fairfax County. As of June 30, 2020, more than 18,000 individuals are served by FCRHA housing programs. The FCRHA owns and/or operates a total of 3,061 units of multifamily housing, 482 units of independent senior housing, 112 beds of assisted living, and 205 units/beds of specialized housing—including group homes, shelter facilities and a mobile home park with 115 pads. The preservation of affordable rental housing has long been a concern of the BOS and the FCRHA. The stock of privately-owned subsidized units and non-subsidized rental housing with modest rents in the County has been declining as owners reposition their properties in the market. The centerpiece of the initiative is the Affordable Housing Development and Investment fund (formerly Penny for Affordable Housing Fund), which is the dedication of a “half penny” of the real estate tax rate for affordable housing initiatives. The value of a “half penny” in FY 2020 was \$12.8 million. A total of 3,473 affordable units had been preserved as of the end of FY 2019 for both homeownership and rental purposes in a variety of large and small projects, including 421 units preserved and 36 units/beds created in FY 2019. This is more than three times the Board of Supervisors' original 2004 goal of preserving 1,000 units. In FY 2019, a new initiative was set to produce 5,000 affordable housing units in 15 years and to attain no net loss of affordable housing. In FY 2020, 201 units/beds were created bringing the total number of affordable housing units created to 539, and closer to the goal of 5,000 units. In addition, in FY 2020 one unit was preserved, bringing the total preserved to 422 units.

In 2019, the Affordable Housing Resources Panel (AHRP), a group of citizens tasked by the BOS to develop recommendations for Phase II of the Communitywide Housing Strategic Plan, presented its report to the Board's Budget Committee. Among the AHRP's recommendations were: to produce a minimum of 5,000 new units affordable to households earning up to 60 percent of Area Median Income (AMI) over the next fifteen years; to allocate the equivalence of an additional penny on the Real Estate Tax rate to support this production starting in FY 2021; and to achieve no net loss of total “market affordable” rental units in Fairfax County.

During March 2020, life in Fairfax County changed immensely as COVID-19 led to substantial economic struggles for local government, businesses, and residents alike and presented more questions than answers for the future. Even with COVID-19 occurring, the Fairfax County Department of Housing and Community Development, known as HCD, and the FCRHA were able to accomplish the following during FY 2020.

Our People

HCD manages the PROGRESS Center - a team of staff focused on increasing opportunities for residents to achieve self-sufficiency. The team is founded on strong partnerships with local community organizations that

help implement such programs as the Avenues to Career Training Program, that served 30 students in FY 2020, and the Family Self-Sufficiency Program. Through HCD the County administers 133 federal housing choice vouchers under the U.S. Department of Housing and Urban Development (HUD)-Veterans Affairs Supportive Housing (VASH) program for veterans experiencing homelessness or at risk of homelessness, and, in FY 2020, the FCRHA was awarded 70 vouchers through HUD's Mainstream Housing Choice Voucher Program to provide rental assistance for non-elderly persons with disabilities, and received 25 additional vouchers through the State Rental Assistance Program (bringing the total to 125 vouchers) to provide assistance for residents with developmental disabilities.

Our Policies and Practices

The FCRHA also works to leverage its resources and powers as a public housing authority to support the development of community resources to meet critical needs in neighborhoods across the County. In March 2020, the 2020 Housing Challenge was held where more than 100 policy and academic experts, nonprofit leaders, home builders, residents and students came together to brainstorm new solutions for providing more affordable housing opportunities. Teams considered ways for building public support for affordable housing, engaging partners to create more housing, and involving faith communities in developing housing. In May 2020, FCRHA purchased the closed Mount Vernon Athletic Club, as a first step toward enhancing recreation, leisure and development programs and services for the communities in the Buckman Road area on the west side of Richmond Highway. The FCRHA leveraged the value of resources by magnifying the effect of 150 project-based vouchers to support the construction of 431 new affordable homes for older adults at three separate developments in major activity centers across the county.

Our Projects and Services

In just under two weeks, from late May into early June, the County closed on three major projects.

1. The Arden, a development to be built immediately adjacent to the Huntington Metro Station that will include 126 affordable multifamily apartments.
2. The Residences at North Hill, a project that will include 216 affordable multifamily apartments, 63 affordable independent living apartments for older adults, and a 12-acre park.
3. The New Lake Anne House a project located in Reston that will replace the aging Lake Anne Fellowship House with 240 affordable independent living apartments for older adults.

During FY 2020, HCD staff were able to help 200 households with projects ranging from minor plumbing and electrical work to repairing gutters, doors, and windows under the Home Repair for the Elderly Program, and assisted 43 homeowners in buying a new home through the County's First-Time Homebuyers Program.

Leaders in Affordable Housing

In FY 2020, Fairfax County and the nonprofit Habitat of Humanity of Northern Virginia celebrated the rehabilitation of a 995 square-foot home in the Woodlawn section of Alexandria, a project developed with the FCRHA's investment of \$107,000 in federal HOME Investment Partnerships Program funding. For FY 2020, the FCRHA awarded \$2.4 million in federal Community Development Block Grant (CDBG) and HOME funds through a request for proposals to three nonprofit projects for the acquisition and/or rehabilitation of 13 units of affordable housing for low-income households. Throughout the year, nonprofits used \$2.6 million in CDBG and HOME financing to acquire, rehabilitate or construct 14 housing units that will be used as affordable rental and homeownership housing. In addition, the FCRHA committed more than \$13.4 million of FY 2020 Housing Blueprint funds for the development of three properties with 645 affordable homes.

Maintaining Operations During COVID-19

Despite the challenges created by COVID-19, FCRHA properties were fully maintained during the pandemic. While changes were implemented in how services were provided to FCRHA and HCD clients, programmatic operations continued as staff assisted County residents who were in need of its services.

Quality Communities

Fairfax County prides itself on its cultural and natural resources, as well as its many parks and other diverse recreational opportunities and assets.

Parks

The Fairfax County Park Authority (FCPA) continues to be one of the top park systems in the nation. Despite the significant challenges of COVID-19, a significant number of Park Authority programs, and facilities are now open and operational, new virtual and outdoor fitness and stewardship options were created and safety protocols in response to the pandemic were operationalized.

FCPA owns and/or manages 427 parks totaling 23,595 acres of parkland, or approximately 9.4% of the land in Fairfax County. FCPA maintains 783 fields Countywide, including 266 park fields and an additional 517 school or non-park fields including dozens of synthetic turf fields. Responsibilities include maintenance and/or operation of 225 playgrounds and 312 tennis & basketball courts, approximately 335 miles of trails, nine indoor recreation centers, eight golf courses (two at Twin Lakes), three lakefront parks, and seven distinctive historic sites available for rent. FCPA facilities offer convenient, healthful and diverse recreational options. Parks are an essential element of the high quality of life in Fairfax County with nearly 15 million visits each year to enjoy nature, historic sites, trails, sports, fitness, aquatics, programs, classes, and events. Open space abounds with approximately 73% of FCPA landholdings remaining in their natural state. The Park Authority's three premiere lakefront parks, Lake Fairfax, Burke Lake and Lake Accotink, experienced a tremendous surge in visitation as residents hit the trails during COVID-19 closures. Both the Water Mine and Our Special Harbor spray ground remained closed. As Fairfax cautiously moved forward, many lakefront amenities reopened, and outdoor or virtual programming resumed included socially distanced use of amusements, boating, campgrounds, and picnic shelters. Similarly, Resource Management Division sites including nature centers, as well as Green Spring Gardens and Frying Pan Farm Park resumed limited operations emphasizing on-demand programming for individual family units, as well as online programming to support virtual-learning.

Addressing systemic racial and social equity issues in our community and our park system is a work in progress. The Park Authority Board adopted and embraced the One Fairfax vision, ensuring a new social equity lens through which all projects and programs are now measured. An Equity Plan has been developed by the agency and integrated into division work plans and the agency Strategic Plan. Accessibility is key with 90% of residents living within a half mile proximity to parkland. Community partnerships and collaboration with the Park Foundation resulted in \$844,757 in donations which support camp scholarships, stewardship education, free community performances and outreach programs.

FCPA has adopted several different plans, completed studies and put in place a host of initiatives to prepare for the future. At the core of this effort was the Park Authority Board's adoption of the agency's first Parks and Recreation system master plan. With a ten-year horizon, *The Great Parks, Great Communities Parks and Recreation System Master Plan* is guiding the agency toward meeting expanding and changing community needs, as well as ensuring this agency meets national accreditation standards. FCPA's approved Strategic Plan for FY 2019 – FY 2023 provides a roadmap to further community priorities and provides a platform for revision of the agency's mission which emphasizes health, equity and inclusion while also reinforcing the Park Authority's longstanding focus on stewardship and recreation. To help achieve Strategic Plan goals, FCPA is adopting a new Parks, Recreation, Open Space, and Access (PROSA) approach to decision making and planning for capital improvements. This PROSA approach will continue the process of integrating One Fairfax and other emerging County policies into agency plans. With its dual mission firmly in place, the FCPA continued to implement its Natural Resource Management Plan (NRMP) and Cultural Resource Management Plan (CRMP).

The Park Authority completed its sixth full year of its agency-wide Natural Resource Management Plan (NRMP), initially adopted on January 29, 2014. The Natural Resources Branch (NRB) addressed an estimated 647 citizen inquiries, completed 207 invasive species treatment plans at 47 parks, and implemented 77 acres of prescribed fire at four parks, among many other efforts. NRB also completed two ecosystem restoration projects: Fitzhugh Park Natural Resources Management Plan Implementation and Riverbend Park Grassland Restoration and continued restoration activities at four other sites.

The Cultural Resource Plan saw the second Resident Curator Program lease signed at Turner Farm, the advertisement of three other properties and program excellence award from the National Association of County Parks and Recreation Officials. There were 160 development plan reviews, further development of an archaeological artifact inventory and database, as well as extensive stewardship education efforts community wide. Archaeologic surveys were completed at Riverbend Park, Mount Air, Mount Gilead. Significant rehabilitation of Sully Historic Site was completed, as well as development of GIS tools for field use, and planning for the development of a new historic collections facility.

Both improving customer service via e-commerce solutions and increased diverse community outreach efforts remain top agency priorities. New real-time registration solutions allow park users to make reservations for a host of activities. New GIS maps provide easy access to park trails. Similarly, the addition of new social media platforms, and a Virtual Exploration portal for on-demand programming and entertainment increased community participation. Virtual meetings keep governance at the forefront and the public informed and engaged.

Library

More than 402,000 people hold Fairfax County Public Library (FCPL) 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. FY 2020 brought the COVID-19 pandemic to Virginia, so FCPL closed its doors from March 16 to July 13 in keeping with the governor's stay-at-home and safer-at-home orders. Library programming staff pivoted to offering early literacy and adult programming online. Racial justice programs aimed at strengthening people's abilities to better understand the Black experience and to encourage thinking critically about social justice were among the popular programs.



Collections staff more than quadrupled spending on digital materials during the first two weeks of Virginia's stay-at-home orders. About 21,000 copies, representing more than 7,000 new titles, were added to the digital collection. A range of Spanish titles for both children and adults were among those titles added. Collections staff also created the first digital Lucky Day collection, making some of the most popular titles available for immediate checkout without waits or holds.

To help those who needed internet access for work or educational purposes, all FCPL branches expanded Wi-Fi availability in library parking lots. FCPL staff also conducted a system-wide inventory, it was the first in institutional memory. Branches re-opened for curbside pickup on June 1, 2020. During the month of June, customers borrowed 189,085 items via FCPL's curbside pickup service.

During FY 2020, Library Equity Access Pass (LEAP) accounts were piloted in the Justice High School pyramid, offering FCPL accounts that do not accrue late fees. That program is expanding throughout the County in October 2020.

Prior to the shutdown, FCPL hosted acclaimed poet Nikki Giovanni, one of Oprah Winfrey's Living Legends, celebrated the opening of its Sherwood TechLab, stocked with high- and low-tech tools for discovery and creation, and quadrupled the size of its popular all-in-one read-along collection. FCPL also awarded 11 scholarships to Career Online High School students; adults who want to earn their high school diploma online at no cost.

During FY 2020, FCPL saw circulation of more than 8.9 million, including an increased e-circulation of more than 2.3 million. FCPL is one of the top 40 active libraries in North America on the e-reading tool Overdrive, where items from FCPL's digital collection checked out more than 2.1 million times. Use of the library's live chat sessions increased almost 200%, largely due to customers looking for support in accessing digital materials.

ABOUT FAIRFAX COUNTY

Governmental Structure

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

The County government is organized under the Urban County Executive form of government (as defined under Virginia law). The governing body of the County is the 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 Board, 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

There are 36,844 payroll businesses, including corporate and regional headquarters, information technology firms, sales and marketing offices, and business services located in the County. 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. Recent achievements and highlights are as follows.

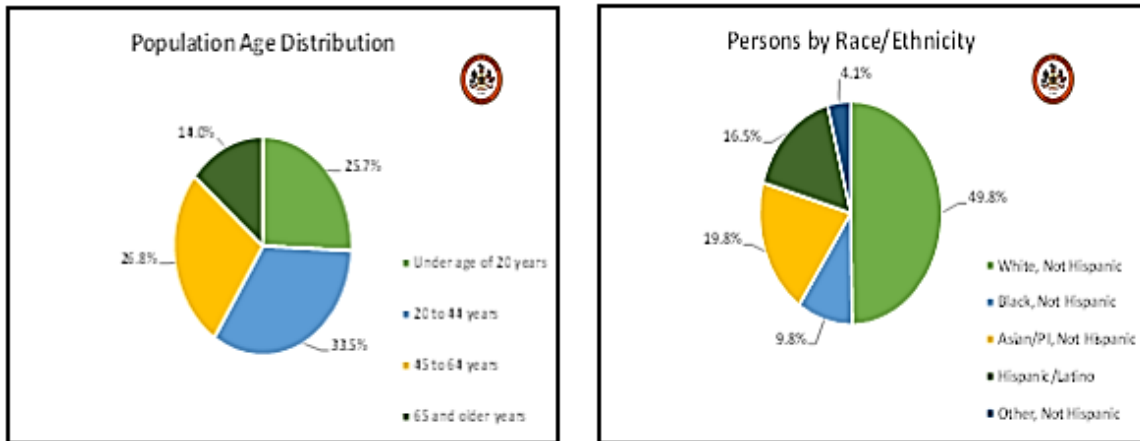
- The 2019 Inc. 5000 list of the nation's fastest-growing firms, most of which were in technology and professional services fields, included 116 Fairfax County companies. Eight of these companies are among the top 500 companies: Alpha Omega Integration; Assured Consulting Solutions; B3 Group; E&M Technologies; PBG Consulting; Ridgeline International; Urgent.ly; and Take2 Consulting.
- Eleven Fairfax County based companies made the 2019 Fortune 500 list including Beacon Roofing Supply; Booz Allen Hamilton Holding; Capital One Financial; DXC Technology; Freddie Mac; General Dynamics; Hilton Worldwide; Leidos Holdings; Northrop Grumman; NVR; and SAIC.

- Three of the largest private companies are located in Fairfax County, per Forbes.com: Mars; Bechtel; and Carahsoft.

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 2019, the County's estimated population was 1.16 million. Approximately 40 percent of all County residents, five years or older spoke a language other than English at home. The County had approximately 26 percent of its population under the age of 20 years, about 34 percent were between age of 20 to 44 years, approximately 27 percent were between the age of 45 to 64 years and age 65 years and over made up about 14 percent. The County is majority minority with 50.1 percent of the County's population consisted of racial/ethnic minorities according to the 2019 American Community Survey (ACS). Additionally, EDSR projects that the population of Fairfax will grow to 1.20 million by the year 2025. Also, as reported in the 2019 ACS, Fairfax County had an estimated annual median household income of \$128,374 compared to \$76,456 in the Commonwealth of Virginia, and \$65,712 in the United States. The following charts illustrates the County's population age distribution and its racial/ethnic composition based on data for 2019.



Online Resources:

<https://data.census.gov/cedsci/all?q=2019%20American%20Community%20Survey%20Fairfax%20County%20virginia>

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

Public Schools

FCPS is the 10th largest school division in the U.S. with 198 schools and centers. FCPS serves a diverse student population of more than 188,000 students in grades, prekindergarten through 12, speaking over 200 languages. Over 29 percent of the total student population is Economically Disadvantaged; 14.7 percent are reported as Students with Disabilities; and more than 27 percent of students are English Learners. Demographically, 37.8 percent of FCPS students are White, 26.8 percent are Hispanic, 19.5 percent are Asian, 9.8 percent are Black, 5.7 percent are two or more races, 0.3 percent are American Indian, and 0.1 percent are Native Hawaiian, (Source: 2019 Fall



Membership by Subgroup as reported in the Virginia Department of Education School Quality Profile). Nearly 92 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 2020 had 237 students, from 17 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 top ranked high school. For the school year 2019-2020, Virginia Department of Education did not rank schools, due to COVID-19. Rankings are based on a school's performance on state-required tests, graduation, and how well they prepare students for college, per *U.S. News and World Report*.

Online Resource: <https://www.fcps.edu/about-fcps>
<https://www.usnews.com/education/best-high-schools/articles/us-news-ranks-best-high-schools>
<https://www.schooldigger.com/go/VA/schoolrank.aspx?level=3>

Colleges and Universities

Higher education plays a critical role in developing a highly skilled and competitive workforce. There are 10 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 89,000 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/publications/colleges-and-universities/>

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 single audit.

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 Board 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 annual 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

For the full text of the Fairfax County *Ten Principles of Sound Financial Management*, refer to the link.

Online Resource: <http://www.fairfaxcounty.gov/dmb/ten-principles-of-sound-financial-management.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 the Third Quarter Review, serve as the primary mechanisms for revising appropriations. A synopsis of proposed changes is advertised and a public hearing is held prior to the adoption of amendments to the current year budget when adjustments exceed one percent of total expenditures.

Since 1999, the County has maintained a Revenue Stabilization Fund, included in the General Fund for reporting purposes, to provide a mechanism for maintaining a balanced budget without resorting to tax increases and expenditure reductions that aggravate the stresses imposed by the cyclical nature of the economy. The 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, 2020, the Revenue Stabilization Fund, Managed Reserve and Economic Opportunity Reserve balances were \$224,265,862, \$178,876,847 and \$31,444,084, 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 2020, only 13 of 50 states, 48 of 3,143 counties, and 34 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 CAFR for FY 2019. 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 comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. Since 1977, the County has received a Certificate of Achievement.

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 2019 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 CAFR, 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.

Park Authority Honored for Excellence in Financial Reporting

FCPA received a Certificate of Achievement for Excellence in Financial Reporting by GFOA for its FY 2019 Comprehensive Annual Financial Report. In recognizing the Park Authority, GFOA noted that they had "satisfied the high standards of the program."

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 2020, the County was one of only 25 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) 2020 Achievement Awards

Fairfax County received two National Association of Counties 2020 Achievement Awards, recognizing effective and innovative programs that contribute to and enhance county government in the United States.



- **Fairfax County Community Emergency Response Guide** - The Community Emergency Response Guide (CERG) was developed with input from several County agencies and community representatives as a one stop guide to help prepare the whole community for emergencies. The CERG is an innovative and informative resource to walk residents through the preparedness process.

- **Park Authority Idea Portal** - The Park Authority Idea Portal is a virtual suggestion box that encourages staff engagement and allows those who submit ideas to track the progress of their suggestion from review through implementation. Ideas are posted to the portal for 30 days to allow comment and discussion from anyone on the Park Authority staff. Once the public comment period ends, the ideas are passed on to the Leadership Team or Director's Office for review and possible implementation. Ideas have run the gamut, from name tags to solar panels, and they have covered subjects ranging from business and financial process, to workforce and customer enhancement, to cost savings and revenue generation, to new programs and services.

Stepping Up Innovator County - As a result of the significant work in the ADC, Fairfax County was named a national Stepping Up Innovator County by National Association of Counties in FY 2020 and is one of 23 jurisdictions in the country to receive this designation.

2020 Virginia Association of Counties (VACo) Achievement Award is a competitive program open to local government members of the association.



- **The My Field Journal** – The County's My Field Journal is a hands-on education tool that connects thousands of students to their local watershed and the Chesapeake Bay, while also providing an opportunity for teachers to relate state-mandated standards of learning to real world experiences. This program is offered free of charge by ecologists from DPWES. For many years, FCPS expressed the need for students to have a field journal that is closely connected to Virginia's Standards of Learning. The goal of the journal is to combine focused watershed-based education activities with individual journaling opportunities to create a product that meets the educational goals of FCPS teachers and environmental goals of County staff.

Digital Counties Survey & Technology Awards

The County was recognized in the top ten in the Center for Digital Government's 2020 Digital Counties Survey, as a technological innovator, in the category of jurisdictions with populations greater than 1,000,000. The County has been in the top ten, in fifteen of the last sixteen years of the award, and in the top three, nine times.



National Recreation and Park Association awarded FCPA its fourth Gold Medal Award of Excellence for park management and its third Commission for Accreditation of Park and Recreation Agencies (CAPRA) accreditation.



Virginia Recreation and Park Society honored the Valis Family Learning Center at Pinecrest Golf Course for the Best New Renovation/Addition in the Bricks and Mortar category, and the Margaret K. White Horticultural Park Restoration project as the Best New Environmental Sustainability project in a population area greater than 200,000.

Institute for Sustainable Infrastructure awarded the Envision Gold Award to the Noman M. Cole, Jr. Pollution Control Plant in Lorton, VA for the project to replace chemical disinfection system with an ultraviolet light system.

U.S. Green Building Council's LEED Silver Certification was achieved at the new monitoring and control building at the wastewater treatment plant in Lorton, VA.

National Associate for County Community and Economic Development selected Lewinsville Center as the 2019 Award of Excellence recipient.

Online Resource: <https://www.fairfaxcounty.gov/publicaffairs/awards>

ACKNOWLEDGMENTS

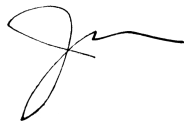
We express our sincere appreciation to all staff who contributed to this report, especially the members of the CAFR Project Team in the Financial Reporting and Financial Operations Divisions of the Department of Finance, who prepared and compiled this report. We commend them for their professionalism, hard work, and continued efforts in producing this report under extremely challenging circumstances. In addition, we acknowledge the cooperation and assistance of each County department throughout the year in the efficient administration of the County's financial operations.

This CAFR reflects our commitment to the residents and businesses of Fairfax County, the Board of Supervisors, and all interested readers of this report to provide information in conformance with the highest standards of financial reporting.

Respectfully,



Bryan J. Hill
County Executive



Joseph M. Mondoro
Chief Financial Officer



Christopher J. Pietsch
Director of Finance

**COUNTY OF FAIRFAX,
VIRGINIA**

Urban County Executive Form of Government
As of June 30, 2020

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	Lee 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

Tisha Deeghan

David M. Rohrer

Rachel O'Dwyer Flynn

DEPARTMENT OF MANAGEMENT AND BUDGET

Joseph M. Mondoro, Chief Financial Officer

DEPARTMENT OF FINANCE

Christopher J. Pietsch, Director

DEPARTMENT OF TAX ADMINISTRATION

Jaydeep Doshi, Director

PROCUREMENT AND MATERIAL MANAGEMENT

Cathy A. Muse, Director

OFFICE OF THE COUNTY ATTORNEY

Elizabeth D. Teare, County Attorney

OFFICE OF PUBLIC AFFAIRS

Tony Castrilli, Director

OFFICE OF THE INTERNAL AUDITOR

Sharon A. Pribadi, Director

INDEPENDENT AUDITOR

Cherry Bekaert LLP





ORGANIZATIONAL CHART



This report was prepared by:

COUNTY OF FAIRFAX, VIRGINIA
DEPARTMENT OF FINANCE

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DIRECTOR

Christopher J. Pietsch, CPFO, CIA, CBA

DEPUTY DIRECTOR

Deirdre M. Finneran, CPFO

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Jennifer Rosales, Financial Reporting Manager
Javed Khan, CPA, Financial Reporting Manager

Michelle Ashcraft, CPA
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Lisa Halsted, MBA
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Clyde Prentice Jr.
Xuan Wang

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

Nashwa Abualsaad
Franklin L. Fout, CPA
Dung La
Nanette A. Velasco
Amy Wang

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 CAFR for the fiscal year ended June 30, 2019. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. The County has received a Certificate of Achievement 42 times since 1977.



Government Finance Officers Association

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

Presented to

**County of Fairfax
Virginia**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

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 Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Fairfax, Virginia (the "County") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards and specifications require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, 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, 2020, 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.

Emphasis of Matter

As discussed in Note O to the financial statements, in March 2020 the World Health Organization declared COVID-19 a global pandemic. Given the uncertainty of the situation and the duration of any business disruption, the related financial impact cannot be reasonably estimated at this time. Our opinion is not modified with respect to this matter.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 5 to 19 and the required supplementary information and notes to the required supplementary information on pages 151 to 173 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, other supplementary information section, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information section 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information section is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2020, 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 controls 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.

A handwritten signature in black ink that reads "Cherry Bekant LLP". The signature is written in a cursive, flowing style.

Tysons Corner, Virginia
November 23, 2020



Management's Discussion and Analysis

The Management's Discussion and Analysis subsection provides a narrative introduction to and overview and analysis of the basic financial statements. It includes a description of the government-wide and fund financial statements, as well as an analysis of the County of Fairfax's overall financial position and results of operations.

MANAGEMENT'S DISCUSSION AND ANALYSIS (*UNAUDITED*)

This section of the County of Fairfax, Virginia's (the County) Comprehensive Annual Financial Report (CAFR) presents our discussion and analysis of the County's financial performance during the fiscal year that ended on June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Letter of Transmittal, located in the Introductory Section of the CAFR.

FINANCIAL HIGHLIGHTS

Highlights for Government-wide Financial Statements

The government-wide financial statements report information about the County as a whole using the economic resources measurement focus and accrual basis of accounting.

- The County's assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by \$805.9 million on a government-wide basis at June 30, 2020.
- For the fiscal year, taxes and other revenues of the County's governmental activities amounted to \$5,229.1 million. Expenses amounted to \$5,339.9 million.
- For the fiscal year, revenues of the County's business-type activities were \$245.5 million (excluding special item), and expenses were \$193.4 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 a decrease in fund balance of \$75.4 million for fiscal year 2020, compared to an increase of \$84.1 million for fiscal year 2019.
- The County's General Fund reported a fund balance of \$607.8 million, an increase of \$73.0 million, or 13.6 percent, as of June 30, 2019.

General Financial Highlights

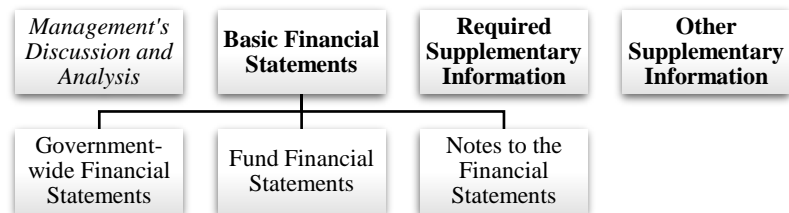
- In August 2019, the Fairfax County Redevelopment and Housing Authority issued \$61.8 million of Series 2019 Revenue Refunding Bonds (Wedgewood Affordable Housing Acquisition) to refund a portion of the principal amount of the Series 2009 Bonds outstanding.
- In February 2020, the County issued \$314.4 million of Series 2020A General Obligation Public Improvement Bonds and Refunding Bonds. Of this total, \$213.9 million are being used to finance school, park, road, and other County improvements, and \$100.5 million were used to refund a certain outstanding maturity of Series 2012A Bonds in order to save \$17.6 million in future debt service payments, with \$15.8 million net present value.
- In April 2020, the County closed on a partial defeasance in the amount of \$17.5 million of certain Series 2016 obligations associated with the Transportation District Improvement Revenue Bonds (Silver Line Phase 1 Project) in order to save \$28.6 million in future debt service payments.

- In May 2020, the Economic Development Authority issued \$62.3 million of Revenue Refunding Bonds (Wiehle Avenue Metrorail Station Parking Project), Series 2020, to refund for debt savings all of the 2011 Wiehle bonds maturing on or after August 1, 2021.

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, fiduciary funds, and component units.

Government-wide Financial Statements

The government-wide financial statements report information about the County as a whole using accounting methods similar to those used by private-sector businesses. In addition, they report the County's net position and how 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 agency funds. The pension trust funds are used to account for the assets held in trust by the County for the employees and beneficiaries of its defined benefit pension plans—the Employees' Retirement System, the Police Officers Retirement System, and the Uniformed Retirement System. The OPEB trust fund is used to account for the assets held in trust by the County for other post employment benefits. The agency funds are used to account for monies received, held, and disbursed on behalf of developers, welfare recipients, the Commonwealth of Virginia, the recipients of certain bond proceeds, and certain other local governments.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Statement of Net Position

The tables below and on the following page present a Summary of Net Position for the reporting entity as of June 30, 2020 and 2019:

Summary of Net Position As of June 30 (\$ in millions)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Assets:						
Current and other assets	\$ 6,147.5	\$ 5,900.9	\$ 247.0	\$ 262.2	\$ 6,394.5	\$ 6,163.1
Capital assets (net)	3,041.0	2,977.9	1,679.0	1,601.4	4,720.0	4,579.3
Total assets	9,188.5	8,878.8	1,926.0	1,863.6	11,114.5	10,742.4
Deferred outflow of resources:	660.5	673.6	32.0	34.5	692.5	708.1
Liabilities:						
Current liabilities	568.2	368.6	34.1	28.4	602.3	397.0
Long-term liabilities	5,957.5	5,841.2	653.5	660.1	6,611.0	6,501.3
Total liabilities	6,525.7	6,209.8	687.6	688.5	7,213.3	6,898.3
Deferred inflow of resources:	3,783.6	3,692.1	4.2	5.4	3,787.8	3,697.5
Net position:						
Net investment in capital assets	2,265.8	2,213.7	1,112.4	1,065.1	3,378.2	3,278.8
Restricted	382.0	475.4	20.3	19.4	402.3	494.8
Unrestricted (deficit)	(3,108.1)	(3,038.6)	133.5	119.7	(2,974.6)	(2,918.9)
Net position	\$ (460.3)	\$ (349.5)	\$ 1,266.2	\$ 1,204.2	\$ 805.9	\$ 854.7

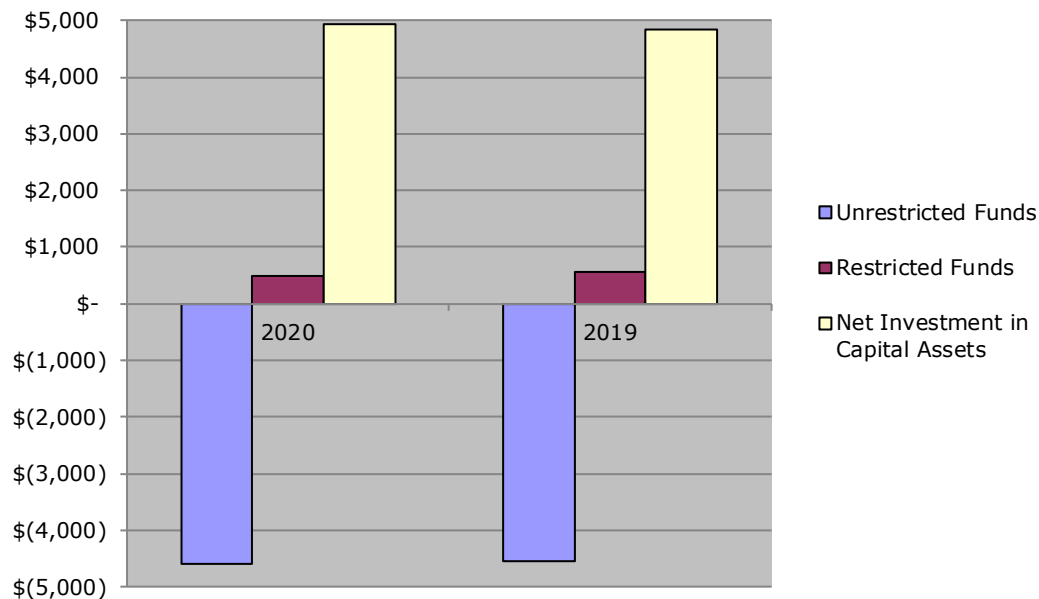
Summary of Net Position - continued As of June 30 (\$ in millions)								
	Total Primary Government		Component Units		Reclassifications*		Total Reporting Entity	
	2020	2019	2020	2019	2020	2019	2020	2019
Assets:								
Current and other assets	\$ 6,394.5	\$ 6,163.1	\$ 790.0	\$ 772.4	\$ -	\$ -	\$ 7,184.5	\$ 6,935.5
Capital assets (net)	4,720.0	4,579.3	3,454.7	3,374.5	-	-	8,174.7	7,953.8
Total assets	11,114.5	10,742.4	4,244.7	4,146.9	-	-	15,359.2	14,889.3
Deferred outflow of resources:	692.5	708.1	1,028.9	790.3	-	-	1,721.4	1,498.4
Liabilities:								
Current liabilities	602.3	397.0	225.3	221.0	-	-	827.6	618.0
Long-term liabilities	6,611.0	6,501.3	4,637.6	4,188.8	-	-	11,248.6	10,690.1
Total liabilities	7,213.3	6,898.3	4,862.9	4,409.8	-	-	12,076.2	11,308.1
Deferred inflow of resources:	3,787.8	3,697.5	386.5	525.0	-	-	4,174.3	4,222.5
Net position:								
Net investment in capital assets	3,378.2	3,278.8	3,255.0	3,222.6	(1,690.2)	(1,667.4)	4,943.0	4,834.0
Restricted	402.3	494.8	137.3	117.9	(51.7)	(47.7)	487.9	565.0
Unrestricted (deficit)	(2,974.6)	(2,918.9)	(3,368.1)	(3,338.1)	1,741.9	1,715.1	(4,600.8)	(4,541.9)
Net position	\$ 805.9	\$ 854.7	\$ 24.2	\$ 2.4	\$ -	\$ -	\$ 830.1	\$ 857.1

*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.

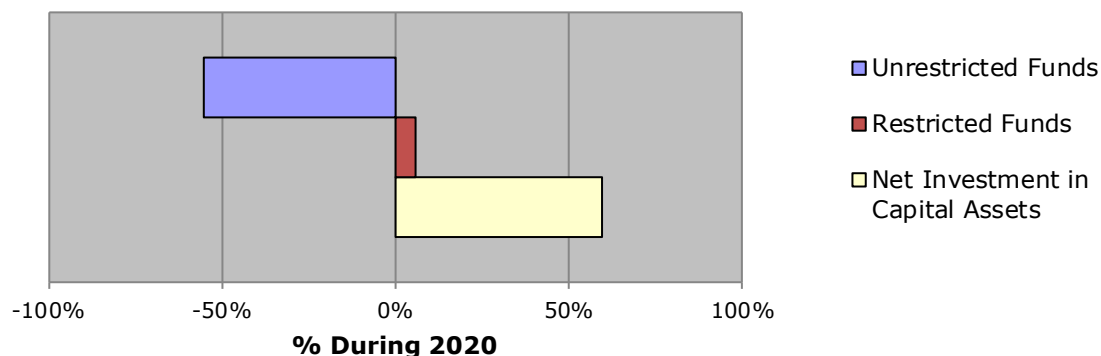
As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the reporting entity, assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by \$830.1 million at the end of fiscal year 2020, representing a decrease of \$27.0 million from the net position at June 30, 2019, as shown above. The decrease in fiscal year 2020 net position was due to the decrease in charges for services and the adverse effects of the COVID-19 pandemic.

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



As shown below, the largest portion of net position is the net investment in capital assets (e.g., land, buildings, infrastructure, and equipment, net of depreciation and amortization), less the outstanding debt that was used to acquire those assets 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 (\$327.2 million), grant programs (\$74.4 million), housing (\$54.9 million), and community centers (\$11.0 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

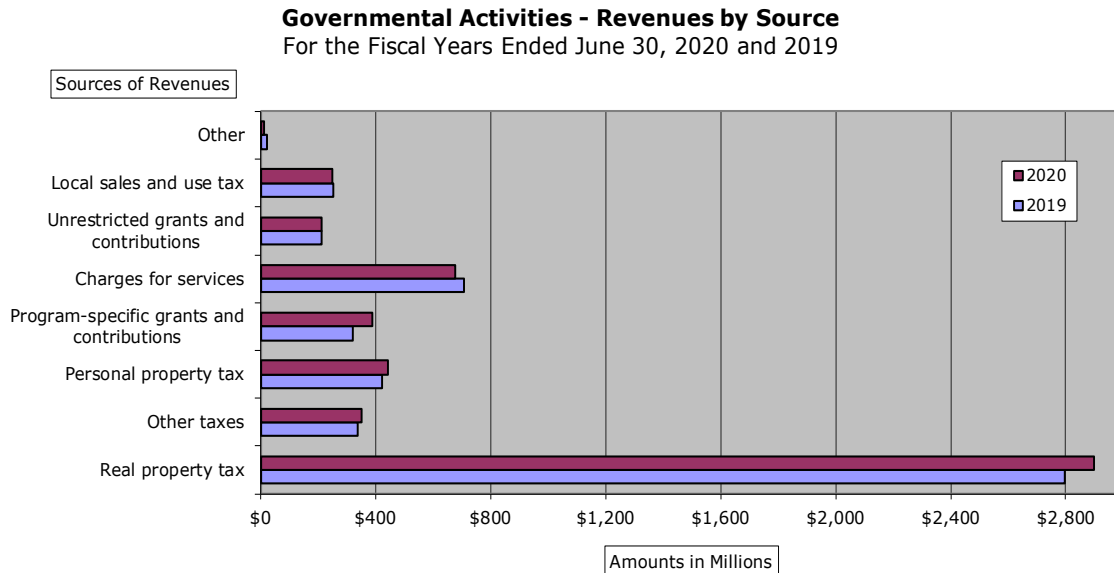
The following table summarizes the changes in Net Position for the primary government for the fiscal years ended June 30, 2020 and 2019:

Summary of Changes in Net Position For the Fiscal Years Ended June 30 (\$ in millions)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 677.2	\$ 706.3	\$ 240.0	\$ 232.4	\$ 917.2	\$ 938.7
Operating grants and contributions	346.8	274.3	-	-	346.8	274.3
Capital grants and contributions	40.7	45.9	2.6	0.9	43.3	46.8
General revenues:						
Real property tax	2,897.8	2,796.6	-	-	2,897.8	2,796.6
Personal property tax	443.3	421.7	-	-	443.3	421.7
Business licenses tax	180.1	170.1	-	-	180.1	170.1
Local sales and use tax	249.7	252.3	-	-	249.7	252.3
Consumers utility tax	110.5	107.3	-	-	110.5	107.3
Other taxes	59.9	59.4	-	-	59.9	59.4
Unrestricted grants and contributions	211.4	211.4	-	-	211.4	211.4
Revenue from the use of money	11.7	23.5	2.9	3.7	14.6	27.2
Total revenues	5,229.1	5,068.8	245.5	237.0	5,474.6	5,305.8
Expenses:						
General government administration	258.3	200.3	-	-	258.3	200.3
Judicial administration	76.7	65.3	-	-	76.7	65.3
Public safety	879.2	780.4	-	-	879.2	780.4
Public works	274.4	251.7	193.4	188.7	467.8	440.4
Health and welfare	721.9	660.9	-	-	721.9	660.9
Community development	550.1	442.8	-	-	550.1	442.8
Parks, recreation, and cultural	143.7	133.5	-	-	143.7	133.5
Education	2,332.4	2,251.6	-	-	2,332.4	2,251.6
Interest on long-term debt *	103.2	114.0	-	-	103.2	114.0
Total expenses	5,339.9	4,900.5	193.4	188.7	5,533.3	5,089.2
Increase (decrease) in net position before special item	(110.8)	168.3	52.1	48.3	(58.7)	216.6
Special items:						
Gain from sale of purchased capacity	-	-	9.9	-	9.9	-
Increase (decrease) in net position	(110.8)	168.3	62.0	48.3	(48.8)	216.6
Beginning net position	(349.5)	(517.8)	1,204.2	1,155.9	854.7	638.1
Ending net position	\$ (460.3)	\$ (349.5)	\$ 1,266.2	\$ 1,204.2	\$ 805.9	\$ 854.7

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

Governmental Activities

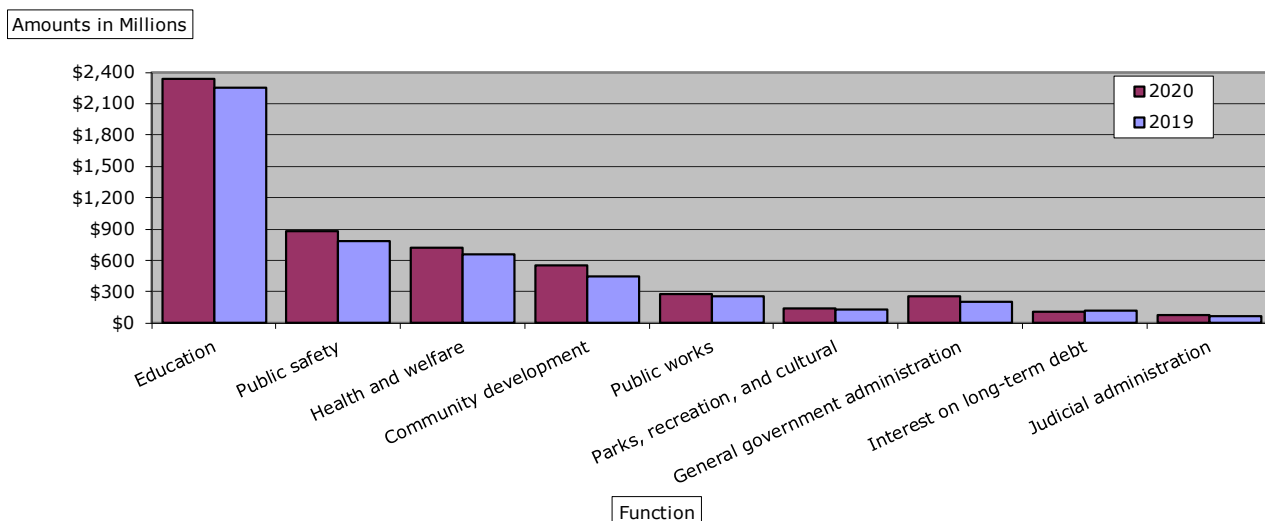
Revenue for the County's governmental activities was \$5,229.1 million for fiscal year 2020, representing an increase of \$160.3 million over fiscal year 2019. Sources of revenue for fiscal years 2020 and 2019 are shown below:



Taxes constitute the largest source of County revenues, amounting to \$3,941.3 million for fiscal year 2020, an increase of \$133.9 million over fiscal year 2019, primarily due to real property taxes. Real property taxes (\$2,897.8 million) represent 73.5 percent of total taxes and over half of all revenues combined. The real estate base tax rate increased in fiscal year 2020, as well as the real estate assessments, resulting in the increased revenue. Unrestricted grants and contributions include \$211.4 million in revenue from the Commonwealth of Virginia to reimburse Fairfax County as part of the Personal Property Tax Relief Act (see Note C to the financial statements).

Governmental Activities - Expenses by Function

For the Fiscal Years Ended June 30, 2020 and 2019



The total cost of all of the County's governmental activities for fiscal year 2020 was \$5,339.9 million, representing an increase of \$439.4 million over fiscal year 2019. As the table below indicates, education continues to be the County's largest program. Education totaled \$2,332.4 million in fiscal year 2020, an increase of \$80.8 million over fiscal year 2019, and support school operations and to service debt for bond-funded projects to build new schools and renew older facilities. Community development increased by \$107.3 million in total cost of services compared to fiscal year 2019. A significant portion of this arises from the completion of major transportation projects.

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	
	2020	2019	2020	2019
Education	\$ 2,332.4	2,251.6	\$ 2,332.4	2,251.5
Public safety	879.2	780.4	757.2	656.3
Health and welfare	721.9	660.9	422.7	404.0
Community development	550.1	442.8	253.8	150.1
Public works	274.4	251.7	85.5	56.1
General government administration	258.3	200.3	154.8	99.0
Other	323.6	312.8	268.8	257.0
Total	\$ 5,339.9	4,900.5	\$ 4,275.2	3,874.0

Some of the cost of governmental activities was paid by those who directly benefited from the programs, these costs totaled \$677.2 million. Other governments and organizations subsidized certain programs with grants and contributions totaling \$387.5 million. Of the \$4,275.2 million net cost of services, the amount that taxpayers paid for these programs through County taxes was \$3,941.3 million.

Business-type Activities

The Sewer System recovers its costs primarily through user service charges and availability fees. For fiscal year 2020, the Sewer System reported an increase in net position of \$62.0 million. Total revenues of the Sewer System increased \$8.5 million from fiscal year 2019. This increase was primarily the result of an increase in the sewer base charges.

Total expenses of the Sewer System for fiscal year 2020 were \$193.4 million, increasing by \$4.7 million from fiscal year 2019. This increase was primarily the result of increases in personnel services and contractual services.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. Fund balance classifications are reported by purpose within these classifications; nonspendable, restricted, committed, assigned, and unassigned as defined by GASB 54.

As of June 30, 2020, the County's governmental funds had a combined fund balance of \$1,595.0 million, compared with \$1,670.5 million at June 30, 2019. Of the fiscal year 2020 fund balance, \$41.1 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 14.1 percent (\$85.6 million) of the total 2020 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, 61.9 percent (\$986.9 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 0.13 percent (\$2.1 million) of the total fund balance. At June 30, 2020, \$403.1 million of the General Fund's committed fund balance of \$479.4 million is designated for the managed reserve and revenue stabilization fund based on fiscal year 2020 actuals.

For the fiscal year ended June 30, 2020, fund balances for all governmental funds decreased by \$75.5 million, compared with the \$84.1 million increase for fiscal year ended June 30, 2019. Total revenues and other financing sources were \$6,419.9 million, total expenditures and other financing uses were \$6,495.4 million, resulting in the increase to the fund balances. Although total revenues were less than expenditures in fiscal year 2020, the total other financing sources and uses exceeded the deficiency of revenues over expenditures. In comparison to fiscal year 2019, total revenues and other financing sources increased by \$309.4 million mainly due to the rise in real estate assessments. Expenditures and other financing uses increased by \$469.0 million compared to fiscal year 2019 due to a combination of increases in employee pay and the funding provided to FCPS.

The General Fund is the main operating fund of the County. At the end of the current fiscal year, the unassigned fund balance was \$85.6 million, which represents approximately 2.1 percent of the General Fund's total expenditures. Revenues of \$4,509.6 million, less expenditures of \$3,835.9 million and other financing uses of \$600.7 million, resulted in a net increase in fund balance of \$73.0 million. This increase was primarily attributed to the rise in real estate 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 17.7 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, 2020 (\$ in millions)	
General fund committed reserves ⁽¹⁾ :	
Revenue stabilization fund reserve	\$ 224.3
Managed reserve	178.9
Information Technology and others	76.2
Total committed	479.4
General fund assigned reserves (encumbrances)	41.1
General fund unassigned reserves	85.6
General fund supported reserves ⁽²⁾ :	
Community services board	26.1
Internal service fund reserves ⁽³⁾ :	
Vehicle related reserves	58.6
Technology related reserves	13.0
Self insurance reserves	95.2
Total reserves funded by and available to the general fund	799.0
General fund revenues and transfers in ⁽⁴⁾ :	
General fund revenues	4,509.6
Transfers in	13.3
Total general fund revenues and transfers in	\$ 4,522.9
Total available reserves as % of general fund revenues	17.7%

(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 \$304.1 million or 6.8 percent. This increase is due primarily to the carryover of prior-year commitments. The final amended budget revenues and transfers were more than the original budget by a net of \$203.7 million or 4.6 percent, primarily due to higher than projected Real and Personal Property Tax receipts, Recordation Taxes, Permits, Fees, and Regulatory Licenses, Charges for Services, and Intergovernmental revenue associated with the receipt of over \$200 million in one-time federal stimulus funds from the Coronavirus Aid, Relief, and Economic Security (CARES) Act Coronavirus Relief Fund.

Actual revenues were \$12.9 million less than final budget amounts, and actual expenditures were \$278.0 million less than final budget amounts. Highlights of the comparison of final budget to actual figures for the fiscal year ended June 30, 2020, include the following:

- Charges for Services revenue were \$16.3 million, or 18.9 percent, less than budgeted amounts primarily due to lower than projected School Age Child Care fees and other County fees due to COVID-19 related closures.
- Intergovernmental revenue was \$2.6 million more than budgeted amounts primarily associated with reimbursable expenditures for various public assistance programs.

- General government administration expenditures were \$8.6 million, or 6.6 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 \$36.4 million, or 6.6 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 \$43.5 million, or 12.4 percent, less than budgeted amounts due to managing position vacancies, lower than anticipated costs in the Department of Family Services, the Health Department, the Department of Neighborhood and Community Services, and encumbrances carried forward to the next fiscal year.
- Nondepartmental expenditures were \$166.0 million, or 27.0 percent, less than budgeted amounts primarily due to lower than anticipated costs in Unclassified Administrative Expenses and savings in employer contributions to group health insurance and three County Retirement Systems.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The County's investment in capital assets as of June 30, 2020, amounted to \$4.7 billion, which represents an increase of \$140.7 million, or 3.1 percent, over last year. Capital assets as of June 30, 2020 and 2019, are summarized below:

Capital Assets As of June 30 (\$ in millions)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Land and easements	\$ 460.8	436.2	\$ 18.0	18.0	\$ 478.8	454.2
Buildings, improvements, and infrastructure	3,102.5	2,908.0	1,511.9	1,462.3	4,614.4	4,370.3
Software	163.3	129.0	-	-	163.3	129.0
Vehicles, equipment and library collections	632.4	612.4	15.8	14.2	648.2	626.6
Construction in progress	317.5	419.1	228.5	177.6	546.0	596.7
Equipment under construction	32.3	34.2	-	-	32.3	34.2
Software in development	15.9	30.7	-	-	15.9	30.7
Purchased capacity	-	-	1,124.3	1,088.8	1,124.3	1,088.8
Total capital assets	4,724.7	4,569.6	2,898.5	2,760.9	7,623.2	7,330.5
Less: Accumulated depreciation and amortization	(1,683.7)	(1,591.7)	(1,219.5)	(1,159.5)	(2,903.2)	(2,751.2)
Total capital assets, net	\$ 3,041.0	2,977.9	\$ 1,679.0	1,601.4	\$ 4,720.0	4,579.3

The major capital asset activities for fiscal year 2020 included the following:

- Developers' contributions of sewer lines and manholes totaled \$2.5 million; contributions of stormwater and pedestrian walkway related totaled \$2.9 million.
- The purchase of library books and audio/video materials totaled \$5.0 million, funded through general operating revenues.

- Improvements to transportation, including bus and rail service, totaled \$10.5 million, and County and Regional transportation projects, totaled \$19.2 million.
- Expenditures related to construction of the Herndon and Innovation Metrorail Parking Facility, Hayfield Rd Flood Mitigation, Fire Station in multiple locations and Capital Sinking fund for facilities and walkways were \$10.3 million, \$7.2 million, \$27.0 million and \$8.6 million, respectively.
- The Sewer System's share of the upgrade and operating costs of the Noman Cole Treatment Plant Renovation, totaled \$68.8 million.
- The acquisition of Software increased by \$19.5 million for improving general government administration function.

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 \$1.5 billion of general obligation bond sales over a five-year period, for an average of \$300 million annually, with a maximum of \$325 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 not exceed 10.00 percent of annual General Fund expenditures and transfers out. For fiscal year 2020, these percentages were 1.05 percent and 7.46 percent, respectively.

In February 2020, the County issued \$314.4 million of Series 2020A General Obligation Public Improvement and Refunding Bonds with a true interest cost of 1.81 percent and a premium of \$75.7 million. Proceeds of \$213.9 million are being used to fund new facilities and improvements, as follows (in millions):

County facilities:	
Transportation Improvements	\$ 5.9
Public safety facilities	4.0
Other purposes	5.7
Park facilities	22.0
Transportation facilities	32.4
Public Schools facilities	<u>143.9</u>
Total bonds issued for new projects.....	<u>\$213.9</u>

In August 2019, the Fairfax County Redevelopment and Housing Authority issued \$61.8 million of Series 2019 Revenue Refunding Bonds (Wedgewood Affordable Housing Acquisition) to refund a portion of the principal amount of the Series 2009 Bonds outstanding in order to save \$18.7 million of future debt service payments, with a \$15.6 million net present value.

In April 2020, the County closed on a partial defeasance in the amount of \$17.5 million of certain Series 2016 obligations associated with the Transportation District Improvement Revenue Bonds (Silver Line Phase 1 Project) in order to save \$28.6 million of future debt service payments, with a \$21.7 million net present value.

In May 2020, the Economic Development Authority issued \$62.3 million of Revenue Refunding Bonds (Wiehle Avenue Metrorail Station Parking Project), Series 2020, to refund all of the 2011 Wiehle bonds maturing on or after August 1, 2021 in order to save \$17.8 million of future debt service payments, with a \$12.4 million net present value.

The following is a summary of the County's gross outstanding long-term debt as of June 30, 2020 and 2019:

Outstanding Long-term Debt As of June 30 (\$ in millions)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
General obligation bonds issued for:						
County facilities	\$ 823.3	832.9	\$ -	-	\$ 823.3	832.9
Public Schools facilities	1,435.8	1,435.2	-	-	1,435.8	1,435.2
Revenue bonds	700.0	780.8	-	-	700.0	780.8
Sewer revenue bonds	-	-	564.3	571.0	564.3	571.0
Notes payable and other	463.9	464.7	-	-	463.9	464.7
Total County outstanding debt	\$ 3,423.0	3,513.6	\$ 564.3	571.0	\$ 3,987.3	4,084.6

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 2021:

- The assessed value of all real property increased by \$9.6 billion, or 3.76 percent, over the fiscal year 2020 value. This resulted from a moderate increase in existing residential and non-residential property values.
- Equalized residential property assessments increased 2.65 percent and non-residential equalization increased 2.87 percent for fiscal year 2021. In the last five years since FY 2017, growth in non-residential equalization has been higher than that of residential equalization.
- Personal property tax revenue is projected to decrease 1.50 percent in fiscal year 2021 compared to the fiscal year 2020 revised budget. The total vehicle volume is forecasted to decline 0.10 percent in 2021.
- The General Fund revenue is expected to decrease 4.37 percent compared to fiscal year 2020 revised budget due to the current economic disruptions caused by the COVID-19 pandemic which forced many states to impose lockdowns.

The fiscal year 2021 Adopted Budget includes revenues of \$4.46 billion, or a 4.37 percent decrease from the fiscal year 2020 Revised Budget Plan. Real and personal property taxes represent the majority of budgeted revenues, comprising approximately 81.70 percent of the fiscal year 2021 General Fund revenues. Revenue from real property taxes alone makes up 67.35 percent of total revenues, as compared with approximately 64.85 percent in the fiscal year 2020 Adopted Budget.

Budgeted disbursements, which include expenditures and transfers out, total \$4.47 billion, a 5.92 percent decrease from the fiscal year 2020 Revised Budget Plan. County funding for Public Schools is \$2.35 billion which is approximately 52.64 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 \$265.23 million, or 14.00 percent, from fiscal year 2020.

The following tax rates and fees were approved for fiscal year 2021:

- Real estate tax rate remains the same at \$1.15 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 decreases, from \$0.11 to \$0.09 per \$100 of assessed value, levied on commercial and industrial properties in the district. Dulles Rail Phase II remains at \$0.20 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 remains at \$7.28 per 1,000 gallons of water consumption and the Sewer Availability Charge for new single family homes remains at \$8,340 per unit. The Sewer Base Charge remains at \$32.91 per quarter.
- Refuse collection rate for County collection sanitation districts decreases from \$385 to \$370 per household and the refuse disposal rate remains at \$68 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 maintained the dedication of one-half penny of the real estate tax rate for the preservation of Affordable Housing. Funding adjustments and strategies have been incorporated in the fiscal year 2021 Adopted Budget Plan to continue to address the County's commitment to achieving the strategic priorities of a strong investment in education; public safety and gang prevention; affordable housing; environmental protection; transportation improvements; and revenue diversification to reduce the burden on the homeowner.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our residents, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County of Fairfax, Virginia, Department of Finance, 12000 Government Center Parkway, Fairfax, Virginia, 22035. This report can also be found on the County's web site at www.fairfaxcounty.gov.



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, 2020

	Primary Government		Total Primary Government
	Governmental Activities	Business-type Activities	
ASSETS			
Equity in pooled cash and temporary investments	\$ 1,216,541,117	134,043,965	1,350,585,082
Cash in banks/with fiscal agents	-	-	-
Investments	914,784,059	-	914,784,059
Receivables (net of allowances):			
Accounts	20,634,739	1,670,739	22,305,478
Accrued interest	7,428,777	-	7,428,777
Property taxes:			
Delinquent	23,329,439	-	23,329,439
Not yet due	3,420,171,056	-	3,420,171,056
Business license taxes - delinquent	2,441,543	-	2,441,543
Loans	58,798,142	-	58,798,142
Notes	-	-	-
Due from intergovernmental units (net of allowances):			
Property tax relief - not yet due	211,313,944	-	211,313,944
Other	92,195,181	62,724,073	154,919,254
Due from primary government	-	-	-
Due from component units	117,954	-	117,954
Loan to component unit	10,185,100	-	10,185,100
Lease to component unit	36,610,000	-	36,610,000
Inventories of supplies	3,542,464	434,339	3,976,803
Prepaid and other assets	2,067,385	-	2,067,385
Restricted assets:			
Equity in pooled cash and temporary investments	24,589,530	5,974,892	30,564,422
Cash and temporary investments with fiscal agents	102,476,961	20,281,937	122,758,898
Deposit held in trust	-	-	-
Investments	-	21,900,445	21,900,445
Property held for sale	223,600	-	223,600
Capital assets:			
Non-depreciable/non-amortizable:			
Land and easements	460,824,135	18,016,126	478,840,261
Construction in progress	317,482,087	228,534,517	546,016,604
Equipment under construction	32,326,248	-	32,326,248
Software in development	15,938,112	-	15,938,112
Depreciable/amortizable:			
Vehicles and equipment	517,254,071	15,844,067	533,098,138
Software	163,335,355	-	163,335,355
Library collections	115,106,917	-	115,106,917
Purchased capacity	-	1,124,322,562	1,124,322,562
Buildings and improvements	1,955,205,437	91,782,433	2,046,987,870
Infrastructure	1,147,273,589	1,419,953,831	2,567,227,420
Accumulated depreciation	(1,621,065,056)	(757,933,351)	(2,378,998,407)
Accumulated amortization	(62,675,972)	(461,537,128)	(524,213,100)
Total assets	9,188,455,914	1,926,013,447	11,114,469,361
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow for pension contributions subsequent to the measurement date	277,088,400	5,292,297	282,380,697
Deferred outflow for change in proportion (pensions)	9,177,394	878,924	10,056,318
Deferred outflow for differences between expected and actual experience (pensions)	64,657,912	1,704,586	66,362,498
Deferred outflow of recognition of pension investments	129,549,955	2,023,910	131,573,865
Deferred outflow for changes in assumptions (pensions)	28,014,120	497,735	28,511,855
Deferred outflow for OPEB contributions subsequent to the measurement date	17,982,362	474,204	18,456,566
Deferred outflow for change in proportion (OPEB)	28,710	-	28,710
Deferred outflow for differences between expected and actual experience (OPEB)	16,171,274	421,321	16,592,595
Deferred outflow for recognition of investments (OPEB)	-	-	-
Deferred outflow for changes in assumptions (OPEB)	78,370,831	2,041,845	80,412,676
Deferred amounts from the refunding of debt	39,409,896	18,657,654	58,067,550
Total deferred outflows of resources	\$ 660,450,854	31,992,476	692,443,330
See accompanying notes to the financial statements.			

