



County of Fairfax, Virginia

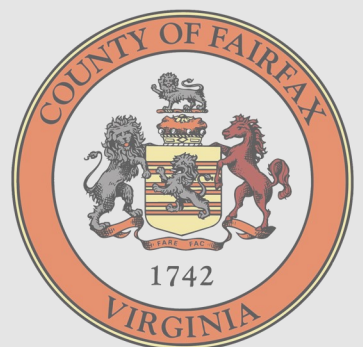
Annual Comprehensive Financial Report



For the Fiscal Year Ended June 30, 2021

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Fairfax County Government Center

Back Cover Photograph:
Fairfax County District Map



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2021



DEPARTMENT OF FINANCE

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COUNTY OF FAIRFAX, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2021

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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 16, 2021

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

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the County of Fairfax, Virginia (the County) for Fiscal Year (FY) 2021 (July 1, 2020 - June 30, 2021) in accordance with the Code of Virginia. The financial statements included in this report conform to generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB). Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the County management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the various funds and component units of the County. Extensive disclosures have been included to enable the reader to gain the maximum understanding of the County's financial and business affairs.

The following subjects are discussed in this letter:

- Economic Condition and Outlook;
- Major Initiatives and Accomplishments;
- About Fairfax County;
- Financial Information;
- Independent Audit;
- Awards; and
- Acknowledgements.

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

ECONOMIC CONDITION AND OUTLOOK

Fairfax County's Gross County Product, adjusted for inflation, decreased at a rate of 2.6 percent in calendar year (CY) 2020, following an estimated increase of 3.2 percent in CY 2019, according to economic forecasting conducted by IHS Markit Ltd. The County's economy shrank sharply during the first half of the year as national and local economies were partially shut down to reduce the spread of the novel coronavirus (COVID-19). During the latter half of the year, the economy gradually reopened, and growth resumed.

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As the COVID-19 pandemic wanes, and with continued fiscal support and low interest rates, growth is expected to accelerate in FY 2022. However, there are some potential risks to the forecast. The future course of Fairfax County's economic and revenue outlook is highly dependent upon the course of the virus and the path toward a more normal economic environment. The reopening of the economy, consumers' accumulated unspent savings, fiscal stimulus, and COVID-19 related supply constraints appear to have produced inflation in some key sectors. Compared to a year ago, the August