EXHIBIT A

Total Component Units	Reclassifications (See Note A-13)	Total Reporting Entity	
			ASSETS
460,180,066	-	1,810,765,148	Equity in pooled cash and temporary investments
38,946,923	-	38,946,923	Cash in banks/with fiscal agents
2,695,000	-	917,479,059	Investments
			Receivables (net of allowances):
14,127,872	-	36,433,350	Accounts
96,715	-	7,525,492	Accrued interest
			Property taxes:
-	-	23,329,439	Delinquent
-	-	3,420,171,056	Not yet due
-	-	2,441,543	Business license taxes - delinquent
-	-	58,798,142	Loans
55,860,326	-	55,860,326	Notes
			Due from intergovernmental units (net of allowances):
-	-	211,313,944	Property tax relief - not yet due
40,982,635	-	195,901,889	Other
4,351,942	-	4,351,942	Due from primary government
-	-	117,954	Due from component units
-	-	10,185,100	Loan to component unit
-	-	36,610,000	Lease to component unit
1,631,152	-	5,607,955	Inventories of supplies
3,850,013	-	5,917,398	Prepaid and other assets
			Restricted assets:
100,600,954	-	131,165,376	Equity in pooled cash and temporary investments
55,604,805	-	178,363,703	Cash and temporary investments with fiscal agents
7,766,954	-	7,766,954	Deposit held in trust
2,664,816	-	24,565,261	Investments
637,770	-	861,370	Property held for sale
			Capital assets:
			Non-depreciable/non-amortizable:
484,355,761	-	963,196,022	Land and easements
421,946,547	-	967,963,151	Construction in progress
-	-	32,326,248	Equipment under construction
90,987	-	16,029,099	Software in development
			Depreciable/amortizable:
374,478,695	-	907,576,833	Vehicles and equipment
13,260,834	-	176,596,189	Software
21,368,173	-	136,475,090	Library collections
-	-	1,124,322,562	Purchased capacity
4,892,635,086	-	6,939,622,956	Buildings and improvements
-	-	2,567,227,420	Infrastructure
(2,744,192,723)	-	(5,123,191,130)	Accumulated depreciation
(9,269,827)	-	(533,482,927)	Accumulated amortization
4,244,671,476	-	15,359,140,837	Total assets
			DEFERRED OUTFLOWS OF RESOURCES
432,846,975	-	715,227,672	Deferred outflow for pension contributions subsequent to the measurement date
48,750,623	-	58,806,941	Deferred outflow for change in proportion (pensions)
			Deferred outflow for differences between expected and actual experience (pensions)
68,157,757	-	134,520,255	Deferred outflow of recognition of pension investments
58,122,302	-	189,696,167	Deferred outflow for changes in assumptions (pensions)
278,873,015	-	307,384,870	Deferred outflow for OPEB contributions subsequent to the measurement date
29,241,462	-	47,698,028	Deferred outflow for change in proportion (OPEB)
9,055,329	-	9,084,039	Deferred outflow for differences between expected and actual experience (OPEB)
78,994,237	-	95,586,832	Deferred outflow for recognition of investments (OPEB)
5,638,125	-	5,638,125	Deferred outflow for changes in assumptions (OPEB)
19,187,233	-	99,599,909	Deferred amounts from the refunding of debt
-	-	58,067,550	
1,028,867,058	-	1,721,310,388	Total deferred outflows of resources

continued

COUNTY OF FAIRFAX, VIRGINIA
Statement of Net Position
June 30, 2020

	Primary Government		Total Primary Government
	Governmental Activities	Business-type Activities	
LIABILITIES			
Accounts payable and accrued liabilities	\$ 119,868,876	1,435,610	121,304,486
Accrued salaries and benefits	92,452,363	2,181,679	94,634,042
Contract retainages	8,127,800	23,916,213	32,044,013
Accrued interest payable	36,242,726	6,520,721	42,763,447
Due to intergovernmental units	7,387,291	-	7,387,291
Due to primary government	-	-	-
Due to component units	4,351,942	-	4,351,942
Unearned revenue	-	-	-
Other	176,300,632	-	176,300,632
Performance and other deposits	123,499,503	-	123,499,503
Long-term liabilities:			
Portion due or payable within one year:			
General obligation bonds payable, net	241,522,314	-	241,522,314
Revenue bonds payable, net	44,542,593	31,150,712	75,693,305
Notes payable, net	645,000	-	645,000
Compensated absences payable	77,426,810	1,607,689	79,034,499
Landfill closure and postclosure obligation	36,000	-	36,000
Obligations under capital leases and installment purchases	5,616,580	-	5,616,580
Insurance and benefit claims payable	23,904,000	-	23,904,000
Loan from primary government	-	-	-
Unearned Rent	-	-	-
Other	1,320,569	-	1,320,569
Portion due or payable after one year:			
General obligation bonds payable, net	2,261,525,401	-	2,261,525,401
Revenue bonds payable, net	732,619,420	579,389,876	1,312,009,296
Notes payable, net	438,428,057	-	438,428,057
Compensated absences payable	73,433,515	1,143,398	74,576,913
Landfill closure and postclosure obligation	48,797,022	-	48,797,022
Obligations under capital leases and installment purchases	1,909,182	-	1,909,182
Insurance and benefit claims payable	55,855,000	-	55,855,000
Net pension liability	1,801,228,310	36,801,215	1,838,029,525
Net OPEB liability	132,634,501	3,455,612	136,090,113
Loan from primary government	-	-	-
Unearned Rent	-	-	-
Other	15,973,270	-	15,973,270
Total liabilities	6,525,648,677	687,602,725	7,213,251,402
DEFERRED INFLOWS OF RESOURCES			
Deferred tax revenue	3,668,756,813	-	3,668,756,813
Deferred revenue - other	6,601,765	-	6,601,765
Deferred gain on refunding	8,338,197	2,555,402	10,893,599
Deferred inflow related to differences between actual and expected experience (pensions)	76,705,745	756,768	77,462,513
Deferred inflow of recognition of pension investments	-	-	-
Deferred inflow for change in proportion (pensions)	785,044	313,042	1,098,086
Deferred inflow related to differences between actual and expected experience (OPEB)	7,041,952	183,468	7,225,420
Deferred recognition of OPEB investments	2,791,659	72,733	2,864,392
Deferred inflow for change in proportion (OPEB)	-	32,665	32,665
Deferred inflow for change in assumptions (OPEB)	12,545,561	326,857	12,872,418
Reduction of capital lease	-	-	-
Total deferred inflows of resources	3,783,566,736	4,240,935	3,787,807,671
NET POSITION			
Net investment in capital assets	2,265,813,475	1,112,420,058	3,378,233,533
Restricted for:			
Grant programs	43,730,088	-	43,730,088
Repair and replacement	-	-	-
Community centers	11,043,713	-	11,043,713
Housing	-	-	-
Transportation	327,236,413	-	327,236,413
Capital projects	-	-	-
Debt service	-	20,281,937	20,281,937
Unrestricted (deficit)	(3,108,132,334)	133,460,268	(2,974,672,066)
Net position	\$ (460,308,645)	1,266,162,263	805,853,618

See accompanying notes to the financial statements.

EXHIBIT A
concluded

Total Component Units	Reclassifications (See Note A-13)	Total Reporting Entity	
49,741,321	-	171,045,807	LIABILITIES
95,597,152	-	190,231,194	Accounts payable and accrued liabilities
17,555,223	-	49,599,236	Accrued salaries and benefits
15,766,027	-	58,529,474	Contract retainages
1,343,148	-	8,730,439	Accrued interest payable
117,954	-	117,954	Due to intergovernmental units
-	-	4,351,942	Due to primary government
34,912,799	-	34,912,799	Due to component units
-	-	176,300,632	Unearned revenue
10,174,549	-	133,674,052	Other
			Performance and other deposits
			Long-term liabilities:
			Portion due or payable within one year:
-	-	241,522,314	General obligation bonds payable, net
21,499,040	-	97,192,345	Revenue bonds payable, net
1,451,665	-	2,096,665	Notes payable, net
29,881,546	-	108,916,045	Compensated absences payable
-	-	36,000	Landfill closure and postclosure obligation
21,601,237	-	27,217,817	Obligations under capital leases and installment purchases
24,743,887	-	48,647,887	Insurance and benefit claims payable
585,700	-	585,700	Loan from primary government
179,906	-	179,906	Unearned Rent
-	-	1,320,569	Other
			Portion due or payable after one year:
-	-	2,261,525,401	General obligation bonds payable, net
20,054,604	-	1,332,063,900	Revenue bonds payable, net
83,368,129	-	521,796,186	Notes payable, net
15,295,522	-	89,872,435	Compensated absences payable
-	-	48,797,022	Landfill closure and postclosure obligation
62,279,623	-	64,188,805	Obligations under capital leases and installment purchases
37,944,297	-	93,799,297	Insurance and benefit claims payable
3,860,066,967	-	5,698,096,492	Net pension liability
444,578,233	-	580,668,346	Net OPEB liability
9,599,400	-	9,599,400	Loan from primary government
4,498,136	-	4,498,136	Unearned Rent
-	-	15,973,270	Other
4,862,836,065	-	12,076,087,467	Total liabilities
			DEFERRED INFLOWS OF RESOURCES
-	-	3,668,756,813	Deferred tax revenue
-	-	6,601,765	Deferred revenue - other
-	-	10,893,599	Deferred gain on refunding
176,521,249	-	253,983,762	Deferred inflow related to differences between actual and expected experience (pensions)
53,372,737	-	53,372,737	Deferred inflow of recognition of pension investments
13,334,810	-	14,432,896	Deferred inflow for change in proportion (pensions)
20,984,345	-	28,209,765	Deferred inflow related to differences between actual and expected experience (OPEB)
2,853,178	-	5,717,570	Deferred recognition of OPEB investments
501,594	-	534,259	Deferred inflow for change in proportion (OPEB)
115,646,665	-	128,519,083	Deferred inflow for change in assumptions (OPEB)
3,273,938	-	3,273,938	Reduction of capital lease
386,488,516	-	4,174,296,187	Total deferred inflow of resources
			NET POSITION
3,255,046,068	(1,690,175,526)	4,943,104,075	Net investment in capital assets
			Restricted for:
30,680,197	-	74,410,285	Grant programs
700,000	-	700,000	Repair and replacement
-	-	11,043,713	Community centers
54,868,679	-	54,868,679	Housing
-	-	327,236,413	Transportation
51,007,910	(51,657,910)	(650,000)	Capital projects
-	-	20,281,937	Debt service
(3,368,088,901)	1,741,833,436	(4,600,927,531)	Unrestricted (deficit)
24,213,953	-	830,067,571	Net position

COUNTY OF FAIRFAX, VIRGINIA
Statement of Activities
For the fiscal year ended June 30, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government administration	\$ 258,330,991	82,060,614	3,638,239	17,853,259
Judicial administration	76,694,008	10,415,589	27,019,374	-
Public safety	879,159,005	69,427,621	52,069,425	508,815
Public works	274,427,262	173,483,022	1,158,265	14,332,770
Health and welfare	721,920,761	74,148,243	225,035,058	-
Community development	550,075,342	251,367,759	36,875,749	8,034,907
Parks, recreation, and cultural	143,686,850	16,337,241	1,023,266	-
Education - for Public Schools	2,332,366,853	-	-	-
Interest on long-term debt	103,197,911	-	-	-
Total governmental activities	5,339,858,983	677,240,089	346,819,376	40,729,751
Business-type activities:				
Public works - Sewer	193,400,681	240,034,485	-	2,595,202
Total business-type activities	193,400,681	240,034,485	-	2,595,202
Total primary government	5,533,259,664	917,274,574	346,819,376	43,324,953
Component units:				
Public Schools	3,270,489,937	100,575,375	339,384,722	196,131,691
Redevelopment and Housing Authority	136,803,897	48,628,546	82,224,356	-
Park Authority	106,363,255	35,751,786	-	28,263,776
Economic Development Authority	12,114,866	-	-	-
Total component units	\$ 3,525,771,955	184,955,707	421,609,078	224,395,467

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

Special items:

Gain from sale of purchased capacity

Total general revenues

Change in net position

Net position, July 1, 2019

Net position, June 30, 2020

See accompanying notes to the financial statements.

EXHIBIT A-1

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Total Component Units	
Governmental Activities	Business-type Activities	Total Primary Government		Functions/Programs
				Primary government:
				Governmental activities:
(154,778,879)	-	(154,778,879)	-	General government administration
(39,259,045)	-	(39,259,045)	-	Judicial administration
(757,153,144)	-	(757,153,144)	-	Public safety
(85,453,205)	-	(85,453,205)	-	Public works
(422,737,460)	-	(422,737,460)	-	Health and welfare
(253,796,927)	-	(253,796,927)	-	Community development
(126,326,343)	-	(126,326,343)	-	Parks, recreation, and cultural
(2,332,366,853)	-	(2,332,366,853)	-	Education - for Public Schools
(103,197,911)	-	(103,197,911)	-	Interest on long-term debt
(4,275,069,767)	-	(4,275,069,767)	-	Total governmental activities
				Business-type activities:
-	49,229,006	49,229,006	-	Public works - Sewer
-	49,229,006	49,229,006	-	Total business-type activities
(4,275,069,767)	49,229,006	(4,225,840,761)	-	Total primary government
				Component units:
-	-	-	(2,634,398,149)	Public Schools
-	-	-	(5,950,995)	Redevelopment and Housing Authority
-	-	-	(42,347,693)	Park Authority
-	-	-	(12,114,866)	Economic Development Authority
-	-	-	(2,694,811,703)	Total component units
				General revenues:
				Taxes:
\$ 2,897,823,200	-	2,897,823,200	-	Real property
443,280,543	-	443,280,543	-	Personal property
180,120,661	-	180,120,661	-	Business licenses
249,560,545	-	249,560,545	-	Local sales and use
110,508,254	-	110,508,254	-	Consumers utility
31,251,909	-	31,251,909	-	Recordation
28,604,036	-	28,604,036	-	Occupancy, tobacco, and other
211,426,887	-	211,426,887	514,227,826	Grants and contributions not restricted to specific programs
11,675,030	2,859,826	14,534,856	2,052,809	Revenue from the use of money
-	-	-	2,198,813,867	Revenue from primary government
-	-	-	2,140,708	Other
-	9,898,401	9,898,401	-	Special items:
4,164,251,065	12,758,227	4,177,009,292	2,717,235,210	Gain from sale of purchased capacity
(110,818,702)	61,987,233	(48,831,469)	22,423,507	Total general revenues
(349,489,943)	1,204,175,030	854,685,087	2,440,446	Change in net position
\$ (460,308,645)	1,266,162,263	805,853,618	24,863,953	Net position, July 1, 2019
				Net position, June 30, 2020

COUNTY OF FAIRFAX, VIRGINIA
Balance Sheet
Governmental Funds
June 30, 2020

EXHIBIT A-2

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Equity in pooled cash and temporary investments	\$ 475,924,317	469,851,721	945,776,038
Investments	460,328,832	454,455,227	914,784,059
Receivables (net of allowances):			
Accounts	7,842,999	12,770,367	20,613,366
Accrued interest	-	7,428,777	7,428,777
Property taxes:			
Delinquent	23,329,439	-	23,329,439
Not yet due	3,420,171,056	-	3,420,171,056
Business license taxes - delinquent	2,441,543	-	2,441,543
Loans	-	58,798,142	58,798,142
Due from intergovernmental units (net of allowances):			
Not yet due	211,313,944	-	211,313,944
Other	46,145,394	45,511,780	91,657,174
Due from component units	117,954	-	117,954
Loan to component unit	-	10,185,100	10,185,100
Lease to component unit	-	36,610,000	36,610,000
Interfund receivables	267,282	-	267,282
Prepaid and other assets	1,796,346	271,039	2,067,385
Restricted assets:			
Equity in pooled cash and temporary investments	-	24,589,530	24,589,530
Cash with fiscal agents	670,860	101,806,101	102,476,961
Property held for sale	-	223,600	223,600
Total assets	4,650,349,966	1,222,501,384	5,872,851,350
DEFERRED OUTFLOWS OF RESOURCES			
Total deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	\$ 4,650,349,966	1,222,501,384	5,872,851,350
LIABILITIES			
Accounts payable and accrued liabilities	\$ 29,002,031	79,111,202	108,113,233
Accrued salaries and benefits	73,066,017	17,078,385	90,144,402
Contract retainages	2,348	8,125,452	8,127,800
Due to intergovernmental units	20,015	7,367,276	7,387,291
Due to component units	2,435,027	1,916,915	4,351,942
Interfund payables	1,591,332	267,282	1,858,614
Unearned revenue	171,223,739	65,779,947	237,003,686
Performance and other deposits	79,228,557	44,270,946	123,499,503
Total liabilities	356,569,066	223,917,405	580,486,471
DEFERRED INFLOWS OF RESOURCES			
Deferred tax revenue	3,668,756,813	-	3,668,756,813
Unavailable revenue	17,204,703	11,375,097	28,579,800
Total deferred inflows of resources	3,685,961,516	11,375,097	3,697,336,613
Total liabilities and deferred inflows of resources	\$ 4,042,530,582	235,292,502	4,277,823,084

continued

EXHIBIT A-2

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
FUND BALANCES			
Nonspendable:			
Prepaid amounts	\$ 1,796,346	271,039	2,067,385
Total Nonspendable	1,796,346	271,039	2,067,385
Restricted for:			
Public safety, courts, and judicial	-	23,090,334	23,090,334
General public works	-	122,650,459	122,650,459
Stormwater management	-	78,398,287	78,398,287
Transportation	-	354,337,861	354,337,861
Social services, health and welfare	-	22,573,913	22,573,913
Housing and community development	-	48,084,573	48,084,573
Parks, recreation, and cultural	-	11,818,502	11,818,502
Debt service	-	13,195,968	13,195,968
Capital projects	-	73,879,628	73,879,628
Other purposes	-	7,072,814	7,072,814
Total Restricted	-	755,102,339	755,102,339
Committed to:			
Revenue stabilization	224,265,861	-	224,265,861
Managed reserves	178,876,847	-	178,876,847
Public safety, courts, and judicial	651,180	2,334,021	2,985,201
Transportation	-	11,584,163	11,584,163
Social services, health and welfare	1,856,048	30,286,715	32,142,763
Housing and community development	31,476,233	10,794,419	42,270,652
Parks, recreation, and cultural	1,065,761	-	1,065,761
Debt service	-	8,758,230	8,758,230
Capital projects	-	168,077,956	168,077,956
Other purposes	41,136,749	-	41,136,749
Total Committed	479,328,679	231,835,504	711,164,183
Assigned to:			
Public safety, courts, and judicial	13,256,518	-	13,256,518
General public works	5,273,666	-	5,273,666
Social services, health and welfare	7,617,370	-	7,617,370
Housing and community development	2,783,215	-	2,783,215
Parks, recreation, and cultural	617,211	-	617,211
Other purposes	11,554,407	-	11,554,407
Total Assigned	41,102,387	-	41,102,387
Unassigned:	85,591,972	-	85,591,972
Total fund balances	607,819,384	987,208,882	1,595,028,266
Total liabilities, deferred inflows of resources, and fund balances	\$ 4,650,349,966	1,222,501,384	5,872,851,350

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, 2020

EXHIBIT A-2
concluded

Fund balances - Total governmental funds \$ 1,595,028,266

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	\$ 458,885,447	
Construction in progress	312,800,299	
Equipment under construction	28,421,851	
Software in development	15,938,112	
Depreciable/amortizable assets:		
Vehicles and equipment	320,081,764	
Software	161,134,768	
Library collections	115,106,917	
Buildings and improvements	1,932,989,700	
Infrastructure	<u>1,142,675,799</u>	
Total capital assets	4,488,034,657	
Less accumulated depreciation/amortization	<u>(1,539,139,209)</u>	2,948,895,448

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 funds:

Delinquent taxes (net of allowances):		
Property	\$ 20,584,261	
Business license	2,749,699	
Sales and use and other taxes	759,094	
Lease to component unit	<u>36,610,000</u>	60,703,054

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

Sales and use and other taxes	\$ 21,271,047	
EMS transport and other charges for services	<u>706,988</u>	21,978,035

Investment fair market value adjustment is recorded in the government-wide statements but not in the fund financial statements 7,308,827

For debt refundings resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt should be reported as a deferred outflow of resources or a deferred inflow of resources:

Deferred loss on refunding of debt	\$ 39,409,896	
Deferred gain on refunding of debt	<u>(8,338,197)</u>	31,071,699

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

Deferred outflow for pension contributions subsequent to the measurement date	\$ 277,088,400	
Deferred outflow for change in proportion (pensions)	9,177,394	
Deferred outflow for differences between expected and actual experience (pensions)	64,657,912	
Deferred outflow of recognition of pension investments	129,549,955	
Deferred outflow for changes in assumptions (pensions)	28,014,120	
Deferred inflow for differences between expected and actual experience (pensions)	(76,705,745)	
Deferred inflow for change in proportion (pensions)	(785,044)	
Deferred outflow for OPEB contributions subsequent to the measurement date	17,982,362	
Deferred outflow for change in proportion (OPEB)	28,710	
Deferred outflow for differences between expected and actual experience (OPEB)	16,171,274	
Deferred outflow for changes in assumptions (OPEB)	78,370,831	
Deferred inflow related to differences between actual and expected experience (OPEB)	(7,041,952)	
Deferred recognition of OPEB investments	(2,791,659)	
Deferred inflow for change in assumptions (OPEB)	<u>(12,545,561)</u>	521,170,997

Certain other receivables are accrued only in the government-wide statements 537,196

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	\$ 268,612,232	
Capital assets	236,711,294	
Less accumulated depreciation/amortization	(144,601,819)	
Liabilities	<u>(98,893,430)</u>	261,828,277

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	\$ (2,503,047,715)	
Revenue bonds payable, net	(777,162,013)	
Notes payable	(439,073,057)	
Compensated absences payable	(146,988,840)	
Landfill closure and postclosure obligation	(48,833,022)	
Obligations under capital leases and installment purchases	(6,326,421)	
Net pension liability	(1,801,228,310)	
Net OPEB liability	(132,634,501)	
Other long-term liabilities	(17,293,839)	
Accrued interest on long-term debt	<u>(36,242,726)</u>	(5,908,830,444)

Net position of governmental activities \$ (460,308,645)



COUNTY OF FAIRFAX, VIRGINIA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the fiscal year ended June 30, 2020

EXHIBIT A-3

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ 3,875,613,475	65,283,488	3,940,896,963
Permits, privilege fees, and regulatory licenses	54,006,590	22,486,384	76,492,974
Intergovernmental	418,199,405	237,787,082	655,986,487
Charges for services	72,748,807	328,525,392	401,274,199
Fines and forfeitures	12,289,139	86,841	12,375,980
Developers' contributions	-	9,054,488	9,054,488
Revenue from the use of money and property	67,158,752	21,040,910	88,199,662
Recovered costs	7,586,746	6,518,084	14,104,830
Gifts, donations, and contributions	1,994,833	662,883	2,657,716
Total revenues	4,509,597,747	691,445,552	5,201,043,299
EXPENDITURES			
Current:			
General government administration	196,985,197	2,364,283	199,349,480
Judicial administration	62,189,796	1,058,092	63,247,888
Public safety	721,459,588	77,611,731	799,071,319
Public works	90,578,294	110,353,551	200,931,845
Health and welfare	430,321,393	254,907,350	685,228,743
Community development	69,654,301	299,886,017	369,540,318
Parks, recreation, and cultural	40,154,412	15,767,556	55,921,968
Intergovernmental:			
Community development	13,698,538	124,835,562	138,534,100
Parks, recreation, and cultural	35,316,698	39,131,421	74,448,119
Education - for Public Schools	2,149,231,439	183,135,414	2,332,366,853
Capital outlay:			
General government administration	17,997,369	17,167,125	35,164,494
Judicial administration	105,483	-	105,483
Public safety	2,563,235	37,135,387	39,698,622
Public works	39,018	58,731,145	58,770,163
Health and welfare	227,738	5,360,531	5,588,269
Community development	85,833	57,237,670	57,323,503
Parks, recreation, and cultural	4,369,355	6,697,233	11,066,588
Debt service:			
Principal retirement	885,815	537,989,542	538,875,357
Interest and other charges	39,708	140,810,615	140,850,323
Total expenditures	3,835,903,210	1,970,180,225	5,806,083,435
Excess (deficiency) of revenues over (under) expenditures	673,694,537	(1,278,734,673)	(605,040,136)
OTHER FINANCING SOURCES (USES)			
Transfers in	13,276,664	662,516,221	675,792,885
Transfers out	(613,961,660)	(75,311,854)	(689,273,514)
General obligation bonds issued	-	213,925,000	213,925,000
Premium on general obligation bonds issued	-	54,475,306	54,475,306
Revenue bonds issued	-	62,285,000	62,285,000
Premium on revenue bonds issued	-	14,150,764	14,150,764
General obligation refunding bonds issued	-	100,460,000	100,460,000
Premium on general obligation refunding bonds issued	-	21,262,457	21,262,457
Lease revenue refunding bonds issued	-	61,795,000	61,795,000
Premium on lease revenue refunding bonds issued	-	14,741,602	14,741,602
Total other financing sources (uses)	(600,684,996)	1,130,299,496	529,614,500
Net change in fund balances	73,009,541	(148,435,177)	(75,425,636)
Fund balances, July 1, 2019	534,809,843	1,135,644,059	1,670,453,902
Fund balances, June 30, 2020	\$ 607,819,384	987,208,882	1,595,028,266

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, 2020

EXHIBIT A-3
concluded

Net change in fund balances - Total governmental funds		\$	(75,425,636)
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	\$	207,717,122	
Less depreciation/amortization expense		(121,551,743)	86,165,379
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.			
			(42,492,798)
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.			
			28,815,641
Build America Bonds interest subsidy accrual is not recognized as revenue in the fund statements			
			(44,755)
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 funds:			
Delinquent property taxes	\$	1,306,524	
Delinquent business license taxes		(1,449,123)	
Other charges for services		9,360	(133,239)
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	\$	394,784	
EMS transport and other charges for services		(2,824,636)	(2,429,852)
Investment fair market value adjustment is recorded in the government-wide statements but not in the fund financial statements			
			799,430
The receipt of principal payments for the lease to the component unit does not result in a revenue in the statement of activities.			
			(1,600,000)
The issuance of long-term debt, including premiums, is reported as other financing sources in the governmental funds and thus, increases fund balance. In the government-wide statements, however, issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. The following were issued:			
Series 2020A NM General Obligation Bond	\$	(268,400,306)	
EDA 2020 Wiehle Revenue Refunding Bonds		(76,435,764)	
Series 2020A General Obligation Refunding Bonds		(121,722,457)	
FCRHA 2019 Wedgewood Revenue Refunding Bonds		(76,536,602)	(543,095,129)
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.			
			(10,342,077)
Certain other long-term liabilities are recognized only in the government-wide statements, resulting in a net difference.			
			858,236
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	\$	534,362,000	
Principal payments of capital leases and installment purchases		4,513,357	538,875,357
Interest on long-term debt is reported as an expenditure in the governmental funds when it is due. In the statement of activities, however, interest expense is affected as this interest accrues and as bond-related items are amortized. This difference in interest reporting is as follows:			
Accrued interest on bonds, loans, and capital leases	\$	(8,263,093)	
Amortization of bond premiums and discounts		54,236,254	
Amortization of deferred gains on bond refundings		(4,326,004)	
Amortization of deferred losses on bond refundings		(3,829,907)	37,817,250
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	\$	(816,285)	
Compensated absences		(20,717,914)	
Net pension liability		(101,113,848)	(122,648,047)
Other			
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.			
			(5,938,462)
Change in net position of governmental activities		\$	(110,818,702)

COUNTY OF FAIRFAX, VIRGINIA
Statement of Net Position
Proprietary Funds
June 30, 2020

EXHIBIT A-4

	Business-type Activities - Enterprise Fund Integrated Sewer System	Governmental Activities - Internal Service Funds
ASSETS		
Current assets:		
Equity in pooled cash and temporary investments	\$ 134,043,965	263,456,252
Accounts receivable	539,255	21,373
Due from intergovernmental units (net of allowance)	62,724,073	811
Interfund receivables	-	1,591,332
Inventories of supplies	434,339	3,542,464
Total unrestricted current assets	197,741,632	268,612,232
Restricted assets:		
Equity in pooled cash and temporary investments	5,974,892	-
Temporary investments with fiscal agents	20,281,937	-
Investments with fiscal agents	21,900,445	-
Total restricted current assets	48,157,274	-
Total current assets	245,898,906	268,612,232
Long-term assets:		
Capital assets:		
Non-depreciable/non-amortizable:		
Land	17,407,323	1,938,688
Easements	608,803	-
Construction in progress	228,534,517	4,681,788
Equipment under construction	-	3,904,397
Depreciable/amortizable:		
Vehicles and equipment	15,844,067	197,172,307
Software	-	2,200,587
Purchased capacity	1,124,322,562	-
Buildings and improvements	91,782,433	22,215,737
Infrastructure	1,419,953,831	4,597,790
Accumulated depreciation	(757,933,351)	(142,995,358)
Accumulated amortization	(461,537,128)	(1,606,461)
Total capital assets, net	1,678,983,057	92,109,475
Other long-term asset		
Accounts receivable	1,131,484	-
Total other long-term asset	1,131,484	-
Total long-term assets	1,680,114,541	92,109,475
Total assets	1,926,013,447	360,721,707
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflow for pension contributions subsequent to the measurement date	5,292,297	-
Deferred outflow for change in proportion (pensions)	878,924	-
Deferred outflow for differences between expected and actual experience (pensions)	1,704,586	-
Deferred outflow for changes in assumptions (pensions)	497,735	-
Deferred outflow for OPEB contributions subsequent to the measurement date	474,204	-
Deferred outflow for differences between expected and actual experience (OPEB)	421,321	-
Deferred outflow for changes in assumptions (OPEB)	2,041,845	-
Deferred amounts from the refunding of debt	18,657,654	-
Deferred outflow of recognition of pension investments	2,023,910	-
Total deferred outflows of resources	\$ 31,992,476	-
See accompanying notes to the financial statements.		continued

EXHIBIT A-4

concluded

	Business-type Activities - Enterprise Fund Integrated Sewer System	Governmental Activities - Internal Service Funds
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,435,610	11,755,643
Accrued salaries and benefits	2,181,679	2,307,961
Contract retainages	23,916,213	-
Accrued interest payable	6,520,721	-
Revenue bonds payable, net	31,150,712	-
Compensated absences payable	1,607,689	1,767,289
Obligations under capital leases	-	1,199,341
Insurance and benefit claims payable	-	23,904,000
Total current liabilities	66,812,624	40,934,234
Long-term liabilities:		
Revenue bonds payable, net	579,389,876	-
Compensated absences payable	1,143,398	2,104,196
Insurance and benefit claims payable	-	55,855,000
Net pension liability	36,801,215	-
Net other postemployment benefit liability	3,455,612	-
Total long-term liabilities	620,790,101	57,959,196
Total liabilities	687,602,725	98,893,430
DEFERRED INFLOWS OF RESOURCES		
Deferred inflow related to differences between actual and expected experience (pensions)	756,768	-
Deferred gain on refunding	2,555,402	-
Deferred inflow for change in proportion (pensions)	313,042	-
Deferred inflow related to differences between actual and expected experience (OPEB)	183,468	-
Deferred recognition of OPEB investments	72,733	-
Deferred inflow for change in proportion (OPEB)	32,665	-
Deferred inflow for change in assumptions (OPEB)	326,857	-
Total deferred inflow of resources	4,240,935	-
NET POSITION		
Net investment in capital assets	1,112,420,058	90,910,134
Restricted for:		
Debt service	20,281,937	-
Unrestricted	133,460,268	170,918,143
Net position	\$ 1,266,162,263	261,828,277

COUNTY OF FAIRFAX, VIRGINIA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the fiscal year ended June 30, 2020

EXHIBIT A-5

	Business-type Activities - Enterprise Fund Integrated Sewer System	Governmental Activities - Internal Service Funds
OPERATING REVENUES:		
Charges for services	\$ 217,853,523	317,102,154
Recovered costs	-	138,470
Total operating revenues	217,853,523	317,240,624
OPERATING EXPENSES:		
Personnel services	39,488,665	35,647,951
Materials and supplies	16,675,060	4,035,952
Equipment operation and maintenance	-	38,558,408
Risk financing and benefit payments	-	189,610,333
Depreciation and amortization	64,683,862	19,143,734
Professional consultant and contractual services	51,296,162	37,260,485
Other	-	12,598,075
Total operating expenses	172,143,749	336,854,938
Operating gain (loss)	45,709,774	(19,614,314)
NONOPERATING REVENUES (EXPENSES):		
Availability fees	22,180,962	-
Interest revenue	2,859,826	2,240,540
Interest expense	(21,212,596)	(164,838)
Bond issuance costs	(6,938)	-
Loss on disposal of capital assets	(37,398)	(2,560,439)
Total nonoperating revenues (expenses)	3,783,856	(484,737)
Gain (loss) before contributions and transfers	49,493,630	(20,099,051)
Capital contributions	2,595,202	679,960
Special item - Gain from sale of purchased capacity	9,898,401	-
Transfers in	-	13,480,629
Change in net position	61,987,233	(5,938,462)
Net position, July 1, 2019	1,204,175,030	267,766,739
Net position, June 30, 2020	\$ 1,266,162,263	261,828,277

See accompanying notes to the financial statements.

COUNTY OF FAIRFAX, VIRGINIA
Statement of Cash Flows
Proprietary Funds
For the fiscal year ended June 30, 2020

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	\$ 213,551,430	-
Receipts from interfund services provided	-	317,198,010
Payments to suppliers and contractors	(67,264,916)	(86,802,611)
Payments to employees	(36,575,147)	(35,036,639)
Claims and benefits paid	-	(190,855,192)
Payments for interfund services used	-	(1,821,556)
Net cash provided by operating activities	109,711,367	2,682,012
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from other funds	-	13,480,629
Net cash provided by noncapital financing activities	-	13,480,629
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Availability fees received	22,180,962	-
Capital grants received	68,519	-
Increase in contracts payable	5,148,543	-
Principal payments on sewer revenue bonds	(27,475,209)	-
Interest payments on sewer revenue bonds	(22,214,373)	-
Payment of bond issuance costs	(6,938)	-
Proceeds from sale of capital assets	69,981	580,201
Purchase of capital assets, other than purchased capacity	(78,899,238)	(12,202,655)
Acquisition of purchased capacity	(43,977,377)	-
Proceeds from sale of purchased capacity	8,220,297	-
Principal payments on obligations under capital leases	-	(1,094,743)
Interest payments on obligations under capital leases	-	(164,838)
Net cash used in capital and related financing activities	(136,884,833)	(12,882,035)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of restricted investments	25,139,659	-
Purchases of restricted investments	(25,736,578)	-
Interest received	2,394,509	2,240,540
Net cash provided by investing activities	1,797,590	2,240,540
Net increase (decrease) in cash and cash equivalents	(25,375,876)	5,521,146
Cash and cash equivalents, July 1, 2019	165,394,733	257,935,106
Cash and cash equivalents, June 30, 2020	\$ 140,018,857	263,456,252
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 45,709,774	(12,858,314)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	64,683,862	19,143,734
Change in assets and liabilities:		
Decrease in accounts receivable	-	49,082
(Increase)/Decrease in intergovernmental receivables	(4,302,093)	2,986
Increase in interfund receivables	-	(94,682)
(Increase)/Decrease in inventories of supplies	(31,217)	280,265
Decrease in other assets	276,952	-
Increase/(Decrease) in accounts payable and accrued liabilities	460,571	(4,451,669)
Increase in pension and OPEB related deferred outflows and deferred inflows	2,166,698	-
Increase in accrued salaries and benefits	746,820	617,304
Decrease in due to component units	-	(6,694)
Total adjustments to operating income	64,001,593	15,540,326
Net cash provided by operating activities	\$ 109,711,367	2,682,012
Noncash investing, capital, and financing activities:		
Capital contributions - sewer lines, manholes, and equipment	\$ 2,526,683	679,960
Loss on disposal of capital assets	(4,361,832)	(2,560,439)
Net increase in long-term debt resulting from the issuance of loans/revenue bonds by UOSA	21,410,631	-
Amortization of bond premium	2,912,850	-
Increase in fair value of investments not classified as cash and cash equivalents	10,337	-
Removal of purchased capacity through credit of UOSA debt	152,401	-
UOSA adjustment to bond payments	(68,736)	-
Net decrease in long-term debt resulting from the sale of purchased capacity	(5,560,590)	-

See accompanying notes to the financial statements.

COUNTY OF FAIRFAX, VIRGINIA
Statement of Fiduciary Net Position
Trust and Agency Funds
June 30, 2020

EXHIBIT A-7

	Pension/OPEB Trust Funds	Agency Funds
ASSETS		
Equity in pooled cash and temporary investments	\$ 10,863,188	2,658,203
Cash collateral for securities lending	139,854,654	-
Accounts receivable	-	40,461
Contributions receivable	22,040,503	-
Accrued interest and dividends receivable	10,922,625	-
Receivable from sale of pension investments	172,536,216	-
Buildings and improvements	27,928	-
Vehicles and equipment	35,980	-
Investments:		
U.S. Government and agency securities	222,885,966	-
Asset-backed securities	251,034,055	-
Corporate and other bonds	475,354,984	-
Common and preferred stock	1,229,654,999	-
Short-term investments	568,435,805	-
Investment in pooled funds	4,843,029,460	-
Total assets	<u>7,946,676,363</u>	<u>2,698,664</u>
DEFERRED OUTFLOWS OF RESOURCES		
Total deferred outflows of resources	-	-
LIABILITIES		
Accounts payable and accrued liabilities	13,546,168	-
Payable for purchase of pension investments	157,301,949	-
Liabilities for collateral received under securities lending agreements	139,854,654	-
Liabilities under reimbursement agreements	-	2,698,664
Compensated absences	478,725	-
Total liabilities	<u>311,181,496</u>	<u>2,698,664</u>
DEFERRED INFLOWS OF RESOURCES		
Total deferred inflows of resources	-	-
NET POSITION		
Net position restricted for OPEB benefits	330,764,357	
Net position restricted for pension benefits	<u>7,304,730,510</u>	
Total Net position	<u>\$ 7,635,494,867</u>	

See accompanying notes to the financial statements.

COUNTY OF FAIRFAX, VIRGINIA
Statement of Changes in Plan Net Position
Trust Funds
For the fiscal year ended June 30, 2020

EXHIBIT A-8

	Pension/OPEB Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 374,916,672
Plan members	63,707,629
Other	215,858
Total contributions	<u>438,840,159</u>
Investment income:	
From investment activities:	
Net appreciation in fair value of investments	27,232,839
Interest	51,549,537
Dividends	31,602,897
Total income from investment activities	<u>110,385,273</u>
Less investment activities expenses:	
Management fees	67,771,483
Other	4,349,526
Total investment activities expenses	<u>72,121,009</u>
Net income from investment activities	<u>38,264,264</u>
From securities lending activities:	
Securities lending income	<u>3,042,372</u>
Less securities lending expenses:	
Management fees	1,747,930
Total securities lending activities expenses	<u>1,747,930</u>
Net income from securities lending activities	<u>1,294,442</u>
Net investment income	<u>39,558,706</u>
Total additions	<u>478,398,865</u>
DEDUCTIONS	
Benefits	557,605,145
Refunds of contributions	5,258,069
Administrative expenses	3,924,861
Total deductions	<u>566,788,075</u>
Change in net position	(88,389,210)
Net position, July 1, 2019	<u>7,723,884,077</u>
Net position, June 30, 2020	<u>\$ 7,635,494,867</u>
See accompanying notes to the financial statements.	

COUNTY OF FAIRFAX, VIRGINIA
Combining Statement of Net Position
Component Units
June 30, 2020

	Public Schools	Redevelopment and Housing Authority	Park Authority
ASSETS			
Equity in pooled cash and temporary investments	\$ 408,881,911	23,676,045	27,622,110
Cash in banks/with fiscal agents	90,813	38,856,110	-
Investments	-	2,695,000	-
Receivables (net of allowances):			
Accounts	10,487,904	3,582,213	57,755
Accrued interest	17,564	49,263	29,888
Notes	-	55,860,326	-
Due from intergovernmental units	40,585,783	-	396,852
Due from primary government	44,519	-	3,872,008
Inventories of supplies	1,463,410	-	167,742
Prepaid and other assets	546,802	3,087,304	207,657
Restricted assets:			
Equity in pooled cash and temporary investments	75,416,864	-	18,434,090
Cash with fiscal agents	-	55,004,046	600,759
Deposit held in trust	-	7,766,954	-
Investments	-	2,664,816	-
Property held for sale	-	637,770	-
Capital assets:			
Non-depreciable/non-amortizable:			
Land and easements	46,837,095	46,367,105	391,151,561
Construction in progress	400,162,834	5,755,293	16,028,420
Software in development	90,987	-	-
Depreciable/amortizable:			
Vehicles and equipment	358,274,694	2,016,815	14,167,897
Software	13,260,834	-	-
Library collections	21,368,173	-	-
Buildings and improvements	4,138,623,211	234,411,934	518,423,130
Accumulated depreciation	(2,315,849,340)	(152,085,359)	(276,240,295)
Accumulated amortization	(8,347,753)	-	-
Total assets	3,191,956,305	330,345,635	714,919,574
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow for pension contributions subsequent to the measurement date	420,645,404	3,776,332	7,552,369
Deferred outflow for change in proportion (pensions)	47,478,925	641,715	466,728
Deferred outflow for differences between expected and actual experience (pensions)	63,971,787	1,231,560	2,646,264
Deferred outflow for recognition of pension investments	53,152,165	1,462,271	3,141,995
Deferred outflow for changes in assumptions (pensions)	277,650,721	359,613	772,703
Deferred outflow for OPEB contributions subsequent to the measurement date	28,021,518	328,598	838,219
Deferred outflow for change in proportion (OPEB)	8,758,199	-	297,130
Deferred outflow for differences between expected and actual experience (OPEB)	77,884,287	299,173	762,980
Deferred outflow for recognition of investments (OPEB)	5,638,125	-	-
Deferred outflow for changes in assumptions (OPEB)	13,808,085	1,449,882	3,697,628
Total deferred outflows of resources	\$ 997,009,216	9,549,144	20,176,016

See accompanying notes to the financial statements.

EXHIBIT A-9

Economic Development Authority	Total Component Units	
		ASSETS
-	460,180,066	Equity in pooled cash and temporary investments
-	38,946,923	Cash in banks/with fiscal agents
-	2,695,000	Investments
		Receivables (net of allowances):
-	14,127,872	Accounts
-	96,715	Accrued interest
-	55,860,326	Notes
-	40,982,635	Due from intergovernmental units
435,415	4,351,942	Due from primary government
-	1,631,152	Inventories of supplies
8,250	3,850,013	Prepaid and other assets
		Restricted assets:
6,750,000	100,600,954	Equity in pooled cash and temporary investments
-	55,604,805	Cash with fiscal agents
-	7,766,954	Deposit held in trust
-	2,664,816	Investments
-	637,770	Property held for sale
		Capital assets:
		Non-depreciable/non-amortizable:
-	484,355,761	Land and easements
-	421,946,547	Construction in progress
-	90,987	Software in development
		Depreciable/amortizable:
19,289	374,478,695	Equipment
-	13,260,834	Software
-	21,368,173	Library collections
1,176,811	4,892,635,086	Buildings and improvements
(17,729)	(2,744,192,723)	Accumulated depreciation
(922,074)	(9,269,827)	Accumulated amortization
7,449,962	4,244,671,476	Total assets
		DEFERRED OUTFLOWS OF RESOURCES
872,870	432,846,975	Deferred outflow for pension contributions subsequent to the measurement date
163,255	48,750,623	Deferred outflow for change in proportion (pensions)
308,146	68,157,757	Deferred outflow for differences between expected and actual experience (pensions)
365,871	58,122,302	Deferred outflow for recognition of pension investments
89,978	278,873,015	Deferred outflow for changes in assumptions (pensions)
		Deferred outflow for OPEB contributions subsequent to the measurement date
53,127	29,241,462	Deferred outflow for change in proportion (OPEB)
-	9,055,329	Deferred outflow for differences between expected and actual experience (OPEB)
47,797	78,994,237	Deferred outflow for recognition of investments (OPEB)
-	5,638,125	Deferred outflow for changes in assumptions (OPEB)
231,638	19,187,233	Deferred outflow for changes in assumptions (OPEB)
2,132,682	1,028,867,058	Total deferred outflows of resources

continued

COUNTY OF FAIRFAX, VIRGINIA
Combining Statement of Net Position
Component Units
June 30, 2020

	Public Schools	Redevelopment and Housing Authority	Park Authority
LIABILITIES			
Accounts payable and accrued liabilities	\$ 41,697,367	4,027,199	3,890,068
Accrued salaries and benefits	90,936,765	1,029,859	3,313,550
Contract retainages	17,348,206	-	207,017
Accrued interest payable	549,318	15,207,418	9,291
Due to intergovernmental units	-	1,343,148	-
Due to primary government	-	-	117,954
Unearned revenue	17,949,923	1,531,507	8,681,369
Performance and other deposits	7,203,136	2,149,114	822,299
Long-term liabilities:			
Portion due or payable within one year:			
Revenue bonds payable, net	-	20,710,537	788,503
Notes payable	-	1,451,665	-
Compensated absences payable	26,427,775	726,328	2,482,957
Obligations under capital leases and installment purchases	21,601,237	-	-
Insurance and benefit claims payable	24,743,887	-	-
Loan from primary government	-	-	585,700
Unearned rent	-	-	-
Portion due or payable after one year:			
Revenue bonds payable, net	-	20,054,604	-
Notes payable	-	83,368,129	-
Compensated absences payable	11,326,190	605,888	3,146,325
Obligations under capital leases and installment purchases	62,279,623	-	-
Insurance and benefit claims payable	37,944,297	-	-
Net OPEB liability	435,474,585	2,453,774	6,257,851
Loan from primary government	-	-	9,599,400
Unearned rent	4,222,313	-	-
Net pension liability	3,769,693,854	26,588,797	57,131,593
Total liabilities	4,569,398,476	181,247,967	97,033,877
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow related to differences between actual and expected experience (pensions)	174,662,847	546,763	1,174,835
Deferred recognition of pension investments	53,372,737	-	-
Deferred inflow for change in proportion and assumptions (pensions)	9,229,861	1,597,948	1,475,822
Deferred inflow related to differences between actual and expected experience (OPEB)	20,501,005	130,278	332,248
Deferred recognition of OPEB investments	2,661,568	51,646	131,713
Deferred inflow for change in proportion (OPEB)	208,419	111,007	-
Deferred inflow for change in assumptions (OPEB)	114,785,575	232,096	591,914
Reduction of capital lease	3,273,938	-	-
Total deferred inflow of resources	378,695,950	2,669,738	3,706,532
NET POSITION			
Net investment in capital assets	2,553,191,668	49,040,993	652,557,110
Restricted for:			
Grant and education programs	29,172,271	-	-
Repair and replacement	-	-	700,000
Housing	-	54,868,679	-
Capital projects	19,708,816	-	31,299,094
E.C. Lawrence Trust - Nonexpendable reserve	-	-	1,507,926
Unrestricted (deficit)	(3,361,201,660)	52,067,402	(51,708,949)
Net position	\$ (759,128,905)	155,977,074	634,355,181

See accompanying notes to the financial statements.

EXHIBIT A-9
 concluded

Economic Development Authority	Total Component Units	
		LIABILITIES
126,687	49,741,321	Accounts payable and accrued liabilities
316,978	95,597,152	Accrued salaries and benefits
-	17,555,223	Contract retainages
-	15,766,027	Accrued interest payable
-	1,343,148	Due to intergovernmental units
-	117,954	Due to primary government
6,750,000	34,912,799	Unearned revenue
-	10,174,549	Performance and other deposits
		Long-term liabilities:
		Portion due or payable within one year:
-	21,499,040	Revenue bonds payable, net
-	1,451,665	Notes payable
244,486	29,881,546	Compensated absences payable
-	21,601,237	Obligations under capital leases and installment purchases
-	24,743,887	Insurance and benefit claims payable
-	585,700	Loan from primary government
179,906	179,906	Unearned rent
		Portion due or payable after one year:
-	20,054,604	Revenue bonds payable, net
-	83,368,129	Notes payable
217,119	15,295,522	Compensated absences payable
-	62,279,623	Obligations under capital leases and installment purchases
-	37,944,297	Insurance and benefit claims payable
392,023	444,578,233	Net OPEB liability
-	9,599,400	Loan from primary government
275,823	4,498,136	Unearned rent
6,652,723	3,860,066,967	Net pension liability
15,155,745	4,862,836,065	Total liabilities
		DEFERRED INFLOWS OF RESOURCES
		Deferred inflow related to differences between actual and expected experience (pensions)
136,804	176,521,249	Deferred recognition of pension investments
-	53,372,737	Deferred inflow for change in proportion (pensions)
1,031,179	13,334,810	Deferred inflow related to differences between actual and expected experience (OPEB)
		Deferred recognition of OPEB investments
20,814	20,984,345	Deferred inflow for change in proportion (OPEB)
8,251	2,853,178	Deferred inflow for change in assumptions (OPEB)
182,168	501,594	Reduction of capital lease
37,080	115,646,665	Total deferred inflow of resources
-	3,273,938	
1,416,296	386,488,516	
		NET POSITION
256,297	3,255,046,068	Net investment in capital assets
		Restricted for:
-	29,172,271	Grant and education programs
-	700,000	Repair and replacement
-	54,868,679	Housing
-	51,007,910	Capital projects
-	1,507,926	E.C. Lawrence Trust
(7,245,694)	(3,368,088,901)	Unrestricted (deficit)
(6,989,397)	24,213,953	Net position

COUNTY OF FAIRFAX, VIRGINIA
Combining Statement of Activities
Component Units
For the fiscal year ended June 30, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Public Schools:				
Education	\$ 3,270,489,937	100,575,375	339,384,722	196,131,691
Redevelopment and Housing Authority:				
Community development	136,803,897	48,628,546	82,224,356	-
Park Authority:				
Parks, recreation, and cultural	106,363,255	35,751,786	-	27,613,776
Economic Development Authority:				
Community development	12,114,866	-	-	-
Total component units	\$ 3,525,771,955	184,955,707	421,609,078	223,745,467

General revenues:

Grants and contributions not restricted to specific programs
Revenue from the use of money and property
Revenue from primary government
Other

Total general revenues

Change in net position

Net position, July 1, 2019

Net position, June 30, 2020

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
(2,634,398,149)	-	-	-	(2,634,398,149)
-	(5,950,995)	-	-	(5,950,995)
-	-	(42,997,693)	-	(42,997,693)
-	-	-	(12,114,866)	(12,114,866)
(2,634,398,149)	(5,950,995)	(42,997,693)	(12,114,866)	(2,695,461,703)
\$ 512,563,380	-	1,664,446	-	514,227,826
343,510	1,349,577	359,722	-	2,052,809
2,136,016,697	1,497,804	49,486,823	11,812,543	2,198,813,867
2,140,708	-	-	-	2,140,708
2,651,064,295	2,847,381	51,510,991	11,812,543	2,717,235,210
16,666,146	(3,103,614)	8,513,298	(302,323)	21,773,507
(775,795,051)	159,080,688	625,841,883	(6,687,074)	2,440,446
\$ (759,128,905)	155,977,074	634,355,181	(6,989,397)	24,213,953



COUNTY OF FAIRFAX, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

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 generally accepted accounting principles (GAAP) as applied to government units in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted primary standard-setting body for establishing governmental accounting and financial reporting principles. The County's significant accounting policies are described below.

1. Reporting Entity

As required by GAAP, the accompanying financial statements present the financial data of the County (the primary government) and its component units. The financial data of the component units are included in the County's basic financial statements because of the significance of their operational or financial relationships with the County. The County and its component units are together referred to herein as the reporting entity.

Blended Component Units

Blended component units are entities that are legally separate from the County but that are so closely related to the County that they are, in essence, extensions of the County. The blended component units that are reported as part of the primary government are:

Solid Waste Authority of Fairfax County (SWA) - The SWA is considered a blended component unit because the Board of Supervisors comprises the Board of Directors of the SWA and has the ability to impose its will on the SWA. The SWA is authorized under the Virginia Water and Waste Authorities Act and was created by the Board of Supervisors on June 29, 1987. The SWA has financed the construction of a solid waste to energy facility, which is contractually owned and operated by a commercial entity in accordance with agreements between the County, the SWA, and the commercial entity. The County has assumed the responsibility for the management of the arrangement between the SWA and the commercial entity and for providing sufficient solid waste to result in a financially viable operation; 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. This authority presentation consists of a special revenue, a debt service fund, and a capital projects fund. This authority provides services that exclusively benefit the County and was established with a tax increment financing agreement. Separate financial statements are not prepared for the CDA.

Discretely Presented Component Units

The columns for the component units in the financial statements include the financial data of the County's other component units. They are presented in separate columns to emphasize that they are legally separate from the County. Separate financial statements of the component units can be obtained by writing to the Financial Reporting Division, Department of Finance, 12000 Government Center Parkway, Suite 214, Fairfax, Virginia 22035. All of the component units have a fiscal year end of June 30. The discretely presented component units are:

Fairfax County Public Schools (Public Schools) - Public Schools is responsible for elementary and secondary education within the County. The School Board is elected by County voters. Public School systems do not have taxing authority under Virginia Code;

Public Schools is fiscally dependent on the County. Public Schools operations are funded primarily by the County's General Fund, and the County issues general obligation debt for Public Schools' capital projects.

Fairfax County Redevelopment and Housing Authority (FCRHA) - FCRHA plans, coordinates, and directs the low income housing programs within the County under the Virginia Housing Authorities Law. FCRHA was approved by a voter referendum in November 1965 and was activated by the Board of Supervisors in February 1966. FCRHA is a political subdivision of and reports to the Commonwealth of Virginia. The Board appoints FCRHA's Board of Commissioners, and the County provides certain managerial and related financial assistance to FCRHA.

Fairfax County Park Authority (Park Authority) - The Park Authority was created by the Board of Supervisors of the County on December 6, 1950, to maintain and operate the public parks and recreational facilities located in the County. The Board appoints the Park Authority's governing board, and the County provides funding for the Park Authority's General Fund and one of its capital projects funds. A memorandum of understanding currently in effect between the County and the Park Authority defines the roles of the County and the Park Authority.

Fairfax County Economic Development Authority (EDA) - The EDA is an independent authority legally authorized by an act of the Virginia General Assembly and was formally created by resolutions of the Board of Supervisors. The EDA's mission is to 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 (IDAF). The IDAF 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 2020, Fairfax Water collected approximately \$201.2 million on behalf of the County, and as of June 30, 2020, the County has receivables of approximately \$49.6 million due from Fairfax Water.

Joint Ventures

The County is a participant in the Upper Occoquan Sewage Authority (UOSA). UOSA is a joint venture created under the provisions of the Virginia Water and Waste Authorities Act to construct, finance, and operate the regional sewage treatment facility in the upper portion of the Occoquan Watershed. UOSA was formed on March 3, 1971, by a concurrent resolution of the governing bodies of Fairfax and Prince William Counties and the Cities of Manassas and Manassas Park. The governing body of UOSA is an eight-member board of directors consisting of two members from each participating jurisdiction appointed to four-year terms. The UOSA Board of Directors adopts an annual operating budget based on projected sewage flows. The County has no explicit and measurable financial interest in UOSA but does have an ongoing financial responsibility for its share of UOSA's operating costs, construction costs and annual debt service. Complete financial statements of UOSA can be obtained by writing to UOSA, 14631 Compton Road, Centreville, Virginia 20121.

The County is a participant in the Northern Virginia Regional Park Authority (NVRPA). NVRPA is a joint venture created under the Virginia Park Authorities Act of 1959 to protect and preserve Northern Virginia's rich heritage of woods, meadows, lakes, and streams. The governing body of NVRPA is comprised of two members from each of the 6 member jurisdictions: Fairfax, Arlington, and Loudoun Counties, and the Cities of Alexandria, Falls Church, and Fairfax. Each member jurisdiction provides contributions in direct proportion to its share of the region's population. The County's contributions are accounted for in the County Construction capital projects fund. The County has no explicit and measurable financial interest in NVRPA. Complete financial statements of NVRPA can be obtained by writing to NVRPA, 5400 Ox Road, Fairfax Station, Virginia 22039.

Jointly Governed Organization

The State Route 28 Highway Transportation Improvement District (District) was created in 1987 under the provisions of the Transportation Improvements District Act by the County and Loudoun County, Virginia, in conjunction with the Commonwealth of Virginia Transportation Board (CVTB), for the purpose of undertaking various improvements to State Route 28. The District is governed by a nine-member Commission comprised of four members from each of the Boards of Supervisors of the County and Loudoun County and the Chairman of the CVTB or his designee. The County has no financial interest in the District. See Note J-8 for additional information related to the District.

2. Basis of Presentation

Government-wide Statements

The statement of net position and the statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to avoid the double-counting of interfund activities. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed primarily by fees charged to external parties. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities presents a comparison between direct expenses and program revenues for each activity of the County. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular activity. Program revenues include: (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and, (b) grants and contributions that are restricted to meet the operations or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The accounts of the reporting entity are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for in a separate set of self-balancing accounts comprised of assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, with each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The County reports the following major fund types:

General Fund - The General Fund is the County's primary operating fund, and it is used to account for all revenue sources and expenditures which are not accounted for in other funds.

Enterprise Fund - The Fairfax County Integrated Sewer System (Sewer System) is the only enterprise fund of the County. This fund is used to account for the financing, construction, and operations of the countywide sewer system.

The County reports the following nonmajor governmental fund types:

Special Revenue Funds - The special revenue funds are used to account for the proceeds of specific revenue sources (other than debt service and major capital projects) that are legally restricted or committed to expenditure for specified purposes.

Debt Service Funds - The debt service funds are 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 Trust Fund.

Agency Funds - These are fiduciary funds used to account for monies received, held, and disbursed on behalf of developers, welfare recipients, the Commonwealth of Virginia, the recipients of certain bond proceeds, and certain other local governments.

3. Measurement Focus and Basis of Accounting

Government-wide, Proprietary, and Fiduciary Fund Statements

The government-wide, proprietary, and trust fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The agency funds also use the accrual basis of accounting to recognize assets and liabilities but have no measurement focus. 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 capital leases are reported as other financing sources. The effect of interfund activity has not been eliminated from the governmental fund financial statements.

4. Pooled Cash and Temporary Investments

The County maintains cash and temporary investments for all funds and component units in a single pooled account, except for certain cash and investments required to be maintained with fiscal agents or in separate pools or accounts in order to comply with the provisions of bond indentures. As of June 30, 2020, 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, 2020, interest earned by these funds and assigned directly to the County's General Fund is as shown on the right.

Primary Government	
Nonmajor Governmental Funds	\$ 7,960,950
Internal Service Funds	869,167
Agency Funds	4,752
Total primary government	8,834,869
Component Units	
Public Schools	5,387,273
FCRHA	45,321
Park Authority	118,193
Total component units	5,550,787
Total reporting entity	\$ 14,385,656

5. Cash and Cash Equivalents

For purposes of the statements of cash flows, the amounts reported as cash and cash equivalents for the proprietary fund types represent amounts maintained in the reporting entity's investment pool, as they are considered to be demand deposits for the purpose of complying with GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that use Proprietary Fund Accounting."

6. Investments

Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost, which approximates fair value. Other investments are reported at fair value 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 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, 2020, the Sewer System has cash and investments that are restricted for the following uses:

Restricted Assets of the Sewer System	
Long-term debt service requirements	\$ 27,875,337
Current debt service requirements	20,281,937
Total restricted assets	<u>\$ 48,157,274</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

Capital assets, including land, permanent easements, buildings, improvements, equipment, library collections, purchased capacity, and infrastructure, that individually cost \$5,000 or more and software with a cost of \$100,000 or more, with useful lives greater than one year, are reported in the proprietary funds and applicable governmental or business-type activities columns in the government-

wide financial statements. The County has capitalized general infrastructure assets, including solid waste disposal facilities, storm water management facilities, public drainage systems, mass transportation facilities, commercial revitalization improvements, and public trails and walkways that were acquired or substantially improved subsequent to July 1, 1980. The County does not capitalize roads and bridges as these belong to the Commonwealth of Virginia.

Purchased capacity consists of payments made by the Sewer System under intermunicipal agreements with the District of Columbia Water and Sewer Authority (Blue Plains), UOSA, Alexandria Sanitation Authority (ASA), Arlington County, Loudoun Water, and Prince William County Service Authority (PWSA) for the Sewer System's allocated share of improvements to certain specified treatment facilities owned and operated by these jurisdictions.

Purchased capital assets are stated at historical cost or estimated historical cost. Donated capital assets are recorded at their estimated 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.

Capital Assets	Useful Lives
Infrastructure	5 - 99 years
Buildings	15 - 50 years
Purchased capacity	30 - 99 years
Improvements	5 - 70 years
Vehicles	5 - 20 years
Equipment	5 - 20 years
Library collections	5 years
Software	5 - 15 years

No depreciation is taken in the year of acquisition for library collections; depreciation/amortization on other capital assets commences when the assets are purchased or are substantially complete and ready for use. For constructed assets, all associated costs necessary to bring such assets to the condition and location necessary for their intended use, including interest on related debt with respect to the Sewer System, are initially capitalized as construction in progress and are transferred to buildings, improvements, and equipment when the assets are substantially complete and ready for use.

11. Compensated Absences

All reporting entity employees earn annual leave based on a prescribed formula which allows employees with less than ten years of service to accumulate a maximum of 240 hours and employees with ten years or more of service to accumulate a maximum of 320 hours of annual leave as of the end of each year. In addition, employees, except for Public Schools employees, may accrue compensatory leave for hours worked in excess of their scheduled hours. Compensatory leave in excess of 240 hours at the end of the calendar year is forfeited.

The current pay rate 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 to the plan 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, 2020, the primary government had \$402.3 million restricted net position, of which \$338.3 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 \$1,741.8 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 \$51.7 million for capital projects with the balance of \$1,741.8 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	\$ 3,378,233,533	3,255,046,068	(1,516,232,260)	(173,943,266)	(1,690,175,526)	4,943,104,075
Restricted	402,292,151	137,256,786	(35,431,746)	(16,226,164)	(51,657,910)	487,891,027
Unrestricted	(2,974,672,066)	(3,368,088,901)	1,551,664,006	190,169,430	1,741,833,436	(4,600,927,531)
Net position	\$ 805,853,618	24,213,953	-	-	-	830,067,571

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	\$ 13,256,518
General public works	5,273,666
Social services, health and welfare	7,617,370
Housing and community development	2,783,215
Parks, recreation, and cultural	617,211
Other purposes	22,644,596
Total General Fund	52,192,576
Capital Projects Funds	
Capital Project	\$ 133,466,956

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 of Supervisors passed a resolution establishing the revenue stabilization fund. The revenue stabilization fund is included in the general fund for reporting purposes. The purpose of the revenue stabilization fund is to provide a mechanism for maintaining a balanced budget without resorting to tax increases and expenditure reductions that aggravate the stresses imposed by the cyclical nature of the economy. Three specific criteria must be met to draw from this fund. Projected revenues must reflect a decrease greater than 1.5 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 generally 30 years.

The City of Fairfax (the City) makes payments to the County for the City's share of certain governmental services and debt service costs. Payments for governmental services such as court, jail, custody, health, library, and County agent services are recorded as revenue in the General Fund. Debt service payments represent the City's share of principal and interest and are recorded as revenue in the County Debt Service Fund. In addition, the City pays the County a share of the local portion of all public assistance payments and services including related administrative costs, which is recorded as revenue in the General Fund. The City of Falls Church makes payments to the County for the full cost of the local portion of public assistance payments (including allocated administrative costs) and for the use of special County health facilities by Falls Church residents. These payments are recorded as revenue in the General Fund.

The County and the cities of Fairfax and Falls Church comprise the Fairfax-Falls Church Community Services Board (CSB), established under State mandate in 1969, to provide 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 CAFR. The Board of Trustees of the Virginia Pooled OPEB Trust has adopted an investment policy to achieve a compound annualized total rate of return over a market cycle, including current income and capital appreciation, in excess of 5.0 percent after inflation, in a manner consistent with prudent risk-taking. Investment decisions for the funds' assets are made by the Board of Trustees. The Board of Trustees establishes investment objectives, risk tolerance and asset allocation policies in light of the investment policy, market and economic conditions, and generally prevailing prudent investment practices. The Board of Trustees also monitors the investments to ensure adherence to the adopted policies and guidelines. In addition, the Trustees review, monitor, and evaluate the performance of the investments and its investment advisors in light of available investment opportunities, market conditions, and publicly available indices for the generally accepted evaluation and measurement of

such performance. Specific investment information for the Virginia Pooled OPEB Trust can be obtained by writing to VML/VACo Finance Program, 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, 2020:

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
Investments by Fair Value Level	6/30/2020			Primary Government	Component Unit	
Cash & Cash Equivalents:						
Negotiable Certificates of Deposit	\$ 578,000,000	-		464,912,595	113,087,405	-
Commercial Paper	586,928,224	-		472,093,986	114,834,238	-
Fixed Income Securities:						
US Treasury and Agencies	147,525,575			118,661,761	28,863,814	
Corporate Notes	357,658,484	-		287,681,547	69,976,937	-
Total investment by Fair Value Level	\$ 1,670,112,283	-		1,343,349,889	326,762,394	-

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 CAFRs. Information on how these may be viewed can be found in Note G.

Pension holdings reported at fair value and net asset value are presented on the following page:

Primary Government - Pension Trust Funds:		Fair Value Measurements Using		
		Quoted Prices in Active markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
Investments by Fair Value Level	6/30/2020	Level 1	Level 2	Level 3
Asset-backed securities	\$ 251,034,055	-	251,012,245	21,810
Convertible or exchangeable securities	4,498,969	93,403	4,405,566	-
Corporate and other bonds	370,877,497	44,222,063	316,305,681	10,349,753
Equity	1,220,641,483	1,185,745,007	-	34,896,476
Futures contracts	44,914,853	44,914,853	-	-
International bonds	55,063,665	-	55,063,665	-
Natural resources	4,986,688	-	-	4,986,688
Preferred securities	4,026,825	1,409,863	2,589,316	27,646
Short-term investments	568,435,805	19,600,000	54,581,950	494,253,855
US government obligations	222,885,966	-	222,885,966	-
Total investment by Fair Value Level	\$ 2,747,365,806	1,295,985,189	906,844,389	544,536,228
Investments measured at the net asset value (NAV)		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Absolute return	\$1,209,900,568	49,710,360	Daily, Monthly, Quarterly	2-90 days
Global equity	741,071,346	247,141,399	None, Daily, Monthly, Quarterly	0 - 90 days, N/A
Global fixed income	1,402,388,210	409,778,017	None, Daily, Monthly, Quarterly, Semi-Annually	0 - 90 days, N/A
Global multi-asset	754,973,811	-	Daily, Monthly, Quarterly	1-90 days
Global real assets	405,200,811	100,422,221	None, Daily, Quarterly	0-60 days, N/A
Total investments measured at the NAV	4,513,534,746	807,051,997		
Total investments	\$ 7,260,900,552			

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. This type also includes private equity stakes in investment management firms and thus a share of the firm's revenues and capital appreciation.

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% invested position by investing 130% of portfolio assets in long positions and 30% 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 pension holdings reporting at fair value and net asset value are presented on the following page:

Component Unit - Pension Trust Funds:		Fair Value Measurements Using		
		Quoted Prices in Active markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
Investments by Fair Value Level	6/30/2020	Level 1	Level 2	Level 3
Short-term securities	\$ 192,753,780	8,760,554	183,993,226	-
Asset and mortgage backed securities	114,457,007	-	114,457,007	-
Corporate bonds	303,801,747	-	299,185,259	4,616,488
Convertible securities	3,958,329	439,103	3,519,226	-
International bonds	26,323,671	-	26,323,671	-
Municipal bonds	542,731	-	542,731	-
US government obligations	127,212,756	127,212,756	-	-
Basic industries	66,759,340	66,759,340	-	-
Consumer services	142,843,923	142,843,923	-	-
Financial industries	68,734,719	68,734,719	-	-
Preferred securities	126,688	126,688	-	-
REITS	7,551,799	7,551,799	-	-
Technology	111,966,999	111,966,999	-	-
Utilities	7,451,892	7,451,892	-	-
Total investment by Fair Value Level	\$ 1,174,485,381	541,847,773	628,021,120	4,616,488
Investments measured at the net asset value (NAV)		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Commingled large cap equity funds	\$ 403,207,676	-	Daily	None
Commingled emerging markets equity funds	138,096,463	-	Daily	3 days
Commingled global equity fund	99,700,000	-	Daily	None
Commingled global fixed income funds	13,523,137	-	Daily	None
Commingled emerging markets debt funds	87,253,844	-	Monthly	30 days
Private equity partnerships	134,084,397	170,527,497	Not eligible	N/A
Commingled global asset allocation funds	209,334,379	-	Daily, Monthly	1 to 30 days
Commingled better beta fund	138,261,722	-	Monthly	5 days
Commingled real estate equity funds	162,476,018	-	Daily, quarterly	1 to 90 days
Private real estate fund	13,264,667	23,310,857	Not eligible	N/A
Commingled multi-asset fund	94,317,040	30,896,468	Monthly	30 days
Total investments measured at the NAV	1,493,519,343	224,734,822		
Total investments measured at Fair Value	\$ 2,668,004,724			

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 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.

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.

Private Equity 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, 2020, 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.

Commingled Global Asset Allocation Funds: This type consists of funds with an unconstrained, non-benchmark oriented investment approach that invest in actively managed mutual funds including developed and emerging bonds and stocks, real estate, commodities, and absolute-return oriented strategies. The objective of this strategy is to provide maximum real return with preservation of capital.

Commingled Better Beta Fund: This fund invests in a broad mix of asset classes including, but not limited to, currencies, fixed income, inflation linked bonds, equities and commodity markets. The objective is to provide attractive returns in any type of economic environment.

Commingled Real Estate Equity Funds: One of the funds in this category actively manages a core portfolio of U.S. equity real estate investments to maximize income. The second fund in this category maximizes total return by investing primarily in global, publicly traded companies whose principal business is the ownership, management and/or development of income producing and for-sale real estate properties. The third fund in this category seeks to provide a moderate level of current income and high residual property appreciation by investing in a balanced mix of stabilized value-added properties with appreciation potential. The fourth fund in this category invests primarily in U.S. well-leased retail, warehouse, storage, and residential properties with a focus on income.

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.

Information related to the investments held in the OPEB trust funds of both the County and Components 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, 2020, are summarized on the following page:

Investment Type	Valuation	Weighted Average Maturity (Days)
Primary Government - Pooled Investments:		
Pooled Investments:		
Commercial Paper	\$ 472,093,986	64
Corporate Notes and Bonds	406,343,308	688
Money Market Funds	326,349,032	1
Negotiable Certificates of Deposit	464,912,595	120
VA Investment Pool LGIP	<u>236,613,864</u>	51
Total	<u>\$ 1,906,312,785</u>	
Portfolio weighted average maturity		198
Component Units - Pooled Investments:		
Commercial Paper	\$ 114,834,238	64
Corporate Notes	98,840,751	688
Money Market Funds	79,382,588	1
Negotiable Certificates of Deposit	113,087,405	120
VA Investment Pool LGIP	<u>57,555,007</u>	51
Total	<u>\$ 463,699,989</u>	
Portfolio weighted average maturity		198

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, 2020, are summarized as follows:

Interest Rate Risk - Duration Model

Investment Type	Valuation	Duration (Years)
Primary Government - Pension Trust Funds:		
U.S. Government securities		
Employees' Retirement System	\$ 171,532,652	18.4
Police Officers Retirement System	42,370,768	8.6
Uniformed Retirement System	8,982,546	12.1
Corporate and other bonds		
Employees' Retirement System	260,052,754	5.1
Police Officers Retirement System	50,947,899	5.8
Uniformed Retirement System	109,290,666	4.7
International Bonds		
Employees' Retirement System	53,545,716	6.4
Police Officers Retirement System	1,517,949	2.3
Uniformed Retirement System	-	-
Asset-backed securities		
Employees' Retirement System	124,131,724	2.8
Police Officers Retirement System	49,328,398	2.9
Uniformed Retirement System	77,573,933	2.5
Short-term investments		
Employees' Retirement System	259,692,003	-
Police Officers Retirement System	85,450,882	-
Uniformed Retirement System	223,292,920	-
Total	<u>\$ 1,517,710,810</u>	
Component Unit - Pension Trust Fund:		
Asset and mortgage backed	\$ 114,457,007	0.4
Convertible securities	3,958,329	0.0
Corporate bonds	303,801,747	4.2
International bonds	26,323,671	0.4
Municipal bonds	542,731	0.0
Short-term investment funds	183,993,226	-
US government obligations	127,212,756	1.7
US treasury bills	8,760,554	0.4
Total	<u>\$ 769,050,021</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.
- Banker's acceptances shall be rated by at least two of the following: Moody's, with a rating of P-1; S&P, A-1; Fitch, 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, 2020, investments held by the county pool were rated as follows:

Credit Quality Rating *			
AA	A-1	AAA-m	Unrated
Corporate Notes 12.3%	Commercial paper 20.5%	Money Market Funds 4.4%	Demand Deposit Accounts 2.6%
US Treasury and Agencies** 5.1%	Negotiable CD 20.1%	LGIP 10.2%	Collateralized CDs 15.0%
		Bond Funds **: 9.8%	
17.4%	40.6%	24.4%	17.6%

* 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, 2020.

** U.S. Treasury and Agencies AA+

*** Bond Funds Rated AAAf/S1 by Fitch

The primary government and component units' pension trust funds' credit quality ratings at June 30, 2020, 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	- %	14.7 %	- %	- %	- %	- %	- %	- %
Corporate and other bonds	0.1	1.9	3.8	4.2	6.6	3.3	0.9	7.1
Asset-backed securities	-	4.1	0.1	0.4	0.9	0.4	0.9	9.5
Short-term investments	-	1.3	-	-	-	-	-	36.2
International bonds	-	0.1	0.2	1.1	0.6	-	-	1.6
Component Units								
Pension Trust Fund:								
Asset and mortgage-backed securities	10.9 %	8.0 %	1.8 %	1.7 %	0.1 %	0.1 %	1.0 %	1.9 %
Corporate bonds	0.2	3.3	12.2	38.3	8.7	4.5	0.4	-
Convertible securities	-	-	-	0.3	0.2	0.4	-	-
International bonds	-	0.7	1.0	1.7	2.2	0.3	-	-
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, 2020.

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, 2020, ERF had three active fixed income managers. The active manager portfolios had values of \$197.6 million, \$200.9 million, \$253.5 million and \$90.0 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 1.69 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, 2020, 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	\$ 817,598	834,350	-
Corporate and other bonds	41,308,029	42,346,803	-
Common and preferred stock	93,927,707	96,673,501	-
Lent for securities collateral:			
U.S. Government securities	145,832,284	-	159,486,523
Corporate and other bonds	4,496	-	4,588
Common and preferred stock	157,691,903	-	171,988,350
Total securities lent	<u>\$ 439,582,017</u>	<u>139,854,654</u>	<u>331,479,461</u>
Component Unit - Pension Trust Fund:			
Lent for cash collateral:			
Domestic corporate bonds	\$ 43,716,641	44,807,350	-
Domestic stock	64,600,733	66,163,780	-
International bonds	104,453	109,680	-
International stock	3,824,755	4,055,820	-
U.S. Government securities	11,019,767	11,246,263	-
Total securities lent	<u>\$ 123,266,349</u>	<u>126,382,893</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, 2020, is presented on the following pages:

Foreign Currency Risk

<u>International Securities</u>	<u>Cash and Cash Equivalents</u>	<u>Equity</u>	<u>Convertible and Fixed Income</u>	<u>Total U.S. Dollars</u>
<u>Primary Government - Pension Trust Funds:</u>				
Australian Dollar	\$ (4,120)	22,565,022	6,008,000	28,568,902
Brazil Real	2,171	3,309,120	4,682,888	7,994,179
Canadian Dollar	196,688	7,856,370	38,238	8,091,296
Chilean Peso	-	-	419,006	419,006
Colombian Peso	121	-	5,519,662	5,519,783
Danish Krone	61	20,719,125	-	20,719,186
Euro Currency Unit	300,761	111,191,949	4,252,371	115,745,081
Hong Kong Dollar	11,112	38,715,079	-	38,726,191
Hungarian Forint	-	-	327,485	327,485
Indian Rupee	-	2,709,993	-	2,709,993
Indonesian Rupiah	-	1,293,372	4,175,011	5,468,383
Israeli Shekel	14,952	532,316	-	547,268
Japanese Yen	1,241,812	114,196,188	-	115,438,000
Malaysian Ringgit	-	102,257	5,958,092	6,060,349
Mexican Peso	-	2,811,961	13,573,240	16,385,201
New Taiwan Dollar	144,535	8,463,160	-	8,607,695
New Zealand Dollar	1	133,305	359,851	493,157
Norwegian Krone	7	2,774,520	-	2,774,527
Peruvian Sol	-	-	169,310	169,310
Philippine Peso	-	53,992	-	53,992
Polish Zloty	-	-	2,933,070	2,933,070
Pound Sterling	287	76,761,878	1,002,914	77,765,079
Russian Ruble	-	-	716,103	716,103
Singapore Dollar	12,053	9,485,107	1,564,363	11,061,523
South African Rand	12	120,189	4,402,595	4,522,796
South Korean Won	6,020	9,195,567	177,277	9,378,864
Swedish Krona	3,397	24,779,157	-	24,782,554
Swiss Franc	239	28,462,075	-	28,462,314
Thailand Baht	-	4,007,868	-	4,007,868
Turkish Lira	-	75,048	-	75,048
Total fair value	<u>\$ 1,930,109</u>	<u>490,314,618</u>	<u>56,279,476</u>	<u>548,524,203</u>

Foreign Currency Risk

International Securities	Cash & Cash Equivalents	Equity	Convertible and Fixed Income	Total U.S. Dollars
Component Unit - Pension Trust Fund: *				
Australian Dollar	\$ 1,305	11,843,593	-	11,844,898
Brazil Real	-	24,967	65,120	90,087
Canadian Dollar	129,574	5,223,052	-	5,352,626
Chilean Peso	-	798,607	-	798,607
Chinese Yuan Renminbi	16,955	-	-	16,955
Czech Koruna	-	64,946	-	64,946
Danish Krone	95,781	12,887,957	-	12,983,738
Euro Currency Unit	509,928	41,889,153	7,178,828	49,577,909
Hong Kong Dollar	174,196	22,078,755	-	22,252,951
Indonesian Rupiah	2,312	-	-	2,312
Israeli Shekel	-	553,201	-	553,201
Japanese Yen	225,256	26,285,691	-	26,510,947
Malaysian Ringgit	24,282	31,045	-	55,327
Mexican Peso	1,297	144,412	-	145,709
New Taiwan Dollar	148,324	11,068,231	-	11,216,555
New Zealand Dollar	-	120,981	-	120,981
Norwegian Krone	13,058	123,804	-	136,862
Philippine Peso	4,074	-	-	4,074
Polish Zloty	4,310	294,070	-	298,380
Pound Sterling	45,025	21,035,450	-	21,080,475
Qatari Riyal	3,438	89,730	-	93,168
Russian Ruble	4,378	-	-	4,378
South African Rand	4,329	508,641	-	512,970
Singapore Dollar	7,737	419,684	-	427,421
South Korean Won	37,869	8,655,393	49,559	8,742,821
Swedish Krona	7,424	7,328,164	-	7,335,588
Swiss Franc	312,874	20,323,933	-	20,636,807
Thailand Baht	637,700	630,969	-	1,268,669
Turkish Lira	705	4,620,815	-	4,621,520
UAE Dirham	-	42,702	-	42,702
Total fair value	\$ 2,412,131	197,087,946	7,293,507	206,793,584

*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 entered into derivative transactions to gain exposure to currencies and markets where derivatives are the most cost-effective instrument. During fiscal year 2020, the Pension trust funds invested directly in various derivatives including asset-backed securities, collateralized mortgage obligations, exchange-traded futures contracts, forward currency contracts, options, swaps, and floating rate securities. Some traditional on-balance-sheet securities, such as structured notes, can have derivative-like characteristics where the return may be linked to one or more indices. Asset-backed securities, such as collateralized mortgage obligations (CMOs), are sensitive to changes in interest rates and pre-payments. Futures, forwards, options, and swaps generally are not recorded on the financial statements, whereas floating rate securities, structured notes, and asset-backed securities are recorded. The Pension trust funds also have exposure to derivatives indirectly through its ownership interests in certain hedge funds, mutual funds and commingled funds which may use, hold or write derivative financial instruments.

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

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

Futures contracts are contracts to deliver or receive securities at a specified future date and at a specified price or yield. Futures contracts are traded on organized exchanges (exchange-traded) and typically require an initial margin (collateral) in the form of cash or marketable securities. The net change in the futures contract value is settled daily with the exchanges in cash and the net gains or losses are included in the Pension trust funds' financial statements. Holders of futures contracts look to the exchange for performance under the contract and not to the entity holding the offsetting futures position. Accordingly, the amount at risk posed by nonperformance of counterparties to futures contracts is minimal. The notional value of the Pension trust funds' investment in futures contracts at June 30, 2020, 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	(305,549,853)	(309,671,466)
Equity Futures:		
Long	493,366,640	478,639,787
Short	(156,017,340)	(155,080,320)
Fixed Income Futures:		
Long	720,652,982	703,873,145
Short	-	-
Commodity Futures:		
Long	227,898,438	216,907,668
Short	-	-
Total	<u>\$ 980,350,867</u>	<u>934,668,814</u>

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, 2020, is summarized as follows:

Swap Types	Base Exposure	Fair Value
Primary Government - Pension Trust Funds:		
Fixed Income Swaps:		
Cleared Interest Rate Swaps	\$ 3,944,872	3,737,352
Cleared Credit Default Swaps	99,974	122,099
Cleared Zero Coupon Swaps	333,495	506,758
Total	<u>\$ 4,378,341</u>	<u>4,366,209</u>

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, 2020, are presented on the following page.

	Cost	Fair Value	Unrealized Gain/(loss)
Primary Government - Pension Trust Funds:			
Equity Options:			
Purchased Call	\$ 499,454	684,341	184,887
Fixed Income Options:			
Written Call	(13,684)	(640)	13,044
Total	<u>\$ 485,770</u>	<u>683,701</u>	<u>197,931</u>

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 gain on foreign currency spot and forward contracts at June 30, 2020, was \$396,708, 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	(8,360,000)	\$ (5,440,158)	\$ (5,756,978)	\$ (316,820)
Brazil Real	(6,830,000)	(1,199,129)	(1,243,504)	(44,375)
Euro Currency Unit	(3,470,000)	(3,929,071)	(3,902,254)	26,817
Indonesian Rupiah	(77,600,000,000)	(5,402,392)	(5,290,809)	111,583
Japanese Yen	(549,577,000)	(5,109,273)	(5,096,534)	12,739
Mexican Peso	(62,700,000)	(2,738,837)	(2,698,345)	40,492
New Zealand Dollar	(11,620,000)	(7,117,141)	(7,480,798)	(363,657)
Norwegian Krone	(68,900,000)	(7,313,770)	(7,143,584)	170,186
Pound Sterling	(5,200,000)	(6,450,554)	(6,426,519)	24,035
South African Rand	(110,420,000)	(6,131,963)	(6,325,957)	(193,994)
South Korean Won	(2,840,000,000)	(2,306,427)	(2,367,694)	(61,267)
Thailand Baht	(97,600,000)	(3,040,025)	(3,157,476)	(117,451)
Total Foreign Currency Contracts Purchased			<u>\$ (56,890,452)</u>	<u>(711,712)</u>

Foreign Currency Contracts Sold				
Primary Government - Pension Trust Funds:				
Brazil Real	6,830,000	\$ 1,348,630	\$ 1,243,504	\$ (105,126)
Chilean Peso	4,975,000,000	6,172,680	6,069,690	(102,990)
Czech Koruna	115,900,000	4,715,412	4,887,130	171,718
Euro Currency Unit	11,310,000	12,598,305	12,724,429	126,124
Hungarian Forint	1,550,000,000	4,839,869	4,909,653	69,784
Indonesian Rupiah	19,800,000,000	1,232,570	1,360,062	127,492
Japanese Yen	503,000,000	4,715,212	4,664,659	(50,553)
Mexican Peso	86,000,000	3,707,687	3,701,079	(6,608)
New Zealand Dollar	13,390,000	8,141,425	8,620,304	478,879
Norwegian Krone	68,900,000	6,982,300	7,143,584	161,284
Polish Zloty	16,120,000	3,843,017	4,075,477	232,460
Pound Sterling	10,450,000	13,170,189	12,915,988	(254,201)
Russian Ruble	53,000,000	703,608	741,688	38,080
South African Rand	42,400,000	2,377,015	2,429,094	52,079
South Korean Won	10,320,000,000	8,520,903	8,605,505	84,602
Thailand Baht	97,600,000	3,072,080	3,157,476	85,396
Total Foreign Currency Contracts Sold			<u>\$ 87,249,322</u>	<u>1,108,420</u>

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. Investment managers must obtain specific authorization from the Board prior to purchasing securities on margin or leverage. In addition, ERFC had indirect investments in derivatives through its ownership interest in the Better Beta fund, one Private Equity manager, two of the Real Estate managers, three of the fixed income managers, and one of the Global Asset Allocation managers. These portfolios are commingled funds in which ERFC has a percentage ownership. Derivatives in these portfolios consisted of interest rate swaps and caps, which reduce the effect of interest rate fluctuations by converting floating rate financing into fixed rate loans for real estate investments. Futures, because they are more liquid than over the counter derivatives, have among the lowest transaction costs available, carry minimal counterparty risk and are de facto currency hedged. Non-Deliverable Forward's (NDF's) obtain exposure to a currency and its interest rate where the actual purchase of onshore debt is difficult. The interest rate exposure comes through the difference between the spot foreign exchange (F/X) rate and the forward F/X rate, and through investing the US dollar (USD) cash used as collateral in short dated US bonds. Forward commodity contracts hedge changes in cash flows due to market price fluctuations related to the expected purchase of a commodity. Currency forwards are used for hedging non-USD denominated physical instruments back to the base currency. Options are contracts that give the buyer the right, but not the obligation, to buy or sell an underlying asset at a specific price on or before a certain date. Credit Default Swaps (CDS) are contracts that offer guarantees against the non-payment of loans. At June 30, 2020, exposure to interest rate swaps was \$(28,487,463), exposure to interest rate caps was \$4,322,124, exposure to futures contracts was \$9,022,651, exposure to NDFs was \$295,520, exposure to forward commodity contracts was \$1,230,571, exposure to currency forward contracts was \$6,363,758, exposure to options was \$53,232, exposure to CDS was \$90,084, and exposure to total return swaps was \$35,612.

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 position 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 position 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. A declaration form is required to be filed, and there is a ten percent penalty for late filing. Personal property taxes are due on October 5, with certain exceptions. Delinquency notices are sent before statutory measures, such as the seizure of property and the placing of liens on bank accounts and/or wages, are initiated.

Real estate 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, 2020, after allowances for uncollectible amounts, is \$23,329,440 of which \$2,782,073 has been included in tax revenue for fiscal year 2020 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 2020 as receivables (net of payments totaling \$37,271,813 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, 2020; however, these resources, which amount to \$3,668,756,813, will not be available to the County until fiscal year 2021.

The 1998 Virginia General Assembly enacted the Personal Property Tax Relief Act to provide property tax relief on the first \$20,000 of value of motor vehicles not used for business purposes. Due to budget constraints, the 2003 Virginia General Assembly froze the tax reduction at 70 percent. The 2005 Virginia General Assembly revised this measure further to limit its tax relief payments to all localities to a total of \$950 million per tax year beginning with 2006 (fiscal year 2007). The County's fixed share of the \$950 million is \$211,313,944, as determined by its share of the total payments made to all localities by the Commonwealth during calendar years 2004 and 2005 for tax year 2004 (fiscal year 2005). The County's fixed share from the Commonwealth is reported as intergovernmental revenue in the General Fund.

D. RECEIVABLES

Receivables and allowances for uncollectible receivables of the primary government, excluding fiduciary funds, at June 30, 2020, consist of the following:

	General Fund	Nonmajor Governmental Funds	Enterprise Fund	Internal Service Funds	Total Primary Government (Exhibit A)
Receivables:					
Accounts	\$ 11,069,867	12,770,367	1,670,739	21,373	25,532,346
Accrued interest	-	12,327,337	-	-	12,327,337
Property taxes:					
Delinquent	42,931,281	-	-	-	42,931,281
Not yet due	3,427,692,111	-	-	-	3,427,692,111
Business license taxes - delinquent	19,262,707	-	-	-	19,262,707
Loans	-	104,068,154	-	-	104,068,154
Total receivables	3,500,955,966	129,165,858	1,670,739	21,373	3,631,813,936
Allowances for uncollectibles:					
Accounts receivable	(3,226,868)	-	-	-	(3,226,868)
Accrued interest	-	(5,724,541)	-	-	(5,724,541)
Property taxes:					
Delinquent	(19,601,842)	-	-	-	(19,601,842)
Not yet due	(7,521,055)	-	-	-	(7,521,055)
Business license taxes - delinquent	(16,821,164)	-	-	-	(16,821,164)
Loans	-	(44,444,031)	-	-	(44,444,031)
Total allowances for uncollectibles	(47,170,929)	(50,168,572)	-	-	(97,339,501)
Total net receivables	\$ 3,453,785,037	78,997,286	1,670,739	21,373	3,534,474,435

Receivables of the component units, excluding fiduciary funds, at June 30, 2020, consist of the following:

	Public Schools	FCRHA	Park Authority	EDA	Total Component Units
Receivables:					
Accounts	\$ 10,487,904	8,286,355	707,755	-	19,482,014
Accrued interest	17,564	732,363	29,888	-	779,815
Notes, mortgages, and other	-	57,031,755	-	-	57,031,755
Total receivables	10,505,468	66,050,473	737,643	-	77,293,584
Allowances for uncollectible	-	(5,875,571)	-	-	(5,875,571)
Total net receivables	\$ 10,505,468	60,174,902	737,643	-	71,418,013

Delinquent property taxes receivable from taxpayers in the General Fund as of June 30, 2020, are as follows:

Year of Levy	Real Estate	Personal Property	Total
2019	\$ 7,731,765	11,023,757	18,755,522
2018	1,992,606	4,045,650	6,038,256
2017	933,823	3,444,139	4,377,962
Prior years	1,263,542	4,644,359	5,907,901
Total delinquent taxes	\$ 11,921,736	23,157,905	35,079,641
Penalty and interest			7,851,640
Total delinquent taxes, penalty and interest			42,931,281
Allowances for uncollectibles			(19,601,842)
Net delinquent tax receivables			\$ 23,329,439

Amounts due to the primary government and component units from other governmental units at June 30, 2020, include the following:

	Primary Government					Component Unit	
	General Fund	Nonmajor Governmental Funds	Enterprise Fund	Internal Service Funds	Total (Exhibit A)	Public Schools	Park Authority
Federal government	\$ 113,874	12,990,742	149,171	-	13,253,787	15,825,258	396,181
State government:							
Property tax relief - not yet due	211,313,944	-	-	-	211,313,944	-	-
Other	44,917,755	25,119,068	1,165,380	-	71,202,203	23,705,257	-
Local governments	1,113,765	7,401,970	61,409,522	811	69,926,068	1,055,268	671
Total intergovernmental units	\$ 257,459,338	45,511,780	62,724,073	811	365,696,002	\$ 40,585,783	\$ 396,852
Federal-Build America Bond subsidy					537,196		
Total (Exhibit A)					<u>\$ 366,233,198</u>		

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, 2020 is as follows:

	Interfund Receivables	Interfund Payables
<u>Primary Government</u>		
General Fund	\$ 267,282	1,591,332
Nonmajor Governmental Funds	-	267,282
Internal Service Funds	1,591,332	-
Total primary government	<u>\$ 1,858,614</u>	<u>1,858,614</u>
<u>Component Unit</u>		
Public Schools:		
General Fund	\$ 11,315,000	-
Capital Projects Fund	-	11,315,000
Total component units	<u>\$ 11,315,000</u>	<u>11,315,000</u>

BASIC FINANCIAL STATEMENTS

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, 2020, are as follows:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
<u>Component Units</u>	<u>Primary Government</u>	
Public Schools	General Fund	\$ 44,519
Park Authority	General Fund	1,955,093
Park Authority	Nonmajor Governmental Fund	1,916,915
EDA	General Fund	435,415
Total		\$ 4,351,942
<u>Primary Government</u>	<u>Component Unit</u>	
General Fund	Park Authority	\$ 117,954
Total		\$ 117,954

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, 2020, are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Primary Government</u>		
General Fund	\$ 13,276,664	613,961,660
Nonmajor Governmental Funds	662,516,221	75,311,854
Internal Service Funds	13,480,629	-
Total primary government	\$ 689,273,514	689,273,514
<u>Component Unit</u>		
Public Schools:		
General Fund	\$ -	33,263,185
Capital Projects Fund	12,689,362	-
Nonmajor Governmental Funds	20,573,823	-
Park Authority:		
Major Governmental Funds	3,422,403	3,422,403
Total component units	\$ 36,685,588	36,685,588

F. CAPITAL ASSETS

Capital assets activity for the primary government and component units for the year ended June 30, 2020, is as follow:

	Balances July 1, 2019	Increases	Decreases	Balances June 30, 2020
Primary Government				
Governmental activities:				
Non-depreciable/non-amortizable:				
Land and easements	\$ 436,205,434	25,170,125	(551,424)	460,824,135
Construction in progress	419,132,863	135,781,959	(237,432,735)	317,482,087
Equipment under construction	34,239,201	11,058,043	(12,970,996)	32,326,248
Software in development	30,651,657	8,922,814	(23,636,359)	15,938,112
Total non-depreciable/non-amortizable	920,229,155	180,932,941	(274,591,514)	826,570,582
Depreciable/amortizable:				
Vehicles and equipment	502,228,950	43,419,439	(28,394,318)	517,254,071
Software	129,000,509	34,334,846	-	163,335,355
Library collections	110,121,547	4,985,370	-	115,106,917
Buildings	1,610,321,490	88,951,563	(31,734,501)	1,667,538,552
Improvements	273,293,249	15,331,486	(957,850)	287,666,885
Infrastructure	1,024,381,572	125,832,479	(2,940,462)	1,147,273,589
Total depreciable/amortizable	3,649,347,317	312,855,183	(64,027,131)	3,898,175,369
Less accumulated depreciation/amortization for:				
Vehicles and equipment	(341,129,337)	(40,301,070)	24,162,058	(357,268,349)
Software	(52,813,134)	(9,862,839)	-	(62,675,973)
Library collections	(98,959,522)	(3,876,206)	-	(102,835,728)
Buildings	(632,131,868)	(47,151,811)	24,268,697	(655,014,982)
Improvements	(104,454,818)	(11,357,434)	71,232	(115,741,020)
Infrastructure	(362,169,331)	(28,146,117)	110,472	(390,204,976)
Total accumulated depreciation/amortization	(1,591,658,010)	(140,695,477)	48,612,459	(1,683,741,028)
Total capital assets, being depreciated/amortized, net	2,057,689,307	172,159,706	(15,414,672)	2,214,434,341
Total capital assets, net - Governmental activities	2,977,918,462	353,092,647	(290,006,186)	3,041,004,923
Business-type activities:				
Non-depreciable/non-amortizable:				
Land and easements	18,016,126	-	-	18,016,126
Construction in progress	177,614,495	85,911,235	(34,991,213)	228,534,517
Total non-depreciable/non-amortizable	195,630,621	85,911,235	(34,991,213)	246,550,643
Depreciable/amortizable:				
Vehicles and equipment	14,184,399	2,304,263	(644,595)	15,844,067
Purchased capacity	1,088,811,491	43,977,377	(8,466,306)	1,124,322,562
Buildings and improvements	88,468,229	3,314,204	-	91,782,433
Infrastructure	1,373,812,499	46,145,662	(4,330)	1,419,953,831
Total depreciable/amortizable	2,565,276,618	95,741,506	(9,115,231)	2,651,902,893
Less accumulated depreciation/amortization for:				
Vehicles and equipment	(10,489,512)	(1,180,226)	541,487	(11,128,251)
Purchased capacity	(435,451,138)	(30,297,844)	4,211,854	(461,537,128)
Buildings and improvements	(52,008,142)	(2,220,764)	-	(54,228,906)
Infrastructure	(661,591,224)	(30,985,028)	58	(692,576,194)
Total accumulated depreciation/amortization	(1,159,540,016)	(64,683,862)	4,753,399	(1,219,470,479)
Total capital assets, being depreciated/amortized, net	1,405,736,602	31,057,644	(4,361,832)	1,432,432,414
Total capital assets, net - Business-type activities	1,601,367,223	116,968,879	(39,353,045)	1,678,983,057
Total capital assets, net - Primary government	\$ 4,579,285,685	470,061,526	(329,359,231)	4,719,987,980

BASIC FINANCIAL STATEMENTS

	Balances June 30, 2019	Increases	Decreases	Balances June 30, 2020
Component Units				
Public Schools				
Non-depreciable/non-amortizable:				
Land	\$ 46,837,095	-	-	46,837,095
Construction in progress	313,203,452	180,799,399	(93,840,017)	400,162,834
Total non-depreciable/non-amortizable	360,040,547	180,890,386	(93,840,017)	447,090,916
Depreciable/amortizable:				
Vehicles and equipment	340,502,060	28,281,842	(10,509,208)	358,274,694
Software	13,260,834	-	-	13,260,834
Library collections	19,604,782	2,058,474	(295,083)	21,368,173
Buildings	1,277,000,077	2,978,533	(560,603)	1,279,418,007
Improvements	2,752,266,804	107,917,725	(979,325)	2,859,205,204
Total depreciable/amortizable	4,402,634,557	141,236,574	(12,344,219)	4,531,526,912
Less accumulated depreciation/amortization for:				
Vehicles and equipment	(231,706,362)	(27,048,796)	9,657,250	(249,097,908)
Software	(7,551,678)	(796,075)	-	(8,347,753)
Library collections	(13,362,998)	(2,088,376)	295,083	(15,156,291)
Buildings	(655,937,106)	(24,001,373)	23,875	(679,914,604)
Improvements	(1,265,465,669)	(106,214,868)	-	(1,371,680,537)
Total accumulated depreciation/amortization	(2,174,023,813)	(160,149,488)	9,976,208	(2,324,197,093)
Total capital assets, being depreciated/amortized, net	2,228,610,744	(18,912,914)	(2,368,011)	2,207,329,819
Total capital assets, net - Public Schools	2,588,651,291	161,977,472	(96,208,028)	2,654,420,735
FCRHA				
Non-depreciable/non-amortizable:				
Land, as restated	46,895,591	1,441,453	(1,969,939)	46,367,105
Construction in progress	4,388,016	1,367,277	-	5,755,293
Total non-depreciable/non-amortizable	51,283,607	2,808,730	(1,969,939)	52,122,398
Depreciable/amortizable:				
Vehicles and equipment	1,869,808	184,387	(37,380)	2,016,815
Buildings and improvements	224,841,495	9,570,439	-	234,411,934
Total depreciable/amortizable	226,711,303	9,754,826	(37,380)	236,428,749
Less accumulated depreciation/amortization for:				
Vehicles and equipment	(2,068,941)	(363)	-	(2,069,304)
Buildings and improvements	(144,644,580)	(5,371,475)	-	(150,016,055)
Total accumulated depreciation/amortization	(146,713,521)	(5,371,838)	-	(152,085,359)
Total capital assets, being depreciated/amortized, net	79,997,782	4,382,988	(37,380)	84,343,390
Total capital assets, net - FCRHA	131,281,389	7,191,718	(2,007,319)	136,465,788
Park Authority				
Non-depreciable/non-amortizable:				
Land and easements	390,432,531	1,838,331	(1,119,301)	391,151,561
Construction in progress	7,816,763	24,058,484	(15,846,827)	16,028,420
Total non-depreciable/non-amortizable	398,249,294	25,896,815	(16,966,128)	407,179,981
Depreciable/amortizable:				
Vehicles and equipment	13,537,478	1,258,240	(627,821)	14,167,897
Buildings and improvements	501,905,849	16,517,281	-	518,423,130
Total depreciable/amortizable	515,443,327	17,775,521	(627,821)	532,591,027
Less accumulated depreciation/amortization for:				
Vehicles and equipment	(8,737,060)	(418,939)	625,908	(8,530,091)
Infrastructure	-	-	-	-
Buildings and improvements	(250,780,986)	(16,929,208)	-	(267,710,194)
Total accumulated depreciation/amortization	(259,518,046)	(17,348,147)	625,908	(276,240,285)
Total capital assets, being depreciated/amortized, net	255,925,281	427,374	(1,913)	256,350,742
Total capital assets, net - Park Authority	654,174,575	26,324,189	(16,968,041)	663,530,723
EDA				
Depreciable/amortizable:				
Vehicles and equipment	30,059	-	(10,770)	19,289
Buildings and improvements	1,176,811	-	-	1,176,811
Total depreciable/amortizable	1,206,870	-	(10,770)	1,196,100
Less accumulated depreciation/amortization for:				
Vehicles and equipment	(26,236)	(2,263)	10,770	(17,729)
Buildings and improvements	(812,900)	(109,174)	-	(922,074)
Total accumulated depreciation/amortization	(839,136)	(111,437)	10,770	(939,803)
Total capital assets, net - EDA	367,734	(111,437)	-	256,297
Total capital assets, net - Component units	\$ 3,374,474,989	195,381,942	(115,183,388)	3,454,673,543

Depreciation and amortization expense for the year ended June 30, 2020, 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	\$ 24,175,963	-	-
Judicial administration	3,742,921	-	-
Public safety	9,670,792	-	-
Public works	57,302,767	64,683,862	-
Health and welfare	3,433,513	-	-
Community development	15,568,463	-	-
Parks, recreation, and cultural	7,657,324	-	-
In addition, depreciation on capital assets held by the County's internal service funds is charged to the various functions based on asset usage.	19,143,734	-	-
Component Units			
Public Schools	-	-	160,149,487
FCRHA	-	-	5,384,960
Park Authority	-	-	17,348,147
EDA	-	-	111,437
Total depreciation and amortization expense	\$ 140,695,477	64,683,862	182,994,031

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, 67.8 percent, FCPS 26.9 percent, EDA 0.4 percent, FCRHA 1.5 percent, and FCPA 3.4 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/about-fcps/budget/financial-reports>

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 5.0 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 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 4.0 percent or the percentage increase in the Consumer Price Index for the Washington Consolidated Metropolitan Statistical Area. The plan provides that unused sick leave credit may be used in the calculation of average final compensation by projecting the final salary during the unused sick leave period. Those 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 5.0 percent per annum, compounded monthly. The monthly benefit is calculated using service and final compensation as of the date of entry in DROP, with increases equal to the annual COLA adjustment provided for retirees.

The Educational Employees' Supplementary Retirement System

Benefit provisions for ERFC and ERFC 2001 are established and may be amended by ERFC's Board of 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 has 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%. 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, 2020, was 28.35 percent of annual covered payroll. Since the ERS's adjusted funded ratio (the ratio of the sum of the actuarial value of assets and commitments already made to fund changes to the actuarial accrued liability) fell below 90 percent, the contribution rate includes a margin to amortize this shortfall back to the 90 percent level. For fiscal year 2020, the amortization target of 100 percent was achieved. The employer contribution made during the measurement period of the liability was \$210,964,434. The 2020 employer contribution totaled \$234,743,643.

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, 2020.

The County is required to contribute at an actuarially determined rate; the rate for the year ended June 30, 2020 was 41.60 percent of annual covered payroll. Since the PORS's adjusted funded ratio (the ratio of the sum of the actuarial value of assets and commitments already made to fund changes to the actuarial accrued liability) fell below 90 percent, the contribution rate includes a margin to amortize this shortfall back to the 90 percent level. For fiscal year 2020, the amortization target of 100 percent was achieved. The employer contribution made for the measurement period of the liability was \$47,182,840. The 2020 employer contribution totaled \$50,781,403.

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, 2020 was 38.44 percent of annual covered payroll. Since the URS's adjusted funded ratio (the ratio of the sum of the actuarial value of assets and commitments already made to fund changes to the actuarial accrued liability) fell below 90 percent, the contribution rate includes a margin to amortize this shortfall back to the 90 percent level. For fiscal year 2020, the amortization target of 100 percent was achieved. The employer contribution made for the measurement period of the liability was \$69,246,070. The 2020 employer contribution totaled \$69,930,974.

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 6.44 percent for fiscal year 2020. Employer contributions to the pension plan were \$104,741,255 and \$96,982,911 for the years ended June 30, 2020 and June 30, 2019, 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, 2017 valuation recommended that the contribution rate for the two-year period beginning July 1, 2019 to June 30, 2021 be increased from 6.26 percent to 6.44 percent.

4. Actuarial Methods and Assumptions

The reported total pension liability (TPL) was based on participant data collected as of December 31, 2018 and an actuarial valuation as of June 30, 2019, using the entry age actuarial cost method, with a measurement date of June 30, 2019. Significant actuarial assumptions used in the valuation for ERS, PORS, and URS include:

Actuarial Assumptions

Discount rate, net of plan investment expenses	7.25%
Inflation	2.75%
Salary increases, including inflation	2.75%
Investment rate of return, net of plan investment expenses	7.25%
Mortality	Healthy and Disabled Mortality Table RP-2014 projected using the RPEC-2015 model

ERFC assumptions deviate from the chart for salary increases, using a range of 3.25% - 9.05%. Mortality rates were based on RP-2014 mortality healthy annuitant total data set table with fully generation two-dimensional sex distinct MP-2016 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 2016.

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, 2019 valuation were based on the results of an actuarial experience study performed in 2016. ERFC valuation date June 30, 2019 based on experience study from January 1, 2010 to December 31, 2014.

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 Equity	5.6% / 16%	5.6% / 12%	5.6% / 10%
US Small Cap Equity	7.8% / 4%	7.8% / 5%	7.8% / 3%
International Dev.	5.6% / 7%	5.6% / 10%	5.6% / 9%
International EM	10.1% / 3%	10.1% / 3%	10.1% / 5%
Private Equities	14.4% / 2%	14.4% / 2%	14.4% / 3%
Core Bonds	2.1% / 25%	2.1% / 13%	2.1% / 12%
High Yield	4.6% / 10%	4.6% / 17%	4.6% / 5%
Global Bonds	0.9% / 5%	0.9% / -	0.9% / 5%
Emerging Markets Debt	4.8% / 2%	4.8% / -	4.8% / 3%
Real Estate	6.8% / 8%	6.8% / 5%	6.8% / 8%
Absolute Return	11.3% / 20%	11.3% / 15%	11.3% / 18%
Risk Parity	6.5% / 15%	6.5% / 30%	6.5% / 20%
Commodities	5.9% / 5%	5.9% / -	5.9% / 4%
Cash	1.0% / 3%	1.0% / 1%	1.0% / 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	6.20%	16.50%
Domestic Mid Cap Equity	6.80%	-
Domestic Small Cap Equity	7.30%	6.00%
International Equity	7.00%	17.00%
Emerging International Equity	9.90%	-
Global Real Estate Investment Trusts	5.90%	-
Real Estate (Core)	4.80%	8.00%
Core US Fixed Income	2.00%	29.00%
Emerging Market Debt	4.70%	-
Multi-Asset Class Strategies	5.20%	-
Hedge Funds	3.80%	-
Global Asset Allocation	-	15.00%
Absolute Return	-	5.00%
Private Equity	10.40%	3.50%

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 are as follows:

	ERS	PORS
Total pension liability	\$ 5,791,680,570	\$ 1,780,416,321
Pension plan's fiduciary net position	<u>(4,101,637,346)</u>	<u>(1,483,674,321)</u>
Net pension liability	<u>\$ 1,690,043,224</u>	<u>\$ 296,742,000</u>
Plan fiduciary net position as a percentage of the total pension liability	70.8%	83.3%
	URS	ERFC
Total pension liability	\$ 2,209,429,796	\$ 3,406,340,888
Pension plan's fiduciary net position	<u>(1,813,732,776)</u>	<u>(2,521,441,472)</u>
Net pension liability	<u>\$ 395,697,020</u>	<u>\$ 884,899,416</u>
Plan fiduciary net position as a percentage of the total pension liability	82.1%	74.0%

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 6/30/2019	<u>\$ 12,668,805</u>	<u>9,583,033</u>	<u>3,085,772</u>
Changes for year:			
Service cost	265,922	-	265,922
Interest	909,521	-	909,521
Differences between expected and actual experience	41,188	-	41,188
Benefit payments, including refunds of member contributions	(697,568)	(697,568)	-
Contributions - employer	-	424,376	(424,376)
Contributions - member	-	107,343	(107,343)
Net investment income	-	510,994	(510,994)
Administrative expense	-	(7,691)	7,691
Net changes	<u>519,063</u>	<u>337,454</u>	<u>181,609</u>
Balances 6/30/2020	<u>\$ 13,187,868</u>	<u>9,920,487</u>	<u>3,267,381</u>

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

	Dollar amounts in (000)				
	ERS	PORS	URS	ERFC	Total
Total Pension Liability					
Service cost	\$ 99,759	31,993	43,537	90,633	265,922
Interest	400,860	123,663	153,521	231,477	909,521
Differences between expected and actual experience	29,355	(7,959)	(7,935)	27,727	41,188
Benefit payments, including refunds of member contributions	(329,517)	(80,576)	(105,543)	(181,932)	(697,568)
Net change in total pension liability	200,457	67,121	83,580	167,905	519,063
Total pension liability - 6/30/2019	5,591,224	1,713,295	2,125,850	3,238,436	12,668,805
Total pension liability - 6/30/2020	\$ 5,791,681	1,780,416	2,209,430	3,406,341	13,187,868
Plan Fiduciary Net Position					
Contributions - employer	\$ 210,964	47,183	69,246	96,983	424,376
Contributions - member	37,916	10,177	12,605	46,645	107,343
Net investment income	243,546	71,578	78,142	117,728	510,994
Benefit payments, including refunds of member contributions	(329,517)	(80,576)	(105,543)	(181,932)	(697,568)
Administrative expense	(2,198)	(611)	(620)	(4,262)	(7,691)
Net change in plan fiduciary net position	160,711	47,751	53,830	75,162	337,454
Plan fiduciary net position - 6/30/2019	3,940,927	1,435,923	1,759,903	2,446,280	9,583,033
Plan fiduciary net position - 6/30/2020	\$ 4,101,638	1,483,674	1,813,733	2,521,442	9,920,487
Net pension liability - 6/30/2020	\$ 1,690,043	296,742	395,697	884,899	3,267,381

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 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 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Total pension liability	\$ 6,480,539,362	\$ 5,791,680,570	\$ 5,214,483,146
Plan fiduciary net position	(4,101,637,346)	(4,101,637,346)	(4,101,637,346)
Net pension liability	\$ 2,378,902,016	\$ 1,690,043,224	\$ 1,112,845,800
Plan fiduciary net position as a percentage of the total pension liability	63.3%	70.8%	78.7%

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

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Total pension liability	\$ 2,027,627,084	\$ 1,780,416,321	\$ 1,578,236,162
Plan fiduciary net position	(1,483,674,321)	(1,483,674,321)	(1,483,674,321)
Net pension liability	\$ 543,952,763	\$ 296,742,000	\$ 94,561,841
Plan fiduciary net position as a percentage of the total pension liability	73.2%	83.3%	94.0%

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

	1% Decrease	Current Discount Rate	1% Increase
	6.25%	7.25%	8.25%
Total pension liability	\$ 2,498,988,120	\$ 2,209,429,796	\$ 1,969,873,796
Plan fiduciary net position	(1,813,732,776)	(1,813,732,776)	(1,813,732,776)
Net pension liability	<u>\$ 685,255,344</u>	<u>\$ 395,697,020</u>	<u>\$ 156,141,020</u>
Plan fiduciary net position as a percentage of the total pension liability	72.6%	82.1%	92.1%

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

	1% Decrease	Current Discount Rate	1% Increase
	6.25%	7.25%	8.25%
Total pension liability	\$ 3,801,476,431	\$ 3,406,340,888	\$ 3,011,205,345
Plan fiduciary net position	(2,521,441,472)	(2,521,441,472)	(2,521,441,472)
Net pension liability	<u>\$ 1,280,034,959</u>	<u>\$ 884,899,416</u>	<u>\$ 489,763,873</u>
Plan fiduciary net position as a percentage of the total pension liability	66.3%	74.0%	83.7%

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	9,468	1,153	1,402	12,482
Terminated employees entitled to, but not yet receiving, benefits	2,293	69	89	5,240
DROP participants	806	59	137	N/A
Active plan members	14,000	1,382	1,939	22,176
Total number of plan members	<u>26,567</u>	<u>2,663</u>	<u>3,567</u>	<u>39,898</u>

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 on the following page:

BASIC FINANCIAL STATEMENTS

	ERS		PORS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 78,280,686	34,753,475	\$ 6,696,023	23,132,080
Changes of assumptions	22,857,789	-	4,240,886	-
Net difference between projected and actual earnings on pension plan investments	92,945,190	-	34,137,428	-
Contributions subsequent to the measurement date	234,743,644	-	50,781,403	-
Total	\$ 428,827,309	34,753,475	\$ 95,855,740	23,132,080
Pension Expense Recognized 2020	\$ 322,962,585		\$ 67,930,936	
Net Pension Liability June 30, 2020	\$ 1,690,043,224		\$ 296,742,000	
	URS		ERFC	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,604,158	30,772,899	\$ 42,939,388	9,676,371
Changes of assumptions	8,776,888	-	30,811,546	-
Net difference between projected and actual earnings on pension plan investments	34,433,831	-	28,179,718	-
Contributions subsequent to the measurement date	69,930,974	-	104,741,255	-
Total	\$ 119,745,851	30,772,899	\$ 206,671,907	9,676,371
Pension Expense Recognized 2020	\$ 94,179,514		\$ 164,760,050	
Net Pension Liability June 30, 2020	\$ 395,697,020		\$ 884,899,416	

Deferred outflows associated with contributions made subsequent to the measurement date will be recognized as a reduction to the net pension liability in 2021. The remaining deferred outflows and inflows will impact pension expense in subsequent years as follows:

Year ended June 30:

Measurement Date June 30 of prior year

	ERS	PORS	URS	ERFC
2021	\$ 89,984,930	14,662,329	17,537,845	36,035,932
2022	33,714,500	(1,606,486)	(7,177,097)	3,570,843
2023	21,915,510	4,984,907	1,823,236	22,682,251
2024	13,715,250	5,228,088	9,286,308	21,725,067
2025	-	(1,326,581)	(1,294,701)	5,091,007
Thereafter	-	-	(1,133,613)	3,149,181
Total	\$ 159,330,190	21,942,257	19,041,978	92,254,281

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	\$ 5,791,681	3,925,875	1,556,104	22,798	91,118	195,786
Pension plan's fiduciary net position	(4,101,637)	(2,780,283)	(1,102,025)	(16,145)	(64,529)	(138,655)
Net pension liability	\$ 1,690,044	1,145,592	454,079	6,653	26,589	57,131
Deferred outflows:						
Contributions after measurement date	\$ 234,744	161,669	60,874	873	3,776	7,552
Investment return	92,945	63,003	24,972	366	1,462	3,142
Changes in proportion	11,328	10,056	-	163	642	467
Experience	78,281	53,062	21,033	308	1,232	2,646
Changes of assumptions	22,858	15,494	6,141	90	360	773
Total deferred outflows (ERS)	\$ 440,156	303,284	113,020	1,800	7,472	14,580
Deferred inflows:						
Experience	\$ 34,753	23,557	9,337	137	547	1,175
Changes in proportion	11,328	1,098	6,125	1,031	1,598	1,476
Total deferred inflows (ERS)	\$ 46,081	24,655	15,462	1,168	2,145	2,651
Pension expense	\$ 322,963	223,287	83,741	1,069	4,785	10,081

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 five years of creditable service. Benefits under the Defined Contribution component of the Hybrid Plan are always 100% vested. To be eligible for unreduced retirement benefits, an individual must meet the following criteria: (a) attain the age of 65 with five 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 five 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 five 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, 2020 was 15.68 percent of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarial rate for the Teacher Retirement Plan was 15.68 percent. 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, 2020. Employer contributions to the pension plan were \$255,030,396 and \$242,912,277 for the years ended June 30, 2020 and June 30, 2019, respectively.

Actuarial Methods and Assumptions

The total pension liability for VRS was based on an actuarial valuation as of June 30, 2018, 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, 2019. The assumptions used were as follows:

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 ^(a)	6.75%

(a) Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GAAP purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

Mortality Rates		
Pre-Retirement	Post-Retirement	Post-Disablement
RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2020	RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increase compounded from ages 65 to 75 and 2.0% increase compounded from ages 75 to 90	RP-2014 Disability Mortality Rates projected with Scale BB to 2020; 115% of rates for males and females

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2012 through June 30, 2016. 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 a more current mortality table-RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change

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

At June 30, 2020, FCPS reported a liability of \$2,430,714,832 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined based on an actuarial valuation as of June 30, 2018 rolled forward to the measurement date of June 30, 2019. 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, 2019 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, FCPS's proportion was 18.47 percent, as compared to 18.19 percent at June 30, 2018.

For the year ended June 30, 2020, FCPS recognized pension expense of \$269,830,679. 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, 2020, 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	\$ -	\$ 155,648,937
Net difference between projected and actual earnings on pension plan investments	-	53,372,737
Change of assumptions	240,697,761	-
Changes in proportion and differences between contributions and proportionate share of contributions	47,478,925	3,104,880
Contributions subsequent to the measurement date	255,030,396	-
Total	<u>\$ 543,207,082</u>	<u>\$ 212,126,554</u>

A total of \$255,030,396 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, 2021. 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:

2021	\$ 10,324,837
2022	(34,776,045)
2023	30,957,261
2024	47,233,063
2025	22,311,016
	<u>\$ 76,050,132</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 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 %	5.61 %	1.91 %
Fixed Income	15.00	0.88	0.13
Credit Strategies	14.00	5.13	0.72
Real Assets	14.00	5.27	0.74
Private Equity	14.00	8.77	1.23
MAPS-Kulti-Asset Public Strategies	6.00	3.52	0.21
PIP-Private Investment Partnership	3.00	6.29	0.19
Total	<u>100.00 %</u>		<u>5.13 %</u>
		Inflation	<u>2.50</u>
		Expected arithmetic nominal return ^(a)	<u>7.63 %</u>

^(a) The above allocation provides a one-year return of 7.63 percent. 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 the system, 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 7.11 percent, including expected inflation of 2.50 percent.

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, 2021, 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. From July 1, 2021 on, school divisions are assumed to contribute 100.0 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:

Sensitivity of Net Pension Liability to Changes in Discount Rate			
	1% Decrease	Current Discount Rate	1% Increase
	5.75%	6.75%	7.75%
FCPS' proportionate share of the VRS net pension liability	\$ 3,659,281,812	\$ 2,430,714,832	\$ 1,414,917,498

Plan Fiduciary Net Position

Detailed information about the VRS net position is available in the separately issued VRS 2018 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR 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. <http://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 \$919,663,764 for fiscal year 2020.

H. OTHER POSTEMPLOYMENT 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 Human Resources, 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 2019	FY 2020
Medical Members		
Number of active members	13,364	13,579
Average age	44	44
Average service	11	11
<u>Number of inactive members</u>		
Retirees and spouses	5,381	5,437
Average age	67	67
Life Insurance Members		
Number of active members	13,364	13,579
Average age	44	44
Average service	11	11
<u>Number of inactive members</u>		
Retirees and spouses	5,761	5,927
Average age	68	68

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 2019 and 2020 were \$25.7 million and \$19.7 million, respectively. Plan members are not required to contribute.

2. County Reporting of OPEB

Net OPEB Liability for the County

The County's net OPEB liability was measured as of June 30, 2019. The components of the net OPEB liability for the County are as follows:

	Total	Primary Government	EDA	FCRHA	FCPA
Total OPEB Liability	\$ 470,033,395	440,562,302	1,269,090	7,943,564	20,258,439
Plan's Fiduciary Net Position	(324,839,634)	(304,472,189)	(877,067)	(5,489,790)	(14,000,588)
Net OPEB Liability	\$ 145,193,761	136,090,113	392,023	2,453,774	6,257,851

Assumptions

For the County, the total OPEB Liability was determined by an actuarial valuation as of July 1, 2018, rolled forward to June 30, 2019, using the following actuarial assumptions, found below:

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	RP-2014 Mortality table fully generational projected using scale MP-2018. Disabled mortality is assumed to be RP-2014. Disabled Mortality table fully generational using scale MP-2018.
Healthcare cost trend rate	7.6% - 10.6%, decreasing to 4.3%

The actuarial assumptions used in the valuation were based on the results of an actuarial experience for the period July 1, 2010 to June 30, 2015.

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 Liability

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

	Dollar amounts in (000)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a-b)
Balances 6/30/2019	\$ 400,568	308,298	92,270
Changes for year:			
Service cost	13,994	-	13,994
Interest	28,234	-	28,234
Changes in benefit terms	-	-	-
Difference between expected and actual experience	17,986	-	17,986
Changes of assumptions	32,078	-	32,078
Benefit payments, including refunds of members	(22,827)	(22,827)	-
Contributions - employer	-	25,658	(25,658)
Net investment income	-	13,837	(13,837)
Administrative expense	-	(127)	127
Net changes	69,465	16,541	52,924
Balances 6/30/2020	\$ 470,033	324,839	145,194

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	\$ 13,116	38	237	603	13,994
Interest	26,464	76	477	1,217	28,234
Difference between expected and actual experience	17,298	49	224	415	17,986
Changes in assumptions	30,066	87	542	1,383	32,078
Benefit payments, including refunds of member contributions	(21,395)	(62)	(386)	(984)	(22,827)
Net change in total OPEB liability	65,549	188	1,094	2,634	69,465
Total OPEB Liability - 6/30/2019	375,013	1,081	6,849	17,625	400,568
Total OPEB Liability - 6/30/2020	\$ 440,562	1,269	7,943	20,259	470,033
Plan Fiduciary Net Position					
Contributions - employer	\$ 24,050	69	433	1,106	25,658
Net investment income	13,308	38	172	319	13,837
Benefit payments, including refunds of member contributions	(21,395)	(62)	(386)	(984)	(22,827)
Administrative expense	(120)	-	(2)	(5)	(127)
Net change in plan fiduciary net position	15,843	45	217	436	16,541
Plan Fiduciary Net Position - 6/30/2019	288,629	832	5,272	13,565	308,298
Plan Fiduciary Net Position - 6/30/2020	\$ 304,472	877	5,489	14,001	324,839
Net OPEB Liability - 6/30/2020	\$ 136,090	392	2,454	6,258	145,194

Sensitivity Analysis

The following represents the County's net OPEB liability using the 7 percent discount rate, as well as what the 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	\$ 548,472,656	470,033,395	408,051,426
Plan Fiduciary Net Position	(324,839,634)	(324,839,634)	(324,839,634)
Net OPEB Liability	\$ 223,633,022	145,193,761	83,211,792

Total OPEB Liability	1% Decrease (6%)	Current Rate (7%)	1% Increase (8%)
Primary Government	\$ 514,083,421	440,562,302	382,466,602
EDA	1,480,876	1,269,090	1,101,739
FCRHA	9,269,188	7,943,564	6,896,069
FCPA	23,639,171	20,258,439	17,587,016
Total OPEB Liability	\$ 548,472,656	470,033,395	408,051,426

Plan Fiduciary Net Position	1% Decrease (6%)	Current Rate (7%)	1% Increase (8%)
Primary Government	\$ (304,472,189)	(304,472,189)	(304,472,189)
EDA	(877,067)	(877,067)	(877,067)
FCRHA	(5,489,790)	(5,489,790)	(5,489,790)
FCPA	(14,000,588)	(14,000,588)	(14,000,588)
Total Plan Fiduciary Net Position	\$ (324,839,634)	(324,839,634)	(324,839,634)

Net OPEB Liability	1% Decrease (6%)	Current Rate (7%)	1% Increase (8%)
Primary Government	\$ 209,611,232	136,090,113	77,994,413
EDA	603,809	392,023	224,672
FCRHA	3,779,398	2,453,774	1,406,279
FCPA	9,638,583	6,257,851	3,586,428
Total Net OPEB Liability	\$ 223,633,022	145,193,761	83,211,792

The following represents the County's net OPEB (asset) liability calculated using the healthcare trend rates (7.60 percent to 10.60 percent, decreasing to 4.30 percent), as well as the impacts of calculating the rates at one percentage point lower (6.60 percent to 9.60 percent, decreasing to 3.30 percent) or one percentage point higher (8.60 percent to 11.60 percent, decreasing to 5.30 percent):

	1% Decrease	Trend Rate	1% Increase
	(Varied decreasing to 3.3%)	(Varied decreasing to 4.3%)	(Varied decreasing to 5.3%)
Total OPEB Liability	\$ 394,946,291	470,033,395	568,531,184
Plan Fiduciary Net Position	(324,839,634)	(324,839,634)	(324,839,634)
Net OPEB Liability	\$ 70,106,657	145,193,761	243,691,550

	1% Decrease	Trend Rate	1% Increase
	(Varied decreasing to 3.3%)	(Varied decreasing to 4.3%)	(Varied decreasing to 5.3%)
Total OPEB Liability			
Primary Government	\$ 370,183,159	440,562,302	532,884,279
EDA	1,066,355	1,269,090	1,535,034
FCRHA	6,674,592	7,943,564	9,608,177
FCPA	17,022,185	20,258,439	24,503,694
Total OPEB Liability	\$ 394,946,291	470,033,395	568,531,184

	1% Decrease	Trend Rate	1% Increase
	(Varied decreasing to 3.3%)	(Varied decreasing to 4.3%)	(Varied decreasing to 5.3%)
Plan Fiduciary Net Position			
Primary Government	\$ (304,472,189)	(304,472,189)	(304,472,189)
EDA	(877,067)	(877,067)	(877,067)
FCRHA	(5,489,790)	(5,489,790)	(5,489,790)
FCPA	(14,000,588)	(14,000,588)	(14,000,588)
Total Plan Fiduciary Net Position	\$ (324,839,634)	(324,839,634)	(324,839,634)

	1% Decrease	Trend Rate	1% Increase
	(Varied decreasing to 3.3%)	(Varied decreasing to 4.3%)	(Varied decreasing to 5.3%)
Net OPEB Liability			
Primary Government	\$ 65,710,970	136,090,113	228,412,090
EDA	189,288	392,023	657,967
FCRHA	1,184,802	2,453,774	4,118,387
FCPA	3,021,597	6,257,851	10,503,106
Total Net OPEB Liability	\$ 70,106,657	145,193,761	243,691,550

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

For the year ended June 30, 2020, the County recognized OPEB expense of \$31,006,498. Deferred outflows and deferred inflows of resources 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	\$ 470,033	440,562	1,269	7,943	20,259
Plan's Fiduciary Net Position	(324,839)	(304,472)	(877)	(5,489)	(14,001)
Net OPEB Liability	\$ 145,194	136,090	392	2,454	6,258
Deferred Outflows:					
Experience	\$ 17,703	16,593	48	299	763
Assumptions changes	85,792	80,412	232	1,450	3,698
Contributions after measurement date	19,677	18,457	53	329	838
Change in proportion	326	29	-	-	297
Total Deferred Outflows	\$ 123,498	115,491	333	2,078	5,596
Deferred Inflows:					
Experience	\$ 7,709	7,226	21	130	332
Assumptions changes	13,734	12,873	37	232	592
Investment return	3,056	2,864	8	52	132
Change in proportion	326	33	182	111	-
Total Deferred Inflows:	\$ 24,825	22,996	248	525	1,056
OPEB Expense	\$ 31,006	29,062	84	524	1,336

Contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2021.

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	
2021	\$ 10,324,696
2022	10,324,697
2023	13,037,026
2024	14,337,295
2025	13,758,084
Thereafter	17,214,301
	<u>\$ 78,996,099</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, 2020		
ASSETS		
Equity in pooled cash and temporary investments	\$	1,301,874
Contributions receivable		22,621
Accrued interest and dividends receivable		19,683
Investments, at fair value:		
Investment in pooled funds		329,494,717
Total assets		330,838,895
DEFERRED OUTFLOWS OF RESOURCES		
Total deferred outflows of resources		-
LIABILITIES		
Accounts payable and accrued liabilities		74,538
Total liabilities		74,538
DEFERRED INFLOW OF RESOURCES		
Total deferred inflows of resources		-
NET POSITON		
Held in trust for pension/OPEB benefits	\$	330,764,357
COUNTY OF FAIRFAX, VIRGINIA		
Statement of Changes in Plan Net Position		
For the fiscal year ended June 30, 2020		
ADDITIONS		
Contributions:		
Employer	\$	19,460,652
Other		215,858
Total contributions		19,676,510
Investment income:		
From investment activities:		
Net appreciation in fair value of investments		9,770,808
Interest		130,100
Total income from investment activities		9,900,908
Less investment activities expenses:		
Management fees		266,943
Other		500
Total investment activities expenses		267,443
Net income from investment activities		9,633,465
Net investment income		9,633,465
Total additions		29,309,975
DEDUCTIONS		
Benefits		23,254,464
Administrative expenses		130,788
Total deductions		23,385,252
Net increase		5,924,723
Net position, July 1, 2019		324,839,634
Net position, June 30, 2020	\$	330,764,357

Net OPEB Liability for the Plan

The Plan's net OPEB liability was measured as of June 30, 2020. The components of the net OPEB liability for the Plan are as follows:

Total OPEB liability	\$ 348,205,749
Plan fiduciary net position (market value of assets)	(330,764,357)
Net OPEB liability	<u>\$ 17,441,392</u>
Plan fiduciary net position as a percentage of the OPEB liability	94.99%

Assumptions

For the Plan, the total OPEB liability was determined by an actuarial valuation as of July 1, 2018, rolled forward to June 30, 2019 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	RP-2014 Mortality table fully generational projected using scale MP-2019. Disabled mortality is assumed to be RP-2014. Disabled Mortality table fully generational using scale MP-2019.
Healthcare cost trend rate	7.6% - 10.6%, decreasing to 4.3%

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period of July 1, 2010, to June 30, 2015.

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, 2020 are on the following page:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
Domestic Equity (Large Cap)	6.50%	27.83%
Domestic Equity (Small Cap)	7.00%	10.42%
International Equity	7.50%	12.94%
Emerging Markets Equity	8.10%	4.92%
Long / Short Equity	4.90%	6.42%
Core US Fixed Income	2.00%	6.95%
Core Plus US Fixed Income	2.70%	13.44%
Absolute Return Fixed Income	1.70%	4.29%
Real Estate	5.70%	6.30%
Private Equity	9.50%	2.06%
Cash	1.10%	4.43%

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, 2020, the annual money-weighted rate of return on investments, net of investment expense was 2.55 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 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 Liability to Changes in Discount Rate

	1% Decrease 6%	Current Rate 7%	1% Increase 8%
Total OPEB Liability	\$ 402,947,976	348,205,749	304,572,959
Plan Fiduciary Net Position	(330,764,357)	(330,764,357)	(330,764,357)
Net OPEB (Asset) Liability	\$ 72,183,619	17,441,392	(26,191,398)

The following represents the OPEB plan's net liability calculated using the healthcare trend rates (7.60 percent to 10.60 percent, decreasing to 4.30 percent), as well as the impacts of calculating the rates at one percentage point lower (6.60 percent to 9.60 percent, decreasing to 3.30 percent) or one percentage point higher (8.60 percent to 11.60 percent, decreasing to 5.30 percent):

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

	1% Decrease (Varied decreasing to 3.3%)	Trend Rate (Varied decreasing to 4.3%)	1% Increase (Varied decreasing to 5.3%)
Total OPEB Liability	\$ 294,389,466	348,205,749	418,549,207
Plan Fiduciary Net Position	(330,764,357)	(330,764,357)	(330,764,357)
Net OPEB (Asset) Liability	\$ (36,374,891)	17,441,392	87,784,850

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

At June 30, 2020, 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
Difference between actual and expected experience	\$ -	-
Assumption changes	-	-
Net difference between expected and actual earnings on OPEB plan investments	-	-
Contributions subsequent to the measurement date	19,676,510	-
Total	\$ 19,676,510	-

Contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2021.

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% 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 2020, 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 2019	FY 2020
Medical Members		
Number of active members	20,309	19,878
Average age	46	46
Average service	11	11
<u>Number of inactive members</u>		
Retirees and spouses	10,037	10,135
Average age	72	72
Life Insurance Members		
Number of active members	4,705	4,457
Average age	52	53
Average service	12	11
<u>Number of inactive members</u>		
Retirees and spouses	2,546	2,844
Average age	71	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 \$28,875,000 and \$34,286,809 for the years ended June 30, 2020 and June 30, 2019, respectively. The costs of administering 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 2020 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, 2020

	Component Unit - Public Schools OPEB Trust Fund
ASSETS	
Receivable, accounts	\$ 37,200
Receivable, securities sold	7,048,961
Investment in pooled funds	148,920,107
Total assets	<u>156,006,268</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>\$ 155,969,068</u>

COUNTY OF FAIRFAX, VIRGINIA
OPEB Trust Fund
Statement of Changes in Net Position
For the fiscal year ended June 30, 2020

	Component Unit - Public Schools OPEB Trust Fund
ADDITIONS	
Contributions:	
Employer	\$ 28,875,000
Total contributions	<u>28,875,000</u>
Investment income:	
From investment activities:	
Net increase in fair value of investments	4,561,466
Administrative expense	(101,363)
Total income from investment activities	<u>4,460,103</u>
Total additions	<u>33,335,103</u>
DEDUCTIONS	
Benefits payments /refunds	<u>23,875,000</u>
Total deductions	<u>23,875,000</u>
Change in net position	9,460,103
Net position, July 1, 2019	<u>146,508,965</u>
Net position, June 30, 2020	<u>\$ 155,969,068</u>

Net OPEB Liability

The Public Schools' net OPEB liability was measured as of June 30, 2020 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	\$ 220,082,429
Plan fiduciary net position (market value of assets)	(155,969,068)
Net OPEB liability	<u>\$ 64,113,361</u>
Plan fiduciary net position as a percentage of the OPEB liability	70.87%

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	9.05%, trending down to 3.75%
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	Pub-2010, "Teachers" Classification, Employees Mortality Table, projected using scale MP-2019, sex distinct
Current retirees	Pub-2010, "Teachers" Classification, Healthy Annuity Mortality Table, projected using scale MP-2019, sex distinct
Surviving spouses	Pub-2010, "Teachers" Classification, Surviving Beneficiary Mortality Table, projected using scale MP-2019, sex distinct
Disabled retirees	Pub-2010, "Teachers" Classification, Disabled Retirement Mortality Table, projected using scale MP-2019, sex distinct
Healthcare cost trend rate	6.69% - 9.31%, decreasing to 4.50%

Discount rate

The discount rate used to measure the total OPEB liability was 7.0 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, 2020, 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)	6.50%	27.83%
Domestic Equity (Small Cap)	7.00%	10.42%
International Equity	7.50%	12.94%
Emerging Markets Equity	8.10%	4.92%
Long / Short Equity	4.90%	6.42%
Core US Fixed Income	2.00%	6.95%
Core Plus US Fixed Income	2.70%	13.44%
Absolute Return Fixed Income	1.70%	4.29%
Real Estate	5.70%	6.30%
Private Equity	9.50%	2.06%
Cash	1.10%	4.43%

There are no concentrations in any one organization that represent five percent or more of the fiduciary net position in the plan. For the year ended June 30, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 4.66 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 7.0 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 (6.0 percent) or one percentage higher (8.0 percent) than the current rate:

	1% Decrease	Current Rate	1% Increase
	6%	7%	8%
Total OPEB liability	\$ 243,684,689	220,082,429	199,978,622
Plan fiduciary net position	(155,969,068)	(155,969,068)	(155,969,068)
Net OPEB liability	\$ 87,715,621	64,113,361	44,009,554

The following represents Public Schools Net OPEB liability calculated using the healthcare trend rates (6.69 percent to 9.31 percent, decreasing to 4.50%), as well as what the liability would be if it were calculated using healthcare trend rates at one percentage point lower (5.69 percent to 8.31 percent, decreasing to 3.50%) or one percentage point higher (7.69 percent to 10.31 percent, decreasing to 5.50%) 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	\$ 212,208,557	220,082,429	229,455,694
Plan fiduciary net position	(155,969,068)	(155,969,068)	(155,969,068)
Net OPEB liability	<u>\$ 56,239,489</u>	<u>64,113,361</u>	<u>73,486,626</u>

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

For the year ended June 30, 2020, the Public Schools recognized OPEB expense of \$8,837,695. At June 30, 2020, 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	\$ 69,266,799	17,450,804
Change of assumptions	-	109,198,235
Net difference between expected and actual earnings on OPEB plan investment	5,622,857	-
Total	<u>\$ 74,889,656</u>	<u>126,649,039</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
2021	\$ (15,939,503)
2022	(15,939,501)
2023	(15,443,226)
2024	(13,507,979)
2025	3,406,990
Thereafter	5,663,836
	<u>\$ (51,759,383)</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 6/30/2019	\$ 183,525	146,509	37,016
Changes for the year:			
Service cost	5,046	-	5,046
Interest cost	12,378	-	12,378
Differences between expected and actual experiences	58,670	-	58,670
Changes of benefit terms	(15,662)	-	(15,662)
Benefit payments	(23,875)	(23,875)	-
Contributions - employer	-	28,875	(28,875)
Net investment income	-	4,561	(4,561)
Administrative expense	-	(101)	101
Net changes	36,557	9,460	27,097
Balances recognized at 6/30/2020	\$ 220,082	155,969	64,113

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 6.5 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	59%	49% - 69%	32%	22% - 42%
Total Fixed Income	21%	16% - 26%	58%	48% - 68%
Total Real Assets	10%	5% - 15%	5%	-% - 10%
Diversified Hedge Funds	10%	5% - 15%	5%	-% - 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, 2020, the School OPEB Trust Fund had the following investments in the Pooled Trust:

Fair Value Measurements Using					
Investments by Fair Value Level	6/30/2020	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	
		Level 1	Level 2	Level 3	
Mutual funds	\$ 93,669,739	-	-	-	93,669,739
Stocks	55,250,368	-	-	-	55,250,368
Total investment by fair value hierarchy level	\$ 148,920,107	-	-	-	148,920,107

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, 2020. 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, 2020, was recent arms-length financing rounds in which the partnership or other partnerships managed by the general partner had participated. As of June 30, 2020, 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 five 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, 2020, was 1.20 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, 2017. 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 \$19,517,590 and \$18,590,218 for the years ended June 30, 2020 and June 30, 2019, respectively.

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

At June 30, 2020, the Public Schools reported a liability of \$241,786,588 for its proportionate share of the net HIC OPEB liability. The net HIC OPEB liability was measured as of June 30, 2019, 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, 2019, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, Public Schools' proportion was 19.04 percent as compared to 18.18 percent at June 30, 2018.

For the year ended June 30, 2020, Public Schools recognized HIC OPEB expense of \$20,769,000. 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, 2020, 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	\$ 5,028,975	-
Change of assumptions	5,627,493	1,680,082
Difference between expected and actual experience	-	1,369,503
Net difference between expected and actual earnings on OPEB plan investment	15,268	-
Contributions subsequent to the measurement date	19,517,590	-
Total	<u>\$ 30,189,326</u>	<u>3,049,585</u>

A total of \$19,517,590 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, 2021. 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
2021	\$ 1,100,407
2022	1,100,160
2023	1,206,116
2024	1,170,657
2025	1,155,442
Thereafter	1,889,369
	<u>\$ 7,622,151</u>

Actuarial Assumptions

The total HIC OPEB liability for VRS was based on an actuarial valuation as of June 30, 2018, 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, 2019.

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

^(a) Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GAAP purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of OPEB liabilities.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2012, through June 30, 2016. 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 a more current mortality table-PR-2014 projected to 2020
Retirement rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability rates	Adjusted rates to better match experience
Salary scale	No change
Discount rate	Decrease rate from 7.00% to 6.75%

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 %	5.61 %	1.91 %
Fixed Income	15.00	0.88	0.13
Credit Strategies	14.00	5.13	0.72
Real Assets	14.00	5.27	0.74
Private Equity	14.00	8.77	1.23
Multi-Asset Public Strategies	6.00	3.52	0.21
Private Investment	3.00	6.29	0.19
Total	<u>100.00 %</u>		<u>5.13 %</u>
		Inflation	<u>2.50</u>
		Expected arithmetic nominal return ^(a)	<u><u>7.63 %</u></u>

^(a) The above allocation provides a one-year return of 7.63 percent. 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 the system, 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 7.11 percent, including expected inflation of 2.5 percent. The VRS Board elected a long-term rate of 6.75 percent, which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation.

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, 2019, 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. From July 1, 2019 on, school divisions are assumed to contribute 100.0 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 1-percentage-point lower (5.75 percent) or 1-percentage-point 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	\$ 270,600,311	\$ 241,786,588	\$ 217,309,373

OPEB Plan Fiduciary Net Position

Detailed information about the HIC OPEB plan's fiduciary net position is available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be obtained from the VRS website at <http://www.varetire.org/pdf/publications/2019-annual-report.pdf>, 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 pay 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 option.

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 \$8,463 effective July 1, 2020.

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 1.31 percent of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.79 percent (1.31 x 60 percent) and the employer component was 0.52 percent (1.31 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, 2020, was 0.52 percent of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2018. 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 \$8,503,928 and \$8,116,936 for the years ended June 30, 2020 and June 30, 2019, respectively.

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

At June 30, 2020, Public Schools reported a liability of \$129,547,636 for its proportionate share of the net GLI OPEB liability. The net GLI OPEB liability was measured as of June 30, 2019 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, 2019 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, Public Schools' proportion was 8.53 percent as compared to 7.79 percent at June 30, 2018.

For the year ended June 30, 2020, Public Schools recognized GLI OPEB expense of \$3,795,000. 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, 2020, 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	\$ 3,729,224	208,419
Difference between expected and actual experience	8,617,488	1,680,698
Change of assumptions	8,180,592	3,907,258
Net difference between expected and actual earnings on OPEB plan investment	-	2,661,568
Contributions subsequent to the measurement date	8,503,928	-
Total	\$ 29,031,232	8,457,943

A total of \$8,503,928 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, 2021. 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
2021	\$ 1,258,713
2022	1,258,813
2023	2,386,060
2024	3,192,799
2025	3,086,301
Thereafter	886,675
	\$ 12,069,361

Actuarial Assumptions

The total GLI OPEB liability for VRS was based on an actuarial valuation as of June 30, 2018, 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, 2019.

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

^(a) Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GAAP purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of OPEB liabilities.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2012 through June 30, 2016. 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 a more current mortality table-PR-2014 projected to 2020
Retirement rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability rates	Adjusted rates to better match experience
Salary scale	No change
Discount rate	Decrease rate from 7.00% to 6.75%

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 %	5.61 %	1.91 %
Fixed Income	15.00	0.88	0.13
Credit Strategies	14.00	5.13	0.72
Real Assets	14.00	5.27	0.74
Private Equity	14.00	8.77	1.23
Multi-Asset Public Strategies	6.00	3.52	0.21
Private Investment	3.00	6.29	0.19
Total	100.00 %		5.13 %
		Inflation	2.50
		Expected arithmetic nominal return ^(a)	7.63 %

^(a) The above allocation provides a one-year return of 7.63 percent. 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 the system, 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 7.11 percent, including expected inflation of 2.5 percent. The VRS Board elected a long-term rate of 6.75 percent, which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation.

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, 2019, 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. From July 1, 2019 on, school divisions are assumed to contribute 100.0 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 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Public Schools' proportionate share of the VRS net GLI OPEB liability	\$ 170,225,224	\$ 129,574,636	\$ 96,608,168

OPEB Plan Fiduciary Net Position

Detailed information about the GLI OPEB plan's fiduciary net position is available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be obtained from the VRS website at <http://www.varetire.org/pdf/publications/2019-annual-report.pdf>, 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 FCRHA, Park Authority, and EDA participate in the County's self-insurance program. Participating funds and agencies are charged "premiums" which are computed based on relevant data coupled with actual loss experience applied on a retrospective basis.

Liabilities are reported in the self-insurance 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

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computed using a combination of actual claims experience and actuarially determined amounts and include any specific, incremental claim adjustment expenses and estimated recoveries. The liabilities do not include nonincremental claim adjustment expenses.

The claims liabilities in the self-insurance funds are discounted at 2.29 and 1.75 percent at June 30, 2020 and 2019, respectively, to reflect anticipated investment income. Changes in the balances of claims liabilities during fiscal years 2020 and 2019 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, 2018	\$ 64,161,000	12,272,000	43,797,712	19,520,000
Claims incurred				
Claims and changes in estimates	9,482,327	173,903,001	12,717,348	403,285,091
Claims payments	(12,045,327)	(173,864,001)	(11,798,310)	(402,956,091)
Liability balances, June 30, 2019	61,598,000	12,311,000	44,716,750	19,849,000
Claims incurred				
Claims and changes in estimates	29,601,957	167,296,508	15,245,073	402,299,161
Claims payments	(22,845,957)	(168,202,508)	(13,548,639)	(405,873,161)
Liability balances, June 30, 2020	\$ 68,354,000	11,405,000	46,413,184	16,275,000

In addition to the self-insurance program, commercial property insurance is carried for buildings and contents plus certain large and costly items, such as fire apparatus and helicopters. Excess liability and workers' compensation insurance policies are maintained for exposures above a \$1,000,000 self-insured retention (SIR) for liability and \$2,000,000 for workers' compensation. In the past five fiscal years, there was one 2016 liability claim settled which exceeded the liability SIR.

J. LONG-TERM OBLIGATIONS

Presented on the following page 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, 2020 (in thousands):

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020	Due Within One Year
Primary Government					
Governmental activities:					
General obligation bonds payable:					
Principal amount of bonds payable	\$ 2,268,170	314,385	(323,510)	2,259,045	204,420
Premium on bonds payable	212,657	75,738	(44,392)	244,003	37,102
Revenue bonds payable:					
Principal amount of bonds payable	780,760	124,080	(204,835)	700,005	36,445
Premium on bonds payable	58,666	28,892	(10,235)	77,323	8,109
Discount on bonds payable	(557)	-	391	(166)	(12)
Notes payable	430,071	11,647	(2,645)	439,073	645
Compensated absences payable	129,804	95,227	(74,171)	150,860	77,427
Landfill closure and postclosure obligations	48,017	816	-	48,833	36
Obligations under capital leases and installment purchases	13,134	-	(5,608)	7,526	5,617
Insurance and benefit claims payable	73,909	196,898	(191,048)	79,759	23,904
Net pension liability	1,720,999	708,122	(627,893)	1,801,228	-
Net OPEB liability	84,160	67,995	(19,520)	132,635	-
Other:					
HUD Section 108 loans	7,385	-	(3,372)	4,013	459
Library Exchange	14,139	-	(858)	13,281	862
Total governmental activities	5,841,314	1,623,800	(1,507,696)	5,957,418	395,014
Business-type activities:					
Sewer revenue bonds payable:					
Principal amount of bonds payable	570,988	21,410	(28,068)	564,330	28,779
Premium on bonds payable	49,123	-	(2,912)	46,211	2,372
Net pension liability	35,395	12,129	(10,723)	36,801	-
Net OPEB liability	2,224	2,079	(847)	3,456	-
Compensated absences payable	2,348	1,992	(1,589)	2,751	1,608
Total business-type activities	660,078	37,610	(44,139)	653,549	32,759
Total long-term liabilities - Primary Government	\$ 6,501,392	1,661,410	(1,551,835)	6,610,967	427,773
Component Units					
Public Schools					
Compensated absences payable	\$ 35,019	27,248	(24,513)	37,754	26,428
Obligations under capital leases and installment purchases	83,283	21,799	(21,201)	83,881	21,601
Insurance and benefit claims payable	64,566	2,514	(4,392)	62,688	24,744
Net pension liability	3,375,593	790,678	(396,577)	3,769,694	-
Net OPEB liability	386,167	524,947	(475,639)	435,475	-
Unearned rent	4,192	3,278	(3,248)	4,222	-
Total Public Schools	3,948,820	1,370,464	(925,570)	4,393,714	72,773
FCRHA					
Mortgage revenue bonds payable	41,438	-	(673)	40,765	20,711
Mortgage notes payable	80,185	6,747	(2,112)	84,820	1,452
Net pension liability	28,246	8,373	(10,030)	26,589	-
Net OPEB liability	1,577	1,258	(381)	2,454	-
Compensated absences payable	1,234	712	(614)	1,332	726
Total FCRHA	152,680	17,090	(13,810)	155,960	22,889
Park Authority					
Revenue bonds payable:					
Principal amount of bonds payable	1,515	-	(740)	775	775
Premium on bonds payable	53	-	(41)	12	13
Net pension liability	56,570	17,990	(17,428)	57,132	-
Net OPEB liability	4,060	3,623	(1,425)	6,258	-
Loan from Primary Government	10,711	-	(526)	10,185	586
Compensated absences payable	5,142	2,837	(2,350)	5,629	2,483
Total Park Authority	78,051	24,450	(22,510)	79,991	3,857
EDA					
Compensated absences payable	338	299	(175)	462	244
Unearned rent	615	-	(159)	456	180
Net pension liability	7,996	2,095	(3,438)	6,653	-
Net OPEB liability	249	250	(107)	392	-
Total EDA	9,198	2,644	(3,879)	7,963	424
Total long-term liabilities - Component units	\$ 4,188,749	1,414,648	(965,769)	4,637,628	99,943

Compensated absences payable, obligations under capital leases, obligation to component unit, and obligations for claims and judgments for the Primary Government are liquidated by the General Fund and other governmental funds. The landfill closure and postclosure obligation will be liquidated by the I-95 Refuse Disposal Fund, a special revenue fund. In addition, the County, FCRHA, Park Authority, and EDA are required to adhere to and be in compliance with the rebate and reporting requirements of the federal regulations pertaining to arbitrage investment earnings on certain bond proceeds. 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, 2020, 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

Bond Purpose	Amount (in Thousands)
School improvements	\$ 669,190
Transportation improvements	89,240
Parks and park facilities	75,420
Human Services	76,600
Public safety facilities	351,510
Public library facilities	10,000
Total authorized but unissued bonds	<u>\$ 1,271,960</u>

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 \$1.5 billion over a five-year period or an average of \$300 million annually, with a maximum of \$325 million in any given year. All self-imposed bond limits have been complied with at June 30, 2020.

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 2020, the County issued \$213,925,000 of Series 2020A General Obligation Public Improvement Bonds with an average interest rate of 4.85 percent. The bonds were issued to finance projects related to school improvements, public safety, park facilities, and other purposes.

In February 2020, the County issued \$100,460,000 of Series 2020A General Obligation Public Improvement Refunding Bonds with an average interest rate of 4.65 percent. The Refunding Bonds, with a \$21,262,457 premium, were issued to current refund \$119,730,000 of outstanding Series 2012A bonds. Proceeds of \$121,382,848 were used to purchase U.S. Government securities which were deposited in an irrevocable escrow account to provide for the resources to redeem the Series 2012 on April 1, 2020. The County refunded these bonds to reduce its total debt service payments in one year by approximately \$17,550,394 and to obtain an economic gain of approximately \$15,770,491.

Detailed information regarding the general obligation bonds outstanding as of June 30, 2020, is contained in Section 5 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 Authority issued \$47,745,000 to advance refund a portion of the outstanding Series 2003 Laurel Hill revenue bonds.

In January 2005, the EDA issued \$60,690,000 of facilities revenue bonds to finance the acquisition of land and an existing office building to enable the Fairfax County Public Schools to consolidate numerous Public Schools' administrative offices. In June 2014, the Authority issued \$44,000,000 to advance refund certain outstanding maturities of the Series 2005 facilities revenue bonds.

In March 2010, the EDA issued \$43,390,000 of lease revenue bonds to current refund the FCRHA \$3,365,000 of outstanding Series 1996 lease revenue bonds, \$2,960,000 of outstanding Series 1998 lease revenue bonds, \$835,000 of outstanding Series 1999 lease revenue bonds, and to advance refund the FCRHA \$7,245,000 of outstanding Series 2004 lease revenue bonds, and the County's \$25,580,000 of outstanding Series 2000 certificate of participation bonds. In 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, which resulted in a \$466,276 deferred gain. This refunding resulted in an aggregate decrease in the overall debt service of \$2,532,448 and an economic gain (the difference between the present values of the old and new debt service payments) of \$2,211,522. 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 for \$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 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 Authority 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 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 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, 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 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.

As the County is responsible, under the related documents and subject to annual appropriation, to make payments to a trustee sufficient to pay principal and interest on these bonds, the related transactions, including the liability for the bonds, have been recorded in the County's financial statements and not in those of EDA.

In 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 November 2013, the County issued a \$11,085,000 of special subfund revenue bond (the "2013 VRA Bond") to Virginia Resources Authority ("VRA"). In return for issuing the 2013 VRA Bond, VRA provided the County with a portion of the proceeds realized from its autumn 2013 pooled financing bond transaction. The 2013 VRA Bond was issued to finance renovations to a complex that serves as a senior housing and assisted living facility, a senior center, and an adult day health care center in the County. The County is obligated by a contract with VRA to pay amounts equal to the debt service on the 2013 VRA Bond.

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.

Detailed information regarding the revenue bonds outstanding as of June 30, 2020 is contained in Section 5 of this note.

3. 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 June 17, 2009, the Sewer System issued \$152,255,000 of Series 2009 sewer revenue bonds, with an average interest rate of 4.72 percent, to fund the System's portion of upgrade costs at certain wastewater treatment facilities that are owned by or that provide service to the County, the purchase of additional capacity, and the costs for other system improvements. In July 2019, the Series 2009 sewer revenue bonds reached final maturity.

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 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.

As of June 30, 2020, the outstanding bonds consist of \$32,635,000 of Series 2012 revenue bonds, \$44,440,000 of Series 2014 revenue refunding bonds, \$164,450,000 of Series 2016A revenue refunding bonds, and \$83,070,000 of Series 2017 revenue 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 addition, payment of the principal and interest on all bonds is insured by municipal bond insurance policies.

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.

In December 1995, Upper Occoquan Sewage Authority (UOSA), a joint venture, issued \$288,600,000 of regional sewer system revenue bonds to fund the expansion of the capacity of its wastewater treatment facilities, and \$42,260,000 of regional sewer system revenue refunding bonds to advance refund certain outstanding bonds that had been issued to fund a prior expansion.

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 November 2013, UOSA issued \$37,735,000 of regional sewer system revenue refunding bonds (UOSA 2013B), of which the System's share is \$23,911,671, to advance refund the outstanding UOSA 2003 bonds. This resulted in a deferred net loss of \$2,520,436, which is being amortized over the life of the UOSA 2013B bonds, but an aggregate decrease in the overall debt service of approximately \$2.1 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.

The Sewer System's share of UOSA's total outstanding debt as of June 30, 2020 is \$230,580,059 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.

In June 2001 and June 2002, the Sewer System issued 20-year subordinated sewer revenue bonds in the amounts of \$40,000,000 (VRA 2001) and \$50,000,000 (VRA 2002), respectively, to the Virginia Water Facilities Revolving Fund, acting by and through the Virginia Resources Authority (VRA). The proceeds have been used to fund a portion of the Sewer System's share of expansion and upgrade costs for the Alexandria Renew Enterprises' wastewater treatment facilities, which provide service to certain County residents. In September 2012, the System executed a rate reduction agreement with VRA, reducing the interest rates on VRA 2001 and VRA 2002 bonds from 4.10 percent and 3.75 percent per annum, respectively, to 2.35 percent per annum. This reduced the semi-annual debt service payments from \$1,499,642 and \$1,818,894, respectively, to \$1,395,539 and \$1,706,099, respectively. The rate reduction agreement resulted in interest savings of \$1,769,745 and \$2,143,099, respectively.

In May 2016, the System executed a rate reduction agreement with VRA, reducing the interest rate of VRA 2001 and VRA 2002 bonds from 2.35 percent to 0.95 percent per annum. This reduced the

semi-annual debt service payments from \$1,395,539 and \$1,706,099, respectively, to \$1,349,141 and \$1,638,306, respectively. This rate reduction resulted in an aggregate decrease in the VRA 2001 and VRA 2002 debt service of \$463,990 and \$813,525, respectively. The bonds are subordinate to all outstanding prior bond issues of the Sewer System and Sewer System payments for operation and maintenance expenses.

As of June 30, 2020, the outstanding principal balances for the VRA 2001 and VRA 2002 subordinated revenue bonds are \$2,679,176 and \$6,476,136, respectively.

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

Detailed information regarding the sewer revenue bonds outstanding as of June 30, 2020 is contained in Section 5 of this note.

4. Bond Anticipation Notes

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 December 2013, EDA and the County entered into a loan agreement with TD Bank, N.A., with the proceeds of \$25,000,000 being made available to the County to provide financing for the costs of the planned replacement of the County-owned building subsystems such as roofs, electrical systems, HVAC, plumbing systems, carpet replacement, parking lot and garage repairs, fire alarm replacement

and emergency generator replacement that have reached the end of their useful life. In March 2015, the County received an additional \$10,000,000 from TD Bank, N.A. under a loan agreement to finance additional County building improvements. The \$25,000,000 loan was retired in January 2019, and the \$10,000,000 loan was retired in January 2020.

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. As of June 30, 2020, the outstanding principal of the TIFIA Loan was \$435,525,557.

Detailed information regarding the bond anticipation notes and notes payable outstanding as of June 30, 2020 is contained in Section 5 of this note.

5. County Debt and Related Interest to Maturity

The County's outstanding general obligation bonds, revenue bonds, notes payable, HUD Section 108 loans, Sewer System revenue bonds, and the related interest to maturity as of June 30, 2020, 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)	4.35-5.25	10-28-09	10-01-29	4,247	63,700	42,467	10,627	53,094
Series 2011 A	Public Improvement	4.00	02-10-11	04-01-21	2,400	47,880	2,400	96	2,496
Series 2012 B	Refunding	5.00	02-02-12	04-01-24	9,767-13,142	74,759	49,082	5,889	54,971
Series 2013 A	Public Improvement	5.00	01-24-13	10-01-22	3,925	78,535	11,775	883	12,658
Series 2013 B	Refunding	3.00-4.00	01-24-13	10-01-25	1,242-9,255	54,389	33,436	2,978	36,414
Series 2014 A	Public Improvement	3.00-5.00	02-06-14	10-01-33	6,170	123,426	86,377	24,772	111,149
Series 2014 A	Refunding	4.00-5.00	02-06-14	10-01-23	822-833	18,569	3,305	315	3,620
Series 2014 B	Refunding	3.00-5.00	11-04-14	10-01-26	2,265-15,893	70,399	55,728	10,154	65,882
Series 2015 A	Public Improvement	3.00-5.00	03-04-15	10-01-34	4,297-4,305	86,037	64,512	19,629	84,141
Series 2015 B	Refunding	3.00-5.00	03-11-15	10-01-26	1,824-8,613	17,989	17,989	4,495	22,484
Series 2015 C	Refunding	5.00	07-07-15	10-01-25	2,662-5,373	49,077	20,556	2,623	23,179
Series 2016 A	Public Improvement	3.00-5.00	02-09-16	10-01-35	4,115-4,120	82,312	65,852	23,747	89,599
Series 2016 A	Refunding	3.00-5.00	02-09-16	10-01-30	2,214-13,840	37,806	37,806	11,295	49,101
Series 2017 A	Public Improvement	4.00-5.00	02-07-17	10-01-36	4,565-4,570	91,395	77,685	28,696	106,381
Series 2018 A	Public Improvement	4.00-5.00	01-24-18	10-01-37	4,221-4,225	84,481	76,031	30,069	106,100
Series 2019 A	Public Improvement	3.00-5.00	02-12-19	10-01-38	2,920-2,925	58,460	55,535	25,374	80,909
Series 2019 B	Refunding	3.30-5.00	02-12-19	10-01-32	107-4,056	17,066	17,045	6,241	23,286
Series 2020 A	Public Improvement	3.00-5.00	02-11-20	10-01-39	3,214-3,520	70,064	70,064	34,604	104,668
Series 2020 A	Refunding	3.00-5.00	02-11-20	10-01-31	1,121-2,877	35,627	35,627	10,586	46,213
Total general obligation bonds - General County						1,161,971	823,272	253,073	1,076,345
Schools:									
Series 2009 E	Public Improvement (BABs)	4.35-5.25	10-28-09	10-01-29	9,233	138,500	92,333	23,106	115,439
Series 2011 A	Public Improvement	4.00	02-10-11	04-01-21	6,230	123,515	6,230	249	6,479
Series 2012 B	Refunding	5.00	02-02-12	04-01-24	14,742-21,058	117,591	77,748	9,255	87,003
Series 2013 A	Public Improvement	5.00	01-24-13	10-01-22	6,390	127,800	19,170	1,438	20,608
Series 2013 B	Refunding	3.00-4.00	01-24-13	10-01-25	1,518-12,015	73,611	43,259	3,829	47,088
Series 2014 A	Public Improvement	3.00-5.00	02-06-14	10-01-33	7,045	140,904	98,633	28,286	126,919
Series 2014 A	Refunding	4.00-5.00	02-06-14	10-01-23	1,553-1,572	33,411	6,240	594	6,834
Series 2014 B	Refunding	3.00-5.00	11-04-14	10-01-26	6,626-28,423	131,791	102,332	17,378	119,710
Series 2015 A	Public Improvement	3.00-5.00	03-04-15	10-01-34	7,065-7,068	141,303	105,978	32,253	138,231
Series 2015 B	Refunding	3.00-5.00	03-11-15	10-01-26	4,736-19,772	39,081	39,081	9,647	48,728
Series 2015 C	Refunding	5.00	07-07-15	10-01-25	3,253-12,337	90,438	32,964	3,507	36,471
Series 2016 A	Public Improvement	3.00-5.00	02-09-16	10-01-35	6,730-6,740	134,728	107,768	38,845	146,613
Series 2016 A	Refunding	3.00-5.00	02-09-16	10-01-30	5,746-27,125	81,134	81,134	24,337	105,471
Series 2017 A	Public Improvement	4.00-5.00	02-07-17	10-01-36	6,845-6,850	136,980	116,430	43,007	159,437
Series 2018 A	Public Improvement	4.00-5.00	01-24-18	10-01-37	6,755-6,760	135,160	121,639	48,112	169,751
Series 2019 A	Public Improvement	3.00-5.00	02-12-19	10-01-38	7,810	156,200	148,390	67,830	216,220
Series 2019 B	Refunding	3.30-5.00	02-12-19	10-01-32	174-6,604	27,784	27,750	10,160	37,910
Series 2020 A	Public Improvement	3.00-5.00	02-11-20	10-01-39	6,786-7,215	143,861	143,861	70,978	214,839
Series 2020 A	Refunding	3.00-5.00	02-11-20	10-01-31	2,639-6,779	64,833	64,833	19,265	84,098
Total general obligation bonds - Schools						2,038,625	1,435,773	452,076	1,887,849
Total general obligation bonds						3,200,596	2,259,045	705,149	2,964,194
Revenue bonds:									
EDA revenue bonds:									
Series 2011	Metrorail Station Parking Project	5.00	07-28-11	08-01-20	4,020	99,430	4,020	101	4,121
Series 2012 A	Refunding Laurel Hill Project	3.00-5.00	04-17-12	06-01-33	670-4,205	47,745	20,655	3,483	24,138
Series 2012 A	Facilities Revenue Bonds	4.50	05-30-12	03-01-42	1,415-3,700	65,965	18,395	15,413	33,808
Series 2014 A	Public Safety Facility Project	5.00	06-26-14	10-01-34	7,035-7,040	126,690	105,580	39,587	145,167
Series 2014 A	County Facilities Refunding	5.00	06-26-14	10-01-34	1,685-3,385	44,000	36,610	15,420	52,030
Series 2014 B	County Facilities Project	2.62-4.38	06-26-14	10-01-33	1,275-2,085	30,175	22,720	7,127	29,847
Series 2016	Silver Line Phase 1 Project	4.00-5.00	03-16-16	04-01-35	7,525-13,475	173,960	156,465	57,525	213,990
Series 2017	Metrorail Parking System Project	5.00	03-08-17	04-01-47	1,275-4,530	69,645	69,645	58,769	128,414
Series 2017A	County Facilities Project	1.83-3.79	08-10-17	10-01-37	770-1,290	19,060	17,585	6,078	23,663
Series 2017B	County Facilities Refunding	4.00-5.00	08-10-17	10-01-36	1,320-2,755	31,150	31,150	15,567	46,717
Series 2019	Six Public Facilities Refunding	3.25-4.13	04-23-19	04-01-32	1,130-1,725	18,125	17,000	5,180	22,180
Series 2020	Metrorail Station Parking Refunding	5.00	05-05-20	08-01-34	3,150-6,035	62,285	62,285	26,611	88,896

(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 2018A Crescent	2.45-2.75	02-08-18	10-01-22	1,175-2,500	11,175	6,175	211	6,386
Series 2009 Wedgewood	5.00	08-13-19	10-01-39	1,845-4,765	61,795	61,795	35,951	97,746
VRA Subfund Revenue bonds:								
Series 2013 C Linconia Project	4.40-5.13	11-20-13	10-01-33	555	11,085	7,770	2,539	10,309
CDA revenue bonds:								
Series 2011 A Tax-Exempt	6.25-6.88	06-09-11	03-01-36	840-5,315	46,980	44,390	32,492	76,882
Series 2011 A Taxable	7.25	07-06-11	03-01-36	305-2,180	18,670	17,765	13,886	31,651
Total revenue bonds					937,935	700,005	335,940	1,035,945
Notes payables:								
Salona	4.10-4.29	12-27-05	12-31-25	323-645	12,900	3,547	451	3,998
TIFIA Loan	2.73	12-17-14	04-01-46	4,462-8,003	403,275	435,526	2,924	438,450
Total notes payables					416,175	439,073	3,375	442,448
HUD Section 108 Loans:								
HUD Section 108 loan #8	4.97-6.67	07-01-01	08-01-21	115	2,300	230	6	236
HUD Section 108 loan #12	Variable	02-14-11	08-01-30	343-344	6,535	3,783	649	4,432
Total HUD Section 108 loans					8,835	4,013	655	4,668
Total governmental activities					4,563,541	3,402,136	1,045,119	4,447,255
Business-type activities:								
Sewer revenue bonds:								
UOSA Bonds Subordinated	1.21-5.60	12-01-95	07-01-52	843-21,356	277,621	230,580	88,485	319,065
Series 2001 Subordinated	0.95	06-01-01	02-01-21	2,679	40,000	2,679	19	2,698
Series 2002 Subordinated	0.95	06-01-02	02-01-22	3,223-3,253	50,000	6,476	77	6,553
Series 2012 Revenue	4.50-5.00	08-08-12	07-15-42	1,955-5,435	90,710	32,635	25,591	58,226
Series 2014 Refunding	3.00-5.00	04-16-14	07-15-28	4,035-5,770	61,755	44,440	8,022	52,462
Series 2016 Refunding	3.00-5.00	05-12-16	07-15-39	3,815-12,950	164,450	164,450	70,921	235,371
Series 2017 Revenue	4.00-5.00	06-28-17	07-15-47	1,430-5,375	85,785	83,070	71,155	154,225
Total business-type activities					770,321	564,330	264,270	828,600
Total County bond, note, and loan indebtedness					\$ 5,333,862	3,966,466	1,309,389	5,275,855

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, 2020 are as follows:

Fiscal Year	Governmental Activities						Business-Type			
	General Obligation Bonds		Revenue Bonds		Notes and Loans		Sewer System Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 204,420	99,155	36,445	32,883	1,104	3,179	28,779	22,365	270,748	157,582
2022	196,980	88,219	36,490	31,975	1,104	217	29,799	21,571	264,373	141,982
2023	188,295	79,480	36,455	30,252	989	179	25,417	20,649	251,156	130,560
2024	176,615	70,797	33,045	28,574	436,515	143	26,405	19,687	672,580	119,201
2025	173,395	62,213	34,475	26,933	989	105	27,452	18,651	236,311	107,902
2026-2030	714,765	208,886	196,220	107,304	2,042	201	148,324	73,601	1,061,351	389,992
2031-2035	441,390	82,241	229,520	55,391	343	6	93,317	47,959	764,570	185,597
2036-2040	163,185	14,158	62,595	16,363	-	-	112,056	28,106	337,836	58,627
2041-2045	-	-	25,915	5,596	-	-	50,581	9,658	76,496	15,254
2046-2050	-	-	8,845	669	-	-	20,095	1,928	28,940	2,597
2051-2053	-	-	-	-	-	-	2,105	95	2,105	95
Totals	\$ 2,259,045	705,149	700,005	335,940	443,086	4,030	564,330	264,270	3,966,466	1,309,389

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
2021	\$ 861,569
2022	864,915
2023	868,274
2024	871,646
2025	875,031
2026-2030	4,426,392
2031-2035	4,513,012
Totals	<u>\$ 13,280,839</u>

6. 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. Also, in December 2018, the FCRHA issued a \$30,000,000 Multifamily Housing Revenue Bond Note (Series 2018) for the rehabilitation of Parkwood Apartments by Parkwood Venture Limited Partnership, a limited partner of MRK Partners, Inc. These bonds had an interest rate of 2.21 percent and were fully redeemed on the due date of August 1, 2020. In August 2020, the FCRHA issued a \$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 0.65 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, 2020, 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	\$ 2,605
Tax-exempt revenue bonds	Herndon Harbor I - rental property	6.35	08-01-97	07-01-27	24-30	2,875	436
Multi-family revenue bonds	Castellani Meadows	6.15	04-01-98	03-01-28	20-26	1,700	409
Multi-family revenue bonds	Herndon Harbor II - rental property	4.875-6.0	05-01-99	05-01-29	44-56	2,000	1,017
Multi-family revenue bonds	Cedar Ridge Apartments	5.984	03-29-07	10-01-48	62-115	13,200	11,703
Multi-family revenue bonds	Olley Glen - senior rental property	average of 5.37%	08-26-08	08-01-51	30-355	12,220	4,598
Multi-family revenue bonds	Murraygate Village	2.26	12-13-18	02-01-21	-	20,000	20,000
Total mortgage bonds payable - FCRHA						58,335	40,768
Mortgage Notes Payable and Loan from County:							
United Bank	Faircrest North, Laurel Hill, Westcott Ridge, Holly Acres, Legato Corner, and Willow Oaks rental properties	6.21	01-01-07	12-01-21	54-65	2,998	1,950
	East Market, Fair oaks, Bryson	6.14	12-06-07	12-01-22	15-22	856	585
	Stockwell, Northampton, Halstead I & II	6.11	07-24-09	07-01-24	15-22	868	639
Sun Trust Bank	Stonegate rental property	6.16	02-08-05	01-08-24	112	1,286	403
Bank of New York Mellon	Olley Glen property, Sec 108	Libor + 20 bps	varies	varies	100-125	2,050	744
Virginia Housing Development Authority	First Stop Group Home property	7.61	08-01-06	03-01-25	-	385	154
Fairfax County Redevelopment and Housing Authority	Herndon Harbour House I	2.00	varies	08-01-27	-	3,013	2,653
	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	1,233
	The Green rental property	2.00	varies	01-01-28	-	131	131
	Castellani Meadows	4.00	varies	04-01-28	-	1,920	1,227
	Tavener	7.21	varies	01-01-27	-	2,042	1,566
	Stonegate	1.00	varies	04-01-24	-	1,957	1,707
Total mortgage notes payable - FCRHA						21,822	16,051
Total public housing bonds, notes, and loans payable - FCRHA primary government						\$ 80,157	\$ 56,819

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, 2020, 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
2021	\$ 20,719,328	1,789,538	417,579	253,382	21,136,907	2,042,920
2022	760,906	1,072,253	2,144,377	174,827	2,905,283	1,247,080
2023	807,235	1,027,071	813,199	85,210	1,620,434	1,112,281
2024	855,164	979,144	2,264,984	476,602	3,120,148	1,455,746
2025	914,796	928,227	163,200	8,124	1,077,996	936,351
2026-2030	3,375,654	3,903,483	9,977,284	8,899,583	13,352,938	12,803,066
2031-2035	2,248,043	3,247,854	-	-	2,248,043	3,247,854
2036-2040	2,989,518	2,574,728	-	-	2,989,518	2,574,728
2041-2045	3,975,227	1,677,356	-	-	3,975,227	1,677,356
2046-2050	3,792,600	539,679	-	-	3,792,600	539,679
2051-2055	329,908	11,397	270,500	-	600,408	11,397
Totals	\$ 40,768,379	17,750,730	16,051,123	9,897,728	56,819,502	27,648,458

7. Park Authority Bonds, Loans, and Notes Payable

In February 1995, the Park Authority issued \$13,870,000 of Park Facilities Revenue Bonds, Series 1995, to fund the construction of additional golf facilities for County residents and patrons. In September 2001, the Park Authority issued \$13,015,000 of Park Facilities Revenue Refunding Bonds, Series 2001, 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 are payable from the Park Revenue Fund's revenues from operations, earnings on investments, and certain fund balance reserves.

In the event of default, the Trustee or Park Authority Bondholder may proceed to protect and enforce its rights by declaring the entire unpaid principal, interest on the Bonds, and any other amounts due and payable.

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 \$13,222,200.

The debt service requirements to maturity for the outstanding bonds and loan at June 30, 2020, are as follows:

Fiscal Year	Revenue Bonds			Loan from Primary Government			Total	
	Int. Rate	Principal	Interest	Int. Rate	Principal	Interest	Principal	Interest
2021	4.82 %	\$ 775,000	18,684	5.00 %	\$ 585,700	367,079	\$ 1,360,700	385,763
2022	-	-	-	5.00	645,300	337,794	645,300	337,794
2023	-	-	-	3.00	714,100	305,529	714,100	305,529
2024	-	-	-	5.00	670,000	284,106	670,000	284,106
2025	-	-	-	3.00	740,000	250,606	740,000	250,606
2026-2030	-	-	-	3.00-4.00	4,055,000	900,394	4,055,000	900,394
2031-2033	-	-	-	3.00-4.00	2,775,000	199,932	2,775,000	199,932
Totals		<u>\$ 775,000</u>	<u>18,684</u>		<u>\$ 10,185,100</u>	<u>2,645,440</u>	<u>\$ 10,960,100</u>	<u>2,664,124</u>

8. 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. A bondholder's sole recourse in the event of default on the tax-exempt bonds is to the subject property and third-party beneficiaries. Accordingly, these bonds are not reported as

liabilities in the accompanying financial statements. As of June 30, 2020, approximately \$43.5 million of such tax-exempt bonds that are still outstanding.

In December 2018, the FCRHA issued a \$30,000,000 Multifamily Housing Revenue Bond Note (Series 2018) for the rehabilitation of Parkwood Apartments by Parkwood Venture Limited Partnership, a limited partner of MRK Partners, Inc. These bonds had an interest rate of 2.21% and were fully redeemed on the due date of August 1, 2020.

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. Accordingly, these bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2020, the cumulative amount of all IRBs outstanding was \$457,785,170.

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 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. 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 to make 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, 2020, the total outstanding principal amount of these transportation contract revenue bonds outstanding was \$154,825,000.

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.

In December 2005, the Park Authority issued two notes totaling \$12.9 million to finance the acquisition of a permanent conservation easement. As the County is responsible, under the related documents and subject to appropriation, to pay the principal and interest on the notes, the related transactions, including the liability for the notes, have been recorded in the County's financial statements and not in those of the Park Authority. The notes are not general obligation debt of the County, and the full faith and credit of the County is not pledged to the notes. As of June 30, 2020, \$3.5 million of these notes are outstanding.

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.

9. 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, 2020, the outstanding bonds considered defeased but not yet redeemed are \$189.5 million in general obligation bonds and \$113.6 million in revenue bonds.

In-Substance Defeasance of Debt Using Only Existing Resources:

In FY2020, the County closed on a partial defeasance of certain EDA 2016 obligations associated with the transportation district improvement bonds (Silver Line Phase 1 Project) using only existing resources.

Following is the information on the nature of transaction:

Accordingly, the escrow fund assets and liabilities for the defeased bonds are not included in the financial statements.

10. 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 \$48.8 million closure and post-closure obligation, as of June 30, 2020, 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 2057.

The closure and post-closure obligation for the I-95 Landfill, as of June 30, 2020, is \$47.5 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 \$1.3 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.

11. Obligations Under Capital Leases and Installment Purchases

The reporting entity has financed the acquisition of certain capital assets, including a satellite government center, buses, computer equipment, copier machines, and trailers, by entering into capital lease and installment purchase agreements. The balance of capital assets, net, and the minimum obligations under these capital lease and installment purchase agreements as of June 30, 2020, are as follows:

Asset Class	Primary Government -	Component Unit -
	Governmental Activities	Public Schools
Land	\$ -	6,000,000
Buildings	-	56,910,185
Improvements	832,127	-
Equipment	34,107,780	86,755,786
Total assets, at cost	34,939,907	149,665,971
Accumulated depreciation	(31,328,848)	(50,678,189)
Total assets, net	\$ 3,611,059	98,987,782
Fiscal Year	Minimum Obligations	Minimum Obligations
2021	\$ 5,794,568	24,569,165
2022	970,404	17,808,067
2023	970,404	10,557,671
2024	-	8,137,238
2025	-	5,825,845
2026-2030	-	17,345,375
2031-2034	-	13,870,250
2035	-	3,469,625
Total minimum obligations	7,735,376	101,583,236
Portion representing interest	(209,614)	(17,702,376)
Present value of minimum obligations	\$ 7,525,762	83,880,860

The County is the lessor in a direct financing lease with Public Schools for an administrative office building and related land. The lease is structured so that Public Schools will make annual lease payments over 30 years equal to the County's required debt service payments on the Series 2005 Facilities Revenue Bonds (see Note J-2). The County will transfer ownership of the building to Public Schools once all the lease obligations are satisfied. The total future minimum lease payments receivable is \$36.6 million and unearned revenue in the amount of \$36.6 million is reported. Minimum lease payments for each of the five succeeding fiscal years are \$1,685,000; \$1,765,000; \$1,855,000; \$1,955,000, and \$2,050,000, respectively.

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 \$45.8 million for fiscal year 2020 was funded with \$6.1 million from state aid and regional gasoline tax receipts provided through NVTC and \$39.7 million of County general obligation bond proceeds. It is anticipated that the County's obligation for fiscal year 2021 will amount to \$46.9 million and be funded with \$41.0 million from County general obligation bond proceeds and \$5.9 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 2020, the County's obligation of approximately \$168.3 million for operating subsidies was funded with \$53.2 million from the County's Metro Operations and Construction Fund and \$115.1 million from state aid and regional gasoline tax receipts provided through the NVTC. It is anticipated that the County's obligation for fiscal year 2021 will amount to \$153.9 million and be funded with \$92.2 million of state aid and regional gasoline tax receipts provided through the NVTC, a \$26.3 million credit allocated by WMATA as part of the CARES Act, and \$35.4 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, 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 2020 contribution to the VRE was \$6.3 million.

3. Operating Lease Commitments

The County, Public Schools, and the EDA have entered into various long-term lease agreements for real estate and equipment. Certain real estate leases contain provisions which allow for increased rentals based upon increases in real estate taxes and the Consumer Price Index. All lease obligations are contingent upon the Board appropriating funds for each fiscal year's payments. For fiscal year 2020, the County's, Public Schools', and EDA's total expenditures for these operating leases were \$18.0 million, \$3.2 million, and \$0.6 million, respectively. At June 30, 2020, the minimum long-term lease commitments accounted for as operating leases are as follows:

Fiscal Year	Primary Government	Component Units	
	Governmental Activities	Public Schools	EDA
2021	\$ 17,047,766	5,622,188	779,025
2022	15,550,821	5,777,351	800,462
2023	14,772,905	5,923,711	274,187
2024	12,109,539	6,051,340	-
2025	10,678,537	6,218,328	-
2026-2030	11,538,043	6,402,960	-
2031-2035	502,144	-	-
2036-2040	263,283	-	-
2041-2045	310,143	-	-
Total	\$ 82,773,181	35,995,878	1,853,674

4. 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 \$13.8 million for purchased capacity in fiscal year 2020 to fund its share of the construction and land acquisition costs. The Sewer System estimates its share of the remaining construction costs to be \$115.5 million, of which \$14.2 million is expected to be incurred in fiscal year 2021 and the balance over fiscal years 2022 to 2029. In addition, the Sewer System made payments of \$11.1 million to ARE during fiscal year 2020 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 constructions of new wet weather flow facilities. The Sewer System paid DC Water \$8.3 million for purchased capacity during fiscal year 2020 to fund its share of construction costs. The Sewer System estimates its share of the remaining construction costs to be \$199.4 million, of which \$14.0 million is expected to be incurred in fiscal year 2021 and the balance over fiscal years 2022 to 2029. In addition, the Sewer System made payments of \$15.9 million to DC Water during fiscal year 2020 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 22.6 MGD, which is approximately 42 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 \$14.3 million in fiscal year 2020 to pay its share of UOSA's operating costs.

Summarized UOSA financial information as of and for the years ended June 30, 2019 and 2018 (the most recent audited financial information available), is as follows:

	2019	2018
Total assets	\$ 541,889,848	562,632,163
Deferred outflows of resources	18,654,337	19,357,030
Total liabilities	(510,699,952)	(528,579,668)
Deferred inflows of resources	(2,993,994)	(2,557,139)
Net position	\$ 46,850,239	50,852,386
Operating revenues	\$ 30,236,345	28,768,098
Operating expenses	(57,835,443)	(58,667,527)
Nonoperating revenues, net	4,900,451	3,229,382
Capital contributions	18,696,500	17,830,318
Decrease in net position	\$ (4,002,147)	(8,839,729)
Total net position, beginning of year	50,852,386	63,833,951
Cumulative effect of change in accounting principle	-	(4,141,836)
Total net position, end of year	\$ 46,850,239	50,852,386

Arlington County, Virginia

The Sewer System is obligated under an agreement with Arlington County, Virginia to share the construction and operating costs of the sewage treatment facility owned and operated by Arlington County. Currently, the Sewer System has a capacity entitlement of 3 MGD, which is 7.5 percent of the facility's total capacity of 40 MGD. The Sewer System has no significant influence over the management of the treatment facility 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 2020. The Sewer System estimates its share of the remaining construction costs to be \$16.5 million, of which \$1.3 million is expected to be incurred in fiscal year 2021 and the balance over fiscal years 2022 to 2029. In addition, the Sewer System made payments of \$2.1 million for contractual services to Arlington during fiscal year 2020 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 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 2020. 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 2021.

5. Long-term Contracts

At June 30, 2020, the Primary Government had contractual commitments of \$134,022,556 in the capital projects funds and \$30,492,625 in the Sewer System for the construction of various sewer projects. At June 30, 2020, the component units had contractual commitments of \$111,402,738 and \$4,174,982 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 2020 the County implemented the following GASB Standard:

No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance

This statement allows a one-year postponement of the effective dates for *Statement Nos. 83, 84, 88, 89, 90, 91, 92, 93*, as well as provisions included in *Implementation Guides 2017-3, 2018-1, 2019-1, 2019-2*. A postponement of 18 months is allowed for *Statement 87* and *Implementation Guide 2019-3*.

Earlier application of the provisions of those statements is permitted and encouraged. The County is reporting in accordance with *Statement 83, 88, 89 and 90*, as well as associated implementation guide materials. These Statements were implemented by the County in periods prior to the issuance of *Statement No. 95*.

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

N. SPECIAL ITEM

In July 2019, the Sewer System completed a sale of 0.5 MGD purchase 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 net gain of \$9,898,401 was recognized as special item – Gain from sale of purchase capacity in the Sewer System's financial statements.

O. UNCERTAINTY

The County has assumed that several revenue categories will be negatively impacted by the pandemic, and is taking reasonable measures to reduce expenditures such as establishing vacancy targets for each agency. The County has received significant stimulus funding and grants to manage the impact of the pandemic and staff is working to maximize the usage of these resources. Revenue and expenditures are currently trending in line with budget expectations. As there is still a significant level of uncertainty associated with pandemic, the County continues to actively monitor developments and will take steps to respond according the situation.

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, 2020

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 3,857,199,905	3,876,467,931	3,875,613,475	(854,456)
Permits, privilege fees, and regulatory licenses	53,559,013	55,556,374	54,002,649	(1,553,725)
Intergovernmental	351,333,604	554,020,532	555,744,157	1,723,625
Charges for services	83,305,683	86,396,338	70,109,331	(16,287,007)
Fines and forfeitures	12,583,545	11,795,664	10,001,169	(1,794,495)
Revenue from the use of money and property	82,283,249	60,896,621	66,201,313	5,304,692
Recovered costs	16,934,540	15,745,731	15,486,982	(258,749)
Total revenues	4,457,199,539	4,660,879,191	4,647,159,076	(13,720,115)
EXPENDITURES				
General government administration	123,350,472	130,002,500	121,378,838	8,623,662
Judicial administration	41,791,299	44,312,595	42,101,320	2,211,275
Public safety	535,631,372	549,031,323	512,650,061	36,381,262
Public works	78,968,936	82,150,633	73,732,830	8,417,803
Health and welfare	347,340,999	352,014,255	307,170,551	44,843,704
Community development	58,176,060	62,295,543	54,546,434	7,749,109
Parks, recreation, and cultural	58,047,466	59,305,804	54,265,153	5,040,651
Nondepartmental	406,110,045	614,742,695	448,697,067	166,045,628
Total expenditures	1,649,416,649	1,893,855,348	1,614,542,254	279,313,094
Excess of revenues over expenditures	2,807,782,890	2,767,023,843	3,032,616,822	265,592,979
OTHER FINANCING SOURCES (USES)				
Transfers in from other primary government funds	9,081,414	9,081,414	9,081,414	-
Transfers out to other primary government funds	(649,010,220)	(708,694,674)	(708,694,674)	-
Transfers out to component units	(2,151,002,692)	(2,151,002,692)	(2,151,002,692)	-
Total other financing (uses), net	(2,790,931,498)	(2,850,615,952)	(2,850,615,952)	-
Net change in fund balance	\$ 16,851,392	(83,592,109)	182,000,870	265,592,979

See accompanying notes to 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)

CAFR Reporting Year Measurement Date June 30 of prior year	2020	2019	2018
Total Pension Liability			
Service cost	\$ 99,759	96,662	93,128
Interest	400,860	385,505	367,586
Changes in benefit terms	-	603	582
Differences between expected and actual experience	29,355	41,363	74,948
Changes of assumptions	-	-	-
Benefit payments, including refunds of member contributions	(329,517)	(300,641)	(284,929)
Net change in total pension liability	200,457	223,492	251,315
Total pension liability - beginning	5,591,224	5,367,732	5,116,417
Total pension liability - ending	\$ 5,791,681	5,591,224	5,367,732
Plan Fiduciary Net Position			
Contributions - employer	\$ 210,964	188,578	167,312
Contributions - member	37,916	36,358	35,476
Net investment income	243,546	269,418	243,496
Benefit payments, including refunds of member contributions	(329,517)	(300,641)	(284,931)
Administrative expense	(2,198)	(2,171)	(2,050)
Net change in plan fiduciary net position	160,711	191,542	159,303
Plan fiduciary net position - beginning	3,940,927	3,749,385	3,590,082
Plan fiduciary net position - ending	\$ 4,101,638	3,940,927	3,749,385
Net pension liability - ending	\$ 1,690,043	1,650,297	1,618,347
Plan fiduciary net position as a percentage of the total pension liability	70.82 %	70.48 %	69.85 %
Covered payroll	\$ 777,319	745,664	730,618
Net pension liability as a percentage of covered payroll	217.42 %	221.32 %	221.50 %

* 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.

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

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)

CAFR Reporting Year Measurement Date June 30 of prior year	2020	2019	2018
Total Pension Liability			
Service cost	\$ 31,993	30,744	29,052
Interest	123,663	118,405	112,638
Differences between expected and actual experience	(7,959)	1,315	11,638
Changes of assumptions	-	-	-
Benefit payments, including refunds of member contributions	(80,576)	(77,838)	(73,175)
Net change in total pension liability	67,121	72,626	80,153
Total pension liability - beginning	1,713,295	1,640,669	1,560,516
Total pension liability - ending	<u>\$ 1,780,416</u>	<u>1,713,295</u>	<u>1,640,669</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 47,183	44,505	43,381
Contributions - member	10,177	9,896	9,632
Net investment income	71,578	94,135	116,099
Benefit payments, including refunds of member contributions	(80,576)	(77,838)	(73,176)
Administrative expense	(611)	(619)	(481)
Net change in plan fiduciary net position	47,751	70,079	95,455
Plan fiduciary net position - beginning	1,435,923	1,365,844	1,270,389
Plan fiduciary net position - ending	<u>\$ 1,483,674</u>	<u>1,435,923</u>	<u>1,365,844</u>
Net pension liability - ending	<u>\$ 296,742</u>	<u>277,372</u>	<u>274,825</u>
Plan fiduciary net position as a percentage of the total pension liability	83.33 %	83.81 %	83.25 %
Covered payroll	\$ 117,663	114,173	111,291
Net pension liability as a percentage of covered payroll	252.20 %	242.94 %	246.94 %

* 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.

2017	2016	2015	
			Total Pension Liability
30,913	30,390	30,859	Service cost
110,362	106,740	102,492	Interest
(30,821)	(11,516)	-	Differences between expected and actual experience
9,895	-	-	Changes of assumptions
(70,750)	(67,757)	(62,288)	Benefit payments, including refunds of member contributions
49,599	171,787	71,063	Net change in total pension liability
<u>1,510,917</u>	<u>1,453,060</u>	<u>1,381,997</u>	Total pension liability - beginning
<u>1,560,516</u>	<u>4,979,660</u>	<u>1,453,060</u>	Total pension liability - ending
			Plan Fiduciary Net Position
40,647	37,867	34,179	Contributions - employer
9,324	8,890	10,091	Contributions - member
10,764	41,601	176,684	Net investment income
(70,750)	(67,757)	(62,288)	Benefit payments, including refunds of member contributions
(511)	(443)	(431)	Administrative expense
(10,526)	(72,703)	158,235	Net change in plan fiduciary net position
<u>1,280,915</u>	<u>1,260,757</u>	<u>1,102,522</u>	Plan fiduciary net position - beginning
<u>1,270,389</u>	<u>3,693,357</u>	<u>1,260,757</u>	Plan fiduciary net position - ending
<u>290,127</u>	<u>1,286,303</u>	<u>1,041,813</u>	Net pension liability - ending
81.41 %	84.78 %	86.77 %	Plan fiduciary net position as a percentage of the total pension liability
107,022	102,844	100,912	Covered payroll
271.09 %	223.64 %	1,032.41 %	Net pension liability as a percentage of covered payroll

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)

CAFR Reporting Year Measurement Date June 30 of prior year	2020	2019	2018
Total Pension Liability			
Service cost	\$ 43,537	42,115	39,668
Interest	153,521	147,114	140,286
Changes in benefit terms	-	956	839
Differences between expected and actual experience	(7,935)	(1,128)	6,048
Changes of assumptions	-	-	-
Benefit payments, including refunds of member contributions	(105,543)	(96,896)	(93,609)
Net change in total pension liability	83,580	92,161	93,232
Total pension liability - beginning	2,125,850	2,033,689	1,940,457
Total pension liability - ending	\$ 2,209,430	2,125,850	2,033,689
Plan Fiduciary Net Position			
Contributions - employer	\$ 69,246	67,895	67,410
Contributions - member	12,605	12,262	12,223
Net investment income	78,142	131,997	161,014
Benefit payments, including refunds of member contributions	(105,543)	(96,896)	(93,609)
Administrative expense	(620)	(618)	(477)
Net change in plan fiduciary net position	53,830	114,640	146,561
Plan fiduciary net position - beginning	1,759,903	1,645,263	1,498,702
Plan fiduciary net position - ending	\$ 1,813,733	1,759,903	1,645,263
Net pension liability - ending	\$ 395,697	365,947	388,426
Plan fiduciary net position as a percentage of the total pension liability	82.09 %	82.79 %	80.90 %
Covered payroll	\$ 178,285	174,808	173,604
Net pension liability as a percentage of covered payroll	221.95 %	209.34 %	223.74 %

* 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.

2017	2016	2015	
			Total Pension Liability
43,408	41,721	39,648	Service cost
136,679	132,951	125,660	Interest
806	1,702	-	Changes in benefit terms
(54,054)	11,019	-	Differences between expected and actual experience
20,479	-	-	Changes of assumptions
(90,536)	(84,849)	(78,918)	Benefit payments, including refunds of member contributions
56,782	171,787	86,390	Net change in total pension liability
<u>1,883,675</u>	<u>1,781,131</u>	<u>1,694,741</u>	Total pension liability - beginning
<u>1,940,457</u>	<u>4,979,660</u>	<u>1,781,131</u>	Total pension liability - ending
			Plan Fiduciary Net Position
65,548	60,928	56,095	Contributions - employer
12,020	11,473	10,906	Contributions - member
(13,447)	21,800	210,256	Net investment income
(90,536)	(84,849)	(78,917)	Benefit payments, including refunds of member contributions
(500)	(455)	(434)	Administrative expense
(26,915)	8,897	197,906	Net change in plan fiduciary net position
<u>1,525,617</u>	<u>1,516,720</u>	<u>1,318,814</u>	Plan fiduciary net position - beginning
<u>1,498,702</u>	<u>3,693,357</u>	<u>1,516,720</u>	Plan fiduciary net position - ending
<u>441,755</u>	<u>358,058</u>	<u>264,411</u>	Net pension liability - ending
77.23 %	80.99 %	85.15 %	Plan fiduciary net position as a percentage of the total pension liability
168,808	160,762	153,979	Covered payroll
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)

CAFR Reporting Year Measurement Date June 30 of prior year	2020	2019	2018
Total Pension Liability			
Service cost	\$ 90,633	88,599	78,926
Interest	231,477	221,107	209,516
Changes in benefit terms	-	-	(1,039)
Differences between expected and actual experience	27,727	12,141	19,857
Changes of assumptions	-	-	23,334
Benefit payments, including refunds of member contributions	(181,932)	(177,720)	(173,386)
Net change in total pension liability	167,905	144,127	157,208
Total pension liability - beginning	3,238,436	3,094,309	2,937,101
Total pension liability - ending	<u>\$ 3,406,341</u>	<u>3,238,436</u>	<u>3,094,309</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 96,983	91,705	80,094
Contributions - member	46,645	44,169	43,063
Net investment income	117,728	188,145	250,982
Benefit payments, including refunds of member contributions	(181,932)	(177,720)	(173,386)
Administrative expense	(4,262)	(4,300)	(4,060)
Net change in plan fiduciary net position	75,162	141,999	196,693
Plan fiduciary net position - beginning	2,446,280	2,304,281	2,107,588
Plan fiduciary net position - ending	<u>\$ 2,521,442</u>	<u>2,446,280</u>	<u>2,304,281</u>
Net pension liability - ending	<u>\$ 884,899</u>	<u>792,156</u>	<u>790,028</u>
Plan fiduciary net position as a percentage of the total pension liability	74.02 %	75.54 %	74.47 %
Covered payroll	\$ 1,549,248	1,469,629	1,430,260
Net pension liability as a percentage of covered payroll	57.12 %	53.90 %	55.24 %

* 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.

2017	2016	2015	
			Total Pension Liability
77,761	77,494	75,788	Service cost
205,720	198,939	192,724	Interest
-	-	-	Changes in benefit terms
(11,012)	(17,051)	(19,052)	Differences between expected and actual experience
45,752	-	-	Changes of assumptions
(170,348)	(167,843)	(167,050)	Benefit payments, including refunds of member contributions
147,873	171,787	82,410	Net change in total pension liability
2,789,228	2,697,689	2,615,279	Total pension liability - beginning
2,937,101	4,979,660	2,697,689	Total pension liability - ending
			Plan Fiduciary Net Position
76,600	74,324	74,174	Contributions - employer
41,384	39,983	40,018	Contributions - member
(15,767)	32,085	304,641	Net investment income
(170,348)	(167,843)	(167,050)	Benefit payments, including refunds of member contributions
(4,005)	(3,752)	(3,629)	Administrative expense
(72,136)	(25,203)	248,154	Net change in plan fiduciary net position
2,179,724	2,204,927	1,956,773	Plan fiduciary net position - beginning
2,107,588	3,693,357	2,204,927	Plan fiduciary net position - ending
829,513	609,504	492,762	Net pension liability - ending
71.76 %	78.15 %	81.73 %	Plan fiduciary net position as a percentage of the total pension liability
1,374,735	1,366,030	1,324,537	Covered payroll
60.34 %	44.62 %	37.20 %	Net pension liability as a percentage of covered payroll

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

CAFR Reporting Year Measurement Date June 30 of prior year	2020	2019	2018
Employees' Retirement System:			
Total pension liability	\$ 5,791,681	5,591,224	5,367,732
Pension plan's fiduciary net position	4,101,638	3,940,927	3,749,385
Net pension liability	\$ 1,690,043	1,650,297	1,618,347
Plan fiduciary net position as a percentage of the total pension liability	70.82 %	70.48 %	69.85 %
Covered payroll	\$ 777,319	745,664	730,618
Net pension liability as a percentage of covered payroll	217.42 %	221.32 %	221.50 %
Police Officers Retirement System:			
Total pension liability	\$ 1,780,416	1,713,295	1,640,669
Pension plan's fiduciary net position	1,483,674	1,435,923	1,365,844
Net pension liability	\$ 296,742	277,372	274,825
Plan fiduciary net position as a percentage of the total pension liability	83.33 %	83.81 %	83.25 %
Covered payroll	\$ 117,663	114,173	111,291
Uniformed Retirement System:			
Total pension liability	\$ 2,209,430	2,125,850	2,033,689
Pension plan's fiduciary net position	1,813,733	1,759,903	1,645,263
Net pension liability	\$ 395,697	365,947	388,426
Plan fiduciary net position as a percentage of the total pension liability	82.09 %	82.79 %	80.90 %
Covered payroll	\$ 178,285	174,808	173,604
Net pension liability as a percentage of covered payroll	221.95 %	209.34 %	223.74 %
Educational Employees' Supplementary Retirement System			
Total pension liability	\$ 3,406,341	3,238,436	3,094,309
Pension plan's fiduciary net position	2,521,442	2,446,280	2,304,281
Net pension liability	\$ 884,899	792,156	790,028
Plan fiduciary net position as a percentage of the total pension liability	74.02 %	75.54 %	74.47 %
Covered payroll	1,549,248	1,469,629	1,430,260
Net pension liability as a percentage of covered payroll	57.12 %	53.90 %	55.24 %

* 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.

2017	2016	2015	
5,116,416	4,979,660	4,807,874	Employees' Retirement System:
3,590,081	3,693,357	3,766,060	Total pension liability
1,526,335	1,286,303	1,041,814	Pension plan's fiduciary net position
			Net pension liability
70.17 %	74.17 %	78.33 %	Plan fiduciary net position as a percentage of the total pension liability
708,415	686,289	671,597	Covered payroll
215.46 %	187.43 %	155.12 %	Net pension liability as a percentage of covered payroll
1,560,516	1,510,917	1,453,060	Police Officers Retirement System:
1,270,389	1,280,915	1,260,757	Total pension liability
290,127	230,002	192,303	Pension plan's fiduciary net position
			Net pension liability
81.41 %	84.78 %	86.77 %	Plan fiduciary net position as a percentage of the total pension liability
107,022	102,844	100,912	Covered payroll
1,940,457	1,883,675	1,781,131	Uniformed Retirement System:
1,498,702	1,525,617	1,516,720	Total pension liability
441,755	358,058	264,411	Pension plan's fiduciary net position
			Net pension liability
77.23 %	80.99 %	85.15 %	Plan fiduciary net position as a percentage of the total pension liability
168,808	160,762	153,979	Covered payroll
261.69 %	222.73 %	171.72 %	Net pension liability as a percentage of covered payroll
2,937,101	2,789,228	2,697,689	Educational Employees' Supplementary Retirement System
2,107,588	2,179,724	2,204,927	Total pension liability
829,513	609,504	492,762	Pension plan's fiduciary net position
			Net pension liability
71.76 %	78.15 %	81.73 %	Plan fiduciary net position as a percentage of the total pension liability
1,374,735	1,366,030	1,324,537	Covered payroll
60.34 %	44.62 %	37.20 %	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)

	2020	2019	2018	2017	2016
Employees' Retirement Systems:					
Actuarial Determined Contribution	\$ 234,744	210,964	188,578	167,312	155,780
Contributions in Relations to the					
Actuarial Determined Contribution	234,744	210,964	188,578	167,312	155,780
Contribution (Deficiency) Excess	\$ -	-	-	-	-
Covered Payroll	\$ 828,021	777,319	745,664	730,618	708,415
Contributions as a Percentage of					
Covered Payroll	28.35%	27.14%	25.29%	22.90%	21.99%
Police Officers Retirement System:					
Actuarial Determined Contribution	\$ 50,781	47,183	44,505	43,381	40,647
Contributions in Relations to the					
Actuarial Determined Contribution	50,781	47,183	44,505	43,381	40,647
Contribution (Deficiency) Excess	\$ -	-	-	-	-
Covered Payroll	\$ 122,071	117,663	114,173	111,291	107,022
Contributions as a Percentage of					
Covered Payroll	41.60%	40.10%	38.98%	38.98%	37.98%
Uniformed Retirement System:					
Actuarial Determined Contribution	\$ 69,931	69,246	67,895	67,410	65,548
Contributions in Relations to the					
Actuarial Determined Contribution	69,931	69,246	67,895	67,410	65,548
Contribution (Deficiency) Excess	\$ -	-	-	-	-
Covered Payroll	\$ 180,049	178,285	174,853	173,604	168,808
Contributions as a Percentage of					
Covered Payroll	38.84%	38.84%	38.83%	38.83%	38.83%
Educational Employees' Supplementary Retirement System:					
Actuarial Determined Contribution	\$ 104,741	96,983	93,543	80,305	76,070
Contributions in Relations to the					
Actuarial Determined Contribution	104,741	96,983	91,705	80,146	76,600
Contribution (Deficiency) Excess	\$ -	-	(1,838)	(159)	530
Covered Payroll	\$ 1,626,417	1,549,248	1,469,629	1,430,260	1,374,735
Contributions as a Percentage of					
Covered Payroll	6.44%	6.26%	6.24%	5.60%	5.57%

See accompanying notes to required supplementary information.

2015	2014	2013	2012	2011	
138,493	129,618	127,448	114,683	96,608	Employees' Retirement Systems:
138,493	129,618	127,448	114,683	96,608	Actuarial Determined Contribution
-	-	-	-	-	Contributions in Relations to the
686,289	671,597	669,018	666,759	657,194	Actuarial Determined Contribution
20.18%	19.30%	19.05%	17.20%	14.70%	Contribution (Deficiency) Excess
37,867	34,179	34,011	31,701	29,175	Covered Payroll
37,867	34,179	34,011	31,701	29,175	Contributions as a Percentage of
-	-	-	-	-	Covered Payroll
102,844	100,912	102,598	101,280	103,054	Police Officers Retirement System:
36.82%	33.87%	33.15%	31.30%	28.31%	Actuarial Determined Contribution
60,929	56,095	53,722	50,351	45,817	Contributions in Relations to the
60,929	56,095	53,722	50,351	45,817	Actuarial Determined Contribution
-	-	-	-	-	Contribution (Deficiency) Excess
160,762	153,979	153,492	148,924	149,925	Covered Payroll
37.90%	36.43%	35.00%	33.81%	30.56%	Contributions as a Percentage of
74,791	72,749	68,242	50,739	47,118	Covered Payroll
74,324	74,174	67,735	52,934	47,118	Uniformed Retirement System:
(467)	1,425	(507)	2,195	-	Actuarial Determined Contribution
1,328,420	1,324,537	1,268,439	1,219,683	1,166,290	Contributions in Relations to the
5.59%	5.60%	5.34%	4.34%	4.04%	Actuarial Determined Contribution
					Contribution (Deficiency) Excess
					Covered Payroll
					Contributions as a Percentage of
					Covered Payroll
					Educational Employees' Supplementary Retirement System:
					Actuarial Determined Contribution
					Contributions in Relations to the
					Actuarial Determined Contribution
					Contribution (Deficiency) Excess
					Covered Payroll
					Contributions as a Percentage of
					Covered Payroll

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
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
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 Liability and Related Ratios*

Last Ten Fiscal Years **

(Dollar amounts in thousands)

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

* 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 year. Additional years will be displayed as they become available.

See accompanying notes to 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
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
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)

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

* See accompanying notes to required supplementary information. 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.

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
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.

See accompanying notes to required supplementary information.

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
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
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 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 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
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%
2013	14,937	14,171	766	1,276,659	1.1%
2012	13,247	7,359	5,888	1,226,575	0.6%
2011	12,697	7,054	5,643	1,175,685	0.6%

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 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
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%
2013	6,790	6,149	641	1,281,054	0.5%
2012	5,443	3,463	1,980	1,236,933	0.3%
2011	5,216	3,319	1,897	1,185,350	0.3%

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
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, 2020

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.

- The Gift Fund, which is included in the County's General Fund for reporting purposes, is treated as an agency fund for budgeting purposes.
- The Information 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)	\$ 182,000,870
Timing difference - Goods/Invoice Receipt	651,627
Basis difference - Prior period adjustment	(61,468)
Basis difference - Appropriated reserve fund balance deferral	(144,533,078)
Perspective differences:	
The Gift Fund is treated as an agency fund for budget purposes	(69,581)
The Northern Virginia Regional Identification System (NOVARIS) is treated as a separate fund for budget purposes	7,741
The Revenue Stabilization Fund is treated as a separate fund for budget purposes	3,662,158
The Economic Opportunity Reserve Fund is treated as separate fund for budget purposes	31,444,084
The Consolidated Community Funding Pool Fund is treated as a separate fund for budget purposes	219,331
The Contributory Fund is treated as a separate fund for budget purposes	(696,444)
The Information Technology Fund is treated as a separate fund for budget purposes	384,301
Net change in fund balance (GAAP basis)	\$ 73,009,541

- 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.

Discount rate, net of plan investment expenses	7.25%
Inflation	2.75%
Salary increases, including inflation	2.75%
Investment rate of return, net of plan investment expenses	7.25%
Mortality	Healthy and Disabled Mortality Table RP-2014 projected using the RPEC-2015 model

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:

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	RP-2014 Mortality table fully generational projected using scale MP-2018. Disabled mortality is assumed to be RP-2014. Disabled Mortality table fully generational using scale MP-2018.
Healthcare cost trend rate	7.6% - 10.6%, decreasing to 4.3%

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, 2020

	Budgeted Amounts		Actual Amounts	Variance from
	Original	Final	(Budget Basis)	Final Budget
				Positive
				(Negative)
REVENUES				
Taxes:				
Real property	\$ 2,890,593,420	2,894,699,521	2,898,128,734	3,429,213
Personal property	429,180,913	437,499,482	441,668,485	4,169,003
Business licenses	177,468,773	175,285,305	181,569,784	6,284,479
Local sales and use	256,768,180	259,904,405	249,449,773	(10,454,632)
Consumers utility	45,533,698	45,639,081	44,940,754	(698,327)
Recordation	21,697,038	26,799,720	31,251,909	4,452,189
Occupancy, tobacco, and other	35,957,883	36,640,417	28,604,036	(8,036,381)
Total taxes	3,857,199,905	3,876,467,931	3,875,613,475	(854,456)
Permits, privilege fees, and regulatory licenses	53,559,013	55,556,374	54,002,649	(1,553,725)
Intergovernmental	351,333,604	554,020,532	555,744,157	1,723,625
Charges for services	83,305,683	86,396,338	70,109,331	(16,287,007)
Fines and forfeitures	12,583,545	11,795,664	10,001,169	(1,794,495)
Revenue from the use of money and property	82,283,249	60,896,621	66,201,313	5,304,692
Recovered costs	16,934,540	15,745,731	15,486,982	(258,749)
Total revenues	4,457,199,539	4,660,879,191	4,647,159,076	(13,720,115)
EXPENDITURES				
General government administration:				
Board of Supervisors	5,517,094	5,517,094	5,257,404	259,690
Financial and Program Auditor	413,868	413,868	308,204	105,664
County Executive	5,560,836	5,663,269	5,385,657	277,612
Clerk Services	1,817,896	1,818,969	1,674,789	144,180
Tax Administration	27,910,356	28,156,850	26,123,704	2,033,146
Finance	8,987,135	9,203,060	8,586,612	616,448
Human Resources	8,164,738	8,271,732	8,126,034	145,698
Procurement and Material Management	7,476,149	8,449,466	7,471,468	977,998
Public Affairs	1,790,052	1,923,200	1,753,334	169,866
Elections	4,460,159	7,259,513	5,214,923	2,044,590
County Attorney	8,105,981	9,084,801	8,095,433	989,368
Information Technology	36,832,280	37,329,847	36,872,879	456,968
Management and Budget	5,516,999	6,013,866	5,742,298	271,568
Civil Service Commission	468,731	468,767	407,371	61,396
Independent Police Auditor	328,198	428,198	358,728	69,470
Total general government administration	123,350,472	130,002,500	121,378,838	8,623,662
Judicial administration:				
Circuit Court and Records	12,432,661	12,562,048	12,167,805	394,243
Commonwealth Attorney	4,340,028	5,062,860	4,279,499	783,361
General District Court	4,385,501	4,732,947	4,092,528	640,419
Sheriff	20,633,109	21,954,740	21,561,488	393,252
Total judicial administration	41,791,299	44,312,595	42,101,320	2,211,275
Public safety:				
Cable and Consumer Services	760,719	760,719	756,233	4,486
Land Development Services	12,634,338	13,029,925	13,576,474	(546,549)
Juvenile and Domestic Relations District Court	25,825,193	25,995,932	24,197,355	1,798,577
Police Department	215,438,279	220,985,727	207,954,567	13,031,160
Sheriff	52,493,261	53,426,809	47,999,577	5,427,232
Fire and Rescue	218,989,964	224,397,608	209,655,843	14,741,765
Emergency Management	1,947,864	2,761,448	2,012,638	748,810
Animal Sheltering	2,749,929	2,881,198	2,470,808	410,390
Code Compliance	4,791,825	4,791,957	4,026,566	765,391
Total public safety	\$ 535,631,372	549,031,323	512,650,061	36,381,262

continued

EXHIBIT B

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
Public works:				
Facilities Management	\$ 58,665,484	61,167,104	56,525,056	4,642,048
Business Planning and Support	1,009,322	1,028,530	885,706	142,824
Capital Facilities	15,345,436	15,989,797	14,218,846	1,770,951
Unclassified Administrative Expenses	3,948,694	3,965,202	2,103,222	1,861,980
Total public works	78,968,936	82,150,633	73,732,830	8,417,803
Health and welfare:				
Family Services	146,183,279	151,170,386	137,732,786	13,437,600
Health Department	65,550,276	66,830,774	56,422,774	10,408,000
Office of Strategy Management for Health & Human Services	14,899,466	15,546,567	14,897,139	649,428
Office to Prevent and End Homelessness	3,524,055	3,772,445	2,845,744	926,701
Neighborhood and Community Services	117,183,923	114,694,083	95,272,108	19,421,975
Total health and welfare	347,340,999	352,014,255	307,170,551	44,843,704
Community development:				
Economic Development Authority	8,791,483	9,141,483	7,814,818	1,326,665
Economic Initiatives	1,216,480	1,298,551	1,076,809	221,742
Land Development Services	16,129,247	17,518,435	15,159,494	2,358,941
Planning and Development	13,733,875	15,144,813	13,028,569	2,116,244
Housing and Community Development	7,500,907	7,728,947	7,323,550	405,397
Human Rights and Equity Programs	1,859,931	1,879,254	1,467,616	411,638
Transportation	8,944,137	9,584,060	8,675,578	908,482
Total community development	58,176,060	62,295,543	54,546,434	7,749,109
Parks, recreation, and cultural:				
Park Authority	27,753,330	27,839,156	24,886,243	2,952,913
Public Library	30,294,136	31,466,648	29,378,910	2,087,738
Total parks, recreation, and cultural	58,047,466	59,305,804	54,265,153	5,040,651
Nondepartmental:				
Unclassified Administrative Expenses	200,000	213,334,508	55,702,407	157,632,101
Employee Benefits	405,910,045	401,408,187	392,994,660	8,413,527
Total nondepartmental	406,110,045	614,742,695	448,697,067	166,045,628
Total expenditures	1,649,416,649	1,893,855,348	1,614,542,254	279,313,094
Excess of revenues over expenditures	\$ 2,807,782,890	2,767,023,843	3,032,616,822	265,592,979

continued

COUNTY OF FAIRFAX, VIRGINIA
Budgetary Comparison Schedule Detail - General Fund (Budget Basis)
For the fiscal year ended June 30, 2020

EXHIBIT B
concluded

	Budgeted Amounts		Actual Amounts	Variance from
	Original	Final	(Budget Basis)	Final Budget Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Transfers in:				
From other Primary Government funds:				
Special Revenue Funds:				
Cable Communications	\$ 2,785,414	2,785,414	2,785,414	-
Integrated Pest Management	141,000	141,000	141,000	-
Stormwater Services	1,125,000	1,125,000	1,125,000	-
Leaf Collection	54,000	54,000	54,000	-
Refuse Collection and Recycling Operations	494,000	494,000	494,000	-
Refuse Disposal	626,000	626,000	626,000	-
I-95 Refuse Disposal	186,000	186,000	186,000	-
Enterprise Funds:				
Sewer Operation and Maintenance	2,850,000	2,850,000	2,850,000	-
Component Units	820,000	820,000	820,000	-
Total transfers in from other Primary Government funds	9,081,414	9,081,414	9,081,414	-
Transfers out:				
To other Primary Government funds:				
Special Revenue Funds:				
County Transit Systems	(40,633,472)	(40,633,472)	(40,633,472)	-
Federal/State Grants	(4,432,654)	(4,432,654)	(4,432,654)	-
Information Technology	-	(4,190,000)	(4,190,000)	-
Fairfax-Falls Church Community Services Board	(146,575,985)	(146,575,985)	(146,575,985)	-
Consolidated Community Funding Pool	(11,698,785)	(11,828,596)	(11,828,596)	-
Contributory Fund	(14,368,492)	(14,618,937)	(14,618,937)	-
Alcohol Safety Action Program	(741,768)	(741,768)	(741,768)	-
Revenue Stabilization	-	(3,662,158)	(3,662,158)	-
Economic Reserve	-	(34,215,003)	(34,215,003)	-
Debt Service Fund:				
Debt Service Fund	(329,741,798)	(329,741,798)	(329,741,798)	-
Capital Projects Funds:				
General Construction and Contributions	(17,443,691)	(24,246,720)	(24,246,720)	-
Infrastructure Replacement and Upgrades	-	(11,251,187)	(11,251,187)	-
Public Safety Construction	-	(300,000)	(300,000)	-
Metro Operations and Construction	(43,950,424)	(43,950,424)	(43,950,424)	-
Library Construction	-	(1,530,000)	(1,530,000)	-
Pedestrian Walkway Improvements	(700,000)	(1,791,125)	(1,791,125)	-
Internal Service Funds:				
County Insurance	(24,291,320)	(21,728,320)	(21,728,320)	-
Document Services	(3,941,831)	(3,941,831)	(3,941,831)	-
Technology Infrastructure Services	-	(4,824,696)	(4,824,696)	-
OPEB Trust Fund	(10,490,000)	(4,490,000)	(4,490,000)	-
Total transfers out to other Primary Government funds	(649,010,220)	(708,694,674)	(708,694,674)	-
To component units:				
Public Schools:				
School Operation	(2,136,016,697)	(2,136,016,697)	(2,136,016,697)	-
School Construction	(13,100,000)	(13,100,000)	(13,100,000)	-
FCRHA - Elderly Housing Program	(1,885,995)	(1,885,995)	(1,885,995)	-
Total transfers out to component units	(2,151,002,692)	(2,151,002,692)	(2,151,002,692)	-
Total transfers out	(2,800,012,912)	(2,859,697,366)	(2,859,697,366)	-
Total other financing (uses), net	(2,790,931,498)	(2,850,615,952)	(2,850,615,952)	-
Net change in fund balance	\$ 16,851,392	(83,592,109)	182,000,870	265,592,979

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, 2020

	Budgeted Amounts		Actual Amounts	Variance from
	Original	Final	(Budget Basis)	Final Budget
				Positive
				(Negative)
EXPENDITURES				
Health and welfare	\$ 11,698,785	12,007,285	11,609,266	398,019
Total expenditures	11,698,785	12,007,285	11,609,266	398,019
Excess (deficiency) of revenues over				
(under) expenditures	(11,698,785)	(12,007,285)	(11,609,266)	398,019
OTHER FINANCING SOURCES				
Transfers in	11,698,785	11,828,596	11,828,596	-
Total other financing sources	11,698,785	11,828,596	11,828,596	-
Net change in fund balance	\$ -	(178,689)	219,330	398,019

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT B-1B

General Fund Group

Budgetary Comparison Schedule - Contributory Fund (Budget Basis)

For the fiscal year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance from
	Original	Final	(Budget Basis)	Final Budget
				Positive
				(Negative)
EXPENDITURES				
General government administration	\$ 2,442,446	2,442,446	2,438,179	4,267
Public safety	19,577	19,577	19,577	-
Health and welfare	3,559,349	3,794,719	3,794,719	-
Community development	4,198,802	4,413,877	4,413,877	-
Parks, recreation, and cultural	4,023,372	4,523,372	4,523,372	-
Nondepartmental	125,657	125,657	125,657	-
Total expenditures	14,369,203	15,319,648	15,315,381	4,267
Excess (deficiency) of revenues over				
(under) expenditures	(14,369,203)	(15,319,648)	(15,315,381)	4,267
OTHER FINANCING SOURCES				
Transfers in	14,368,492	14,618,937	14,618,937	-
Total other financing sources	14,368,492	14,618,937	14,618,937	-
Net change in fund balance	\$ (711)	(700,711)	(696,444)	4,267

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, 2020

	Budgeted Amounts		Actual Amounts	Variance from
	Original	Final	(Budget Basis)	Final Budget Positive (Negative)
REVENUES				
Revenue from the use of money and property	\$ 206	206	980	774
Recovered costs	18,593	18,593	18,593	-
Total revenues	18,799	18,799	19,573	774
EXPENDITURES				
Public safety	18,799	68,635	11,832	56,803
Total expenditures	18,799	68,635	11,832	56,803
Excess (deficiency) of revenues over (under) expenditures	-	(49,836)	7,741	57,577
Net change in fund balance	\$ -	(49,836)	7,741	57,577

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, 2020

	Budgeted Amounts		Actual Amounts	Variance from
	Original	Final	(Budget Basis)	Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ -	223,630	447,260	223,630
Charges for Services	-	1,385,320	2,178,027	792,707
Revenue from the use of money and property	200,000	200,000	483,372	283,372
Recovered costs	-	211,858	397,508	185,650
Total revenues	200,000	2,020,808	3,506,167	1,485,359
EXPENDITURES				
General government administration	450,000	54,827,593	15,177,116	39,650,477
Total expenditures	450,000	54,827,593	15,177,116	39,650,477
Excess (deficiency) of revenues over (under) expenditures	(250,000)	(52,806,785)	(11,670,949)	41,135,836
OTHER FINANCING SOURCES				
Transfers in	250,000	12,055,250	12,055,250	-
Total other financing sources	250,000	12,055,250	12,055,250	-
Net change in fund balance	\$ -	(40,751,535)	384,301	41,135,836

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, 2020

	Budgeted Amounts		Actual Amounts	Variance from
	Original	Final	(Budget Basis)	Final Budget Positive (Negative)
REVENUES				
Revenue from the use of money and property	\$ 3,400,000	3,400,000	-	(3,400,000)
Total revenues	3,400,000	3,400,000	-	(3,400,000)
Excess (deficiency) of revenues over (under) expenditures	3,400,000	3,400,000	-	(3,400,000)
OTHER FINANCING SOURCES				
Transfers in	-	3,662,158	3,662,158	-
Total other financing sources	-	3,662,158	3,662,158	-
Net change in fund balance	\$ 3,400,000	7,062,158	3,662,158	(3,400,000)

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, 2020

	Budgeted Amounts		Actual Amounts	Variance from
	Original	Final	(Budget Basis)	Final Budget Positive (Negative)
REVENUES				
Revenue from the use of money and property	\$ -	-	236,420	236,420
Total revenues	-	-	236,420	236,420
EXPENDITURES				
Community development	-	5,115,899	3,007,339	2,108,560
Nondepartmental	-	29,099,104	-	29,099,104
Total expenditures	-	34,215,003	3,007,339	31,207,664
Excess (deficiency) of revenues over (under) expenditures	-	(34,215,003)	(2,770,919)	31,444,084
OTHER FINANCING SOURCES				
Transfers in	-	34,215,003	34,215,003	-
Total other financing sources	-	34,215,003	34,215,003	-
Net change in fund balance	\$ -	-	31,444,084	31,444,084



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

COUNTY OF FAIRFAX, VIRGINIA
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2020

EXHIBIT C

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Equity in pooled cash and temporary investments	\$ 678,685,661	4,734,265	240,887,022	924,306,948
Receivables (net of allowances):				
Accounts	12,363,607	-	406,760	12,770,367
Accrued interest	2,359,064	409	5,069,304	7,428,777
Loans	9,804,181	-	48,993,961	58,798,142
Due from intergovernmental units	45,306,967	-	204,813	45,511,780
Due from component units	-	-	-	-
Loan to component unit	-	10,185,100	-	10,185,100
Lease to component unit	-	36,610,000	-	36,610,000
Prepaid and other assets	259,289	-	11,750	271,039
Restricted assets:				
Equity in pooled cash and temporary investments	-	-	24,589,530	24,589,530
Cash with fiscal agents	83,236,278	7,196,448	11,373,375	101,806,101
Property held for sale	223,600	-	-	223,600
Total assets	832,238,647	58,726,222	331,536,515	1,222,501,384
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	\$ 832,238,647	58,726,222	331,536,515	1,222,501,384
LIABILITIES				
Accounts payable and accrued liabilities	\$ 68,985,158	162,024	9,964,020	79,111,202
Accrued salaries and benefits	17,028,180	-	50,205	17,078,385
Contract retainages	4,332,849	-	3,792,603	8,125,452
Due to intergovernmental units	7,367,276	-	-	7,367,276
Due to component units	-	-	1,916,915	1,916,915
Interfund payables	267,282	-	-	267,282
Unearned revenues	4,138,663	36,610,000	25,031,284	65,779,947
Performance and other deposits	528,096	-	43,742,850	44,270,946
Total liabilities	102,647,504	36,772,024	84,497,877	223,917,405
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	6,305,793	-	5,069,304	11,375,097
Total deferred inflows of resources	6,305,793	-	5,069,304	11,375,097
Total liabilities and deferred inflows of resources	108,953,297	36,772,024	89,567,181	235,292,502
FUND BALANCES				
Nonspendable:				
Prepaid amounts	259,289	-	11,750	271,039
Total Nonspendable	259,289	-	11,750	271,039
Restricted for:				
Public safety, courts, and judicial	23,090,334	-	-	23,090,334
General public works	122,650,459	-	-	122,650,459
Stormwater management	78,398,287	-	-	78,398,287
Transportation	354,337,861	-	-	354,337,861
Social services, health and welfare	22,573,913	-	-	22,573,913
Housing and community development	48,084,573	-	-	48,084,573
Parks, recreation, and cultural	11,818,502	-	-	11,818,502
Debt service	-	13,195,968	-	13,195,968
Capital projects	-	-	73,879,628	73,879,628
Other purposes	7,072,814	-	-	7,072,814
Total Restricted	668,026,743	13,195,968	73,879,628	755,102,339
Committed to:				
Public safety, courts, and judicial	2,334,021	-	-	2,334,021
Transportation	11,584,163	-	-	11,584,163
Social services, health and welfare	30,286,715	-	-	30,286,715
Housing and community development	10,794,419	-	-	10,794,419
Debt service	-	8,758,230	-	8,758,230
Capital projects	-	-	168,077,956	168,077,956
Total Committed	54,999,318	8,758,230	168,077,956	231,835,504
Total fund balances	723,285,350	21,954,198	241,969,334	987,208,882
Total liabilities, deferred inflows of resources, and fund balances	\$ 832,238,647	58,726,222	331,536,515	1,222,501,384

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT C-1

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

For the fiscal year ended June 30, 2020

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 52,520,488	-	12,763,000	65,283,488
Permits, privilege fees, and regulatory licenses	22,486,384	-	-	22,486,384
Intergovernmental	228,221,041	3,834,320	5,731,721	237,787,082
Charges for services	327,471,630	-	1,053,762	328,525,392
Fines and forfeitures	86,841	-	-	86,841
Developers' contributions	4,175,356	-	4,879,132	9,054,488
Revenue from the use of money and property	16,048,542	2,373,557	2,618,811	21,040,910
Recovered costs	2,588,751	-	3,929,333	6,518,084
Gifts, donations, and contributions	662,883	-	-	662,883
Total revenues	654,261,916	6,207,877	30,975,759	691,445,552
EXPENDITURES				
Current:				
General government administration	-	-	2,364,283	2,364,283
Judicial administration	1,058,092	-	-	1,058,092
Public safety	77,188,080	-	423,651	77,611,731
Public works	110,352,728	-	823	110,353,551
Health and welfare	250,933,696	-	3,973,654	254,907,350
Community development	277,839,103	-	22,046,914	299,886,017
Parks, recreation, and cultural	12,525,496	-	3,242,060	15,767,556
Intergovernmental:				
Community development	31,396,237	-	93,439,325	124,835,562
Parks, recreation, and cultural	-	-	39,131,421	39,131,421
Education - for Public Schools	3,135,414	-	180,000,000	183,135,414
Capital outlay:				
General government administration	-	-	17,167,125	17,167,125
Public safety	4,481,864	-	32,653,523	37,135,387
Public works	56,410,664	-	2,320,481	58,731,145
Health and welfare	679,190	-	4,681,341	5,360,531
Community development	43,840,516	-	13,397,154	57,237,670
Parks, recreation, and cultural	3,818,491	-	2,878,742	6,697,233
Debt service:				
Principal retirement	113,544,542	344,325,000	80,120,000	537,989,542
Interest and other charges	19,667,398	116,906,239	4,236,978	140,810,615
Total expenditures	1,006,871,511	461,231,239	502,077,475	1,970,180,225
Deficiency of revenues under expenditures	(352,609,595)	(455,023,362)	(471,101,716)	(1,278,734,673)
OTHER FINANCING SOURCES (USES)				
Transfers in	234,985,049	335,669,564	91,861,608	662,516,221
Transfers out	(61,233,273)	(7,615,250)	(6,463,331)	(75,311,854)
General obligation bonds issued	-	-	213,925,000	213,925,000
Premium on general obligation bonds issued	-	-	54,475,306	54,475,306
Revenue refunding bonds issued	62,285,000	-	-	62,285,000
Premium on revenue refunding bonds issued	14,150,764	-	-	14,150,764
General obligation refunding bonds issued	-	100,460,000	-	100,460,000
Premium on general obligation refunding bonds issued	-	21,262,457	-	21,262,457
Lease revenue refunding bonds issued	-	-	61,795,000	61,795,000
Premium on lease revenue refunding bonds issued	-	-	14,741,602	14,741,602
Total other financing sources, net	250,187,540	449,776,771	430,335,185	1,130,299,496
Net change in fund balances	(102,422,055)	(5,246,591)	(40,766,531)	(148,435,177)
Fund balances, July 1, 2019	825,707,405	27,200,789	282,735,865	1,135,644,059
Fund balances, June 30, 2020	\$ 723,285,350	21,954,198	241,969,334	987,208,882



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.

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. This fund is not an appropriated fund within the operating budget. Thus, there is no budgetary comparison schedule for this fund. The Authority is funded through a special assessment on property located within the district.

McLean Community Center Fund is used to account for the operation of a community center serving the residents of Small District One, located within the Dranesville Magisterial District. The district's residents support the fund by payment of a special assessment.

Burgundy Village Community Center Fund is used to account for the operation of a community center serving the residents of Service District 1A, located within the Lee Magisterial District. The district's residents support the fund by payment of a special assessment.

E-911 Fund is used to account for the operation of a 911 emergency response service for the citizens of the County, including related information technology projects.

Integrated Pest Management Program Fund is used to account for detection, abatement, and public information programs to suppress gypsy moth and cankerworm insect populations in the County.

Stormwater Services Fund is used to account for the operation of the Stormwater Management Program. The operating requirements and stormwater capital projects are supported by the stormwater service district levy.

Leaf Collection Fund is used to account for the collection and disposal of leaves from residences and businesses located within designated districts. These districts' residents and businesses support the fund by payment of a special assessment.

Refuse Collection and Recycling Operations Fund is used to account for the collection of refuse in designated districts and from all County departments and also accounts for the operation of the County's solid waste reduction and recycling centers.

Refuse Disposal Fund is used to account for the operation of a transfer station to receive refuse collected throughout the County and channel it to either the Energy Resource Recovery Facility (incinerator) or a landfill.

I-95 Refuse Disposal Fund is used to account for the operation of a landfill which is now only used for disposal of ash generated by certain local incinerators.

Community Development Block Grant Fund is used to account for programs to upgrade low and moderate income neighborhoods through the provision of public facilities, home improvements, and public services.

Housing Trust Fund is used to account for the promotion of housing for low and moderate income individuals in the County by providing low cost debt and equity capital in the form of loans, grants, and equity contributions.

HOME Investment Partnership Grant Fund is used to account for affordable housing programs involving acquisition, rehabilitation, new construction, and tenant-based rental assistance.

Alcohol Safety Action Program Fund is used to account for programs to reduce the incidence of driving under the influence (DUI) of alcohol through rehabilitative alcohol/drug education, case management of DUI defendants, referral to alcohol/drug treatment programs and public information. This fund is solely fee supported and is not an appropriated fund within the operating budget. Thus, there is no budgetary comparison schedule for this fund.



COUNTY OF FAIRFAX, VIRGINIA
Special Revenue Funds
Combining Balance Sheet
June 30, 2020

	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	\$ 28,250,808	14,794,089	53,546,537	163,889,824	40,613,307
Receivables (net of allowances):					
Accounts	1,581,359	21,605	34,578	232,834	9,895
Accrued interest	-	-	-	-	-
Loans	-	-	-	-	-
Due from intergovernmental units	299,866	-	-	14,758,075	-
Prepaid and other assets	-	-	-	-	-
Restricted assets - Cash with fiscal agents	-	35,471,177	15,170,946	13,301,461	-
Property held for sale	-	-	-	-	-
Total assets	30,132,033	50,286,871	68,752,061	192,182,194	40,623,202
DEFERRED OUTFLOWS OF RESOURCES					
Total deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 30,132,033	50,286,871	68,752,061	192,182,194	40,623,202
LIABILITIES					
Accounts payable and accrued liabilities	\$ 18,547,870	2,695	7,345	12,196,768	8,844,515
Accrued salaries and benefits	-	-	-	382,706	-
Contract retainages	-	-	-	601,936	-
Due to intergovernmental units	-	-	-	6,801,884	-
Interfund payables	-	-	-	-	-
Unearned revenues	-	21,605	34,578	233,019	9,895
Performance and other deposits	-	-	-	-	-
Total liabilities	18,547,870	24,300	41,923	20,216,313	8,854,410
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Total liabilities and deferred inflows of resources	18,547,870	24,300	41,923	20,216,313	8,854,410
FUND BALANCES					
Nonspendable:					
Prepaid amounts	-	-	-	-	-
Total Nonspendable	-	-	-	-	-
Restricted for:					
Public safety, courts, and judicial	-	-	-	-	-
General public works	-	-	-	-	-
Stormwater management	-	-	-	-	-
Transportation	-	50,262,571	68,710,138	171,965,881	31,768,792
Social services, health and welfare	-	-	-	-	-
Housing and community development	-	-	-	-	-
Parks, recreation, and cultural	-	-	-	-	-
Other purposes	-	-	-	-	-
Total Restricted	-	50,262,571	68,710,138	171,965,881	31,768,792
Committed to:					
Public safety, courts, and judicial	-	-	-	-	-
Transportation	11,584,163	-	-	-	-
Social services, health and welfare	-	-	-	-	-
Housing and community development	-	-	-	-	-
Total Committed	11,584,163	-	-	-	-
Total fund balances	11,584,163	50,262,571	68,710,138	171,965,881	31,768,792
Total liabilities, deferred inflows of resources, and fund balances	\$ 30,132,033	50,286,871	68,752,061	192,182,194	40,623,202

EXHIBIT D

Reston Service District	Metrarail Parking System Pledged Revenue	Federal/ State Grant	Cable Communications	Fairfax-Falls Church Community Services Board	
					ASSETS
5,095,914	16,362,950	24,506,380	8,900,173	39,472,919	Equity in pooled cash and temporary investments
4,178	-	1,218,933	1,543,742	-	Receivables (net of allowances):
-	-	-	-	-	Accounts
-	-	-	-	-	Accrued interest
-	-	19,955,474	1,755,519	-	Loans
-	-	-	-	118,522	Due from intergovernmental units
-	12,340,645	-	-	-	Prepaid and other assets
-	-	-	-	-	Restricted assets - Cash with fiscal agents
-	-	-	-	-	Property held for sale
5,100,092	28,703,595	45,680,787	12,199,434	39,591,441	Total assets
					DEFERRED OUTFLOWS OF RESOURCES
-	-	-	-	-	Total deferred outflows of resources
5,100,092	28,703,595	45,680,787	12,199,434	39,591,441	Total assets and deferred outflows of resources
					LIABILITIES
411	575,275	5,342,875	239,455	5,019,358	Accounts payable and accrued liabilities
-	-	2,295,727	307,751	8,430,843	Accrued salaries and benefits
-	1,593,344	87,892	-	-	Contract retainages
-	-	565,392	-	-	Due to intergovernmental units
-	-	-	-	1,082	Interfund payables
4,178	-	3,252,478	-	-	Unearned revenues
-	-	-	-	-	Performance and other deposits
4,589	2,168,619	11,544,364	547,206	13,451,283	Total liabilities
					DEFERRED INFLOWS OF RESOURCES
-	-	-	857,809	-	Unavailable revenue
-	-	-	857,809	-	Total deferred inflows of resources
4,589	2,168,619	11,544,364	1,405,015	13,451,283	Total liabilities and deferred inflows of resources
					FUND BALANCES
-	-	-	-	118,522	Nonspendable:
-	-	-	-	118,522	Prepaid amounts
					Total Nonspendable
-	-	2,376,824	-	-	Restricted for:
-	-	-	-	-	Public safety, courts, and judicial
-	-	-	-	-	General public works
5,095,503	26,534,976	-	-	-	Stormwater management
-	-	19,949,480	-	-	Transportation
-	-	413,382	-	-	Social services, health and welfare
-	-	638	-	-	Housing and community development
-	-	7,072,814	-	-	Parks, recreation, and cultural
5,095,503	26,534,976	29,813,138	-	-	Other purposes
					Total Restricted
-	-	-	-	-	Committed to:
-	-	-	-	-	Public safety, courts, and judicial
-	-	4,323,285	-	26,021,636	Transportation
-	-	-	10,794,419	-	Social services, health and welfare
-	-	4,323,285	10,794,419	26,021,636	Housing and community development
5,095,503	26,534,976	34,136,423	10,794,419	26,140,158	Total Committed
					Total fund balances
5,100,092	28,703,595	45,680,787	12,199,434	39,591,441	Total liabilities, deferred inflows of resources, and fund balances

continued

COUNTY OF FAIRFAX, VIRGINIA
Special Revenue Funds
Combining Balance Sheet
June 30, 2020

	Reston Community Center	Mosaic Community Development Authority	McLean Community Center	Burgundy Village Community Center	E-911
ASSETS					
Equity in pooled cash and temporary investments	\$ 6,234,017	-	6,299,102	212,739	21,325,169
Receivables (net of allowances):					
Accounts	28,855	-	20,677	561	-
Accrued interest	-	622	-	-	-
Loans	-	-	-	-	-
Due from intergovernmental units	-	-	-	-	8,138,181
Prepaid and other assets	19,990	-	34,758	-	-
Restricted assets - Cash with fiscal agents	-	5,806,969	-	-	-
Property held for sale	-	-	-	-	-
Total assets	6,282,862	5,807,591	6,354,537	213,300	29,463,350
DEFERRED OUTFLOWS OF RESOURCES					
Total deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 6,282,862	5,807,591	6,354,537	213,300	29,463,350
LIABILITIES					
Accounts payable and accrued liabilities	\$ 105,862	17,009	40,588	126	626,414
Accrued salaries and benefits	309,475	-	203,940	302	1,873,882
Contract retainages	230,531	-	-	-	-
Due to intergovernmental units	-	-	-	-	-
Interfund payables	-	-	-	-	-
Unearned revenues	30,477	-	49,625	3,561	-
Performance and other deposits	3,600	-	-	-	-
Total liabilities	679,945	17,009	294,153	3,989	2,500,296
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	-	3,915,523
Total deferred inflows of resources	-	-	-	-	3,915,523
Total liabilities and deferred inflows of resources	679,945	17,009	294,153	3,989	6,415,819
FUND BALANCES					
Nonspendable:					
Prepaid amounts	19,990	-	34,758	-	-
Total Nonspendable	19,990	-	34,758	-	-
Restricted for:					
Public safety, courts, and judicial	-	-	-	-	20,713,510
General public works	-	-	-	-	-
Stormwater management	-	-	-	-	-
Transportation	-	-	-	-	-
Social services, health and welfare	-	-	-	-	-
Housing and community development	-	5,790,582	-	-	-
Parks, recreation, and cultural	5,582,927	-	6,025,626	209,311	-
Other purposes	-	-	-	-	-
Total Restricted	5,582,927	5,790,582	6,025,626	209,311	20,713,510
Committed to:					
Public safety, courts, and judicial	-	-	-	-	2,334,021
Transportation	-	-	-	-	-
Social services, health and welfare	-	-	-	-	-
Housing and community development	-	-	-	-	-
Total Committed	-	-	-	-	2,334,021
Total fund balances	5,602,917	5,790,582	6,060,384	209,311	23,047,531
Total liabilities, deferred inflows of resources, and fund balances	\$ 6,282,862	5,807,591	6,354,537	213,300	29,463,350

EXHIBIT D

Integrated Pest Management Program	Stormwater Services	Leaf Collection	Refuse Collection and Recycling Operations	Refuse Disposal	
					ASSETS
4,308,399	93,631,788	5,208,902	6,125,806	70,745,220	Equity in pooled cash and temporary investments
10,425	319,179	15,448	318,828	5,996,637	Receivables (net of allowances):
-	-	-	-	-	Accounts
-	-	-	-	-	Accrued interest
-	100,510	-	20,565	162,359	Loans
-	86,019	-	-	-	Due from intergovernmental units
-	-	-	-	-	Prepaid and other assets
-	-	-	-	-	Restricted assets - Cash with fiscal agents
-	-	-	-	-	Property held for sale
4,318,824	94,137,496	5,224,350	6,465,199	76,904,216	Total assets
					DEFERRED OUTFLOWS OF RESOURCES
-	-	-	-	-	Total deferred outflows of resources
4,318,824	94,137,496	5,224,350	6,465,199	76,904,216	Total assets and deferred outflows of resources
					LIABILITIES
33,256	11,860,395	48,529	867,331	4,248,720	Accounts payable and accrued liabilities
72,818	1,276,983	3,641	583,422	830,786	Accrued salaries and benefits
-	1,732,225	-	-	81,169	Contract retainages
-	-	-	-	-	Due to intergovernmental units
-	-	-	-	-	Interfund payables
10,391	319,091	10,950	137,070	-	Unearned revenues
-	464,496	-	60,000	-	Performance and other deposits
116,465	15,653,190	63,120	1,647,823	5,160,675	Total liabilities
					DEFERRED INFLOWS OF RESOURCES
-	-	-	-	-	Unavailable revenue
-	-	-	-	-	Total deferred inflows of resources
116,465	15,653,190	63,120	1,647,823	5,160,675	Total liabilities and deferred inflows of resources
					FUND BALANCES
-	86,019	-	-	-	Nonspendable:
-	86,019	-	-	-	Prepaid amounts
-	-	-	-	-	Total Nonspendable
-	-	-	-	-	Restricted for:
-	-	5,161,230	4,817,376	71,743,541	Public safety, courts, and judicial
-	78,398,287	-	-	-	General public works
-	-	-	-	-	Stormwater management
-	-	-	-	-	Transportation
2,624,433	-	-	-	-	Social services, health and welfare
1,577,926	-	-	-	-	Housing and community development
-	-	-	-	-	Parks, recreation, and cultural
-	-	-	-	-	Other purposes
4,202,359	78,398,287	5,161,230	4,817,376	71,743,541	Total Restricted
-	-	-	-	-	Committed to:
-	-	-	-	-	Public safety, courts, and judicial
-	-	-	-	-	Transportation
-	-	-	-	-	Social services, health and welfare
-	-	-	-	-	Housing and community development
-	-	-	-	-	Total Committed
4,202,359	78,484,306	5,161,230	4,817,376	71,743,541	Total fund balances
4,318,824	94,137,496	5,224,350	6,465,199	76,904,216	Total liabilities, deferred inflows of resources, and fund balances

continued

COUNTY OF FAIRFAX, VIRGINIA
Special Revenue Funds
Combining Balance Sheet
June 30, 2020

	I-95 Refuse Disposal	Community Development Block Grant	Housing Trust	HOME Investment Partnerships Grant
ASSETS				
Equity in pooled cash and temporary investments	\$ 40,483,461	10,989,622	17,640,427	-
Receivables (net of allowances):				
Accounts	1,000,745	-	-	-
Accrued interest	-	804,236	1,532,461	21,745
Loans	-	40,091	8,703,642	1,060,448
Due from intergovernmental units	-	99,681	-	16,737
Prepaid and other assets	-	-	-	-
Restricted assets - Cash with fiscal agents	-	-	1,145,080	-
Property held for sale	-	-	223,600	-
Total assets	41,484,206	11,933,630	29,245,210	1,098,930
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	\$ 41,484,206	11,933,630	29,245,210	1,098,930
LIABILITIES				
Accounts payable and accrued liabilities	\$ 303,607	21,408	26,004	6,052
Accrued salaries and benefits	247,953	86,777	-	13,022
Contract retainages	4,334	-	1,418	-
Due to intergovernmental units	-	-	-	-
Interfund payables	-	-	-	266,200
Unearned revenues	-	-	-	21,745
Performance and other deposits	-	-	-	-
Total liabilities	555,894	108,185	27,422	307,019
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	1,532,461	-
Total deferred inflows of resources	-	-	1,532,461	-
Total liabilities and deferred inflows of resources	555,894	108,185	1,559,883	307,019
FUND BALANCES				
Nonspendable:				
Prepaid amounts	-	-	-	-
Total Nonspendable	-	-	-	-
Restricted for:				
Public safety, courts, and judicial	-	-	-	-
General public works	40,928,312	-	-	-
Stormwater management	-	-	-	-
Transportation	-	-	-	-
Social services, health and welfare	-	-	-	-
Housing and community development	-	11,825,445	27,685,327	791,911
Parks, recreation, and cultural	-	-	-	-
Other purposes	-	-	-	-
Total Restricted	40,928,312	11,825,445	27,685,327	791,911
Committed to:				
Public safety, courts, and judicial	-	-	-	-
Transportation	-	-	-	-
Social services, health and welfare	-	-	-	-
Housing and community development	-	-	-	-
Total Committed	-	-	-	-
Total fund balances	40,928,312	11,825,445	27,685,327	791,911
Total liabilities, deferred inflows of resources, and fund balances	\$ 41,484,206	11,933,630	29,245,210	1,098,930

EXHIBIT D
 concluded

Alcohol Safety Action Program	Total Special Revenue Funds	
		ASSETS
48,108	678,685,661	Equity in pooled cash and temporary investments
5,128	12,363,607	Receivables (net of allowances):
-	2,359,064	Accounts
-	9,804,181	Accrued interest
-	45,306,967	Loans
-	259,289	Due from intergovernmental units
-	83,236,278	Prepaid and other assets
-	223,600	Restricted assets - Cash with fiscal agents
53,236	832,238,647	Property held for sale
		Total assets
		DEFERRED OUTFLOWS OF RESOURCES
-	-	Total deferred outflows of resources
53,236	832,238,647	Total assets and deferred outflows of resources
		LIABILITIES
3,290	68,985,158	Accounts payable and accrued liabilities
108,152	17,028,180	Accrued salaries and benefits
-	4,332,849	Contract retainages
-	7,367,276	Due to intergovernmental units
-	267,282	Interfund payables
-	4,138,663	Unearned revenues
-	528,096	Performance and other deposits
111,442	102,647,504	Total liabilities
		DEFERRED INFLOWS OF RESOURCES
-	6,305,793	Unavailable revenue
-	6,305,793	Total deferred inflows of resources
111,442	108,953,297	Total liabilities and deferred inflows of resources
		FUND BALANCES
-	259,289	Nonspendable:
-	259,289	Prepaid amounts
		Total Nonspendable
-	23,090,334	Restricted for:
-	122,650,459	Public safety, courts, and judicial
-	78,398,287	General public works
-	354,337,861	Stormwater management
-	22,573,913	Transportation
-	48,084,573	Social services, health and welfare
-	11,818,502	Housing and community development
-	7,072,814	Parks, recreation, and cultural
-	668,026,743	Other purposes
		Total Restricted
-	2,334,021	Committed to:
-	11,584,163	Public safety, courts, and judicial
(58,206)	30,286,715	Transportation
-	10,794,419	Social services, health and welfare
(58,206)	54,999,318	Housing and community development
(58,206)	723,285,350	Total Committed
		Total fund balances
53,236	832,238,647	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, 2020

	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	16,034,220	-	-	67,358,579	-
Charges for services	8,780,454	18,898,377	19,523,293	62,510,642	8,334,097
Fines and forfeitures	-	-	-	-	-
Developers' contributions	-	-	-	-	-
Revenue from the use of money and property	749,471	989,627	1,282,054	1,383,173	438,341
Recovered costs	84,000	-	-	-	-
Gifts, donations, and contributions	10,512	-	-	173,333	-
Total revenues	25,658,657	19,888,004	20,805,347	131,425,727	8,772,438
EXPENDITURES					
Current:					
Judicial administration	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Community development	91,982,324	-	55,962,980	78,115,191	11,844,154
Parks, recreation, and cultural	-	-	-	-	-
Intergovernmental:					
Community development	6,362,987	-	-	25,033,250	-
Education - for Public Schools	-	-	-	-	-
Capital outlay:					
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Community development	10,458,695	-	-	19,200,027	-
Parks, recreation, and cultural	-	-	-	-	-
Debt service:					
Principal retirement	-	25,055,000	-	-	-
Interest and other charges	-	10,167,187	-	-	-
Total expenditures	108,804,006	35,222,187	55,962,980	122,348,468	11,844,154
Excess (deficiency) of revenues over (under) expenditures	(83,145,349)	(15,334,183)	(35,157,633)	9,077,259	(3,071,716)
OTHER FINANCING SOURCES (USES)					
Transfers in	80,640,342	-	-	-	-
Transfers out	-	-	-	(39,569,019)	-
Revenue refunding bonds issued	-	-	-	-	-
Premium on revenue refunding bonds	-	-	-	-	-
Total other financing sources	80,640,342	-	-	(39,569,019)	-
Net change in fund balances	(2,505,007)	(15,334,183)	(35,157,633)	(30,491,760)	(3,071,716)
Fund balances, July 1, 2019	14,089,170	65,596,754	103,867,771	202,457,641	34,840,508
Fund balances, June 30, 2020	\$ 11,584,163	50,262,571	68,710,138	171,965,881	31,768,792

EXHIBIT D-1

Reston Service District	Metrorail Parking system Pledged Revenue	Federal/ State Grant	Cable Communications	Fairfax- Falls Church Community Services Board	
REVENUES					
-	-	-	-	-	Taxes
-	-	-	22,224,441	-	Permits, privilege fees, and regulatory licenses
-	-	107,242,327	-	16,760,816	Intergovernmental
2,193,343	4,985,725	3,879,244	15	18,231,988	Charges for services
-	-	-	6,500	26,404	Fines and forfeitures
-	-	-	-	-	Developers' contributions
49,339	4,486,899	159,575	-	124,800	Revenue from the use of money and property
-	-	1,728,181	-	-	Recovered costs
-	-	454,038	-	-	Gifts, donations, and contributions
2,242,682	9,472,624	113,463,365	22,230,956	35,144,008	Total revenues
EXPENDITURES					
Current:					
-	-	1,058,092	-	-	Judicial administration
-	-	36,578,083	-	-	Public safety
-	-	-	-	-	Public works
-	-	73,155,985	-	175,232,911	Health and welfare
45,435	1,816,626	14,356,818	9,515,988	-	Community development
-	-	3,362	-	-	Parks, recreation, and cultural
Intergovernmental:					
-	-	-	-	-	Community development
-	-	-	3,135,414	-	Education - for Public Schools
Capital outlay:					
-	-	2,220,606	-	-	Public safety
-	-	-	-	-	Public works
-	-	11,596	-	667,594	Health and welfare
-	10,047,759	1,369,416	1,170,595	-	Community development
-	-	-	-	-	Parks, recreation, and cultural
Debt service:					
-	81,490,000	42,955	-	-	Principal retirement
-	9,142,297	1,926	-	-	Interest and other charges
45,435	102,496,682	128,798,839	13,821,997	175,900,505	Total expenditures
2,197,247	(93,024,058)	(15,335,474)	8,408,959	(140,756,497)	Excess (deficiency) of revenues over (under) expenditures
OTHER FINANCING SOURCES (USES)					
-	2,594,300	4,432,654	-	146,575,985	Transfers in
-	-	-	(7,749,516)	(6,100,000)	Transfers out
-	62,285,000	-	-	-	Revenue refunding bonds issued
-	14,150,764	-	-	-	Premium on revenue refunding bonds
-	79,030,064	4,432,654	(7,749,516)	140,475,985	Total other financing sources
2,197,247	(13,993,994)	(10,902,820)	659,443	(280,512)	Net change in fund balances
2,898,256	40,528,970	45,039,243	10,134,976	26,420,670	Fund balances, July 1, 2019
5,095,503	26,534,976	34,136,423	10,794,419	26,140,158	Fund balances, June 30, 2020

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, 2020

	Reston Community Center	Mosaic Community Development Authority	McLean Community Center	Burgundy Village Community Center	E-911
REVENUES					
Taxes	\$ -	5,534,212	-	-	46,986,276
Permits, privilege fees, and regulatory licenses	-	-	-	-	-
Intergovernmental	-	-	-	-	3,652,376
Charges for services	8,921,720	-	5,702,559	30,608	5,454
Fines and forfeitures	-	-	-	-	-
Developers' contributions	-	-	-	-	-
Revenue from the use of money and property	309,617	82,436	144,282	42,208	162,352
Recovered costs	-	-	448,408	-	170,659
Gifts, donations, and contributions	-	-	25,000	-	-
Total revenues	9,231,337	5,616,648	6,320,249	72,816	50,977,117
EXPENDITURES					
Current:					
Judicial administration	-	-	-	-	-
Public safety	-	-	-	-	40,609,997
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Community development	-	59,050	-	-	-
Parks, recreation, and cultural	7,402,987	-	5,081,102	38,045	-
Intergovernmental:					
Community development	-	-	-	-	-
Education - for Public Schools	-	-	-	-	-
Capital outlay:					
Public safety	-	-	-	-	2,261,258
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Community development	-	-	-	-	-
Parks, recreation, and cultural	3,252,465	-	566,026	-	-
Debt service:					
Principal retirement	227,734	-	-	-	3,356,853
Interest and other charges	7,265	-	-	-	168,564
Total expenditures	10,890,451	59,050	5,647,128	38,045	46,396,672
Excess (deficiency) of revenues over (under) expenditures	(1,659,114)	5,557,598	673,121	34,771	4,580,445
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	(5,188,738)	-	-	-
Revenue refunding bonds issued	-	-	-	-	-
Premium on revenue refunding bonds	-	-	-	-	-
Total other financing sources	-	(5,188,738)	-	-	-
Net change in fund balances	(1,659,114)	368,860	673,121	34,771	4,580,445
Fund balances, July 1, 2019	7,262,031	5,421,722	5,387,263	174,540	18,467,086
Fund balances, June 30, 2020	\$ 5,602,917	5,790,582	6,060,384	209,311	23,047,531

EXHIBIT D-1

Integrated Pest Management Program	Stormwater Services	Leaf Collection	Refuse Collection and Recycling Operations	Refuse Disposal	
-	-	-	-	-	REVENUES
-	147,250	-	-	114,693	- Taxes
-	608,204	-	105,441	-	Permits, privilege fees, and regulatory licenses
2,526,564	82,403,834	2,103,104	18,757,718	48,657,813	- Intergovernmental
-	-	-	113	53,499	Charges for services
-	800	-	-	-	Fines and forfeitures
49,359	21,305	72,084	547,464	1,724,312	- Developers' contributions
-	600	-	16,188	1,764	Revenue from the use of money and property
-	-	-	-	-	Recovered costs
2,575,923	83,181,993	2,175,188	19,426,924	50,552,081	Gifts, donations, and contributions
					Total revenues
					EXPENDITURES
					Current:
-	-	-	-	-	- Judicial administration
-	-	-	-	-	- Public safety
-	34,070,584	2,238,086	17,852,286	49,627,916	- Public works
776,118	-	-	-	-	- Health and welfare
1,092,212	-	-	-	-	- Community development
-	-	-	-	-	- Parks, recreation, and cultural
					Intergovernmental:
-	-	-	-	-	- Community development
-	-	-	-	-	- Education - for Public Schools
					Capital outlay:
-	-	-	-	-	- Public safety
-	50,038,375	354,504	2,413,751	2,727,947	- Public works
-	-	-	-	-	- Health and welfare
-	-	-	-	-	- Community development
-	-	-	-	-	- Parks, recreation, and cultural
					Debt service:
-	-	-	-	-	- Principal retirement
-	-	-	-	-	- Interest and other charges
1,868,330	84,108,959	2,592,590	20,266,037	52,355,863	Total expenditures
707,593	(926,966)	(417,402)	(839,113)	(1,803,782)	Excess (deficiency) of revenues over (under) expenditures
					OTHER FINANCING SOURCES (USES)
-	-	-	-	-	- Transfers in
(141,000)	(1,125,000)	(54,000)	(494,000)	(626,000)	- Transfers out
-	-	-	-	-	- Revenue refunding bonds issued
-	-	-	-	-	- Premium on revenue refunding bonds
(141,000)	(1,125,000)	(54,000)	(494,000)	(626,000)	Total other financing sources
566,593	(2,051,966)	(471,402)	(1,333,113)	(2,429,782)	Net change in fund balances
3,635,766	80,536,272	5,632,632	6,150,489	74,173,323	Fund balances, July 1, 2019
4,202,359	78,484,306	5,161,230	4,817,376	71,743,541	Fund balances, June 30, 2020

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, 2020

	I-95 Refuse Disposal	Community Development Block Grant	Housing Trust	HOME Investment Partnerships Grant
REVENUES				
Taxes	\$ -	-	-	-
Permits, privilege fees, and regulatory licenses	-	-	-	-
Intergovernmental	-	15,566,082	-	886,858
Charges for services	10,230,962	-	-	-
Fines and forfeitures	-	-	-	-
Developers' contributions	-	-	4,174,556	-
Revenue from the use of money and property	560,586	85,564	1,511,265	1,065,719
Recovered costs	24,665	-	114,286	-
Gifts, donations, and contributions	-	-	-	-
Total revenues	10,816,213	15,651,646	5,800,107	1,952,577
EXPENDITURES				
Current:				
Judicial administration	-	-	-	-
Public safety	-	-	-	-
Public works	6,563,856	-	-	-
Health and welfare	-	-	-	-
Community development	-	8,957,622	158,616	3,932,087
Parks, recreation, and cultural	-	-	-	-
Intergovernmental:				
Community development	-	-	-	-
Education - for Public Schools	-	-	-	-
Capital outlay:				
Public safety	-	-	-	-
Public works	876,087	-	-	-
Health and welfare	-	-	-	-
Community development	-	71,616	1,522,408	-
Parks, recreation, and cultural	-	-	-	-
Debt service:				
Principal retirement	-	3,372,000	-	-
Interest and other charges	-	180,159	-	-
Total expenditures	7,439,943	12,581,397	1,681,024	3,932,087
Excess (deficiency) of revenues over (under) expenditures	3,376,270	3,070,249	4,119,083	(1,979,510)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(186,000)	-	-	-
Revenue refunding bonds issued	-	-	-	-
Premium on revenue refunding bonds	-	-	-	-
Total other financing sources	(186,000)	-	-	-
Net change in fund balances	3,190,270	3,070,249	4,119,083	(1,979,510)
Fund balances, July 1, 2019	37,738,042	8,755,196	23,566,244	2,771,421
Fund balances, June 30, 2020	\$ 40,928,312	11,825,445	27,685,327	791,911

EXHIBIT D-1

concluded

Alcohol Safety Action Program	Total Special Revenue Funds	
		REVENUES
-	52,520,488	Taxes
		Permits, privilege fees, and regulatory
-	22,486,384	licenses
6,138	228,221,041	Intergovernmental
794,116	327,471,630	Charges for services
325	86,841	Fines and forfeitures
-	4,175,356	Developers' contributions
		Revenue from the use of money and
6,710	16,048,542	property
-	2,588,751	Recovered costs
-	662,883	Gifts, donations, and contributions
807,289	654,261,916	Total revenues
		EXPENDITURES
		Current:
-	1,058,092	Judicial administration
-	77,188,080	Public safety
-	110,352,728	Public works
1,768,682	250,933,696	Health and welfare
-	277,839,103	Community development
-	12,525,496	Parks, recreation, and cultural
		Intergovernmental:
-	31,396,237	Community development
-	3,135,414	Education - for Public Schools
		Capital outlay:
-	4,481,864	Public safety
-	56,410,664	Public works
-	679,190	Health and welfare
-	43,840,516	Community development
-	3,818,491	Parks, recreation, and cultural
		Debt service:
-	113,544,542	Principal retirement
-	19,667,398	Interest and other charges
1,768,682	1,006,871,511	Total expenditures
		Excess (deficiency) of revenues over
(961,393)	(352,609,595)	(under) expenditures
		OTHER FINANCING SOURCES (USES)
741,768	234,985,049	Transfers in
-	(61,233,273)	Transfers out
-	62,285,000	Revenue refunding bonds issued
-	14,150,764	Premium on revenue refunding bonds
741,768	250,187,540	Total other financing sources
(219,625)	(102,422,055)	Net change in fund balances
161,419	825,707,405	Fund balances, July 1, 2019
(58,206)	723,285,350	Fund balances, June 30, 2020

COUNTY OF FAIRFAX, VIRGINIA
Special Revenue Fund
Budgetary Comparison Schedule - County Transit Systems Fund (Budget Basis)
For the fiscal year ended June 30, 2020

EXHIBIT D-2A

	Budgeted Amounts		Actual Amounts	Variance from
	Original	Final	(Budget Basis)	Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 13,352,403	13,271,647	16,034,220	2,762,573
Charges for services	7,850,000	7,850,000	5,573,566	(2,276,434)
Revenue from the use of money and property	382,000	382,000	749,471	367,471
Recovered costs	-	-	84,000	84,000
Total revenues	21,584,403	21,503,647	22,441,257	937,610
EXPENDITURES				
Community development	102,349,745	114,767,652	105,597,118	9,170,534
Total expenditures	102,349,745	114,767,652	105,597,118	9,170,534
Excess (deficiency) of revenues over (under) expenditures	(80,765,342)	(93,264,005)	(83,155,861)	10,108,144
OTHER FINANCING SOURCES				
Transfers in	80,640,342	80,640,342	80,640,342	-
Total other financing sources	80,640,342	80,640,342	80,640,342	-
Net change in fund balance	\$ (125,000)	(12,623,663)	(2,515,519)	10,108,144

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, 2020

EXHIBIT D-2B

	Budgeted Amounts		Actual Amounts	Variance from
	Original	Final	(Budget Basis)	Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 18,453,923	18,453,923	18,898,377	444,454
Revenue from the use of money and property	-	-	969,404	969,404
Total revenues	18,453,923	18,453,923	19,867,781	1,413,858
EXPENDITURES				
Debt service:				
Principal retirement	7,560,000	27,454,550	25,055,000	2,399,550
Interest and other charges:				
Interest	8,010,400	8,010,400	10,396,752	(2,386,352)
Bond issuance costs and other	-	105,450	105,450	-
Total expenditures	15,570,400	35,570,400	35,557,202	13,198
Excess (deficiency) of revenues over (under) expenditures	2,883,523	(17,116,477)	(15,689,421)	1,427,056
Net change in fund balance	\$ 2,883,523	(17,116,477)	(15,689,421)	1,427,056

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2c

Special Revenue Fund

Budgetary Comparison Schedule - Dulles Rail Phase II Transportation Improvement

District Fund (Budget Basis)

For the fiscal year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance from
	Original	Final	(Budget Basis)	Final Budget
				Positive
				(Negative)
REVENUES				
Charges for services	\$ 19,470,335	19,470,335	19,523,293	52,958
Revenue from the use of money and property	-	-	860,812	860,812
Total revenues	19,470,335	19,470,335	20,384,105	913,770
EXPENDITURES				
Community development	-	98,007,956	55,962,980	42,044,976
Debt service:				
Bond issuance costs and other	500,000	500,000	-	500,000
Total expenditures	500,000	98,507,956	55,962,980	42,544,976
Excess (deficiency) of revenues over (under) expenditures	18,970,335	(79,037,621)	(35,578,875)	43,458,746
Net change in fund balance	\$ 18,970,335	(79,037,621)	(35,578,875)	43,458,746

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2d

Special Revenue Fund

Budgetary Comparison Schedule - County and Regional Transportation Projects (Budget Basis)

For the fiscal year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance from
	Original	Final	(Budget Basis)	Final Budget
				Positive
				(Negative)
REVENUES				
Intergovernmental	\$ 34,765,452	93,064,709	43,330,558	(49,734,151)
Charges for services	55,979,654	55,979,654	62,510,642	6,530,988
Revenue from the use of money and property	-	-	1,456,473	1,456,473
Gifts, donations, and contributions	130,000	130,000	398,333	268,333
Total revenues	90,875,106	149,174,363	107,696,006	(41,478,357)
EXPENDITURES				
Community development	53,900,387	402,006,486	90,330,252	311,676,234
Total expenditures	53,900,387	402,006,486	90,330,252	311,676,234
Excess (deficiency) of revenues over (under) expenditures	36,974,719	(252,832,123)	17,365,754	270,197,877
OTHER FINANCING SOURCES (USES)				
Transfers out	(36,974,719)	(39,569,019)	(39,569,019)	-
Revenue bonds issued	-	100,000,000	-	(100,000,000)
Total other financing sources (uses), net	(36,974,719)	60,430,981	(39,569,019)	(100,000,000)
Net change in fund balance	\$ -	(192,401,142)	(22,203,265)	170,197,877

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2E

Special Revenue Fund

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

For the fiscal year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance from
	Original	Final	(Budget Basis)	Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 8,395,515	8,395,515	8,334,097	(61,418)
Revenue from the use of money and property	-	-	438,341	438,341
Total revenues	8,395,515	8,395,515	8,772,438	376,923
EXPENDITURES				
Community development	-	22,747,022	11,844,154	10,902,868
Total expenditures	-	22,747,022	11,844,154	10,902,868
Excess (deficiency) of revenues over (under) expenditures	8,395,515	(14,351,507)	(3,071,716)	11,279,791
Net change in fund balance	\$ 8,395,515	(14,351,507)	(3,071,716)	11,279,791

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2F

Special Revenue Fund

Budgetary Comparison Schedule - Reston Service District (Budget Basis)

For the fiscal year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance from
	Original	Final	(Budget Basis)	Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 2,193,484	2,193,484	2,193,343	(141)
Revenue from the use of money and property	-	-	49,339	49,339
Total revenues	2,193,484	2,193,484	2,242,682	49,198
EXPENDITURES				
Community development	-	960,683	45,435	915,248
Total expenditures	-	960,683	45,435	915,248
Excess (deficiency) of revenues over (under) expenditures	2,193,484	1,232,801	2,197,247	964,446
Net change in fund balance	\$ 2,193,484	1,232,801	2,197,247	964,446

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, 2020

	Budgeted Amounts		Actual Amounts	Variance from
	Original	Final	(Budget Basis)	Final Budget
				Positive
				(Negative)
REVENUES				
Charges for services	\$ 4,253,408	2,500,000	4,985,725	2,485,725
Revenue from the use of money and property	6,500,000	6,230,000	4,486,899	(1,743,101)
Total revenues	10,753,408	8,730,000	9,472,624	742,624
EXPENDITURES				
Community development	3,291,461	17,286,602	11,864,385	5,422,217
Debt service:				
Principal retirement	3,860,000	3,860,000	3,860,000	-
Interest and other charges:				
Interest	3,525,263	7,316,529	7,280,785	35,744
Bond issuance costs and other	-	-	35,744	(35,744)
Total expenditures	10,676,724	28,463,131	23,040,914	5,422,217
Excess (deficiency) of revenues over (under) expenditures	76,684	(19,733,131)	(13,568,290)	6,164,841
OTHER FINANCING SOURCES				
Transfers in	-	2,594,300	2,594,300	-
Total other financing sources	-	2,594,300	2,594,300	-
Net change in fund balance	\$ 76,684	(17,138,831)	(10,973,990)	6,164,841

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, 2020

	Budgeted Amounts		Actual Amounts	Variance from
	Original	Final	(Budget Basis)	Final Budget
				Positive
				(Negative)
REVENUES				
Intergovernmental	\$ 108,116,881	346,036,658	107,675,835	(238,360,823)
Charges for services	-	-	3,879,244	3,879,244
Revenue from the use of money and property	-	-	159,575	159,575
Recovered costs	-	6,267,557	1,728,181	(4,539,376)
Gifts, donations, and contributions	-	510,000	20,530	(489,470)
Total revenues	108,116,881	352,814,215	113,463,365	(239,350,850)
EXPENDITURES				
General government administration	112,549,535	181,778,707	-	181,778,707
Judicial administration	-	503,321	868,723	(365,402)
Public safety	-	29,444,992	39,032,939	(9,587,947)
Health and welfare	-	39,174,450	73,167,581	(33,993,131)
Community development	-	150,641,347	15,726,234	134,915,113
Parks, recreation, and cultural	-	1,025	3,362	(2,337)
Total expenditures	112,549,535	401,543,842	128,798,839	272,745,003
Excess (deficiency) of revenues over (under) expenditures	(4,432,654)	(48,729,627)	(15,335,474)	33,394,153
OTHER FINANCING SOURCES				
Transfers in	4,432,654	14,024,974	4,432,654	(9,592,320)
Total other financing sources	4,432,654	14,024,974	4,432,654	(9,592,320)
Net change in fund balance	\$ -	(34,704,653)	(10,902,820)	23,801,833

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2I

Special Revenue Fund

Budgetary Comparison Schedule - Cable Communications Fund (Budget Basis)

For the fiscal year ended June 30, 2020

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Permits, privilege fees, and regulatory licenses	\$ 22,749,209	21,602,580	22,224,441	621,861
Charges for services	-	-	15	15
Fines and forfeitures	-	-	6,500	6,500
Total revenues	22,749,209	21,602,580	22,230,956	628,376
EXPENDITURES				
Community development	11,971,027	20,852,272	10,686,583	10,165,689
Total expenditures	11,971,027	20,852,272	10,686,583	10,165,689
Excess of revenues over expenditures	10,778,182	750,308	11,544,373	10,794,065
OTHER FINANCING USES				
Transfers out	(7,749,516)	(7,749,516)	(7,749,516)	-
Transfers out to component units	(3,135,414)	(3,135,414)	(3,135,414)	-
Total other financing uses	(10,884,930)	(10,884,930)	(10,884,930)	-
Net change in fund balance	\$ (106,748)	(10,134,622)	659,443	10,794,065

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2J

Special Revenue Fund

Budgetary Comparison Schedule - Fairfax-Falls Church Community Services Board Fund (Budget Basis)

For the fiscal year ended June 30, 2020

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 18,939,993	18,939,993	16,760,816	(2,179,177)
Charges for services	16,059,269	16,059,269	18,231,988	2,172,719
Fines and forfeitures	14,100	14,100	26,404	12,304
Revenue from the use of money and property	-	-	124,800	124,800
Total revenues	35,013,362	35,013,362	35,144,008	130,646
EXPENDITURES				
Health and welfare	181,589,347	190,578,962	175,900,553	14,678,409
Total expenditures	181,589,347	190,578,962	175,900,553	14,678,409
Excess (deficiency) of revenues over (under) expenditures	(146,575,985)	(155,565,600)	(140,756,545)	14,809,055
OTHER FINANCING SOURCES				
Transfers in	146,575,985	146,575,985	146,575,985	-
Transfers out	-	(6,100,000)	(6,100,000)	-
Total other financing sources	146,575,985	140,475,985	140,475,985	-
Net change in fund balance	\$ -	(15,089,615)	(280,560)	14,809,055

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2K

Special Revenue Fund

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

For the fiscal year ended June 30, 2020

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 8,863,038	9,315,186	8,921,720	(393,466)
Revenue from the use of money and property	275,139	275,139	309,617	34,478
Total revenues	9,138,177	9,590,325	9,231,337	(358,988)
EXPENDITURES				
Parks, recreation, and cultural	9,190,580	14,390,600	10,890,451	3,500,149
Total expenditures	9,190,580	14,390,600	10,890,451	3,500,149
Excess (deficiency) of revenues over (under) expenditures	(52,403)	(4,800,275)	(1,659,114)	3,141,161
Net change in fund balance	\$ (52,403)	(4,800,275)	(1,659,114)	3,141,161

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2L

Special Revenue Fund

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

For the fiscal year ended June 30, 2020

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 6,051,034	6,051,034	5,702,559	(348,475)
Revenue from the use of money and property	122,460	122,460	144,282	21,822
Gifts, donations, and contributions	-	25,000	25,000	-
Recovered costs	-	-	448,408	448,408
Total revenues	6,173,494	6,198,494	6,320,249	121,755
EXPENDITURES				
Parks, recreation, and cultural	6,173,494	6,946,399	5,647,128	1,299,271
Total expenditures	6,173,494	6,946,399	5,647,128	1,299,271
Excess (deficiency) of revenues over (under) expenditures	-	(747,905)	673,121	1,421,026
Net change in fund balance	\$ -	(747,905)	673,121	1,421,026

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2M

Special Revenue Fund

Budgetary Comparison Schedule - Burgundy Village Community Center Fund (Budget Basis)

For the fiscal year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance from
	Original	Final	(Budget Basis)	Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 32,465	32,465	30,608	(1,857)
Revenue from the use of money and property	45,963	45,963	42,208	(3,755)
Total revenues	78,428	78,428	72,816	(5,612)
EXPENDITURES				
Parks, recreation, and cultural	46,596	101,596	38,045	63,551
Total expenditures	46,596	101,596	38,045	63,551
Excess (deficiency) of revenues over (under) expenditures	31,832	(23,168)	34,771	57,939
Net change in fund balance	\$ 31,832	(23,168)	34,771	57,939

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2N

Special Revenue Fund

Budgetary Comparison Schedule - E-911 Fund (Budget Basis)

For the fiscal year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance from
	Original	Final	(Budget Basis)	Final Budget Positive (Negative)
REVENUES				
Local sales and use taxes	\$ 46,986,272	46,986,272	46,986,276	4
Intergovernmental	3,396,251	3,396,251	3,652,376	256,125
Charges for Services	-	-	5,454	5,454
Revenue from the use of money and property	10,000	10,000	162,352	152,352
Recovered costs	150,000	150,000	170,659	20,659
Total revenues	50,542,523	50,542,523	50,977,117	434,594
EXPENDITURES				
Public safety	52,585,811	64,773,246	46,396,672	18,376,574
Total expenditures	52,585,811	64,773,246	46,396,672	18,376,574
Excess (deficiency) of revenues over (under) expenditures	(2,043,288)	(14,230,723)	4,580,445	18,811,168
Net change in fund balance	\$ (2,043,288)	(14,230,723)	4,580,445	18,811,168

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2o

Special Revenue Fund

Budgetary Comparison Schedule - Integrated Pest Management Program Fund (Budget Basis)

For the fiscal year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance from
	Original	Final	(Budget Basis)	Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 2,544,264	2,544,264	2,526,564	(17,700)
Revenue from the use of money and property	7,691	7,691	49,359	41,668
Total revenues	2,551,955	2,551,955	2,575,923	23,968
EXPENDITURES				
Health and welfare	1,871,730	1,878,557	776,118	1,102,439
Community development	1,447,152	1,599,188	1,092,212	506,976
Total expenditures	3,318,882	3,477,745	1,868,330	1,609,415
Excess (deficiency) of revenues over (under) expenditures	(766,927)	(925,790)	707,593	1,633,383
OTHER FINANCING USES				
Transfers out	(141,000)	(141,000)	(141,000)	-
Total other financing uses	(141,000)	(141,000)	(141,000)	-
Net change in fund balance	\$ (907,927)	(1,066,790)	566,593	1,633,383

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2p

Special Revenue Fund

Budgetary Comparison Schedule - Stormwater Services Fund (Budget Basis)

For the fiscal year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance from
	Original	Final	(Budget Basis)	Final Budget Positive (Negative)
REVENUES				
Permits, privilege fees, and regulatory licenses	\$ -	-	147,250	147,250
Intergovernmental	-	6,081,473	608,204	(5,473,269)
Charges for services	81,954,210	81,954,210	82,403,834	449,624
Developers' contributions	-	-	800	800
Revenue from the use of money and property	-	-	21,305	21,305
Recovered costs	-	-	600	600
Total revenues	81,954,210	88,035,683	83,181,993	(4,853,690)
EXPENDITURES				
Public works	80,829,210	167,712,476	84,108,959	83,603,517
Total expenditures	80,829,210	167,712,476	84,108,959	83,603,517
Excess (deficiency) of revenues over (under) expenditures	1,125,000	(79,676,793)	(926,966)	78,749,827
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,125,000)	(1,125,000)	(1,125,000)	-
Total other financing sources (uses), net	(1,125,000)	(1,125,000)	(1,125,000)	-
Net change in fund balance	\$ -	(80,801,793)	(2,051,966)	78,749,827

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2Q

Special Revenue Fund

Budgetary Comparison Schedule - Leaf Collection Fund (Budget Basis)

For the fiscal year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance from
	Original	Final	(Budget Basis)	Final Budget
				Positive
				(Negative)
REVENUES				
Charges for services	\$ 2,086,250	2,086,250	2,103,104	16,854
Revenue from the use of money and property	107,304	107,304	72,084	(35,220)
Total revenues	2,193,554	2,193,554	2,175,188	(18,366)
EXPENDITURES				
Public works	2,554,717	2,872,443	2,592,590	279,853
Total expenditures	2,554,717	2,872,443	2,592,590	279,853
Excess (deficiency) of revenues over				
(under) expenditures	(361,163)	(678,889)	(417,402)	261,487
Net change in fund balance	\$ (361,163)	(678,889)	(417,402)	261,487

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2R

Special Revenue Fund

Budgetary Comparison Schedule - Refuse Collection and Recycling Operations Fund (Budget Basis)

For the fiscal year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance from
	Original	Final	(Budget Basis)	Final Budget
				Positive
				(Negative)
REVENUES				
Intergovernmental	\$ 120,000	120,000	105,441	(14,559)
Fines and Forfeitures	-	-	113	113
Charges for services	18,556,278	18,556,278	18,757,718	201,440
Revenue from the use of money and property	230,208	230,208	547,464	317,256
Recovered costs	28,738	28,738	16,188	(12,550)
Total revenues	18,935,224	18,935,224	19,426,924	491,700
EXPENDITURES				
Public works	18,794,447	21,705,929	20,266,037	1,439,892
Total expenditures	18,794,447	21,705,929	20,266,037	1,439,892
Excess (deficiency) of revenues over				
(under) expenditures	140,777	(2,770,705)	(839,113)	1,931,592
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	\$ (353,223)	(3,264,705)	(1,333,113)	1,931,592

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2s

Special Revenue Fund

Budgetary Comparison Schedule - Refuse Disposal Fund (Budget Basis)

For the fiscal year ended June 30, 2020

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Permits, privilege fees, and regulatory licenses	\$ 82,320	82,320	114,693	32,373
Charges for services	54,116,542	54,116,542	48,657,813	(5,458,729)
Revenue from the use of money and property	1,693,000	1,693,000	1,724,312	31,312
Recovered costs	-	-	1,764	1,764
Fines and forfeitures	-	-	53,499	53,499
Total revenues	55,891,862	55,891,862	50,552,081	(5,339,781)
EXPENDITURES				
Public works	55,951,458	62,240,537	52,355,863	9,884,674
Total expenditures	55,951,458	62,240,537	52,355,863	9,884,674
Excess (deficiency) of revenues over (under) expenditures	(59,596)	(6,348,675)	(1,803,782)	4,544,893
OTHER FINANCING USES				
Transfers out	(626,000)	(626,000)	(626,000)	-
Total other financing uses	(626,000)	(626,000)	(626,000)	-
Net change in fund balance	\$ (685,596)	(6,974,675)	(2,429,782)	4,544,893

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2t

Special Revenue Fund

Budgetary Comparison Schedule - I-95 Refuse Disposal Fund (Budget Basis)

For the fiscal year ended June 30, 2020

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 9,293,250	9,293,250	10,230,962	937,712
Revenue from the use of money and property	500,000	500,000	560,586	60,586
Recovered costs	-	-	24,665	24,665
Total revenues	9,793,250	9,793,250	10,816,213	1,022,963
EXPENDITURES				
Public works	7,628,485	15,875,057	7,439,943	8,435,114
Total expenditures	7,628,485	15,875,057	7,439,943	8,435,114
Excess (deficiency) of revenues over (under) expenditures	2,164,765	(6,081,807)	3,376,270	9,458,077
OTHER FINANCING USES				
Transfers out	(186,000)	(186,000)	(186,000)	-
Total other financing uses	(186,000)	(186,000)	(186,000)	-
Net change in fund balance	\$ 1,978,765	(6,267,807)	3,190,270	9,458,077

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2U

Special Revenue Fund

Budgetary Comparison Schedule - Community Development Block Grant Fund (Budget Basis)

For the fiscal year ended June 30, 2020

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	15,938,088	4,188,346	(11,749,742)
Charges for services	-	2,813	-	(2,813)
Revenue from the use of money and property	5,574,509	12,357,255	11,571,334	(785,921)
Total revenues	5,574,509	28,298,156	15,759,680	(12,538,476)
EXPENDITURES				
Community development	2,022,350	30,827,714	7,320,449	23,507,265
Debt service:				
Principal retirement	3,372,000	3,372,000	3,372,000	-
Interest and other charges:				
Interest	180,159	180,159	180,159	-
Total expenditures	5,574,509	34,379,873	10,872,608	23,507,265
Excess (deficiency) of revenues over (under) expenditures	-	(6,081,717)	4,887,072	10,968,789
Net change in fund balance	\$ -	(6,081,717)	4,887,072	10,968,789

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2V

Special Revenue Fund

Budgetary Comparison Schedule - Housing Trust Fund (Budget Basis)

For the fiscal year ended June 30, 2020

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Developers' contributions	\$ -	-	4,166,756	4,166,756
Revenue from the use of money and property	105,000	605,000	1,773,038	1,168,038
Other Revenue	693,265	693,265	445,808	(247,457)
Total revenues	798,265	1,298,265	6,385,602	5,087,337
EXPENDITURES				
Community development	798,265	13,527,293	1,400,097	12,127,196
Total expenditures	798,265	13,527,293	1,400,097	12,127,196
Excess (deficiency) of revenues over (under) expenditures	-	(12,229,028)	4,985,505	17,214,533
Net change in fund balance	\$ -	(12,229,028)	4,985,505	17,214,533

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2w

Special Revenue Fund

Budgetary Comparison Schedule - HOME Investment Partnership Grant Fund (Budget Basis)

For the fiscal year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance from
	Original	Final	(Budget Basis)	Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ -	3,833,079	886,858	(2,946,221)
Revenue from the use of money and property	2,103,044	1,301,949	8,021	(1,293,928)
Total revenues	2,103,044	5,135,028	894,879	(4,240,149)
EXPENDITURES				
Community development	2,103,044	5,147,846	1,216,455	3,931,391
Total expenditures	2,103,044	5,147,846	1,216,455	3,931,391
Excess (deficiency) of revenues over (under) expenditures	-	(12,818)	(321,576)	(308,758)
Net change in fund balance	\$ -	(12,818)	(321,576)	(308,758)



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, 2020

EXHIBIT E

	Debt Service	Mosaic Community Development Authority	Total Debt Service Funds
ASSETS			
Equity in pooled cash and temporary investments	\$ 4,734,265	-	4,734,265
Accrued interest	-	409	409
Loan to component unit	10,185,100	-	10,185,100
Lease to component unit	36,610,000	-	36,610,000
Restricted assets:			
Restricted assets - Cash with fiscal agents	889	7,195,559	7,196,448
Investments			
Total assets	51,530,254	7,195,968	58,726,222
DEFERRED OUTFLOWS OF RESOURCES			
Total deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	\$ 51,530,254	7,195,968	58,726,222
LIABILITIES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 162,024	-	162,024
Unearned revenues	36,610,000	-	36,610,000
Total liabilities	36,772,024	-	36,772,024
DEFERRED INFLOWS OF RESOURCES			
Total deferred inflows of resources	-	-	-
Total liabilities and deferred inflows of resources	36,772,024	-	36,772,024
FUND BALANCES			
Restricted for:			
Debt service	6,000,000	7,195,968	13,195,968
Total Restricted	6,000,000	7,195,968	13,195,968
Committed to:			
Debt service	8,758,230	-	8,758,230
Total Committed	8,758,230	-	8,758,230
Total fund balance	14,758,230	7,195,968	21,954,198
Total liabilities, deferred inflows of resources, and fund balance	\$ 51,530,254	7,195,968	58,726,222

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, 2020

	Debt Service	Mosaic Community Development Authority	Total Debt Service Funds
REVENUES			
Intergovernmental	\$ 3,834,320	-	3,834,320
Revenue from the use of money and property	2,273,907	99,650	2,373,557
Total revenues	6,108,227	99,650	6,207,877
EXPENDITURES			
Principal retirement:			
County	129,935,200	1,145,000	131,080,200
Schools	213,244,800	-	213,244,800
Interest:			
County	46,351,861	4,389,211	50,741,072
Schools	64,107,623	-	64,107,623
Other charges:			
Bond issuance costs and other	2,028,319	-	2,028,319
Arbitrage rebate payments	29,225	-	29,225
Total expenditures	455,697,028	5,534,211	461,231,239
Deficiency of revenues under expenditures	(449,588,801)	(5,434,561)	(455,023,362)
OTHER FINANCING SOURCES (USES)			
Transfers in from:			
General Fund	329,741,798	-	329,741,798
Special revenue funds	-	5,188,738	5,188,738
Capital projects funds	739,028	-	739,028
Transfers out	(7,615,250)	-	(7,615,250)
General obligation refunding bonds issued	100,460,000	-	100,460,000
Premium on general obligation refunding bonds issued	21,262,457	-	21,262,457
Total other financing sources	444,588,033	5,188,738	449,776,771
Net change in fund balance	(5,000,768)	(245,823)	(5,246,591)
Fund balances, July 1, 2019	19,758,998	7,441,791	27,200,789
Fund balances, June 30, 2020	\$ 14,758,230	7,195,968	21,954,198

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, 2020

	Budgeted Amounts		Actual Amounts	Variance from
	Original	Final	(Budget Basis)	Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 2,580,000	2,580,000	2,239,891	(340,109)
Total revenues	2,580,000	2,580,000	2,239,891	(340,109)
EXPENDITURES				
Principal retirement:				
County	84,653,300	87,628,700	87,473,700	155,000
Schools	128,041,700	135,976,300	135,976,300	-
Interest:				
County	49,945,801	47,834,286	45,765,689	2,068,597
Schools	72,570,982	64,651,180	63,040,947	1,610,233
Bond issuance costs and other	2,000,000	2,000,000	1,556,922	443,078
Total expenditures	337,211,783	338,090,466	333,813,558	4,276,908
Excess (deficiency) of revenues over (under) expenditures	(334,631,783)	(335,510,466)	(331,573,667)	3,936,799
OTHER FINANCING SOURCES (USES)				
General obligation bonds issued	500,000	500,000	586,631	86,631
Transfers in from:				
General Fund	329,741,798	329,741,798	329,741,798	-
Other funds	4,389,985	6,389,985	6,389,985	-
Transfers out	-	(7,615,250)	(7,615,250)	-
Total other financing sources, net	334,631,783	329,016,533	329,103,164	86,631
Net change in fund balance, net	\$ -	(6,493,933)	(2,470,503)	4,023,430



The **Capital Projects Funds** are used to account for financial resources used for all general County construction projects other than enterprise fund construction.

Contributed Roadway Improvement Fund is used to account for contributions received from developers to fund specific projects in various growth areas of the County.

Library Construction Fund is used to account for design and construction of new County libraries, renovations of existing facilities, and capital equipment expenditures authorized by voter referendum. Projects are funded from the sale of bonds.

County Construction Fund is used to account for renovations, maintenance, and on-going initiatives involving County, FCPA, and FCPS properties. Projects are funded from a variety of sources including, but not limited to the General Fund, aid from the State, and the sale of bonds.

Capital Renewal Construction Fund is used to account for the planned replacement of County government building subsystems such as roofs, electrical systems, HVAC systems, and plumbing systems that have reached the end of their useful life cycle. Projects are funded by the General Fund.

Transportation Improvements Fund is used to account for road construction and repair authorized by voter referendum. Projects are funded primarily from the sale of bonds. Other sources of funding are developers' contributions and transfers from other funds.

Pedestrian Walkway Improvements Fund is used to account for the design and construction of sidewalks to provide safe walking conditions for public school students. The program is undertaken in cooperation with the FCPS and generally involves projects which link residential areas and public schools. Projects are funded by the General Fund.

Metro Operations and Construction Fund is used to account for subsidies to the 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.

Commercial Revitalization Program Fund is used to account for the development and revitalization of commercial centers. The improvements financed through the program include moving utilities underground, sidewalk construction, street lighting, tree planting, and other pedestrian amenities. Projects are funded by the sale of bonds.

Pro Rata Drainage Construction Fund is used to account for storm drainage projects in accordance with the Pro Rata Share Program approved by the Board of Supervisors on December 16, 1991. Under this program, funding is obtained from land developers who pay a pro rata share of the total estimated cost of necessary storm drainage improvements.

Housing Assistance Program Fund is used to account for the development of low and moderate income housing and the support of public improvement projects in low and moderate income neighborhoods.

The Penny for Affordable Housing Fund is used to account for the planned allocation of funding by the Board of Supervisors to prioritize and monitor affordable housing preservation initiatives. Projects are funded by the amount dedicated by the Board; original method to determine the amount of dedication was the value of one penny of the real estate tax rate.

COUNTY OF FAIRFAX, VIRGINIA
Capital Projects Funds
Combining Balance Sheet
June 30, 2020

	Contributed Roadway Improvement	Library Construction	County Construction	Capital Renewal Construction
ASSETS				
Equity in pooled cash and temporary investments	\$ 83,033,541	2,918,704	61,605,814	41,556,751
Receivables:				
Accounts	-	-	120,192	-
Accrued interest	-	-	-	-
Loans	-	-	-	-
Due from intergovernmental units	-	-	-	-
Due from component units	-	-	-	-
Prepaid and other assets	-	-	-	-
Restricted assets:				
Equity in pooled cash and temporary investments	-	7,648,572	-	-
Cash with fiscal agents	-	-	1,651,368	-
Total assets	83,033,541	10,567,276	63,377,374	41,556,751
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	\$ 83,033,541	10,567,276	63,377,374	41,556,751
LIABILITIES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 193,177	218,336	1,861,255	934,683
Accrued salaries and benefits	-	-	33,660	-
Contract retainages	-	-	682,377	-
Due to component units	-	-	1,914,367	2,548
Unearned revenues	-	-	25,031,284	-
Performance and other deposits	42,354,615	-	1,203,513	-
Total liabilities	42,547,792	218,336	30,726,456	937,231
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Total liabilities and deferred inflows of resources	42,547,792	218,336	30,726,456	937,231
FUND BALANCES				
Nonspendable:				
Prepaid amounts	-	-	-	-
Total Nonspendable	-	-	-	-
Restricted for:				
Capital projects	40,485,749	10,348,940	-	-
Total Restricted	40,485,749	10,348,940	-	-
Committed to:				
Capital projects	-	-	32,650,918	40,619,520
Total Committed	-	-	32,650,918	40,619,520
Total fund balances	40,485,749	10,348,940	32,650,918	40,619,520
Total liabilities, deferred inflows of resources, and fund	\$ 83,033,541	10,567,276	63,377,374	41,556,751

EXHIBIT F

Transportation Improvements	Pedestrian Walkway Improvements	Metro Operations and Construction	
			ASSETS
-	2,606,020		- Equity in pooled cash and temporary investments
-	-		Receivables:
-	-		- Accounts
-	-		- Accrued interest
-	-		- Loans
-	17,516		- Due from intergovernmental units
-	-		- Due from component units
-	-		- Prepaid and other assets
7,986,162	-	279,072	Restricted assets:
-	-	-	- Equity in pooled cash and temporary investments
7,986,162	2,623,536	279,072	- Cash with fiscal agents
			Total assets
			DEFERRED OUTFLOWS OF RESOURCES
-	-	-	Total deferred outflows of resources
7,986,162	2,623,536	279,072	Total assets and deferred outflows of resources
			LIABILITIES
			Liabilities:
2,024,341	402,102	-	- Accounts payable and accrued liabilities
-	16,545	-	- Accrued salaries and benefits
476,609	24,655	-	- Contract retainages
-	-	-	- Due to component units
-	-	-	- Unearned revenues
-	128,722	-	- Performance and other deposits
2,500,950	572,024	-	Total liabilities
			DEFERRED INFLOW OF RESOURCES
-	-	-	- Unavailable revenue
-	-	-	Total deferred inflows of resources
2,500,950	572,024	-	Total liabilities and deferred inflows of resources
			FUND BALANCES
			Nonspendable:
-	-	-	- Prepaid amounts
-	-	-	Total Nonspendable
5,485,212	-	279,072	Restricted for:
5,485,212	-	279,072	- Capital projects
			Total Restricted
			Committed to:
-	2,051,512	-	- Capital projects
-	2,051,512	-	Total Committed
5,485,212	2,051,512	279,072	Total fund balances
7,986,162	2,623,536	279,072	Total liabilities, deferred inflows of resources, and fund balances

continued

COUNTY OF FAIRFAX, VIRGINIA
Capital Projects Funds
Combining Balance Sheet
June 30, 2020

	Public Safety Construction	Commercial Revitalization Program	Pro Rata Drainage Construction
ASSETS			
Equity in pooled cash and temporary investments	\$ -	563,345	3,282,798
Receivables:			
Accounts	-	-	-
Accrued interest	-	-	-
Loans	-	-	-
Due from intergovernmental units	-	187,297	-
Due from component units	-	-	-
Prepaid and other assets	11,750	-	-
Restricted assets:			
Equity in pooled cash and temporary investments	5,094,925	-	-
Cash with fiscal agents	9,722,007	-	-
Total assets	14,828,682	750,642	3,282,798
DEFERRED OUTFLOWS OF RESOURCES			
Total deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	\$ 14,828,682	750,642	3,282,798
LIABILITIES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 4,047,990	-	-
Accrued salaries and benefits	-	-	-
Contract retainages	2,608,962	-	-
Due to component units	-	-	-
Unearned revenues	-	-	-
Performance and other deposits	-	-	56,000
Total liabilities	6,656,952	-	56,000
DEFERRED INFLOW OF RESOURCES			
Unavailable revenue	-	-	-
Total deferred inflows of resources	-	-	-
Total liabilities and deferred inflows of resources	6,656,952	-	56,000
FUND BALANCES			
Nonspendable:			
Prepaid amounts	11,750	-	-
Total Nonspendable	11,750	-	-
Restricted for:			
Capital projects	8,159,980	750,642	3,226,798
Total Restricted	8,159,980	750,642	3,226,798
Committed to:			
Capital projects	-	-	-
Total Committed	-	-	-
Total fund balances	8,171,730	750,642	3,226,798
Total liabilities, deferred inflows of resources, and fund balances	\$ 14,828,682	750,642	3,282,798

EXHIBIT F

concluded

Housing Assistance Program	The Penny for Affordable Housing	Total Capital Projects Funds	
			ASSETS
1,562,436	43,757,613	240,887,022	Equity in pooled cash and temporary investments
-	286,568	406,760	Receivables:
-	5,069,304	5,069,304	Accounts
-	48,993,961	48,993,961	Accrued interest
-	-	204,813	Loans
-	-	-	Due from intergovernmental units
-	-	-	Due from component units
-	-	11,750	Prepaid and other assets
			Restricted assets:
3,580,799	-	24,589,530	Equity in pooled cash and temporary investments
-	-	11,373,375	Cash with fiscal agents
5,143,235	98,107,446	331,536,515	Total assets
			DEFERRED OUTFLOWS OF RESOURCES
-	-	-	Total deferred outflows of resources
5,143,235	98,107,446	331,536,515	Total assets and deferred outflows of resources
			LIABILITIES AND FUND BALANCES
			Liabilities:
-	282,136	9,964,020	Accounts payable and accrued liabilities
-	-	50,205	Accrued salaries and benefits
-	-	3,792,603	Contract retainages
-	-	1,916,915	Due to component units
-	-	25,031,284	Unearned revenues
-	-	43,742,850	Performance and other deposits
-	282,136	84,497,877	Total liabilities
			DEFERRED INFLOW OF RESOURCES
-	5,069,304	5,069,304	Unavailable revenue
-	5,069,304	5,069,304	Total deferred inflows of resources
-	5,351,440	89,567,181	Total liabilities and deferred inflows of resources
			FUND BALANCES
			Nonspendable:
-	-	11,750	Prepaid amounts
-	-	11,750	Total Nonspendable
			Restricted for:
5,143,235	-	73,879,628	Capital projects
5,143,235	-	73,879,628	Total Restricted
			Committed to:
-	92,756,006	168,077,956	Capital projects
-	92,756,006	168,077,956	Total Committed
5,143,235	92,756,006	241,969,334	Total fund balances
5,143,235	98,107,446	331,536,515	Total liabilities, deferred inflows of resources, and fund

COUNTY OF FAIRFAX, VIRGINIA

Capital Projects Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

For the fiscal year ended June 30, 2020

	Contributed Roadway Improvement	Library Construction	County Construction	Capital Renewal Construction
REVENUES				
Taxes	\$ -	-	-	-
Intergovernmental	-	-	-	444,620
Charges for services	-	-	1,053,762	-
Developers' contributions	768,164	-	3,875,520	-
Revenue from the use of money and property	860,045	-	441,580	-
Recovered costs	-	-	792,334	-
Total revenues	1,628,209	-	6,163,196	444,620
EXPENDITURES				
Current:				
General government administration	-	-	235,340	2,128,943
Public safety	-	-	-	-
Public works	-	-	823	-
Health and welfare	-	-	3,973,654	-
Community development	979,858	-	5,404,380	-
Parks, recreation, and cultural	-	19,627	3,222,433	-
Intergovernmental:				
Community development	-	-	-	-
Parks, recreation, and cultural	-	-	39,066,928	64,493
Education - for Public Schools	-	-	180,000,000	-
Capital outlay:				
General government administration	-	-	3,222,782	13,944,343
Public safety	-	-	104,938	-
Public works	-	-	-	-
Health and welfare	-	-	4,681,341	-
Community development	1,600,000	-	4,276,582	-
Parks, recreation, and cultural	-	1,000,739	1,878,003	-
Debt service:				
Principal retirement	-	-	645,000	-
Interest and other charges	-	-	169,022	-
Total expenditures	2,579,858	1,020,366	246,881,226	16,137,779
Excess (Deficiency of) revenues over (under) expenditures	(951,649)	(1,020,366)	(240,718,030)	(15,693,159)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,530,000	30,346,720	13,751,187
Transfers out	(192,152)	-	(1,239,028)	-
General obligation bonds issued	-	1,664,000	169,861,000	-
Premium on general obligation bonds issued	-	-	43,875,306	-
Lease revenue refunding bonds issued	-	-	-	-
Premium on lease revenue refunding bonds issued	-	-	-	-
Total other financing sources (uses), net	(192,152)	3,194,000	242,843,998	13,751,187
Net change in fund balances	(1,143,801)	2,173,634	2,125,968	(1,941,972)
Fund balances, July 1, 2019	41,629,550	8,175,306	30,524,950	42,561,492
Fund balances, June 30, 2020	\$ 40,485,749	10,348,940	32,650,918	40,619,520

EXHIBIT F-1

Transportation Improvements	Pedestrian Walkway Improvements	Metro Operations and Construction	
REVENUES			
-	-	-	- Taxes
-	54,490	-	- Intergovernmental
-	-	-	- Charges for services
-	5,445	-	- Developers' contributions
-	-	-	- Revenue from the use of money and property
35,680	-	-	- Recovered costs
35,680	59,935	-	- Total revenues
EXPENDITURES			
Current:			
-	-	-	- General government administration
-	-	-	- Public safety
-	-	-	- Public works
-	-	-	- Health and welfare
12,806,415	814,504	-	- Community development
-	-	-	- Parks, recreation, and cultural
Intergovernmental:			
-	-	92,955,258	- Community development
-	-	-	- Parks, recreation, and cultural
-	-	-	- Education - for Public Schools
Capital outlay:			
-	-	-	- General government administration
-	-	-	- Public safety
-	-	-	- Public works
-	-	-	- Health and welfare
4,884,748	2,174,037	-	- Community development
-	-	-	- Parks, recreation, and cultural
Debt service:			
-	-	-	- Principal retirement
-	-	-	- Interest and other charges
17,691,163	2,988,541	92,955,258	- Total expenditures
Deficiency of revenues under expenditures			
(17,655,483)	(2,928,606)	(92,955,258)	
OTHER FINANCING SOURCES (USES)			
-	1,791,125	44,142,576	- Transfers in
-	-	(3,032,151)	- Transfers out
5,900,000	-	32,500,000	- General obligation bonds issued
2,100,000	-	7,500,000	- Premium on general obligation bonds issued
-	-	-	- Lease revenue refunding bonds issued
-	-	-	- Premium on lease revenue refunding bonds issued
8,000,000	1,791,125	81,110,425	- Total other financing sources (uses), net
(9,655,483)	(1,137,481)	(11,844,833)	- Net change in fund balances
15,140,695	3,188,993	12,123,905	- Fund balances, July 1, 2019
5,485,212	2,051,512	279,072	- Fund balances, June 30, 2020

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, 2020

	Public Safety Construction	Commercial Revitalization Program	Pro Rata Drainage Construction
REVENUES			
Taxes	\$ -	-	-
Intergovernmental	-	32,611	-
Charges for services	-	-	-
Developers' contributions	230,003	-	-
Revenue from the use of money and property	266,585	-	-
Recovered costs	351,721	12,218	2,737,380
Total revenues	848,309	44,829	2,737,380
EXPENDITURES			
Current:			
General government administration	-	-	-
Public safety	423,651	-	-
Public works	-	-	-
Health and welfare	-	-	-
Community development	-	-	-
Parks, recreation, and cultural	-	-	-
Intergovernmental:			
Community development	-	-	-
Parks, recreation, and cultural	-	-	-
Education - for Public Schools	-	-	-
Capital outlay:			
General government administration	-	-	-
Public safety	32,548,585	-	-
Public works	-	-	2,320,481
Health and welfare	-	-	-
Community development	-	-	-
Parks, recreation, and cultural	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and other charges	-	-	-
Total expenditures	32,972,236	-	2,320,481
Excess (Deficiency of) revenues over (under) expenditures	(32,123,927)	44,829	416,899
OTHER FINANCING SOURCES (USES)			
Transfers in	300,000	-	-
Transfers out	(2,000,000)	-	-
General obligation bonds issued	4,000,000	-	-
Premium on general obligation bonds issued	1,000,000	-	-
Lease revenue refunding bonds issued	-	-	-
Premium on lease revenue refunding bonds issued	-	-	-
Total other financing sources (uses), net	3,300,000	-	-
Net change in fund balances	(28,823,927)	44,829	416,899
Fund balances, July 1, 2019	36,995,657	705,813	2,809,899
Fund balances, June 30, 2020	\$ 8,171,730	750,642	3,226,798

EXHIBIT F-1

concluded

Housing Assistance Program	The Penny for Affordable Housing	Total Capital Projects Funds	
			REVENUES
-	12,763,000	12,763,000	Taxes
-	5,200,000	5,731,721	Intergovernmental
-	-	1,053,762	Charges for services
-	-	4,879,132	Developers' contributions
-	1,050,601	2,618,811	Revenue from the use of money and property
-	-	3,929,333	Recovered costs
-	19,013,601	30,975,759	Total revenues
			EXPENDITURES
			Current:
-	-	2,364,283	General government administration
-	-	423,651	Public safety
-	-	823	Public works
-	-	3,973,654	Health and welfare
-	2,041,757	22,046,914	Community development
-	-	3,242,060	Parks, recreation, and cultural
			Intergovernmental:
-	484,067	93,439,325	Community development
-	-	39,131,421	Parks, recreation, and cultural
-	-	180,000,000	Education - for Public Schools
			Capital outlay:
-	-	17,167,125	General government administration
-	-	32,653,523	Public safety
-	-	2,320,481	Public works
-	-	4,681,341	Health and welfare
57,542	404,245	13,397,154	Community development
-	-	2,878,742	Parks, recreation, and cultural
			Debt service:
-	79,475,000	80,120,000	Principal retirement
-	4,067,956	4,236,978	Interest and other charges
57,542	86,473,025	502,077,475	Total expenditures
			Excess (Deficiency of) revenues over (under) expenditures
(57,542)	(67,459,424)	(471,101,716)	
			OTHER FINANCING SOURCES (USES)
-	-	91,861,608	Transfers in
-	-	(6,463,331)	Transfers out
-	-	213,925,000	General obligation bonds issued
-	-	54,475,306	Premium on general obligation bonds issued
-	61,795,000	61,795,000	Lease revenue refunding bonds issued
-	14,741,602	14,741,602	Premium on lease revenue refunding bonds issued
-	76,536,602	430,335,185	Total other financing sources (uses), net
(57,542)	9,077,178	(40,766,531)	Net change in fund balances
5,200,777	83,678,828	282,735,865	Fund balances, July 1, 2019
5,143,235	92,756,006	241,969,334	Fund balances, June 30, 2020



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, 2020

	Vehicle Services	Self- Insurance	Document Services
ASSETS			
Current assets:			
Equity in pooled cash and temporary investments	\$ 58,641,214	95,234,597	1,866,011
Accounts receivable	21,373	-	-
Due from intergovernmental units	185	-	626
Interfund receivables	-	-	-
Inventories of supplies	3,542,464	-	-
Total unrestricted current assets	62,205,236	95,234,597	1,866,637
Total current assets	62,205,236	95,234,597	1,866,637
Long-term assets:			
Capital assets:			
Non-depreciable/non-amortizable:			
Land	1,938,688	-	-
Construction in progress	4,681,788	-	-
Equipment under construction	3,904,397	-	-
Depreciable:			
Vehicles and equipment	159,868,415	-	5,118,502
Software	-	-	-
Buildings and improvements	20,855,984	-	-
Infrastructure	4,597,790	-	-
Accumulated depreciation	(113,881,905)	-	(3,957,694)
Accumulated amortization	-	-	-
Total capital assets, net	81,965,157	-	1,160,808
Total assets	144,170,393	95,234,597	3,027,445
DEFERRED OUTFLOWS OF RESOURCES			
Total deferred outflows of resources	-	-	-
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	2,216,755	107,919	316,220
Accrued salaries and benefits	1,515,856	84,673	136,007
Compensated absences payable	1,129,579	62,512	101,749
Obligations under capital leases	-	-	1,199,341
Insurance and benefit claims payable	-	12,499,000	-
Total current liabilities	4,862,190	12,754,104	1,753,317
Long-term liabilities:			
Compensated absences payable	1,338,586	42,527	58,585
Insurance and benefit claims payable	-	55,855,000	-
Total long-term liabilities	1,338,586	55,897,527	58,585
Total liabilities	6,200,776	68,651,631	1,811,902
DEFERRED INFLOWS OF RESOURCES			
Total deferred inflows of resources	-	-	-
NET POSITION			
Net investment in capital assets	81,965,157	-	(38,533)
Unrestricted	56,004,460	26,582,966	1,254,076
Net position	\$ 137,969,617	26,582,966	1,215,543

EXHIBIT G

Technology Infrastructure Services	Health Benefits	Total Internal Service Funds	
			ASSETS
			Current assets:
11,152,810	96,561,620	263,456,252	Equity in pooled cash and temporary investments
-	-	21,373	Accounts receivable
-	-	811	Due from intergovernmental units
-	1,591,332	1,591,332	Interfund receivables
-	-	3,542,464	Inventories of supplies
11,152,810	98,152,952	268,612,232	Total unrestricted current assets
11,152,810	98,152,952	268,612,232	Total current assets
			Long-term assets:
			Capital assets:
			Non-depreciable/non-amortizable:
-	-	1,938,688	Land
-	-	4,681,788	Construction in progress
-	-	3,904,397	Equipment under construction
			Depreciable:
32,136,264	49,126	197,172,307	Equipment
2,200,587	-	2,200,587	Software
1,086,205	273,548	22,215,737	Buildings and improvements
-	-	4,597,790	Infrastructure
(25,067,873)	(87,886)	(142,995,358)	Accumulated depreciation
(1,606,461)	-	(1,606,461)	Accumulated amortization
8,748,722	234,788	92,109,475	Total capital assets, net
19,901,532	98,387,740	360,721,707	Total assets
			DEFERRED OUTFLOWS OF RESOURCES
-	-	-	Total deferred outflows of resources
			LIABILITIES
			Current liabilities:
1,704,028	7,410,721	11,755,643	Accounts payable and accrued liabilities
548,837	22,588	2,307,961	Accrued salaries and benefits
473,449	-	1,767,289	Compensated absences payable
-	-	1,199,341	Obligations under capital leases
-	11,405,000	23,904,000	Insurance and benefit claims payable
2,726,314	18,838,309	40,934,234	Total current liabilities
			Long-term liabilities:
664,498	-	2,104,196	Compensated absences payable
-	-	55,855,000	Insurance and benefit claims payable
664,498	-	57,959,196	Total long-term liabilities
3,390,812	18,838,309	98,893,430	Total liabilities
			DEFERRED INFLOWS OF RESOURCES
-	-	-	Total deferred inflows of resources
			NET POSITION
8,748,722	234,788	90,910,134	Net investment in capital assets
7,761,998	79,314,643	170,918,143	Unrestricted
16,510,720	79,549,431	261,828,277	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, 2020

	Vehicle Services	Self- Insurance	Document Services
OPERATING REVENUES:			
Charges for services	\$ 73,693,771	22,333,151	4,697,228
Recovered costs	138,470	-	-
Total operating revenues	73,832,241	22,333,151	4,697,228
OPERATING EXPENSES:			
Personnel services	23,960,935	1,461,044	2,129,906
Materials and supplies	870,250	146,020	2,771,090
Equipment operation and maintenance	29,609,836	171,742	1,255,973
Risk financing and benefit payments	-	28,633,918	-
Depreciation	14,368,594	-	1,075,388
Professional consultant and contractual services	4,841,911	191,086	1,517,482
Other	26,728	92,034	45,676
Total operating expenses	73,678,254	30,695,844	8,795,515
Operating income (loss)	153,987	(8,362,693)	(4,098,287)
NONOPERATING REVENUES (EXPENSES):			
Interest revenue	-	1,189,241	-
Interest expense	-	-	(164,838)
Gain (loss) on disposal of capital assets	(1,562,175)	-	-
Total nonoperating revenues (expenses), net	(1,562,175)	1,189,241	(164,838)
Income (loss) before transfers and contributions	(1,408,188)	(7,173,452)	(4,263,125)
Capital contributions	673,629	-	-
Transfers in	-	-	3,941,831
Change in net position	(734,559)	(7,173,452)	(321,294)
Net position, July 1, 2019	138,704,176	33,756,418	1,536,837
Net position, June 30, 2020	\$ 137,969,617	26,582,966	1,215,543

EXHIBIT G-1

Technology Infrastructure Services	Health Benefits	Total Internal Service Funds	
			OPERATING REVENUES:
38,003,834	178,374,170	317,102,154	Charges for services
-	-	138,470	Recovered costs
38,003,834	178,374,170	317,240,624	Total operating revenues
			OPERATING EXPENSES:
8,096,066	-	35,647,951	Personnel services
235,681	12,911	4,035,952	Materials and supplies
7,366,381	154,476	38,558,408	Equipment operation and maintenance
-	160,976,415	189,610,333	Risk financing and benefit payments
3,682,661	17,091	19,143,734	Depreciation
30,670,185	39,821	37,260,485	Professional consultant and contractual services
96,719	12,336,918	12,598,075	Other
50,147,693	173,537,632	336,854,938	Total operating expenses
(12,143,859)	4,836,538	(19,614,314)	Operating income (loss)
			NONOPERATING REVENUES (EXPENSES):
-	1,051,299	2,240,540	Interest revenue
-	-	(164,838)	Interest expense
(998,264)	-	(2,560,439)	Gain (loss) on disposal of capital assets
(998,264)	1,051,299	(484,737)	Total nonoperating revenues (expenses), net
(13,142,123)	5,887,837	(20,099,051)	Income (loss) before transfers and contributions
-	6,331	679,960	Capital contributions
9,538,798	-	13,480,629	Transfers in
(3,603,325)	5,894,168	(5,938,462)	Change in net position
20,114,045	73,655,263	267,766,739	Net position, July 1, 2019
16,510,720	79,549,431	261,828,277	Net position, June 30, 2020

COUNTY OF FAIRFAX, VIRGINIA
Internal Service Funds
Combining Statement of Cash Flows
For the fiscal year ended June 30, 2020

	Vehicle Services	Self- Insurance	Document Services
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund services provided	\$ 73,881,236	22,333,151	4,700,301
Payments to suppliers and contractors	(34,661,897)	-	(5,476,588)
Payments to employees	(23,609,767)	(1,430,121)	(2,088,208)
Claims and benefits paid	-	(21,951,211)	-
Payments for interfund services used	(1,220,674)	(600,882)	-
Net cash provided by (used in) operating activities	14,388,898	(1,649,063)	(2,864,495)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	-	-	3,941,831
Net cash provided by noncapital financing activities	-	-	3,941,831
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from sale of capital assets	580,201	-	-
Purchase of capital assets	(10,703,213)	-	-
Principal payments on obligations under capital leases	-	-	(1,094,743)
Interest payments on obligations under capital leases	-	-	(164,838)
Net cash used in capital and related financing activities	(10,123,012)	-	(1,259,581)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	-	1,189,241	-
Net cash provided by investing activities	-	1,189,241	-
Net increase (decrease) in cash and cash equivalents	4,265,886	(459,822)	(182,245)
Cash and cash equivalents, July 1, 2019	54,375,328	95,694,419	2,048,256
Cash and cash equivalents, June 30, 2020	\$ 58,641,214	95,234,597	1,866,011
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 153,987	(1,606,693)	(4,098,287)
Adjustments to reconcile operating income (loss) by operating activities:			
Depreciation and amortization	14,368,594	-	1,075,388
Change in assets and liabilities:			
Decrease in accounts receivable	48,844	-	238
Decrease in intergovernmental receivables	151	-	2,835
(Increase) in interfund receivables	-	-	-
Decrease in inventories of supplies	280,265	-	-
Increase (Decrease) in accounts payable and accrued liabilities	(814,111)	(73,293)	113,633
Increase in accrued salaries and benefits	351,168	30,923	41,698
(Decrease) in due to component units	-	-	-
Total adjustments to operating income	14,234,911	(42,370)	1,233,792
Net cash provided by (used in) operating activities	14,388,898	(1,649,063)	(2,864,495)
Noncash capital and financing activities:			
Capital contributions - equipment	673,629	-	-
Loss on disposal of capital assets	(1,562,175)	-	-

EXHIBIT G-2

Technology Infrastructure Services	Health Benefits	Total Internal Service Funds	
CASH FLOWS FROM OPERATING ACTIVITIES			
38,003,834	178,279,488	317,198,010	Receipts from interfund services provided
(41,077,215)	(5,586,911)	(86,802,611)	Payments to suppliers and contractors
(7,908,543)	-	(35,036,639)	Payments to employees
-	(168,903,981)	(190,855,192)	Claims and benefits paid
-	-	(1,821,556)	Payments for interfund services used
(10,981,924)	3,788,596	2,682,012	Net cash provided by (used in) operating activities
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
9,538,798	-	13,480,629	Transfers from other funds
9,538,798	-	13,480,629	Net cash provided by noncapital financing activities
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
-	-	580,201	Proceeds from sale of capital assets
(1,499,442)	-	(12,202,655)	Purchase of capital assets
-	-	(1,094,743)	Principal payments on obligations under capital leases
-	-	(164,838)	Interest payments on obligations under capital leases
(1,499,442)	-	(12,882,035)	Net cash used in capital and related financing activities
CASH FLOWS FROM INVESTING ACTIVITIES			
-	1,051,299	2,240,540	Interest received
-	1,051,299	2,240,540	Net cash provided by investing activities
(2,942,568)	4,839,895	5,521,146	Net increase (decrease) in cash and cash equivalents
14,095,378	91,721,725	257,935,106	Cash and cash equivalents, July 1, 2019
11,152,810	96,561,620	263,456,252	Cash and cash equivalents, June 30, 2020
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
(12,143,859)	4,836,538	(12,858,314)	Operating income (loss)
			Adjustments to reconcile operating income (loss) by operating activities:
3,682,661	17,091	19,143,734	Depreciation and amortization
-	-	49,082	Change in assets and liabilities:
-	-	2,986	Decrease in accounts receivable
-	(94,682)	(94,682)	Decrease in intergovernmental receivables
-	-	280,265	(Increase) in interfund receivables
(2,708,249)	(969,649)	(4,451,669)	Decrease in inventories of supplies
187,523	5,992	617,304	Increase (Decrease) in accounts payable and accrued liabilities
-	(6,694)	(6,694)	Increase (Decrease) in accrued salaries and benefits
1,161,935	(1,047,942)	15,540,326	(Decrease) in due to component units
(10,981,924)	3,788,596	2,682,012	Total adjustments to operating income
			Net cash provided by (used in) operating activities
Noncash capital and financing activities:			
-	6,331	679,960	Capital contributions - equipment
(998,264)	-	(2,560,439)	Loss on disposal of capital assets

The **Fiduciary Funds** are used to account for assets held by the County in a trustee or agency capacity and include the pension trust funds and agency funds. Pension trust funds account for assets held by the County under terms of a formal trust agreement. Agency funds are custodial in nature and are maintained to account for funds received and disbursed by the County on behalf of various organizations.

Pension Trust Funds are used to account for employee retirement systems that provide pension benefits for various classes of County employees. The County maintains three employee retirement funds: the Uniformed Retirement Fund, the Employees' Retirement Fund, and the Police Officers Retirement Fund.

OPEB Trust Fund is used to account for the costs of other post-employment benefits, including health care, life insurance, and other non-pension benefits offered to retirees. The establishment of a trust fund allows the County to capture long-term investment returns, make progress towards reducing the unfunded actuarial liability, and pre-fund the cost of post employment health care and other non-pension benefits.

Sanitary Reimbursement Fund is an agency fund used to account for the collection of contributions from beneficiary developers toward the construction of major sewer lines and the reimbursement of these funds to the primary developers.

Special Welfare Fund is an agency fund used to account for regular assistance payments to recipients in the Aid to Dependent Children Program. These funds include money from the State, individuals, organizations, and churches.

State Taxes Fund is an agency fund used to account for the collection of sheriff's fees and the subsequent remittances to the Commonwealth of Virginia.

Route 28 Fund is an agency fund used to account for the collection of assessments on certain industrial and commercial properties for transportation improvements to Route 28 and the subsequent remittances of these funds to the Commonwealth of Virginia.

Lake Barcroft Fund is an agency fund used to account for the collection of special assessments from certain property owners for the maintenance of Lake Barcroft and the subsequent remittances of these funds to the Commonwealth of Virginia.

Friends of Library Fund is an agency fund used to account for the collection and reimbursement of Friends of Library's portion of book sale proceeds.

Toll Road Violations Fund is an agency fund used to account for the collection of toll road violation fees and the Hot Lane violation fees, and the subsequent remittances to Metropolitan Washington Airports Authority and Transurban, respectively.

COUNTY OF FAIRFAX, VIRGINIA
Trust Funds
Combining Statement of Plan Net Position
June 30, 2020

	Uniformed Retirement	Employees' Retirement	Police Officers Retirement
ASSETS			
Equity in pooled cash and temporary investments	\$ 1,151,751	7,401,207	1,008,356
Cash collateral for securities lending	17,462,395	109,323,253	13,069,006
Contributions receivable	5,060,320	13,055,648	3,901,914
Accrued interest and dividends receivable	2,808,871	6,307,737	1,786,334
Receivable from sale of pension investments	1,006,699	170,303,014	1,226,503
Buildings and improvements	4,189	19,550	4,189
Vehicles and Equipment	5,397	25,186	5,397
Investments:			
U.S. Government securities	8,982,546	171,532,652	42,370,768
Asset-backed securities	77,573,933	124,131,724	49,328,398
Corporate and other bonds	109,290,666	313,598,470	52,465,848
Common and preferred stock	273,820,518	791,420,601	164,413,880
Short-term investments	223,292,920	259,692,003	85,450,882
Investment in pooled funds	1,063,043,012	2,446,241,939	1,004,249,792
Total assets	1,783,503,217	4,413,052,984	1,419,281,267
DEFERRED OUTFLOWS OF RESOURCES			
Total deferred outflows of resources	-	-	-
LIABILITIES			
Accounts payable and accrued liabilities	2,472,791	7,256,781	3,742,058
Payable for purchase of pension investments	1,393,852	154,074,634	1,833,463
Liabilities for collateral received under securities lending agreements	17,462,395	109,323,253	13,069,006
Compensated absences, short term	31,859	106,097	25,600
Long-term liabilities:			
Compensated absences, long-term	39,950	229,010	46,209
Total liabilities	21,400,847	270,989,775	18,716,336
DEFERRED INFLOW OF RESOURCES			
Total deferred inflows of resources	-	-	-
NET POSITION			
Net position restricted for OPEB benefits	-	-	-
Net position restricted for pension benefits	1,762,102,370	4,142,063,209	1,400,564,931
Total Net position	\$ 1,762,102,370	4,142,063,209	1,400,564,931

EXHIBIT H

Total Pension Trust Funds	OPEB Trust Fund	Total Trust Funds	
9,561,314	1,301,874	10,863,188	ASSETS
139,854,654	-	139,854,654	Equity in pooled cash and temporary investments
22,017,882	22,621	22,040,503	Cash collateral for securities lending
10,902,942	19,683	10,922,625	Contributions receivable
172,536,216	-	172,536,216	Accrued interest and dividends receivable
27,928	-	27,928	Receivable from sale of pension investments
35,980	-	35,980	Buildings and improvements
			Equipment
			Investments:
222,885,966	-	222,885,966	U.S. Government securities
251,034,055	-	251,034,055	Asset-backed securities
475,354,984	-	475,354,984	Corporate and other bonds
1,229,654,999	-	1,229,654,999	Common and preferred stock
568,435,805	-	568,435,805	Short-term investments
4,513,534,743	329,494,717	4,843,029,460	Investment in pooled funds
7,615,837,468	330,838,895	7,946,676,363	Total assets
-	-	-	DEFERRED OUTFLOWS OF RESOURCES
			Total deferred outflows of resources
13,471,630	74,538	13,546,168	LIABILITIES
157,301,949	-	157,301,949	Accounts payable and accrued liabilities
			Payable for purchase of pension investments
139,854,654	-	139,854,654	Liabilities for collateral received under securities
163,556	-	163,556	lending agreements
			Compensated absences, short term
315,169	-	315,169	Long-term liabilities:
311,106,958	74,538	311,181,496	Compensated absences, long-term
			Total liabilities
-	-	-	DEFERRED INFLOW OF RESOURCES
			Total deferred inflows of resources
-	330,764,357	330,764,357	NET POSITION
7,304,730,510	-	7,304,730,510	Net position restricted for OPEB benefits
7,304,730,510	330,764,357	\$ 7,635,494,867	Net position restricted for pension benefits
			Total Net position

COUNTY OF FAIRFAX, VIRGINIA

Trust Funds

Combining Statement of Changes in Plan Net Position

For the fiscal year ended June 30, 2020

	Uniformed Retirement	Employees' Retirement	Police Officers Retirement
ADDITIONS			
Contributions:			
Employer	\$ 69,930,974	234,743,643	50,781,403
Plan members	12,810,112	40,327,359	10,570,158
Other	-	-	-
Total contributions	82,741,086	275,071,002	61,351,561
Investment income:			
From investment activities:			
Net appreciation in fair value of investments	(31,489,470)	101,340,085	(52,388,584)
Interest	12,590,506	30,425,274	8,403,657
Dividends	12,079,253	16,522,700	3,000,944
Total income from investment activities	(6,819,711)	148,288,059	(40,983,983)
Less investment activities expenses:			
Management fees	14,312,178	35,666,960	17,525,402
Other	1,166,829	2,281,005	901,192
Total investment activities expenses	15,479,007	37,947,965	18,426,594
Net income from investment activities	(22,298,718)	110,340,094	(59,410,577)
From securities lending activities:			
Securities lending income	474,860	2,286,654	280,858
Less securities lending expenses:			
Management fees	337,708	1,184,587	225,635
Total securities lending activities expenses	337,708	1,184,587	225,635
Net income from securities lending activities	137,152	1,102,067	55,223
Net investment income	(22,161,566)	111,442,161	(59,355,354)
Total additions	60,579,520	386,513,163	1,996,207
DEDUCTIONS			
Benefits	110,652,768	339,610,116	84,087,797
Refunds of contributions	890,475	4,005,739	361,855
Administrative expenses	666,683	2,471,445	655,945
Total deductions	112,209,926	346,087,300	85,105,597
Net increase	(51,630,406)	40,425,863	(83,109,390)
Net position, July 1, 2019	1,813,732,776	4,101,637,346	1,483,674,321
Net position, June 30, 2020	\$ 1,762,102,370	4,142,063,209	1,400,564,931

EXHIBIT H-1

Total Pension Trust Funds	OPEB Trust Fund	Total Trust Funds	
355,456,020	19,460,652	374,916,672	ADDITIONS
63,707,629	-	63,707,629	Contributions:
-	215,858	215,858	Employer
419,163,649	19,676,510	438,840,159	Plan members
			Other
			Total contributions
			Investment income:
			From investment activities:
17,462,031	9,770,808	27,232,839	Net appreciation in fair value
51,419,437	130,100	51,549,537	of investments
31,602,897	-	31,602,897	Interest
100,484,365	9,900,908	110,385,273	Dividends
			Total income from investment activities
67,504,540	266,943	67,771,483	Less investment activities expenses:
4,349,026	500	4,349,526	Management fees
71,853,566	267,443	72,121,009	Other
28,630,799	9,633,465	38,264,264	Total investment activities expenses
			Net income from investment activities
3,042,372	-	3,042,372	From securities lending activities:
			Securities lending income
1,747,930	-	1,747,930	Less securities lending expenses:
1,747,930	-	1,747,930	Management fees
1,294,442	-	1,294,442	Total securities lending activities expenses
29,925,241	9,633,465	39,558,706	Net income from securities lending activities
449,088,890	29,309,975	478,398,865	Net investment income
			Total additions
534,350,681	23,254,464	557,605,145	DEDUCTIONS
5,258,069	-	5,258,069	Benefits
3,794,073	130,788	3,924,861	Refunds of contributions
543,402,823	23,385,252	566,788,075	Administrative expenses
(94,313,933)	5,924,723	(88,389,210)	Total deductions
7,399,044,443	324,839,634	7,723,884,077	Net increase
7,304,730,510	330,764,357	7,635,494,867	Net position, July 1, 2019
			Net position, June 30, 2020

COUNTY OF FAIRFAX, VIRGINIA**Agency Funds****Combining Statement of Fiduciary Assets and Liabilities****June 30, 2020**

	Sanitary Reimbursement	Special Welfare	State Taxes	Route 28
ASSETS				
Equity in pooled cash and temporary investments	\$ 1,722,081	659,375	275,728	-
Accounts receivable	-	-	-	40,354
Total assets	1,722,081	659,375	275,728	40,354
LIABILITIES				
Liabilities under reimbursement agreements	1,722,081	659,375	275,728	40,354
Total liabilities	\$ 1,722,081	659,375	275,728	40,354

EXHIBIT H-2

Lake Barcroft	Friends of Library	Toll Road Violations Penalties	Total Custodial Funds	
ASSETS				
-	87	932	2,658,203	Equity in pooled cash and temporary investments
107	-	-	40,461	Accounts receivable
107	87	932	2,698,664	Total assets
LIABILITIES				
107	87	932	2,698,664	Liabilities under reimbursement agreements
107	87	932	2,698,664	Total liabilities

COUNTY OF FAIRFAX, VIRGINIA
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the fiscal year ended June 30, 2020

EXHIBIT H-3

	Balances June 30, 2019	Additions	Deductions	Balances June 30, 2020
Sanitary Reimbursement				
Assets:				
Equity in pooled cash and temporary investments	\$ 1,703,293	23,437	4,649	1,722,081
Total assets	1,703,293	23,437	4,649	1,722,081
Liabilities:				
Liabilities under reimbursement agreements	1,703,293	23,437	4,649	1,722,081
Total liabilities	1,703,293	23,437	4,649	1,722,081
Special Welfare				
Assets:				
Equity in pooled cash and temporary investments	548,923	1,929,109	1,818,657	659,375
Total assets	548,923	1,929,109	1,818,657	659,375
Liabilities:				
Liabilities under reimbursement agreements	548,923	1,929,109	1,818,657	659,375
Total liabilities	548,923	1,929,109	1,818,657	659,375
State Taxes				
Assets:				
Equity in pooled cash and temporary investments	432,133	11,464,409	11,620,814	275,728
Total assets	432,133	11,464,409	11,620,814	275,728
Liabilities:				
Liabilities under reimbursement agreements	432,133	11,464,409	11,620,814	275,728
Total liabilities	432,133	11,464,409	11,620,814	275,728
Route 28				
Assets:				
Equity in pooled cash and temporary investments	2,949	12,095,738	12,098,687	-
Accounts receivable	124,723	12,545,405	12,629,774	40,354
Total assets	127,672	24,641,143	24,728,461	40,354
Liabilities:				
Liabilities under reimbursement agreements	127,672	24,641,143	24,728,461	40,354
Total liabilities	127,672	24,641,143	24,728,461	40,354
Lake Barcroft				
Assets:				
Equity in pooled cash and temporary investments	456	1,233,512	1,233,968	-
Accounts receivable	586	1,263,258	1,263,737	107
Total assets	1,042	2,496,770	2,497,705	107
Liabilities:				
Liabilities under reimbursement agreements	1,042	2,496,770	2,497,705	107
Total liabilities	1,042	2,496,770	2,497,705	107
Friends of Library				
Assets:				
Equity in pooled cash and temporary investments	9,890	74,141	83,944	87
Total assets	9,890	74,141	83,944	87
Liabilities:				
Liabilities under reimbursement agreements	9,890	74,141	83,944	87
Total liabilities	9,890	74,141	83,944	87
Toll Road Violation Penalties Fund				
Assets:				
Equity in pooled cash and temporary investments	1,421	1,660,667	1,661,156	932
Total assets	1,421	1,660,667	1,661,156	932
Liabilities:				
Liabilities under reimbursement agreements	1,421	1,660,667	1,661,156	932
Total liabilities	1,421	1,660,667	1,661,156	932
Total Agency Funds:				
Assets:				
Equity in pooled cash and temporary investments	2,699,065	28,481,013	28,521,875	2,658,203
Accounts receivable	125,309	13,808,663	13,893,511	40,461
Total assets	2,824,374	42,289,676	42,415,386	2,698,664
Liabilities:				
Liabilities under reimbursement agreements	2,824,374	42,289,676	42,415,386	2,698,664
Total liabilities	\$ 2,824,374	42,289,676	42,415,386	2,698,664



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.

Student Activity Fund is an agency fund that is used to account for the funds derived from various extracurricular school activities.

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Public Schools
Balance Sheet - Governmental Funds
June 30, 2020

	General Fund	Capital Projects Fund	Food and Nutrition Services	Nonmajor Governmental Special Revenue Grants and Self-Supporting Programs
ASSETS				
Equity in pooled cash and temporary investments	\$ 206,165,319	35,239	8,002,918	14,233,467
Cash with fiscal agents	90,813	-	-	-
Receivables:				
Accounts	168,865	-	242,914	36,530
Accrued interest	38	-	11,077	-
Due from intergovernmental units	26,568,097	-	1,544,559	12,067,718
Due from Primary Government	27,825	-	-	16,694
Interfund receivables	11,315,000	-	-	-
Inventories of supplies	-	-	1,463,410	-
Prepaid and other assets	453,000	-	29,877	-
Restricted assets - investments	-	75,416,864	-	-
Total assets	244,788,957	75,452,103	11,294,755	26,354,409
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	\$ 244,788,957	75,452,103	11,294,755	26,354,409
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 10,860,388	20,103,773	395,284	185,572
Accrued salaries and benefits	89,423,194	8,172	1,107,043	64,225
Contract retainages	-	17,348,206	-	-
Interfund payables	-	11,080,000	-	-
Unearned revenues	17,429	-	3,222,682	2,008,800
Performance and other deposits	-	7,203,136	-	-
Total liabilities	100,301,011	55,743,287	4,725,009	2,258,597
DEFERRED INFLOWS OF RESOURCES				
Total deferred inflows of resources	-	-	-	-
Total liabilities and deferred inflows of resources	100,301,011	55,743,287	4,725,009	2,258,597
FUND BALANCES				
Nonspendable	453,000	-	1,493,287	-
Restricted	-	19,708,816	5,076,459	24,095,812
Committed	41,022,668	-	-	-
Assigned	101,309,856	-	-	-
Unassigned	1,702,422	-	-	-
Total fund balances	144,487,946	19,708,816	6,569,746	24,095,812
Total liabilities, deferred inflows of resources, and fund balances	\$ 244,788,957	75,452,103	11,294,755	26,354,409

Reconciliation of the Balance Sheet to the Statement of Net Position

Fund balances - Total governmental funds	\$ 194,638,202
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 \$4,965,266,007 and accumulated depreciation/amortization is \$2,315,849,340.	2,649,416,667
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 \$135,102,762, and the net OPEB liability is \$435,474,585. The deferred inflow related to OPEB liability is \$139,149,115.	(439,520,938)
Intangible assets used in governmental fund activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$13,351,821 and accumulated amortization is \$8,347,753.	5,004,068
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.	104,774,214
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.	(37,454,392)
Capital leases are not due and payable in the current periods and, therefore, are not reported in the funds.	(83,880,860)
Accrued interest on long-term debt	(549,318)
Accrued rent	(4,222,313)
Revisions of capital lease agreement resulting in a reduction of capital lease obligation are reported as deferred inflows in the Statement of Net Position.	(3,273,938)
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 \$862,899,002, and the net pension liability is \$3,769,693,853. The deferred inflow related to pension liability is \$237,265,445.	(3,144,060,297)
Net position of governmental activities	\$ (759,128,905)

EXHIBIT I

<u>Funds</u>			
<u>Funds</u>			
Adult and Community Education	Total Governmental Funds		
		ASSETS	
194,058	228,631,001	Equity in pooled cash and temporary investments	
-	90,813	Cash with fiscal agents	
		Receivables:	
6,843	455,152	Accounts	
6,449	17,564	Accrued interest	
405,409	40,585,783	Due from intergovernmental units	
-	44,519	Due from Primary Government	
-	11,315,000	Interfund receivables	
-	1,463,410	Inventories of supplies	
63,925	546,802	Prepaid and other assets	
-	75,416,864	Restricted assets - investments	
676,684	358,566,908	Total assets	
		DEFERRED OUTFLOWS OF RESOURCES	
-	-	Total deferred outflows of resources	
676,684	358,566,908	Total assets and deferred outflows of resources	
		LIABILITIES AND FUND BALANCES	
		Liabilities:	
70,811	31,615,828	Accounts payable and accrued liabilities	
334,131	90,936,765	Accrued salaries and benefits	
-	17,348,206	Contract retainages	
235,000	11,315,000	Interfund payables	
260,860	5,509,771	Unearned revenues	
-	7,203,136	Performance and other deposits	
900,802	163,928,706	Total liabilities	
		DEFERRED INFLOWS OF RESOURCES	
-	-	Total deferred inflows of resources	
900,802	163,928,706	Total liabilities and deferred inflows of resources	
		FUND BALANCES	
63,925	2,010,212	Nonspendable	
-	48,881,087	Restricted	
-	41,022,668	Committed	
-	101,309,856	Assigned	
(288,043)	1,414,379	Unassigned	
(224,118)	194,638,202	Total fund balances	
676,684	358,566,908	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, 2020

			Nonmajor Governmental Special Revenue	
	General Fund	Capital Projects Fund	Food and Nutrition Services	Grants and Self-Supporting Programs
REVENUES				
Intergovernmental	\$ 2,892,116,521	195,338,250	37,950,457	48,541,980
Charges for services	12,185,894	-	29,707,806	2,804,827
Revenue from the use of money and property	2,893,448	-	172,521	113,012
Recovered costs	48,697,135	79,888	-	-
Other	8,410,941	1,826,397	139,687	604,026
Total revenues	2,964,303,939	197,244,535	67,970,471	52,063,845
EXPENDITURES				
Current:				
Education	2,890,147,498	20,264,793	79,772,316	71,370,802
Capital outlay	28,819,766	194,349,091	93,906	108,195
Debt service:				
Principal retirement	21,181,360	-	13,940	3,186
Interest and other charges	3,301,299	-	3,084	165
Total expenditures	2,943,449,923	214,613,884	79,883,246	71,482,348
Excess (deficiency) of revenues over (under) expenditures	20,854,016	(17,369,349)	(11,912,775)	(19,418,503)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	12,689,362	-	19,598,823
Transfers out	(33,263,185)	-	-	-
Capital leases and installment purchases	21,767,649	-	30,886	-
Total other financing sources (uses), net	(11,495,536)	12,689,362	30,886	19,598,823
Net change in fund balances	9,358,480	(4,679,987)	(11,881,889)	180,320
Fund balances, July 1, 2019	135,129,466	24,388,803	17,916,914	23,915,492
Increase in reserve for inventories of supplies	-	-	534,721	-
Fund balances, June 30, 2020	\$ 144,487,946	19,708,816	6,569,746	24,095,812

EXHIBIT I-1

Funds		
Funds		
Adult and Community Education	Total Governmental Funds	
		REVENUES
1,811,252	3,175,758,460	Intergovernmental
3,658,285	48,356,812	Charges for services
59,570	3,238,551	Revenue from the use of money and property
-	48,777,023	Recovered costs
44,188	11,025,239	Other
5,573,295	3,287,156,085	Total revenues
		EXPENDITURES
		Current:
6,759,527	3,068,314,936	Education
19,314	223,390,272	Capital outlay
		Debt service:
2,470	21,200,956	Principal retirement
239	3,304,787	Interest and other charges
6,781,550	3,316,210,951	Total expenditures
		Excess (deficiency) of revenues over (under) expenditures
(1,208,255)	(29,054,866)	
		OTHER FINANCING SOURCES (USES)
975,000	33,263,185	Transfers in
-	(33,263,185)	Transfers out
-	21,798,535	Capital leases and installment purchases
975,000	21,798,535	Total other financing sources (uses), net
(233,255)	(7,256,331)	Net change in fund balances
9,137	201,359,812	Fund balances, July 1, 2019
-	534,721	Decrease in reserve for inventories of supplies
(224,118)	194,638,202	Fund balances, June 30, 2020

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, 2020

EXHIBIT I-1
concluded

Net change in fund balances - Total governmental funds \$ (7,256,331)

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	\$ 223,390,272	
Less depreciation/amortization expense	<u>(160,149,487)</u>	63,240,785

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. 3,387,240

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. (858,580)

Some revenues will not be collected for several months after the fiscal year ends, hence, they are not considered "available" revenues and are deferred in the governmental funds. This amount represents the net change in deferred revenue.

Capital lease obligation is reported as expenditure in governmental funds when they are due. In the government-wide statements, the effects of deferred inflows relating to capital lease obligation reductions is amortized over the life of each lease and expensed. 229,750

Principal payments on capital leases and installment purchases are reported as expenditures in governmental funds. However, the principal payments reduce the liabilities in the Statement of Net Position and do not result in an expense in the Statement of Activities. 21,200,956

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. (2,707,826)

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. 23,498,538

Interest on capital leases and installment purchases is reported as expenditures in the governmental funds when it is due. However, in the Statement of Activities, interest is expensed as it accrues. This amount represents the net change in accrued interest on long-term debt. 82,079

Proceeds from the issuance of long-term debt are reported as other financing sources in the governmental funds, increasing fund balance. In the government-wide statements, new debt increases long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities. This amount represents principal amounts of new capital leases and and installment purchases. (21,798,535)

Rent abatement charges reduce deferred rent in government-wide statements, but do not use current resources so are not reported in governmental funds. (30,099)

Inventory changes impact net position in government-wide statements, but are recorded as expenditures when purchase in governmental fund statements. 534,721

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. (104,004,898)

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. 41,148,347

Change in net position of governmental activities \$ 16,666,147

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Public Schools
Budgetary Comparison Schedule - General Fund (Budget Basis)
For the fiscal year ended June 30, 2020

EXHIBIT I-2

	Budgeted Amounts		Actual Amounts	Variance from
	Original	Final	(Budget Basis)	Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 753,501,399	754,901,250	755,224,824	323,574
Charges for services	13,357,000	13,357,000	12,185,894	(1,171,106)
Revenue from the use of money and property	3,686,259	3,686,259	2,893,448	(792,811)
Recovered costs	47,812,309	47,812,309	48,697,135	884,826
Other	8,598,385	8,598,385	8,410,941	(187,444)
Total revenues	826,955,352	828,355,203	827,412,242	(942,961)
EXPENDITURES				
Education	2,954,218,914	3,032,591,320	2,918,211,774	114,379,546
Total expenditures	2,954,218,914	3,032,591,320	2,918,211,774	114,379,546
Excess (deficiency) of revenues over (under) expenditures	(2,127,263,562)	(2,204,236,117)	(2,090,799,532)	113,436,585
OTHER FINANCING SOURCES (USES)				
Transfers in	2,136,891,697	2,136,891,697	2,136,891,697	-
Transfers out	(32,340,315)	(36,734,285)	(36,733,685)	600
Total other financing sources, net	2,104,551,382	2,100,157,412	2,100,158,012	600
Net change in fund balance	\$ (22,712,180)	(104,078,705)	9,358,480	113,437,185

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, 2020

EXHIBIT I-3A

	Budgeted Amounts		Actual Amounts	Variance from
	Original	Final	(Budget Basis)	Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 42,516,038	42,589,491	37,950,457	(4,639,034)
Charges for services	42,726,982	42,726,982	29,707,806	(13,019,176)
Revenue from the use of money and property	75,361	75,361	172,521	97,160
Other	-	60,547	139,687	79,140
Total revenues	85,318,381	85,452,381	67,970,471	(17,481,910)
EXPENDITURES				
Education	104,653,289	103,369,295	79,852,360	23,516,935
Total expenditures	104,653,289	103,369,295	79,852,360	23,516,935
Net change in fund balance	\$ (19,334,908)	(17,916,914)	(11,881,889)	6,035,025

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT I-3B

Fairfax County Public Schools

Budgetary Comparison Schedule - Grants and Self-Supporting Programs Fund (Budget Basis)

For the fiscal year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance from
	Original	Final	(Budget Basis)	Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 47,059,240	65,316,993	46,281,566	(19,035,427)
Charges for services	2,962,085	2,962,085	2,804,827	(157,258)
Revenue from the use of money and property	40,000	40,000	113,012	73,012
Other	380,107	1,080,173	604,026	(476,147)
Total revenues	50,441,432	69,399,251	49,803,431	(19,595,820)
EXPENDITURES				
Education	75,724,301	115,173,981	71,482,348	43,691,633
Total expenditures	75,724,301	115,173,981	71,482,348	43,691,633
Excess (deficiency) of revenues over (under) expenditures	(25,282,869)	(45,774,730)	(21,678,917)	24,095,813
OTHER FINANCING SOURCES				
Transfers in from other governmental funds	19,598,823	19,598,823	19,598,823	-
Transfers in from Primary Government	2,260,414	2,260,414	2,260,414	-
Total other financing sources	21,859,237	21,859,237	21,859,237	-
Net change in fund balance	\$ (3,423,632)	(23,915,493)	180,320	24,095,813

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT I-3C

Fairfax County Public Schools

Budgetary Comparison Schedule - Adult and Community Education Fund (Budget Basis)

For the fiscal year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance from
	Original	Final	(Budget Basis)	Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 1,809,454	1,919,643	1,811,252	(108,391)
Charges for services	5,197,020	5,197,020	3,658,285	(1,538,735)
Revenue from the use of money and property	4,559	4,559	59,570	55,011
Other	88,113	88,113	44,188	(43,925)
Total revenues	7,099,146	7,209,335	5,573,295	(1,636,040)
EXPENDITURES				
Education	8,074,146	8,193,474	6,781,550	1,411,924
Total expenditures	8,074,146	8,193,474	6,781,550	1,411,924
Excess (deficiency) of revenues over (under) expenditures	(975,000)	(984,139)	(1,208,255)	(224,116)
OTHER FINANCING SOURCES				
Transfers in	975,000	975,000	975,000	-
Total other financing sources	975,000	975,000	975,000	-
Net change in fund balance	\$ -	(9,139)	(233,255)	(224,116)

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Public Schools
Combining Statement of Net Position - Internal Service Funds
June 30, 2020

EXHIBIT I-4

	Health Benefits Trust	Insurance	Total Internal Service Funds
ASSETS			
Current assets:			
Equity in pooled cash and temporary investments	\$ 130,148,256	50,102,654	180,250,910
Accounts receivable	10,032,752	-	10,032,752
Total assets	140,181,008	50,102,654	190,283,662
DEFERRED OUTFLOW OF RESOURCES			
Total deferred outflows of resources	-	-	-
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	9,779,959	301,580	10,081,539
Compensated absences payable	165,414	44,287	209,701
Insurance and benefit claims payable	15,461,250	9,282,637	24,743,887
Unearned revenue	12,440,152	-	12,440,152
Total current liabilities	37,846,775	9,628,504	47,475,279
Long-term liabilities:			
Compensated absences payable	70,892	18,980	89,872
Insurance and benefit claims payable	813,750	37,130,547	37,944,297
Total long-term liabilities	884,642	37,149,527	38,034,169
Total liabilities	38,731,417	46,778,031	85,509,448
DEFERRED INFLOWS OF RESOURCES			
Total deferred inflows of resources	-	-	-
NET POSITION			
Unrestricted	101,449,591	3,324,623	104,774,214
Net position	\$ 101,449,591	3,324,623	104,774,214

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, 2020

	Health Benefits Trust	Insurance	Total Internal Service Funds
OPERATING REVENUES:			
Charges for services	\$ 441,998,784	15,527,847	457,526,631
Total operating revenues	441,998,784	15,527,847	457,526,631
OPERATING EXPENSES:			
Personnel services	3,231,014	1,100,697	4,331,711
Claims and benefit payments	402,323,725	15,247,813	417,571,538
Professional consultant and contractual services	11,583,310	1,365,184	12,948,494
Other	33,913	348,427	382,340
Total operating expenses	417,171,962	18,062,121	435,234,083
Operating gain / (loss)	24,826,822	(2,534,274)	22,292,548
NONOPERATING REVENUES:			
Interest revenue	1,205,990	-	1,205,990
Total nonoperating revenues	1,205,990	-	1,205,990
Change in net position	26,032,812	(2,534,274)	23,498,538
Net position, July 1, 2019	75,416,779	5,858,897	81,275,676
Net position, June 30, 2020	\$ 101,449,591	3,324,623	104,774,214

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Public Schools
Combining Statement of Cash Flows - Internal Service Funds
For the fiscal year ended June 30, 2020

EXHIBIT I-6

	Health Benefits Trust	Insurance	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund services provided	\$ 438,722,929	15,527,847	454,250,776
Payments to employees	(3,231,014)	(1,100,697)	(4,331,711)
Claims and benefits paid	(405,873,161)	(13,548,639)	(419,421,800)
Payments for professional services	(12,064,206)	(1,287,057)	(13,351,263)
Payments for other operating expenses	(33,913)	(348,427)	(382,340)
Net cash provided by (used in) operating activities	17,520,635	(756,973)	16,763,662
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	1,348,165	-	1,348,165
Net cash provided by investing activities	1,348,165	-	1,348,165
Net increase in cash and cash equivalents	18,868,800	(756,973)	18,111,827
Cash and cash equivalents, July 1, 2019	111,279,456	50,859,627	162,139,083
Cash and cash equivalents, June 30, 2020	130,148,256	50,102,654	180,250,910
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating gain (loss)	24,826,822	(2,534,274)	22,292,548
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Change in assets and liabilities:			
Increase in accounts receivable	(3,654,386)	-	(3,654,386)
Decrease in other assets	-	-	-
Increase(decrease) in accounts payable and accrued liabilities	(480,895)	78,127	(402,768)
Increase (decrease) in actuarial claims payable	(3,574,000)	1,696,434	(1,877,566)
Increase in compensated absences	24,563	2,740	27,303
Increase in unearned revenues	378,531	-	378,531
Total adjustments to operating loss	(7,306,187)	1,777,301	(5,528,886)
Net cash provided by (used in) operating activities	\$ 17,520,635	(756,973)	16,763,662

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Public Schools
Statement of Fiduciary Net Position
June 30, 2020

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	\$ 1,207,318	-	1,207,318
Cash with fiscal agents	438,716	-	438,716
Cash collateral for securities lending	126,382,893	-	126,382,893
Short-term investments	192,753,780	-	192,753,780
Accounts receivable	-	37,200	37,200
Accrued interest and dividends receivable	5,982,466	-	5,982,466
Receivable from sale of pension investments	8,069,804	7,048,961	15,118,765
Investments:			
Commingled funds	741,781,120	-	741,781,120
U.S. government obligations	127,212,756	-	127,212,756
Asset and mortgage-backed securities	114,457,007	-	114,457,007
Corporate and international bonds	330,125,418	-	330,125,418
Convertible and preferred securities	4,085,017	-	4,085,017
Stocks	405,308,672	-	405,308,672
Municipal bonds	542,731	-	542,731
Real estate	175,740,685	-	175,740,685
Global asset allocation	209,334,379	-	209,334,379
Better beta derivatives	138,261,722	-	138,261,722
Hedge funds	74,652,726	-	74,652,726
Private equity	134,084,397	-	134,084,397
Investment in pooled funds	-	148,920,107	148,920,107
Prepaid items and other assets	8,433	-	8,433
Equipment, net of depreciation	25,035	-	25,035
Total assets	2,790,455,075	156,006,268	2,946,461,343
DEFERRED OUTFLOWS OF RESOURCES			
Total deferred outflows of resources	-	-	-
LIABILITIES			
Accounts payable and accrued liabilities	1,843,713	37,200	1,880,913
Payable for purchase of pension investments	88,500,826	-	88,500,826
Liabilities for collateral received under securities lending agreements	126,382,893	-	126,382,893
Capital leases	8,782	-	8,782
Total liabilities	216,736,214	37,200	216,773,414
DEFERRED INFLOWS OF RESOURCES			
Total deferred inflows of resources	-	-	-
NET POSITION			
Held in trust for pension/OPEB benefits	\$ 2,573,718,861	155,969,068	2,729,687,929

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT I-8

Fairfax County Public Schools

Statement of Changes in Plan Net Position - Trust Funds

For the fiscal year ended June 30, 2020

	Pension Trust Fund - Educational Employees' Supplementary Retirement System	OPEB Trust Fund	Total Pension and OPEB Trust Funds
ADDITIONS			
Contributions:			
Employer	\$ 104,741,255	28,875,000	133,616,255
Plan members	49,095,601	-	49,095,601
Total contributions	153,836,856	28,875,000	182,711,856
Investment income:			
From investment activities:			
Net appreciation in fair value of investments	20,464,786	4,560,013	25,024,799
Interest and dividends	23,332,691	1,453	23,334,144
Real estate income	58,903,601	-	58,903,601
Total gain from investment activities	102,701,078	4,561,466	107,262,544
Less investment activities expenses:			
Management fees	13,226,520	100,863	13,327,383
Other	1,104,835	500	1,105,335
Total investment activities expenses	14,331,355	101,363	14,432,718
Net gain from investment activities	88,369,723	4,460,103	92,829,826
From securities lending activities:			
Securities lending income	1,968,244	-	1,968,244
Less securities lending expenses:			
Management fees	(1,529,747)	-	(1,529,747)
Total securities lending activities expenses	(1,529,747)	-	(1,529,747)
Net income from securities lending activities	438,497	-	438,497
Net investment gain	88,808,220	4,460,103	93,268,323
Total additions	242,645,076	33,335,103	275,980,179
DEDUCTIONS			
Benefits payments	181,587,150	23,875,000	205,462,150
Refunds of contributions	4,399,346	-	4,399,346
Administrative expenses	4,381,191	-	4,381,191
Total deductions	190,367,687	23,875,000	214,242,687
Change in net position	52,277,389	9,460,103	61,737,492
Net position, July 1, 2019	2,521,441,472	146,508,965	2,667,950,437
Net position, June 30, 2020	\$ 2,573,718,861	155,969,068	2,729,687,929

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Public Schools
Statement of Changes in Assets and Liabilities - Agency Fund
For the fiscal year ended June 30, 2020

EXHIBIT I-9

	Balances June 30, 2019	Additions	Deductions	Balances June 30, 2020
Student Activity Fund:				
Assets:				
Cash with fiscal agents	\$ 23,215,271	38,007,419	(38,446,111)	22,776,579
Accounts receivable	543,342	608,423	(212,095)	939,670
Total assets	23,758,613	38,615,842	(38,658,206)	23,716,249
Liabilities:				
Accounts payable and accrued liabilities	356,844	561,789	(170,009)	748,624
Due to student groups	23,401,769	1,448,851	(1,882,995)	22,967,625
Total liabilities	\$ 23,758,613	2,010,640	(2,053,004)	23,716,249

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, 2020

EXHIBIT J

	Housing Authority	Component Units	Total Entity
ASSETS			
Current assets:			
Equity in pooled cash and temporary investments	\$ 23,676,045	-	23,676,045
Cash in bank	29,503,587	9,352,523	38,856,110
Investments	2,695,000	-	2,695,000
Receivables (net of allowances):			
Accounts	3,468,960	113,253	3,582,213
Accrued interest	49,263	-	49,263
Notes	20,462,339	10,524	20,472,863
Property held for sale	637,770	-	637,770
Prepaid and other assets	377,857	38,135	415,992
Restricted assets:			
Cash reserves	8,418,023	-	8,418,023
Performance and other deposits	6,360,684	1,406,270	7,766,954
Investments	2,664,816	-	2,664,816
Total current assets	98,314,344	10,920,705	109,235,049
Long-term assets:			
Restricted assets:			
Cash reserves	23,024,418	23,561,605	46,586,023
Total restricted assets	23,024,418	23,561,605	46,586,023
Capital assets:			
Non-depreciable/non-amortizable:			
Land	38,536,421	7,830,684	46,367,105
Construction in progress	3,737,172	2,018,121	5,755,293
Depreciable/amortizable:			
Vehicles and equipment	870,978	1,145,837	2,016,815
Buildings and improvements	186,075,262	48,336,672	234,411,934
Accumulated depreciation	(133,676,961)	(18,408,398)	(152,085,359)
Total capital assets, net	95,542,872	40,922,916	136,465,788
Other long-term assets:			
Notes receivable	35,387,463	-	35,387,463
Prepaid and other assets	2,557,419	113,893	2,671,312
Total other long-term assets	37,944,882	113,893	38,058,775
Total long-term assets	156,512,172	64,598,414	221,110,586
Total assets	254,826,516	75,519,119	330,345,635
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow for pensions	7,471,491	-	7,471,491
Deferred outflow for OPEB	2,077,653	-	2,077,653
Total deferred outflows of resources	9,549,144	-	9,549,144
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	2,810,840	1,216,359	4,027,199
Accrued salaries and benefits	1,029,859	-	1,029,859
Due to FCRHA	-	1,343,148	1,343,148
Unearned revenues	1,361,367	170,140	1,531,507
Performance and other deposits	1,862,499	286,615	2,149,114
Loans, notes and bonds payable, net of deferred financing fees	21,009,119	1,153,083	22,162,202
Compensated absences payable	726,328	-	726,328
Total current liabilities	28,800,012	4,169,345	32,969,357
Long-term liabilities:			
Loans, notes and bonds payable, net of deferred financing fees	34,998,887	68,423,846	103,422,733
Compensated absences payable	605,888	-	605,888
Net OPEB liability	2,453,774	-	2,453,774
Net pension liability	26,588,797	-	26,588,797
Other accrued long-term interest	8,929,597	6,277,821	15,207,418
Total long-term liabilities	73,576,943	74,701,667	148,278,610
Total liabilities	102,376,955	78,871,012	181,247,967
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow for pension	2,144,711	-	2,144,711
Deferred inflow for OPEB	525,027	-	525,027
Total deferred inflows of resources	2,669,738	-	2,669,738
NET POSITION			
Net investment in capital assets	77,695,006	(8,704,213)	68,990,793
Restricted	30,187,419	4,731,460	34,918,879
Unrestricted	51,446,542	620,860	52,067,402
Net Position	\$ 159,328,967	(3,351,893)	155,977,074

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT J-1

Fairfax County Redevelopment and Housing Authority
Statement of Revenues, Expenses, and Changes in Net Position
For the fiscal year ended June 30, 2020

	Housing Authority	Component Units	Total Entity
OPERATING REVENUES:			
Dwelling rentals	\$ 39,189,285	4,772,636	43,961,921
Other	4,018,434	648,191	4,666,625
Total operating revenues	43,207,719	5,420,827	48,628,546
OPERATING EXPENSES:			
Personnel services	20,454,941	1,164,276	21,619,217
Materials and supplies	6,132,386	1,994,628	8,127,014
Repairs and maintenance	8,594,999	1,460,202	10,055,201
Housing assistance payments	65,070,493	-	65,070,493
Depreciation and amortization	3,944,715	1,440,245	5,384,960
Contractual services	314,050	72,504	386,554
Utilities	4,945,002	731,725	5,676,727
Total operating expenses	109,456,586	6,863,580	116,320,166
Operating loss	(66,248,867)	(1,442,753)	(67,691,620)
NONOPERATING REVENUES (EXPENSES):			
Intergovernmental revenue	70,666,419	2,068,776	72,735,195
Owner Distribution	(36,822)	-	(36,822)
Interest revenue	924,044	425,533	1,349,577
Interest expense	(1,051,486)	(2,817,687)	(3,869,173)
Gain on sale of limited partnership	9,489,161	-	9,489,161
Contribution from County	1,497,804	-	1,497,804
Contribution to County	(16,577,736)	-	(16,577,736)
Total nonoperating revenues (expenses), net	64,911,384	(323,378)	64,588,006
Change in net position	(1,337,483)	(1,766,131)	(3,103,614)
Net Position, July 1, 2019	160,666,450	(1,585,762)	159,080,688
Net Position, June 30, 2020	\$ 159,328,967	(3,351,893)	155,977,074

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Redevelopment and Housing Authority
Statement of Cash Flows
For the fiscal year ended June 30, 2020

EXHIBIT J-2

	Housing Authority	Component Units	Total Entity
CASH FLOWS FROM OPERATING ACTIVITIES			
Rental receipts	\$ 37,041,648	4,730,800	41,772,448
Other operating cash receipts	4,110,721	648,191	4,758,912
Payments to employees for services	(19,107,327)	(1,164,276)	(20,271,603)
Payments made for housing assistance	(65,070,493)	-	(65,070,493)
Payments to suppliers for goods and services	(20,502,415)	(2,972,414)	(23,474,829)
Purchase of property held for sale	(2,099,911)	-	(2,099,911)
Receipts from sale of property held for sale	1,976,992	-	1,976,992
Net cash provided by (used) in operating activities	(63,650,785)	1,242,301	(62,408,484)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Owner Distribution	(36,822)	-	(36,822)
Intergovernmental revenue received	70,666,419	2,068,776	72,735,195
Contribution to County	(15,829,360)	-	(15,829,360)
Net cash provided by (used) in noncapital financing activities	54,800,237	2,068,776	56,869,013
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(6,239,651)	(5,537,587)	(11,777,238)
Proceeds from sale of capital assets	6,459,591	-	6,459,591
Proceeds from issuance of debt	-	6,747,140	6,747,140
Interest payments	(665,522)	(1,770,181)	(2,435,703)
Debt principal payments	(2,118,405)	(842,910)	(2,961,315)
Net cash provided by capital and related financing activities	(2,563,987)	(1,403,538)	(3,967,525)
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipt of loan and advance repayments	2,242,937	-	2,242,937
Disbursement of loans and advances receivable	(2,890,515)	-	(2,890,515)
Maturity of investments	2,659,650	-	2,659,650
Interest received	924,044	425,534	1,349,578
Net cash provided by (used) in investing activities	2,936,116	425,534	3,361,650
Net increase in cash and cash equivalents	(8,478,419)	2,333,073	(6,145,346)
Cash and cash equivalents, July 1, 2019	99,461,176	31,987,325	131,448,501
Cash and cash equivalents, June 30, 2020	\$ 90,982,757	34,320,398	125,303,155
Reconciliation of operating loss to net cash provided by (used in) operating activities:			
Operating income loss	\$ (66,248,867)	(1,442,753)	(67,691,620)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:			
Depreciation and amortization	3,944,715	1,440,245	5,384,960
Provision for doubtful accounts	100,676	-	100,676
Change in assets and liabilities:			
Increase in accounts receivable	(2,741,046)	(59,199)	(2,800,245)
Increase in prepaid items and other assets	(757,347)	(102,214)	(859,561)
Net Pension Liability and related outflows/inflows	1,008,362	-	1,008,362
Increase in accounts payable and accrued liabilities	298,163	1,381,929	1,680,092
Net OPEB liability and related outflows/inflows	195,412	-	195,412
Increase in performance and other deposits	170,350	6,930	177,280
Unearned revenues	378,797	17,363	396,160
Total adjustments to operating income	2,598,082	2,685,054	5,283,136
Net cash provided by (used in) operating activities	\$ (63,650,785)	1,242,301	(62,408,484)
Noncash investing, capital, and financing activities:			
Contributions from County, net	\$ -	-	-

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.

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.

Financed from County Capital Renewal Construction Fund accounts for infrastructure replacement and upgrades, supports the long-term needs of the county's capital assets, and provides for planned repairs, improvements and restorations.

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Park Authority
Balance Sheet
June 30, 2020

	Major Governmental Capital		
	General Fund (Financed from County General Fund)	Special Revenue Fund - Park Revenue	Financed from County Construction Fund
ASSETS			
Equity in pooled cash and temporary investments	\$ -	6,416,442	-
Receivables:			
Accounts	-	57,755	-
Accrued interest	-	-	-
Due from primary government	1,955,093	-	1,914,367
Due from intergovernmental units	-	-	-
Prepaid and other asset	146,057	167,742	57,475
Restricted assets:			
Equity in pooled cash and temporary investments	-	-	-
Cash with fiscal agents	-	600,759	-
Total assets	2,101,150	7,242,698	1,971,842
DEFERRED OUTFLOWS OF RESOURCES			
Total deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	\$ 2,101,150	7,242,698	1,971,842
LIABILITIES			
Accounts payable and accrued liabilities	\$ 198,182	649,848	1,971,842
Accrued salaries and benefits	1,785,573	1,527,977	-
Due to primary government	117,395	559	-
Contract retainages	-	-	-
Unearned revenues	-	8,342,472	-
Performance and other deposits	-	47,240	-
Total liabilities	2,101,150	10,568,096	1,971,842
DEFERRED INFLOWS OF RESOURCES			
Total deferred inflows of resources	-	-	-
Total liabilities and deferred inflows of resources	2,101,150	10,568,096	1,971,842
FUND BALANCES			
Nonspendable:			
Prepaid	146,057	-	57,475
Inventory	-	167,742	-
E.C.Lawrence Trust	-	-	-
Restricted for:			
Capital projects	-	-	-
Repair and replacement	-	-	-
Debt service	-	600,759	-
Committed to:			
Other capital projects	-	-	-
Unassigned	(146,057)	(4,093,899)	(57,475)
Total fund balances	-	(3,325,398)	-
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,101,150	7,242,698	1,971,842
Reconciliation of the Balance Sheet to the Statement of Net Position			
Fund balances - Total governmental funds		\$	34,356,604
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 \$939,771,008 and the accumulated depreciation is \$276,240,295.			
			663,530,713
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:			
Revenue bonds payable, net	\$ (788,503)		
Compensated absences payable	(5,629,282)		
Loan from Primary Government	(10,185,100)		
Accrued interest payable	(9,291)		(16,612,176)
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 outflow related to pensions is \$14,580,059, and the net pension liability is \$57,131,593. The deferred inflow related to pension is \$2,650,657. The deferred outflow related to OPEB is \$5,595,957, and the net OPEB liability is \$6,257,851. The deferred inflow related to OPEB is \$1,055,875.			(46,919,960)
Net position of governmental activities		\$	634,355,181

EXHIBIT K

Funds					
Projects Funds					
Financed from County Capital Renewal Construction Fund	Park Construction Bond (Financed from County Construction Fund)	Park Capital Improvement	Total Governmental Funds		
-	-	21,205,668	27,622,110	ASSETS	
-	-	-	57,755	Equity in pooled cash and temporary investments	
-	-	29,888	29,888	Receivables:	
2,548	-	-	3,872,008	Accounts	
-	396,181	671	396,852	Accrued interest	
-	-	4,125	375,399	Due from primary government	
-	16,226,164	2,207,926	18,434,090	Due from intergovernmental units	
-	-	-	600,759	Prepaid and other asset	
2,548	16,622,345	23,448,278	51,388,861	Restricted assets:	
				Equity in pooled cash and temporary investments	
				Cash with fiscal agents	
				Total assets	
-	-	-	-	DEFERRED OUTFLOWS OF RESOURCES	
				Total deferred outflows of resources	
2,548	16,622,345	23,448,278	51,388,861	Total assets and deferred outflows of resources	
2,548	768,576	299,072	3,890,068	LIABILITIES	
-	-	-	3,313,550	Accounts payable and accrued liabilities	
-	-	-	117,954	Accrued salaries and benefits	
-	207,017	-	207,017	Due to primary government	
-	-	338,897	8,681,369	Contract retainages	
-	-	775,059	822,299	Unearned revenues	
2,548	975,593	1,413,028	17,032,257	Performance and other deposits	
				Total liabilities	
-	-	-	-	DEFERRED INFLOWS OF RESOURCES	
				Total deferred inflows of resources	
2,548	975,593	1,413,028	17,032,257	Total liabilities and deferred inflows of resources	
-	-	4,125	207,657	FUND BALANCES	
-	-	-	167,742	Nonspendable:	
-	-	1,507,926	1,507,926	Prepaid	
-	15,646,752	15,652,342	31,299,094	Inventory	
-	-	700,000	700,000	E.C.Lawrence Trust	
-	-	-	600,759	Restricted for:	
-	-	4,170,857	4,170,857	Capital projects	
-	-	-	(4,297,431)	Repair and replacement	
-	15,646,752	22,035,250	34,356,604	Debt service	
2,548	16,622,345	23,448,278	51,388,861	Committed to:	
				Other capital projects	
				Unassigned	
				Total fund balances	
				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, 2020

		Major Governmental Capital	
	General Fund (Financed from County General Fund)	Special Revenue Fund - Park Revenue	Financed from County Construction Fund
REVENUES			
Intergovernmental	\$ 35,316,698	-	14,066,928
Charges for services	186,896	32,634,536	-
Developers' contributions	-	-	-
Revenue from the use of money and property	9,504	2,893,009	-
Gifts, donations, and contributions	-	274,624	-
Other	-	312,728	-
Total revenues	35,513,098	36,114,897	14,066,928
EXPENDITURES			
Current:			
Parks, recreation, and cultural	35,466,988	34,918,822	8,305,385
Intergovernmental	-	820,000	-
Capital outlay	46,110	-	5,761,543
Debt service:			
Principal retirement	-	1,266,100	-
Interest and other charges	-	451,591	-
Total expenditures	35,513,098	37,456,513	14,066,928
Excess (deficiency) of revenues over (under) expenditures	-	(1,341,616)	-
OTHER FINANCING SOURCES (USES)			
Transfers in	-	957,403	-
Transfers out	-	(2,465,000)	-
Total other financing sources (uses), net	-	(1,507,597)	-
Net change in fund balances	-	(2,849,213)	-
Fund balances, July 1, 2019	-	(447,845)	-
Decrease in reserve for inventories	-	(28,340)	-
Fund balances, June 30, 2020	\$ -	(3,325,398)	-

EXHIBIT K-1

Funds					
Projects Funds					
Financed from County Capital Renewal Construction Fund	Park Construction Bond	Park Capital Improvement	Total Governmental Funds		
					REVENUES
64,493	25,000,000	38,704	74,486,823		Intergovernmental
-	-	-	32,821,432		Charges for services
-	-	2,116,855	2,116,855		Developers' contributions
-	-	498,872	3,401,385		Revenue from the use of money and property
-	-	747,361	1,021,985		Gifts, donations and contributions
-	-	-	312,728		Other
64,493	25,000,000	3,401,792	114,161,208		Total revenues
					EXPENDITURES
					Current:
-	2,387,996	1,968,605	83,047,796		Parks, recreation, and cultural
-	-	-	820,000		Intergovernmental
64,493	16,892,023	4,349,118	27,113,287		Capital outlay
					Debt service:
-	-	-	1,266,100		Principal retirement
-	-	-	451,591		Interest and other charges
64,493	19,280,019	6,317,723	112,698,774		Total expenditures
-	5,719,981	(2,915,931)	1,462,434		Excess (deficiency) of revenues over (under) expenditures
					OTHER FINANCING SOURCES (USES)
-	-	2,465,000	3,422,403		Transfers in
-	-	(957,403)	(3,422,403)		Transfers out
-	-	1,507,597	-		Total other financing sources (uses), net
-	5,719,981	(1,408,334)	1,462,434		Net change in fund balances
-	9,926,771	23,443,584	32,922,510		Fund balances, July 1, 2019
-	-	-	(28,340)		Decrease in reserve for inventories
-	15,646,752	22,035,250	34,356,604		Fund balances, June 30, 2020

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, 2020****EXHIBIT K-1**

concluded

Net change in fund balances - Total governmental funds \$ 1,462,434

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	\$ 27,113,287	
Depreciation expense	<u>(17,348,147)</u>	9,765,140

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. 715,345

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. (1,124,339)

Decrease in fund balance reserve (28,340)

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 and notes		1,266,100
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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 item as are amortized. This difference in interest reporting is as follows:

Interest expense	\$ 8,862	
Amortized premium and deferred loss	<u>(38,081)</u>	(29,219)

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		(487,238)
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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		(2,528,426)
Other postemployment benefit expense		(498,159)

Change in net position of governmental activities		<u><u>\$ 8,513,298</u></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, 2020

	Budgeted Amounts		Actual Amounts	Variance from
	Original	Final	(Budget Basis)	Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 27,136,623	27,156,521	24,689,843	(2,466,678)
Charges for services	616,707	682,635	186,896	(495,739)
Revenue from the use of money and property	-	-	9,504	9,504
Total revenues	27,753,330	27,839,156	24,886,243	(2,952,913)
EXPENDITURES				
Current:				
Parks, recreation, and cultural	27,753,330	27,839,156	24,886,243	2,952,913
Total expenditures	27,753,330	27,839,156	24,886,243	2,952,913
Net change in fund balance	\$ -	-	-	-

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT K-2B

Fairfax County Park Authority

Budgetary Comparison Schedule - Park Revenue Fund (Budget Basis)

For the fiscal year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance from
	Original	Final	(Budget Basis)	Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 46,884,429	46,884,429	26,852,051	(20,032,378)
Revenue from the use of money and property	2,652,931	2,652,931	2,817,370	164,439
Gifts, donations, and contributions	898,729	898,729	571,527	(327,202)
Other	32,459	32,459	91,464	59,005
Total revenues	50,468,548	50,468,548	30,332,412	(20,136,136)
EXPENDITURES				
Parks, recreation, and cultural	49,928,336	49,931,847	37,456,513	12,475,334
Total expenditures	49,928,336	49,931,847	37,456,513	12,475,334
Excess of revenues over expenditures	540,212	536,701	(7,124,101)	(7,660,802)
OTHER FINANCING USES				
Transfers in from primary government	-	957,403	957,403	-
Transfers out	-	(4,465,000)	(4,465,000)	-
Total other financing uses	-	(3,507,597)	(3,507,597)	-
Net change in fund balance	\$ 540,212	(2,970,896)	(10,631,698)	(7,660,802)

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.

General Fund (Financed from County General Fund)
is used to account for the operations of the EDA, all of which are funded by the County.

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Economic Development Authority
Balance Sheet
June 30, 2020

EXHIBIT L

	Governmental Funds (Financed from County Funds)
ASSETS	
Restricted cash and cash equivalents	\$ 6,750,000
Due from primary government	435,415
Prepays	8,250
Total assets	<u>7,193,665</u>
DEFERRED OUTFLOWS OF RESOURCES	
Total deferred outflows of resources	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 7,193,665</u>
LIABILITIES	
Accounts payable and accrued liabilities	\$ 126,687
Accrued salaries and benefits	316,978
Unearned revenue	6,750,000
Total liabilities	<u>7,193,665</u>
DEFERRED INFLOWS OF RESOURCES	
Total deferred inflows of resources	<u>-</u>
Total liabilities and deferred inflows of resources	<u>7,193,665</u>
FUND BALANCE	
Unassigned	<u>-</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 7,193,665</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 \$1,196,100 and the accumulated depreciation and amortization is \$939,803.	256,297
Long-term liabilities, including compensated absences payable of \$461,605 and unearned rent of \$455,729, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(917,334)
Pension liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. The deferred outflow related to pensions is \$1,800,120 and the net pension liability is \$6,652,723. The deferred inflow related to pensions is \$1,167,983.	(6,020,586)
OPEB liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. The deferred outflow related to OPEB is \$332,562 and the net OPEB liability is \$392,023. The deferred inflow related to OPEB is \$248,313.	<u>(307,774)</u>
Net position of governmental activities	<u>\$ (6,989,397)</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, 2020

EXHIBIT L-1

	Governmental Funds (Financed from County Funds)
REVENUES	
Intergovernmental	\$ 11,812,543
Total revenues	<u>11,812,543</u>
EXPENDITURES	
Current:	
Community development	11,812,543
Total expenditures	<u>11,812,543</u>
Excess of revenues over expenditures	-
Fund balance, July 1, 2019	-
Fund balance, June 30, 2020	<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	\$ (111,437)	
Increase in liability for compensated absences	(123,524)	
Unearned rent	159,132	
Pension expense	(195,905)	
Other postemployment benefit expense	<u>(30,589)</u>	<u>(302,323)</u>
Change in net position of governmental activities		<u>\$ (302,323)</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, 2020

	Budgeted Amounts		Actual Amounts	Variance from
	Original	Final	(Budget Basis)	Final Budget
				Positive
				(Negative)
REVENUES				
Intergovernmental	\$ 8,791,483	9,141,483	7,814,818	(1,326,665)
Total revenues	8,791,483	9,141,483	7,814,818	(1,326,665)
EXPENDITURES				
Community development	8,791,483	9,141,483	7,814,818	1,326,665
Total expenditures	8,791,483	9,141,483	7,814,818	1,326,665
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				
	2020	2019	2018	2017 ⁽⁴⁾	2016
<i>Governmental activities:</i>					
Net investment in capital assets	\$ 2,265,813,475	2,213,668,557	2,070,863,206	2,001,991,926	1,913,173,352
Restricted	382,010,214	475,424,529	456,321,016	388,129,831	355,513,953
Unrestricted (deficit) ⁽¹⁾	(3,108,132,334)	(3,038,583,029)	(3,045,029,065)	(2,881,760,586)	(2,732,479,263)
Net position, governmental activities	\$ (460,308,645)	(349,489,943)	(517,844,843)	(491,638,829)	(463,791,958)
<i>Business-type activities:</i>					
Net investment in capital assets	\$ 1,112,420,058	1,065,086,054	1,038,360,082	1,003,960,254	940,641,576
Restricted	20,281,937	19,398,343	18,178,132	14,185,711	73,853,503
Unrestricted	133,460,268	119,690,633	99,372,962	90,123,639	38,417,623
Net position, business-type activities	\$ 1,266,162,263	1,204,175,030	1,155,911,176	1,108,269,604	1,052,912,702
<i>Total Primary government:</i>					
Net investment in capital assets	\$ 3,378,233,533	3,278,754,611	3,109,223,288	3,005,952,180	2,853,814,928
Restricted	402,292,151	494,822,872	474,499,148	402,315,542	429,367,456
Unrestricted (deficit)	(2,974,672,066)	(2,918,892,396)	(2,945,656,103)	(2,791,636,947)	(2,694,061,640)
Net position, Primary Government	\$ 805,853,618	854,685,087	638,066,333	616,630,775	589,120,744

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				
2020	2019	2018	2017	2016
\$ 1,741,833,436	\$ 1,715,069,054	1,726,348,892	1,715,069,179	1,674,949,073

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

(3) Fiscal Year 2014 net position restated in Fiscal Year 2015 due to the implementation of GASB statement 68.

(4) Fiscal Year 2017 net position restated in Fiscal Year 2018 due to the implementation of GASB statement 75.

Fiscal Year					
2015	2014 ⁽³⁾	2013	2012 ⁽²⁾	2011	
					<i>Governmental activities:</i>
1,875,208,103	1,861,776,623	1,736,906,426	1,695,143,766	1,540,962,447	Net investment in capital assets
318,966,582	286,196,280	214,950,085	226,409,285	308,394,968	Restricted
(2,802,308,892)	(2,960,996,275)	(1,657,422,986)	(1,581,687,019)	(1,370,285,300)	Unrestricted (deficit) ⁽¹⁾
(608,134,207)	(813,023,372)	294,433,525	339,866,032	479,072,115	Net position, governmental activities
					<i>Business-type activities:</i>
892,414,328	843,276,715	778,825,722	769,135,097	722,703,848	Net investment in capital assets
66,038,662	43,116,468	44,113,954	51,055,374	93,427,366	Restricted
66,651,531	100,358,086	147,119,567	116,578,189	81,180,178	Unrestricted
1,025,104,521	986,751,269	970,059,243	936,768,660	897,311,392	Net position, business-type activities
					<i>Total Primary government:</i>
2,767,622,431	2,705,053,338	2,515,732,148	2,464,278,863	2,263,666,295	Net investment in capital assets
385,005,244	329,312,748	259,064,039	277,464,659	401,822,334	Restricted
(2,735,657,361)	(2,860,638,189)	(1,510,303,419)	(1,465,108,830)	(1,289,105,122)	Unrestricted
416,970,314	173,727,897	1,264,492,768	1,276,634,692	1,376,383,507	Net position, Primary Government

Fiscal Year				
2015	2014	2013	2012	2011
1,616,079,489	1,625,585,624	1,596,333,283	1,453,383,980	1,431,198,421

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

	Fiscal Year				
	2020	2019	2018	2017	2016
Expenses					
<i>Governmental activities:</i>					
General government administration	\$ 258,330,991	200,274,042	190,974,147	199,163,586	188,767,791
Judicial administration	76,694,008	65,346,777	64,060,042	62,157,826	58,125,849
Public safety	879,159,005	780,408,993	783,282,501	743,811,404	702,043,058
Public works	274,427,262	251,705,576	255,772,468	220,029,595	204,873,695
Health and welfare	721,920,761	660,919,624	641,619,815	621,738,349	589,307,995
Community development	550,075,342	442,747,859	553,891,606	449,963,548	373,621,317
Parks, recreation, and cultural	143,686,850	133,504,969	132,413,348	124,438,465	112,957,367
Education - for Public Schools	2,332,366,853	2,251,573,120	2,139,229,138	2,085,926,217	1,998,723,980
Interest on long-term debt	103,197,911	114,012,753	113,312,939	108,077,416	94,644,722
Total expenses, governmental activities	5,339,858,983	4,900,493,713	4,874,556,004	4,615,306,406	4,323,065,774
<i>Business-type activities:</i>					
Public works - Sewer	\$ 193,400,681	188,706,778	188,232,208	177,630,559	183,076,813
Total expenses, business-type activities	193,400,681	188,706,778	188,232,208	177,630,559	183,076,813
Total expenses, Primary Government	5,533,259,664	5,089,200,491	5,062,788,212	4,792,936,965	4,506,142,587
Program Revenues					
<i>Governmental activities:</i>					
Charges for services:					
Public safety	\$ 69,427,621	73,816,732	74,116,426	70,562,165	70,934,542
Public works	173,483,022	170,109,205	158,834,077	129,171,598	139,528,323
Health and welfare	74,148,243	86,877,525	77,063,723	80,070,825	69,250,901
Other activities	360,181,203	375,485,955	345,815,823	335,242,533	301,673,838
Operating grants and contributions	346,819,376	274,272,173	273,051,191	264,019,862	250,208,494
Capital grants and contributions	40,729,751	45,889,290	49,319,980	22,209,405	29,020,526
Total program revenues, governmental activities	1,064,789,216	1,026,450,880	978,201,220	901,276,388	860,616,624
<i>Business-type activities:</i>					
Charges for services:					
Public works - Sewer	\$ 240,034,485	232,435,065	225,733,347	220,959,308	205,115,248
Capital grants and contributions	2,595,202	859,618	7,614,925	12,513,674	4,598,439
Total program revenues, business-type activities	242,629,687	233,294,683	233,348,272	233,472,982	209,713,687
Total program revenues, Primary Government	1,307,418,903	1,259,745,563	1,211,549,492	1,134,749,370	1,070,330,311
Net (Expense) Revenue					
Governmental activities	(4,275,069,767)	(3,874,042,833)	(3,896,354,784)	(3,714,030,018)	(3,462,449,150)
Business-type activities	49,229,006	44,587,905	45,116,064	55,842,423	26,636,874
Total Primary Government	\$ (4,225,840,761)	(3,829,454,928)	(3,851,238,720)	(3,658,187,595)	(3,435,812,276)

Fiscal Year					
2015	2014	2013	2012	2011	
					Expenses
					<i>Governmental activities:</i>
183,647,484	201,180,941	201,445,282	201,444,643 ⁽³⁾	138,976,659 ⁽³⁾	General government administration
55,830,358	54,913,419	46,336,343	54,731,149	52,295,620	Judicial administration
670,432,665	695,690,761	658,186,021	621,850,677	618,789,976	Public safety
204,114,861	195,014,404	185,250,816	176,714,926	192,081,461	Public works
557,312,024	551,586,755	542,052,102	562,237,332	546,852,765	Health and welfare
352,960,858	352,759,047	387,551,012	393,528,633	378,565,455	Community development
112,338,852	107,762,594	112,057,718	114,767,984	105,293,977	Parks, recreation, and cultural
1,936,673,334	1,883,055,936	1,843,611,090	1,769,700,781	1,744,248,387	Education - for Public Schools
101,276,354	109,563,020	117,251,705	112,604,312	98,596,584	Interest on long-term debt
4,174,586,790	4,151,526,877	4,093,742,089	4,007,580,437	3,875,700,884	Total expenses, governmental activities
					<i>Business-type activities:</i>
174,932,128	174,845,675	169,212,487	163,955,907 ⁽³⁾	156,989,198 ⁽³⁾	Public works - Sewer
174,932,128	174,845,675	169,212,487	163,955,907	156,989,198	Total expenses, business-type activities
4,349,518,918	4,326,372,552	4,262,954,576	4,171,536,344	4,032,690,082	Total expenses, Primary Government
					Program Revenues
					<i>Governmental activities:</i>
					Charges for services:
71,729,966	58,202,390	58,883,550	62,860,108	74,126,570	Public safety
141,711,640	131,355,271	117,037,898	110,804,240	113,296,977	Public works
70,951,265	69,351,107	64,938,672	68,152,942	70,834,601	Health and welfare
309,689,155	334,124,545	287,013,174	191,091,722	137,393,757	Other activities
243,282,980	222,115,446	239,536,892	256,182,164	292,921,660	Operating grants and contributions
34,407,375	22,578,476	22,312,264	29,696,488	17,033,448	Capital grants and contributions
871,772,381	837,727,235	789,722,450	718,787,664	705,607,013	Total program revenues, governmental activities
					<i>Business-type activities:</i>
					Charges for services:
209,227,867	212,175,672	194,030,949	188,917,214	154,118,716	Public works - Sewer
3,277,159	4,074,576	7,062,744	13,974,206	12,385,470	Capital grants and contributions
212,505,026	216,250,248	201,093,693	202,891,420	166,504,186	Total program revenues, business-type activities
1,084,277,407	1,053,977,483	990,816,143	921,679,084	872,111,199	Total program revenues, Primary Government
					Net (Expense) Revenue
(3,302,814,409)	(3,313,799,642)	(3,304,019,639)	(3,288,792,773)	(3,170,093,871)	Governmental activities
37,572,898	41,404,573	31,881,206	38,935,513	9,514,988	Business-type activities
(3,265,241,511)	(3,272,395,069)	(3,272,138,433)	(3,249,857,260)	(3,160,578,883)	Total Primary Government

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

	Fiscal Year				
	2020	2019	2018	2017	2016
General Revenues and Other Changes in Net Position					
<i>Governmental activities:</i>					
Taxes:					
Real property	\$ 2,897,823,200	2,796,625,634	2,652,298,780	2,601,473,140	2,437,535,377
Personal property	443,280,543	421,706,327	412,251,446	403,229,884	380,123,202
Business licenses	180,120,661	170,065,024	167,766,061	160,711,944	158,380,380
Local sales and use	249,560,545	252,284,959	252,019,165	246,876,636	249,278,074
Consumers utility	110,508,254	107,307,687	104,785,290	104,327,491	102,181,691
Motor vehicle decals	-	-	-	-	-
Recordation	31,251,909	23,536,391	24,623,858	25,401,332	23,808,125
Occupancy, tobacco, and other	28,604,036	35,898,475	35,969,332	36,206,695	34,115,345
Unrestricted grants and contributions	211,426,887	211,431,885	211,426,419	211,464,000	211,423,471
Revenue from the use of money	11,675,030	23,541,351	9,008,419	6,653,142	9,945,734
Special item	-	-	-	-	-
Total general revenues and other changes in net position, governmental activities	4,164,251,065	4,042,397,733	3,870,148,770	3,796,344,264	3,606,791,399
<i>Business-type activities:</i>					
Revenue from the use of money	\$ 2,859,826	3,675,949	2,525,508	1,022,586	1,171,307
Special item	9,898,401	-	-	-	-
Total general revenues and other changes in net position, business-type activities	12,758,227	3,675,949	2,525,508	1,022,586	1,171,307
Total general revenues and other changes in net position, Primary Government	4,177,009,292	4,046,073,682	3,872,674,278	3,797,366,850	3,607,962,706
Change in Net Position					
Governmental activities	(110,818,702)	168,354,900	(26,206,014)	82,314,246	144,342,249
Business-type activities	61,987,233	48,263,854	47,641,572	56,865,009	27,808,181
Total Primary Government	\$ (48,831,469)	216,618,754	21,435,558	139,179,255	172,150,430

Source: Fairfax County Department of Finance

Notes:

- (1) In September 2010, Inova Health Systems transferred approximately 15 acres of land to the County. In exchange for this land, Inova will provide the County with an approximate 5 acre parcel, a \$15 million cash payment, and a 10 year lease of 40,000 square feet within the new Mid County Center building. The special items in the governmental activities, represent the installments on the \$15 million cash payment.
- (2) In April 2011, the Sewer System completed a sale of 2.0 MGD purchase capacity of its 17.68 MGD share of UOSA expansion (from 27 to 54 MGD) to Prince William Service Authority for \$39,807,586. As a result, a special item - Gain from sale of purchase capacity - of \$16,787,885 was recognized.
- (3) Fiscal Year 2012 expenses restated due to the implementation of GASB statement 65.

Fiscal Year					
2015	2014	2013	2012	2011	
					General Revenues and Other Changes in Net Position
					<i>Governmental activities:</i>
					Taxes:
2,356,421,557	2,215,898,422	2,123,759,406	2,057,935,398	2,028,435,622	Real property
368,390,092	362,772,805	353,275,799	316,966,006	301,272,265	Personal property
154,681,661	158,619,113	158,768,484	155,480,677	150,669,671	Business licenses
247,734,220	261,193,846	265,029,666	257,770,918	158,772,098	Local sales and use
100,484,941	74,633,997	73,450,331	65,254,197	113,731,677	Consumers utility
-	-	-	-	27,408,623	Motor vehicle decals
23,898,873	19,968,520	28,281,179	26,223,747	26,407,596	Recordation
33,775,982	31,296,981	32,694,178	33,360,801	47,946,003	Occupancy, tobacco, and other
211,423,648	230,920,811	209,291,717	218,287,716	211,818,969	Unrestricted grants and contributions
10,892,600	8,577,857	9,836,372	14,807,663	18,634,630	Revenue from the use of money
-	-	4,200,000 ⁽¹⁾	3,499,567 ⁽¹⁾	7,299,696 ⁽¹⁾	Special item
3,507,703,574	3,363,882,352	3,258,587,132	3,149,586,690	3,092,396,850	Total general revenues and other changes in net position, governmental activities
					<i>Business-type activities:</i>
780,354	484,332	1,409,377	521,755	1,084,587	Revenue from the use of money
-	-	-	-	16,787,885 ⁽²⁾	Special item
780,354	484,332	1,409,377	521,755	17,872,472	Total general revenues and other changes in net position, business-type activities
3,508,483,928	3,364,366,684	3,259,996,509	3,150,108,445	3,110,269,322	Total general revenues and other changes in net position, Primary Government
					Change in Net Position
204,889,165	50,082,710	(45,432,507)	(139,206,083)	(77,697,021)	Governmental activities
38,353,252	41,888,905	33,290,583	39,457,268	27,387,460	Business-type activities
243,242,417	91,971,615	(12,141,924)	(99,748,815)	(50,309,561)	Total Primary Government

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

	Fiscal Year				
	2020	2019	2018	2017	2016
<i>General Fund:</i>					
Nonspendable	\$ 1,796,346	3,204,829	1,996,914	2,122,029	514,559
Committed	479,328,679	450,390,936	381,006,291	318,449,966	271,363,898
Assigned	41,102,387	27,852,920	29,257,275	29,810,689	31,420,067
Unassigned	85,591,972	53,361,158	66,563,791	71,072,769	38,093,937
Total general fund	<u>\$ 607,819,384</u>	<u>534,809,843</u>	<u>478,824,271</u>	<u>421,455,453</u>	<u>341,392,461</u>
<i>All Other Governmental Funds:</i>					
Nonspendable	\$ 271,039	316,588	292,733	502,104	369,676
Restricted	755,102,339	887,566,576	869,259,392	875,478,273	822,378,966
Committed	231,835,504	247,760,895	237,969,839	217,556,600	179,787,832
Unassigned	-	-	-	-	(20,854)
Total all other governmental funds	<u>\$ 987,208,882</u>	<u>1,135,644,059</u>	<u>1,107,521,964</u>	<u>1,093,536,977</u>	<u>1,002,515,620</u>

Source: Fairfax County Department of Finance

Fiscal Year					
2015	2014	2013	2012	2011	
					<i>General Fund:</i>
880,201	614,966	727,441	1,129,586	308,818	Nonspendable
237,696,440	220,628,054	216,879,261	213,718,785	206,627,013	Committed
33,264,339	29,406,539	34,841,916	29,080,155	34,411,546	Assigned
54,080,837	52,154,540	76,819,631	109,742,640	135,051,587	Unassigned
325,921,817	302,804,099	329,268,249	353,671,166	376,398,964	Total general fund
					<i>All Other Governmental Funds:</i>
385,364	457,598	748,799	48,513,721	51,702,443	Nonspendable
806,622,981	779,237,002	565,814,956	569,803,909	566,941,106	Restricted
161,136,329	151,287,756	162,348,750	155,083,147	158,420,964	Committed
-	-	(13,108,305)	(2,604,408)	-	Unassigned
968,144,674	930,982,356	715,804,200	770,796,369	777,064,513	Total all other governmental funds

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

	Fiscal Year				
	2020	2019	2018	2017	2016
Revenues					
Taxes	\$ 3,940,896,963	3,809,188,577	3,649,017,783	3,576,143,127	3,384,696,039
Permits, privilege fees, and regulatory licenses	76,492,974	79,009,171	77,285,673	78,789,135	74,165,960
Intergovernmental	655,986,487	589,878,410	591,245,422	588,060,996	565,562,122
Charges for services	401,274,199	409,528,868	381,639,549	373,123,236	367,293,019
Fines and forfeitures	12,375,980	15,301,279	15,349,405	16,172,236	14,675,893
Revenue from the use of money and property	88,199,662	100,602,318	64,497,904	45,195,094	39,360,901
Recovered costs	14,104,830	15,771,173	18,643,367	14,851,978	15,369,266
Contributions and other	11,712,204	18,498,183	8,795,789	2,822,015	8,571,664
Total revenues	5,201,043,299	5,037,777,979	4,806,474,892	4,695,157,817	4,469,694,864
Expenditures					
Current:					
General government administration	199,349,480	169,486,397	156,249,168	160,694,938	165,144,963
Judicial administration	63,247,888	61,590,923	58,752,207	57,242,859	55,337,889
Public safety	799,071,319	775,354,938	747,806,458	737,122,371	711,044,003
Public works	200,931,845	197,579,765	197,520,108	212,209,456	188,198,288
Health and welfare	685,228,743	659,194,791	629,650,541	614,513,160	598,715,227
Community development	369,540,318	293,591,266	288,415,827	243,788,329	226,958,426
Parks, recreation, and cultural	55,921,968	57,199,029	55,055,417	52,985,491	52,721,664
Intergovernmental: ⁽¹⁾					
Community development	138,534,100	170,104,337	216,205,206	190,913,914	134,236,475
Parks, recreation, and cultural	74,448,119	69,637,352	68,701,097	63,077,723	56,967,246
Education	2,332,366,853	2,251,573,120	2,139,229,138	2,085,926,217	1,998,723,980
Capital outlay	207,717,122	166,061,186	185,888,125	176,169,811	179,067,050
Debt service:					
Principal retirement	538,875,357	287,193,768	257,426,810	225,198,620	386,099,648
Interest and other charges	140,850,323	137,922,641	141,690,140	134,359,311	156,503,054
Total expenditures	5,806,083,435	5,296,489,513	5,142,590,242	4,954,202,200	4,909,717,913
Deficiency of revenues under expenditures	(605,040,136)	(258,711,534)	(336,115,350)	(259,044,383)	(440,023,049)
Other Financing Sources (Uses)					
Transfers in	675,792,885	673,647,732	696,481,666	610,776,813	587,755,580
Transfers out	(689,273,514)	(685,341,165)	(703,429,940)	(618,264,035)	(594,655,237)
Bonds issued	344,836,070	248,084,893	283,089,727	339,653,241	450,743,979
Refunding bonds issued	198,259,059	75,964,692	37,408,232	-	297,981,112
Payments to escrow agent	-	(44,553,144)	(37,063,950)	-	(338,948,636)
Capital leases, installment purchases, and other	-	75,016,193	130,983,420	97,962,713	86,987,841
Total other financing sources, net	529,614,500	342,819,201	407,469,155	430,128,732	489,864,639
Special Item	-	-	-	-	-
Net change in fund balances	\$ (75,425,636)	84,107,667	71,353,805	171,084,349	49,841,590
Debt service as a percentage of noncapital expenditures	12.1%	8.3%	8.1%	7.5%	11.5%

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					
2015	2014	2013	2012	2011	
3,289,084,031	3,119,946,744	3,036,288,822	2,907,905,803	2,857,920,425	Revenues
71,026,501	63,886,989	62,411,104	59,935,796	55,402,463	Taxes
559,309,630	609,843,183	554,886,927	500,063,928	516,260,179	Permits, privilege fees, and regulatory licenses
387,763,613	351,597,808	337,660,061	323,151,828	314,079,106	Intergovernmental
16,437,938	16,817,313	16,842,952	17,230,369	16,645,115	Charges for services
31,080,667	31,544,136	34,239,413	38,113,332	35,214,790	Fines and forfeitures
20,109,855	16,141,935	14,076,599	20,294,568	21,034,191	Revenue from the use of money and property
12,221,739	3,408,767	2,337,036	4,353,629	2,727,276	Recovered costs
4,387,033,974	4,213,186,875	4,058,742,914	3,871,049,253	3,819,283,545	Contributions and other
					Total revenues
					Expenditures
					Current:
163,023,642	164,384,546	172,947,861	142,882,772	131,833,676	General government administration
53,183,629	50,760,212	45,751,873	50,071,223	50,502,397	Judicial administration
699,203,895	690,063,408	639,655,183	594,264,731	573,559,767	Public safety
199,205,144	202,904,525	198,203,970	194,764,262	203,941,440	Public works
568,675,553	553,250,576	542,814,370	557,655,637	539,471,030	Health and welfare
230,287,575	193,976,264	192,000,269	185,214,980	166,588,005	Community development
50,642,925	51,709,656	54,270,433	51,248,180	45,300,724	Parks, recreation, and cultural
					Intergovernmental: ⁽¹⁾
111,031,149	146,812,410	178,024,166	195,414,873	196,331,575	Community development
57,848,921	52,381,153	52,494,525	56,373,285	51,963,744	Parks, recreation, and cultural
1,936,673,334	1,878,460,936	1,843,611,090	1,769,700,781	1,744,248,387	Education
160,667,922	224,900,077	173,558,840	215,858,520	126,573,819	Capital outlay
					Debt service:
280,109,469	204,975,519	234,615,416	199,199,649	192,553,364	Principal retirement
137,140,834	132,973,357	127,353,770	122,995,432	111,835,136	Interest and other charges
4,647,693,992	4,547,552,639	4,455,301,766	4,335,644,325	4,134,703,064	Total expenditures
(260,660,018)	(334,365,764)	(396,558,852)	(464,595,072)	(315,419,519)	Deficiency of revenues under expenditures
					Other Financing Sources (Uses)
555,297,170	581,375,596	525,335,599	547,558,731	485,495,544	Transfers in
(581,266,174)	(587,133,301)	(536,354,136)	(551,771,067)	(485,707,880)	Transfers out
257,188,745	480,886,115	298,776,517	434,761,982	449,668,535	Bonds issued
311,478,707	108,080,978	171,151,301	297,015,139	50,968,368	Refunding bonds issued
(270,710,041)	(107,703,910)	(145,945,515)	(295,465,222)	(50,785,617)	Payments to escrow agent
48,951,647	47,574,292	-	-	6,535,000	Capital leases, installment purchases, and other
320,940,054	523,079,770	312,963,766	432,099,563	456,173,950	Total other financing sources, net
-	-	4,200,000	3,499,567	3,499,567	Special Item
60,280,036	188,714,006	(79,395,086)	(28,995,942)	144,253,998	Net change in fund balances
9.3%	7.8%	8.5%	7.8%	7.6%	Debt service as a percentage of noncapital expenditures

2.0 - R 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⁾
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
2013	148,296,431	51,966,913	875,704	201,139,048	15,564,645	1.075
2012	146,877,992	47,040,882	839,163	194,758,037	14,689,068	1.070
2011	142,995,627	44,784,450	859,782	188,639,859	13,707,594	1.090

Source: Fairfax County Department of Tax Administration

Notes:

- (1) Assessed value is the estimated actual value of taxable property and is shown for each period for which taxes are levied. Residential and Commercial properties are assessed as of January 1 and the properties of Public Service Corporations are assessed in October each year at the estimated fair market value of all land and improvements, with the resulting taxes being payable in the subsequent fiscal year.
- (2) Rates are per \$100 of assessed value, which is determined as of January 1 of the prior calendar year.

COUNTY OF FAIRFAX, VA

TABLE 2.2 - Direct and Overlapping Real Property Tax Rates ⁽¹⁾
Last Ten Fiscal Years

Fiscal Year	County Direct Rate ⁽²⁾	Overlapping Rates ⁽³⁾	
		Town of Herndon	Town of Vienna
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
2013	1.075	0.265	0.2421
2012	1.070	0.270	0.2420
2011	1.090	0.280	0.2450

Sources: Fairfax County Department of Tax Administration; Town of Herndon; Town of Vienna

Notes:

- (1) Rates are per \$100 of assessed value, which is determined as of January 1 of the prior calendar year.
- (2) Virginia law limits the annual tax increase to 2% unless public hearings are held. The County Board of Supervisors holds public hearings annually in conjunction with the budget process.
- (3) These overlapping rates only apply to property owners within these Towns, which lie entirely within the County.

COUNTY OF FAIRFAX, VA

TABLE 2.3 - Principal Real Property Taxpayers
Current Year and Nine Years Ago

Fiscal Year 2020			
Rank	Taxpayer	Taxable Assessed Value ⁽¹⁾	Pct. of Total Taxable Assessed Value ⁽²⁾
1	Tyson's Corner Property Holdings LLC	\$ 1,662,804,320	0.65 %
2	Capital One Bank	744,638,540	0.29
3	PR Springfield Town Center LLC	476,869,560	0.19
4	Fairfax Company of Virginia LLC	462,003,510	0.18
5	PS Business Parks LP	404,361,100	0.16
6	U S Bank National Association	381,499,850	0.15
7	Camden Summit Partnership LP	370,830,000	0.15
8	Reston Town Center Property LLC	369,226,590	0.14
9	Tyson's Galleria LLC	364,988,930	0.14
10	Federal Home Loan Mortgage Company	353,567,330	0.14
Totals		<u>\$ 5,590,789,730</u>	<u>2.19 %</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 2020 is \$255,191,954,950. Assessment excludes Public Service Corporations.
Total taxable assessed value for fiscal year 2011 is \$187,780,076,910. Assessment excludes 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		
2020	\$ 2,911,713,956	2,903,982,237	99.73 %	-	2,911,713,956
2019	2,810,924,242	2,803,550,146	99.74	(1,306,812)	2,809,617,430
2018	2,665,889,198	2,657,434,969	99.68	(1,044,051)	2,664,845,147
2017	2,614,861,824	2,607,565,912	99.72	(1,494,949)	2,613,366,875
2016	2,450,462,549	2,443,167,137	99.70	(1,497,957)	2,448,964,592
2015	2,367,484,875	2,360,588,850	99.71	(1,603,999)	2,365,880,876
2014	2,226,943,153	2,220,155,139	99.70	(1,491,230)	2,225,451,923
2013	2,132,072,324	2,124,865,909	99.66	(1,797,046)	2,130,275,278
2012	2,055,354,905	2,048,202,774	99.65	(1,445,099)	2,053,909,806
2011	2,024,903,008	2,017,592,586	99.64	(1,150,173)	2,023,752,835

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. FY2020, taxes are levied for calendar year 2019.

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

Fiscal Year 2011			
Rank	Taxpayer	Taxable Assessed Value ⁽¹⁾	Pct. of Total Taxable Assessed Value ⁽²⁾
1	Tyson's Corner Property Holdings LLC	\$ 1,012,437,860	0.54 %
2	CESC Skyline LLC	550,737,670	0.29
3	West Group Properties LLC	309,686,520	0.16
4	Fairfax Company of Virginia LLC	273,932,200	0.15
5	Reston Town Center	257,979,330	0.14
6	Washington Gas Light Company	254,210,859	0.14
7	Brandywine Acquisition Partners LP	251,006,950	0.13
8	SRI Seven Fair Lakes LLC	245,283,710	0.13
9	Summit Properties Partnership LP	228,521,370	0.12
10	West Mac Associates	213,567,660	0.11
Totals		\$ 3,597,364,129	1.91 %

Collections in Subsequent Years	Total Collections to Date	
	Amount	Pct. of Adjusted Levy ⁽³⁾
-	2,903,982,237	99.73 %
4,073,494	2,807,623,640	99.93
6,225,014	2,663,659,983	99.96
5,354,348	2,612,920,260	99.98
5,581,662	2,448,748,799	99.99
5,185,856	2,365,774,706	100.00
5,219,228	2,225,374,367	100.00
5,327,193	2,130,193,102	100.00
5,660,563	2,053,863,337	100.00
6,120,278	2,023,712,864	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.

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 ⁽¹⁾				
	General Obligation Bonds (000s)	Revenue Bonds		Notes (000s)	Capital Leases (000s)
		Revenue- Backed Bonds ⁽⁵⁾ (000s)	Lease Revenue Bonds ^{(2) (5)} (000s)		
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
2013	2,226,884	420,949	348,712	32,713	3,478
2012	2,017,435	-	716,700	35,433	11,234
2011	1,996,210	-	557,841	38,258	15,025

Source: Fairfax County Department of Finance

Notes:

- (1) Prior to fiscal year 2013, amounts for bonds are reported net, excluding premiums and/or discounts and deferred amounts on refundings. See Note J in Notes to the Financial Statements for additional information regarding the County's outstanding debt.
- (2) Lease revenue bonds have been issued by County component units, using receipt of lease payments as the revenue source. All outstanding lease revenue bonds have been identified as conduit debt of the county and the associated lease payments are made using general government resources.
- (3) See Table 4.1 for personal income data. The percentage is calculated using personal income data for the prior calendar year.
- (4) See Table 4.1 for population data. The ratio is calculated using population data for the prior calendar year.
- (5) In fiscal years 2011 and 2012, the revenue-backed and lease revenue bonds were consolidated in lease revenue bonds. The outstanding debt for revenue-backed bonds in fiscal years 2011 and 2012 are \$252,685 and \$364,595, respectively. The two types of bonds are reported separately starting in fiscal year 2013.

HUD Section 108 Loan (000s)	Business-type Activities ⁽¹⁾	Total Primary Government (000s)	Pct. of Personal Income ⁽³⁾	Debt Per Capita ⁽⁴⁾
	Revenue Bonds (000s)			
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
11,493	666,477	3,710,706	5.168	3,558
12,155	552,254	3,345,211	4.627	3,104
12,466	565,100	3,184,900	4.388	2,944

COUNTY OF FAIRFAX, VA

**TABLE 3.2 - Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years**

Fiscal Year	General Bonded Debt Outstanding ⁽¹⁾				
	General Obligation Bonds (000s)	Lease Revenue Bonds ⁽²⁾⁽⁵⁾ (000s)	Total (000s)	Pct. of Actual Taxable Value of Real Property ⁽³⁾	Debt Per Capita ⁽⁴⁾
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
2013	2,226,884	348,712	2,575,596	1.28	2,303
2012	2,017,435	716,700	2,734,135	1.40	2,484
2011	1,996,210	557,841	2,554,051	1.35	2,361

Source: Fairfax County Department of Finance

Notes:

- ⁽¹⁾ Prior to fiscal year 2013, amounts for bonds are reported net, excluding premiums and/or discounts and deferred amounts on refundings. See Note J in Notes to the Financial Statements for additional information regarding the County's outstanding debt.
- ⁽²⁾ Lease revenue bonds have been issued by County component units, using receipt of lease payments as the revenue source. All outstanding lease revenue bonds have been identified as conduit debt of the County and the associated lease payments are made using general government resources.
- ⁽³⁾ See Table 2.1 for actual taxable value of real property data. This percentage is calculated using values for each fiscal year for which levied.
- ⁽⁴⁾ See Table 4.1 for population data. This ratio is calculated using population for the prior calendar year.
- In fiscal years 2011 and 2012, the revenue-backed and lease revenue bonds were consolidated in lease revenue bonds. The outstanding debt for revenue-backed bonds in fiscal years 2011 and 2012 are \$252,685 and \$364,595, respectively. The two types of bonds are reported separately starting in fiscal year 2013.

COUNTY OF FAIRFAX, VA
TABLE 3.3 - Direct and Overlapping Governmental Activities Debt
As of June 30, 2020

	Debt Outstanding (000s)	Percentage Applicable ⁽²⁾	Share of Overlapping Debt (000s) ⁽¹⁾
<i>Overlapping debt:</i>			
Town of Herndon			
General obligation bonds	\$ 19,766	100.0 %	\$ 19,766
Total overlapping debt, Town of Herndon			19,766
Town of Vienna			
General obligation bonds	60,957	100.0	60,957
Total overlapping debt, Town of Vienna			60,957
Total overlapping debt			80,723
<i>County direct debt: ⁽³⁾</i>			
General obligation bonds			2,503,048
Revenue-Backed bonds			392,665
Lease Revenue bonds			384,497
Notes			439,073
Capital leases			7,526
HUD Section 108 loans			4,013
Total direct debt			3,730,822
Total direct and overlapping debt			\$ 3,811,545

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

Notes:

- (1) Amounts for bonds are reported net of premiums and/or discounts.
- (2) The percentage of overlapping debt applicable is determined using taxable assessed property values. The Towns of Herndon and Vienna are situated entirely within the geographic boundaries of the County, and their residents and businesses bear the governmental activities debt burdens of both the County and their respective Towns.
- (3) The County's direct debt is also presented in Table 3.1.

COUNTY OF FAIRFAX, VA
TABLE 3.4 - Self-Imposed Debt Margin Information
Last Ten Fiscal Years

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) the annual debt service should not exceed ten percent of the annual general fund expenditures and transfers out, excluding capital leases and installment purchases in the year initiated. Relevant information pertaining to these self-imposed debt margins is provided below.

		Fiscal Year (000s)				
		2020	2019	2018	2017	2016
(a) Debt limit ⁽²⁾	\$	8,244,479	7,955,879	7,687,822	7,551,723	7,331,913
Total debt applicable to limit ⁽³⁾		2,887,545	2,889,935	2,918,416	2,895,516	2,875,166
Self-imposed debt margin	\$	5,356,934	5,065,944	4,769,406	4,656,207	4,456,747
Total debt applicable to limit as a percentage of debt limit		35.02%	36.32%	37.96%	38.34%	39.21%
Total debt applicable to limit as a percentage of assessed value		1.05%	1.09%	1.14%	1.15%	1.18%
<i>Debt Margin Calculation for Fiscal Year 2020:</i>						
Assessed value ⁽²⁾	\$	274,815,955				
Debt limit (3% of assessed value)		8,244,479				
Debt applicable to limit: ⁽³⁾						
General obligation bonds ⁽¹⁾		2,503,048				
Lease Revenue bonds ⁽¹⁾		384,497				
Total debt applicable to limit		2,887,545				
Self-imposed debt margin	\$	5,356,934				
		Fiscal Year (000s)				
		2020	2019	2018	2017	2016
(b) Debt service limit	\$	444,986	430,048	411,255	400,584	386,066
Total debt service requirements applicable to limit ⁽⁴⁾		332,257	345,310	337,077	313,389	323,859
Self-imposed debt service margin	\$	112,729	84,738	74,178	87,195	62,207
Total debt service requirements applicable to limit as a percentage of the debt service limit		74.67%	80.30%	81.96%	78.23%	83.89%
Total debt service requirements applicable to limit as a percentage of annual General Fund expenditures and transfers out		7.47%	8.03%	8.20%	7.82%	8.39%

Source: Fairfax County Department of Finance

Notes:

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

⁽²⁾ See Table 2.1 for assessed taxable value of real property data. The amounts used to determine debt limits include values for each period for which levied and include both real and personal property.

⁽³⁾ See Table 3.2 for debt applicable to limit amounts.

⁽⁴⁾ Debt service requirements exclude "bond issuance costs and other" expenditures recorded in the debt service funds and payments to refunded escrow agent (current refundings) of \$121.38 million in 2020, \$30.74 million in FY2019, \$154.54 million in FY 2016, and \$39.58 million in FY2015.

Fiscal Year (000s)					
2015	2014	2013	2012	2011	
7,092,110	6,731,089	6,513,757	6,320,578	6,108,656	Debt limit ⁽²⁾
2,863,139	2,832,532	2,575,596	2,734,135	2,554,051	Total debt applicable to limit ⁽³⁾
4,228,971	3,898,557	3,938,161	3,586,443	3,554,605	Self-imposed debt margin
40.37%	42.08%	39.54%	43.26%	41.81%	Total debt applicable to limit as a percentage of debt limit
1.19%	1.26%	1.19%	1.30%	1.25%	Total debt applicable to limit as a percentage of assessed value

Fiscal Year (000s)					
2015	2014	2013	2012	2011	
372,962	363,784	353,329	341,854	334,490	Debt service limit
313,969	295,451	289,714	288,302	285,551	Total debt service requirements applicable to limit ⁽⁴⁾
58,993	68,333	63,615	53,552	48,939	Self-imposed debt service margin
84.18%	81.22%	82.00%	84.33%	85.37%	Total debt service requirements applicable to limit as a percentage of the debt service limit
8.42%	8.12%	8.20%	8.43%	8.54%	Total debt service requirements applicable to limit as a percentage of annual General Fund expenditures and transfers

COUNTY OF FAIRFAX, VA

**TABLE 3.5 - Pledged Revenue Coverage for the Integrated Sewer System
Last Ten Fiscal Years**

Fiscal Year	Gross ⁽¹⁾		Operating ⁽²⁾	Net Available	Debt Service ⁽³⁾			Coverage
	Revenues	Expenses			Principal	Interest	Total	
	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	
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	
2013	195,628	86,441	109,187	17,217	27,091	44,308	2.46	
2012	189,447	85,455	103,992	16,445	25,418	41,863	2.48	
2011	155,218	84,757	70,461	15,797	25,436	41,233	1.71	

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 fixed 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 Sewage Authority.

4.0 - Demographic and economic information is intended to assist users in understanding the socioeconomic environment within which a government operates and to provide information that facilitates comparisons of financial statement information over time and among governments. There are two tables presented in this section.

COUNTY OF FAIRFAX, VA

**TABLE 4.1 - Demographic and Economic Statistics
Last Ten Calendar Years**

Calendar Year	Population ⁽¹⁾	Personal Income ⁽²⁾ (000s)	Per Capita Personal Income ⁽²⁾	Median Age ⁽³⁾ (yrs)	Pct. of People ≥ 25 Years Old with a Bachelor's Degree ⁽³⁾	Public School Enrollment ⁽⁴⁾	Unemployment Rate ⁽⁵⁾
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
2012	1,118,602	77,012,392	68,847	37.6	59.3	177,918	4.4
2011	1,100,692	71,145,429	64,637	37.6	58.0	174,933	4.7
2010	1,081,726	72,577,324	67,094	37.5	56.1	172,391	5.1

Notes:

- (1) Population data is obtained from 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 2019 is estimated using percent change in per capita personal income from 2018.
- (3) Median age and educational attainment information are obtained from the U.S. Census Bureau's American Fact Finder.
- (4) Public school enrollment is obtained from Fairfax County Public Schools.
- (5) Unemployment rates are obtained from the Virginia Employment Commission, Annual Unemployment Statistics for the calendar year, not seasonally adjusted.

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

Employer	Fiscal Year 2020 ⁽¹⁾			Fiscal Year 2011 ⁽¹⁾		
	Number of Employees	Rank	Pct. of Total County Employment ⁽³⁾	Number of Employees ⁽²⁾	Rank	Pct. of Total County Employment ⁽³⁾
Fairfax County Public Schools	25,041	1	3.90 %	22,939	1	3.98 %
Federal Government	24,304	2	3.78	22,648	2	3.93
Fairfax County Government	12,224	3	1.90	11,871	3	2.06
Inova Health System	10,000-11,000	4	1.63	7,000-10,000	5	1.47
George Mason University	5,000-9,999	5	1.17	4,000-6,999	8	0.95
Booz-Allen Hamilton	5,000-9,999	6	1.17	7,000-10,000	4	1.47
Amazon	5,000-9,999	7	1.17			
Federal Home Loan Mortgage	5,000-9,999	8	1.17	4,000-6,999	7	0.95
Science Applications International Corporation ⁽⁴⁾	5,000-9,999	9	1.17	4,000-6,999	6	0.95
Capital One	5,000-9,999	10	1.17			
Northrup Grumman				4,000-6,999	9	0.95
Mitre				1,000-3,999	10	0.43
			<u>18.23 %</u>			<u>17.14 %</u>

Notes:

- (1) Employment information for fiscal year 2020, excluding data for Fairfax County Government and Fairfax County Public Schools, is from the 1st quarter of calendar year 2019 VEC and Fairfax County's Economic Development Authority. Employment information for fiscal year 2010 is as was presented 2010 Fairfax County CAFR.
- (2) Employment estimates for separate facilities of the same firm have been combined to create company totals. Employment ranges for the private sector are given to ensure confidentiality.
- (3) Percentages are based on the midpoint of the employment range. Average total County employment for fiscal year 2020 is estimated at 642,672 based on Virginia Employment Commission. Average total County employment for fiscal year 2011 was estimated at 576,746.
- (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				
	2020	2019*	2018*	2017*	2016
<u>Primary Government:</u>					
General government administration	1,237.0	1,227.0	1,201.0	1,190.0	2,259.0
Judicial administration	378.0	360.0	362.0	377.0	398.0
Public safety	4,429.0	4,437.0	4,367.0	4,385.0	4,398.0
Public works	1,063.0	1,043.0	1,066.0	1,069.0	551.0
Health and welfare	3,510.0	3,550.0	3,526.0	3,366.0	3,464.0
Community development	531.0	514.0	543.0	524.0	529.0
Parks, recreation, and cultural	470.0	307.0	307.0	470.0	736.0
Total	11,618.0	11,438.0	11,372.0	11,381.0	12,335.0
<u>Component Units:</u>					
<i>Public Schools:</i>					
Education	25,041.0	24,936.0	24,715.0	24,688.0	24,581.0
<i>Redevelopment and Housing Authority:</i>					
Community development	189.0	172.0	187.0	196.0	226.0
<i>Park Authority:</i>					
Parks, recreation, and cultural	417.0	424.0	437.0	447.0	582.0

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
2015	2014	2013	2012	2011	
					<u>Primary Government:</u>
2,258.0	2,251.0	2,254.0	2,257.0	1,362.0	General government administration
394.0	391.0	392.0	390.0	386.0	Judicial administration
4,390.0	4,318.0	4,330.0	4,335.0	4,256.0	Public safety
538.0	520.0	511.0	481.0	972.0	Public works
3,475.0	3,490.0	3,571.0	3,571.0	2,976.0	Health and welfare
516.0	513.0	481.0	491.0	666.0	Community development
755.0	757.0	763.0	753.0	422.0	Parks, recreation, and cultural
<u>12,326.0</u>	<u>12,240.0</u>	<u>12,302.0</u>	<u>12,278.0</u>	<u>11,040.0</u>	Total
					<u>Component Units:</u>
					<i>Public Schools:</i>
24,181.0	24,590.0	24,232.0	23,534.0	22,938.8	Education
					<i>Redevelopment and Housing Authority:</i>
233.0	233.0	230.0	230.0	228.0	Community development
					<i>Park Authority:</i>
595.0	600.0	598.0	605.0	603.0	Parks, recreation, and cultural

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

Function/Program	Fiscal Year				
	2020	2019	2018	2017	2016
Primary Government:					
<i>General government administration:</i>					
Real property parcels assessed	349,958	360,579	360,954	360,617	360,495
Personal property vehicles assessed	993,452	994,469	994,746	986,610	980,114
Businesses licensed	48,561	49,071	49,071	49,408	49,309
Best qualified job applicants forwarded to departments	15,687	17,307	15,544	16,806	17,177
<i>Judicial administration:</i>					
Cases filed in General District Court	255,752	315,048	297,213	302,665	310,879
Booking transactions	28,042	34,599	36,435	36,820	37,537
General District Court probation program new adult enrollment	651	1,036	1,290	1,091	1,127
<i>Public safety:</i>					
Police:					
Recruits graduating					
Criminal Justice Academy ⁽³⁾	67	54	72	72	104
Total cases assigned ⁽⁴⁾	2,625	2,854	4,181	30	6,725
Total cases cleared ⁽⁴⁾	1,354	1,940	3,545	2,329	2,141
Parking tickets issued	43,276	52,783	52,111	46,886	45,775
Sheriff:					
Court cases heard annually	249,063	436,666	474,377	499,583	451,837
Average daily Adult Detention Center inmate population	689	964	994	1,029	1,038
Fire and rescue:					
Fire investigations conducted	291	287	264	335	350
Fire inspection activities conducted	23,936	20,206	16,659	19,981	20,520
EMS incidents	75,055	76,877	75,123	75,019	72,037
Animals impounded	3,858	4,467	4,416	4,311	4,354
<i>Public works:</i>					
Gross square feet of facilities maintained	11,764,583	11,764,583	11,105,648	10,838,046	10,799,658
Tons of County waste disposed	694,634	753,625	731,706	735,287	727,734
Total tons recycled	422,286	494,553	494,734	611,171	520,628
Total average daily wastewater flow treated (million gallons)	96.1	98.8	95.8	90.5	96.2
<i>Health and welfare:</i>					
Persons served through Community Services Board programs: ⁽¹⁾					
Mental Health Services	6,932	7,348	6,803	6,748	6,884
Substance Abuse Services	1,529	1,568	1,523	1,600	1,658
Developmental Services	2,479	2,348	2,231	2,104	1,969
Infant Toddler Connection	3,660	4,132	3,889	3,642	3,559
Emergency and Ancillary Services	17,707	18,770	17,749	16,587	15,154
Home and Congregate Meals for Older Adults ⁽⁵⁾	539,776	504,447	512,881	519,959	468,022
Food Stamp applications (SNAP)	21,568	17,924	19,576	21,260	18,469
Medicaid/FAMIS Applications	48,516	43,719	32,544	35,061	39,361
Child immunization vaccines given at clinics	30,642	31,816	28,277	37,659	31,559

Fiscal Year					Function/Program
2015	2014	2013	2012	2011	
Primary Government:					
General government administration:					
359,265	359,099	358,555	358,489	357,943	Real property parcels assessed
979,836	979,424	970,361	963,595	956,528	Personal property vehicles assessed
49,063	48,202	47,454	46,919	46,597	Businesses licensed
17,374	15,577	21,828	22,466	20,563	Best qualified job applicants forwarded to departments
Judicial administration:					
316,727	313,055	310,883	313,369	328,580	Cases filed in General District Court
40,248	43,543	43,857	42,290	48,569	Booking transactions
1,168	1,252	1,286	755	1,353	General District Court probation program new adult enrollment
Public safety:					
Police:					
					Recruits graduating
72	49	31	28	42	Criminal Justice Academy ⁽³⁾
9,166	11,559	12,686	12,549	12,661	Total cases assigned ⁽⁴⁾
3,590	4,742	5,722	5,234	4,339	Total cases cleared ⁽⁴⁾
48,645	59,097	52,182	58,550	61,252	Parking tickets issued
Sheriff:					
420,081	510,857	490,492	478,726	451,744	Court cases heard annually
1,062	1,228	1,220	1,257	1,226	Average daily Adult Detention Center inmate population
Fire and rescue:					
386	283	329	260	306	Fire investigations conducted
20,943	21,920	18,024	17,917	19,251	Fire inspection activities conducted
69,486	66,550	67,243	67,073	64,066	EMS incidents
4,553	4,090	3,228	4,323	4,365	Animals impounded
Public works:					
10,652,102	8,590,360	8,688,860	8,613,111	8,532,386	Gross square feet of facilities maintained
709,936	700,170	724,606	796,472	789,721	Tons of County waste disposed
484,783	518,575	647,456	571,116	472,646	Total tons recycled
102.9	104.2	98	102.7	100	Total average daily wastewater flow treated (million gallons)
Health and welfare:					
Persons served through Community Services Board programs: ⁽¹⁾					
7,082	6,619	6,874	6,736	12,390	Intellectual Disability Services (IDS)
2,406	2,602	2,944	3,281	5,153	Alcohol and drug services
1,901	1,910	1,645	2,087	2,319	Intellectual disability
3,372	3,164	2,975	2,803	2,801	Infant Toddler Connection
14,245	13,442	13,248	11,549	-	Emergency and Ancillary Services
433,170	443,865	451,945	479,555	504,093	Home and Congregate Meals for Older Adults ⁽⁵⁾
18,466	17,416	18,725	17,604	17,593	Food Stamp applications (SNAP)
31,609	17,472	22,161	20,544	19,711	Medicaid/FAMIS applications
34,417	30,590	27,849	29,365	31,152	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				
	2020	2019	2018	2017	2016
<i>Community development:</i>					
Building inspections	181,749	168,008	159,090	158,289	153,055
Building permits issued	64,464	66,421	63,224	59,814	57,972
Zoning permits processed	16,011	17,275	19,459	19,990	21,513
Fairfax Connector bus passengers	6,783,112	8,334,616	8,312,983	8,631,906	8,984,180
<i>Parks, recreation, and cultural:</i>					
Senior Center attendance	269,535	380,355	361,908	361,270	302,637
Teen Center attendance	64,992	67,104	70,486	74,401	81,975
Community Center attendance	301,374	349,204	330,152	327,950	330,782
Library visits	3,143,196	4,578,666	4,532,886	4,633,327	4,727,927
Circulation of all library materials	8,916,842	10,968,477	11,175,980	11,405,157	12,042,565
<u>Component Units:</u>					
<i>Public Schools:</i>					
Combined SAT scores ⁽⁶⁾	1,211	1,218	1,213	1,187	1,672
Number of lunches served daily	81,137	80,473	80,374	80,660	82,168
Number of breakfasts served daily	29,099	29,506	26,591	22,261	20,102
Student enrollment	188,355	187,474	188,403	187,484	185,979
Special education enrollment	27,644	27,107	25,779	25,697	25,740
ESOL enrollment	36,325	35,541	27,572	27,896	31,120
<i>Redevelopment and Housing Authority:</i>					
Residents housed through subsidized rental programs:					
Federal Public Housing ⁽⁷⁾	-	-	-	2,651	2,762
Federal Housing Choice Vouchers ⁽⁷⁾	12,241	12,809	12,380	9,541	9,917
County Rental Program-multifamily and seniors	6,665	6,110	6,198	5,789	6,034
Homes sold in First-Time Homebuyer Program	43	31	27	10	18
<i>Park Authority:</i>					
REC Center attendance	1,307,811	1,646,581	1,756,187	1,837,807	1,851,595
Golf course rounds	231,054	226,602	235,287	259,094	268,801
Visits to natural, cultural, historic and interpretive sites ⁽²⁾	1,125,462	1,609,067	1,798,157	1,997,855	1,813,942
Class, camp, and program participation	241,627	270,003	170,206	176,561	175,701

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

Notes:

- (1) In FY2012, the Virginia Department of Behavioral Health and Developmental Services revised reporting requirements related to individuals served. Prior to FY2012, individuals who received emergency and ancillary services were primarily reported as being served in mental health, substance abuse or developmental services. Individuals served reflects duplicated count as individuals may be served in more than one program area.
- (2) Prior to FY2014, the visitor numbers included only counted attendance for program visitation and outreach.
- (3) The increase in recruits graduating in FY2015 is due to increased academy class size and number of classes.
- (4) The data reflects cases assigned for further investigation and assigned cases closed or cleared.□
- (5) In FY17 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.
- (6) 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.
- (7) 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 Voucher.

Fiscal Year					Function/Program
2015	2014	2013	2012	2011	
Community development:					
156,331	148,587	150,877	136,532	131,236	Building inspections
59,471	59,956	59,714	54,138	52,450	Building permits issued
19,223	19,163	17,982	15,000	15,768	Zoning permits processed
9,764,166	10,655,021	10,650,401	10,895,833	10,283,313	Fairfax Connector bus passengers
Parks, recreation, and cultural:					
296,883	277,342	284,392	260,943	258,359	Senior Center attendance
94,142	92,895	84,180	97,913	95,993	Teen Center attendance
308,143	269,279	264,144	224,163	219,768	Community Center attendance
4,814,043	4,990,860	5,221,226	5,246,854	5,439,426	Library visits
12,095,926	12,881,013	13,091,690	13,034,816	13,241,259	Circulation of all library materials
Component Units:					
Public Schools:					
1,669	1,668	1,663	1,659	1,654	Combined SAT scores ⁽⁶⁾
81,526	83,355	85,006	86,703	85,154	Number of lunches served daily
19,193	19,090	17,171	15,400	12,825	Number of breakfasts served daily
185,914	183,895	181,259	177,918	174,933	Student enrollment
25,490	25,358	25,114	24,807	24,489	Special education enrollment
31,104	31,204	28,090	27,944	22,650	ESOL enrollment
Redevelopment and Housing Authority:					
Residents housed through subsidized rental programs:					
2,637	2,701	2,789	2,818	2,839	Federal Public Housing ⁽⁷⁾
9,327	9,530	9,636	9,317	9,103	Federal Housing Choice Vouchers ⁽⁷⁾
6,223	6,202	6,224	6,166	6,006	County Rental Program-multifamily and seniors
15	27	42	32	51	Homes sold in First-Time Homebuyer Program
Park Authority:					
1,817,882	1,796,905	1,919,684	2,006,294	1,988,830	REC Center attendance
259,313	268,151	276,759	294,828	281,930	Golf course rounds
1,601,690	1,324,432	791,038	881,510	723,351	Visits to natural, cultural, historic and interpretive sites ⁽²⁾
179,575	178,861	180,336	176,240	166,430	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				
	2020	2019	2018	2017	2016
Primary Government:					
<i>General government administration:</i>					
Government office buildings (square feet)	2,018,300	2,028,977	2,017,255	1,739,631	2,706,311
Vehicle maintenance facilities	3	3	3	3	3
<i>Judicial administration:</i>					
Correctional facilities (inmate capacity)	1,260	1,260	1,260	1,260	1,371
Courtrooms	44	44	44	44	44
<i>Public safety:</i>					
<i>Police:</i>					
Stations	8	8	8	8	8
Vehicles	1,495	1,476	1,467	1,456	1,441
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	31	30	30	30	30
Volunteer fire and rescue stations	7	8	8	8	8
Combination stations	2	2	2	4	4
Vehicles	505	505	505	502	502
Boats	1	1	2	2	2
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	3,243	3,249	3,247	3,242	3,430
Sewer pumping stations	63	63	63	61	59
Refuse collection, recycling, and disposal vehicles	223	229	229	229	229
Miles of stormwater drainage lines	1,561	1,679	1,668	1,662	1,653
Stormwater retention ponds	1,509	1,497	1,471	1,456	1,440
Landfills and transfer stations	3	3	3	3	3
<i>Health and welfare:</i>					
Health-related clinics	5	5	8	8	8
Shelters	6	6	6	6	6
Community Services Board Centers	7	7	7	7	7
<i>Community development:</i>					
Community centers	8	8	8	8	8
Bus shelters	473	463	421	534	563
Transit centers and park & ride lots	55	55	46	46	43
Fairfax Connector buses	325	313	309	302	302
<i>Parks, recreation, and cultural:</i>					
Libraries	23	23	23	23	23
Multi-Cultural centers	1	1	1	1	1
Trails and walkways (miles)	727	716	711	694	689

Fiscal Year					Function/Program
2015	2014	2013	2012	2011	
Primary Government:					
General government administration:					
3,191,961	3,763,174	3,621,104	3,605,182	3,792,927	Government office buildings (square feet)
3	3	3	4	4	Vehicle maintenance facilities
Judicial administration:					
1,260	1,157	1,220	1,257	1,260	Correctional facilities (inmate capacity)
44	44	44	44	40	Courtrooms
Public safety:					
Police:					
8	8	8	8	8	Stations
1,498	1,491	1,486	1,263	1,255	Vehicles
2	2	2	2	2	Helicopters
240	240	240	240	240	Criminal justice academy (trainee capacity)
Fire and rescue:					
30	29	29	28	28	County-operated fire and rescue stations
8	9	9	9	9	Volunteer fire and rescue stations
4	4	4	4	4	Combination stations
502	502	502	495	496	Vehicles
2	2	2	4	2	Boats
186	186	186	186	186	Training facilities (trainee capacity)
153	153	137	158	134	Animal shelters (animal capacity)
Public works:					
3,425	3,420	3,412	3,398	3,390	Miles of sanitary sewer lines
59	59	59	65	65	Sewer pumping stations
239	244	263	264	264	Refuse collection, recycling, and disposal vehicles
1,641	1,633	1,621	1,607	1,593	Miles of stormwater drainage lines
1,425	1,414	1,396	1,373	1,349	Stormwater retention ponds
3	3	3	3	3	Landfills and transfer stations
Health and welfare:					
8	8	8	8	5	Health-related clinics
6	6	6	6	6	Shelters
7	10	10	10	10	Community Services Board centers
Community development:					
7	7	7	7	7	Community centers
557	410	375	350	194	Bus shelters
47	36	36	38	45	Transit centers and park & ride lots
284	278	278	254	271	Fairfax Connector buses
Parks, recreation, and cultural:					
23	23	23	23	23	Libraries
1	1	1	2	2	Community centers
677	664	656	649	645	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				
	2020	2019	2018	2017	2016
<u>Component Units:</u>					
<i>Public Schools:</i>					
Elementary schools	141	141	141	141	139
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	1,509	1,547	1,478	1,471	1,467
Senior Housing Program	476	476	476	476	476
Partnership Program	760	760	699	695	690
<i>Park Authority:</i>					
Acres of park land	23,595	23,550	23,513	23,418	23,372
Athletic fields	266	266	262	263	268
Trail miles	334	332	327	326	324
Play areas and tot lots	238	206	209	210	212
Tennis courts	258	257	254	254	254
Multi-use courts	128	124	131	120	124
Recreational centers	9	9	9	9	9
Golf courses	9	9	9	9	9
Historic sites	83	68	68	68	68
Nature/visitor centers	7	7	7	7	7
Marinas	3	3	3	3	3

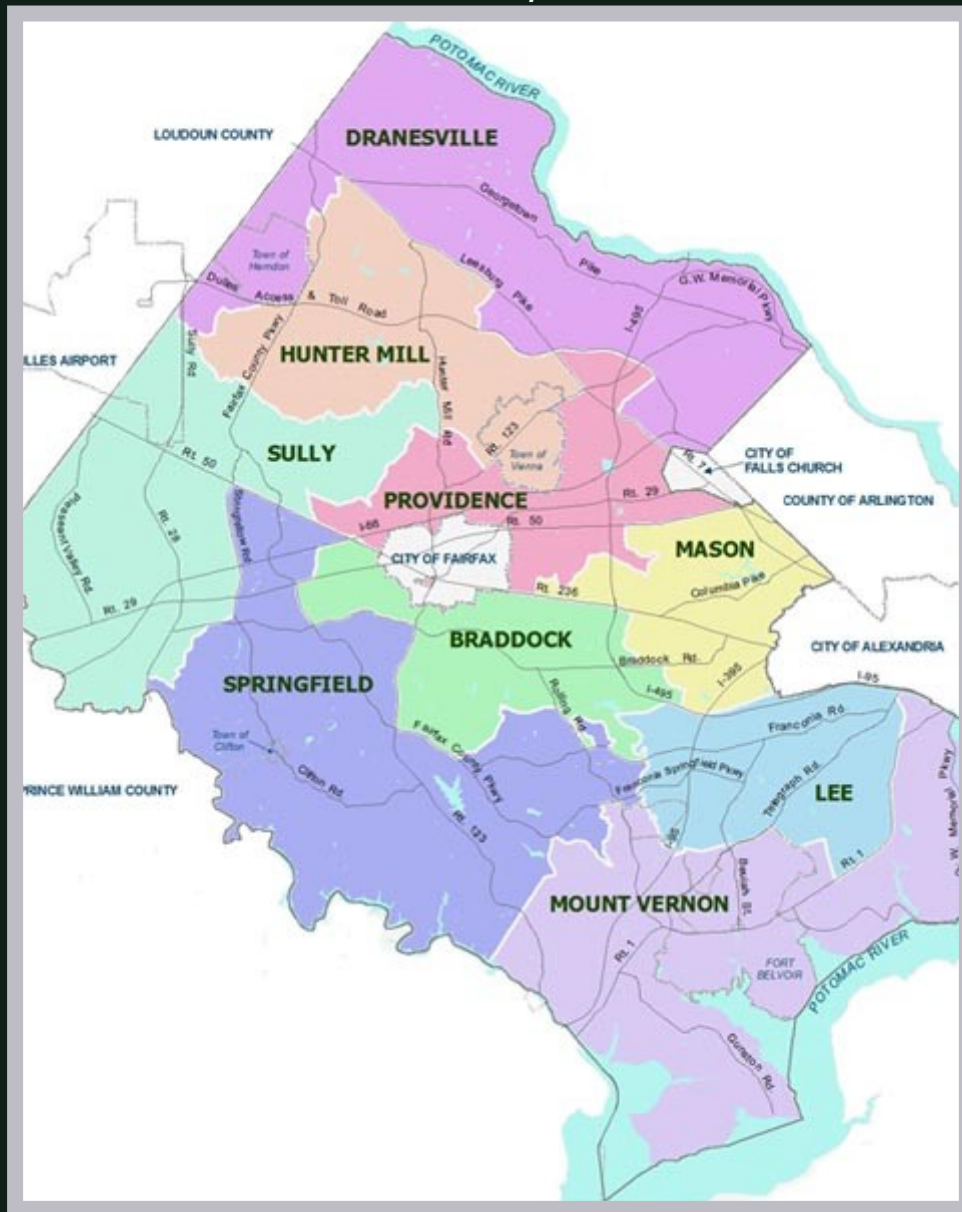
Sources: Fairfax County Department of Finance, Fairfax County Public Schools, Fairfax County Redevelopment and Housing Authority, Fairfax County Park Authority

Fiscal Year					Function/Program
2015	2014	2013	2012	2011	
<u>Component Units:</u>					
<i>Public Schools:</i>					
139	139	139	138	139	Elementary schools
23	23	23	22	22	Middle schools
25	25	25	25	25	High/secondary schools
7	7	7	7	8	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
1,458	1,456	1,420	1,420	1,420	County Rental Program
494	494	494	494	494	Senior Housing Program
779	779	779	779	779	Partnership Program
<i>Park Authority:</i>					
23,346	23,310	23,265	23,196	22,894	Acres of park land
268	272	272	274	273	Athletic fields
324	324	320	320	317	Trail miles
210	209	205	205	204	Play areas and tot lots
254	252	252	227	229	Tennis courts
124	124	124	132	132	Multi-use courts
9	9	9	9	9	Recreational centers
9	9	9	9	9	Golf courses
68	68	68	68	68	Historic sites
7	7	7	7	7	Nature/visitor centers
3	3	3	3	3	Marinas



The FY 2020 Comprehensive Annual Financial 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**



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

Special accommodations/alternative information formats will be provided upon request.
Call 703-324-3120, TTY 711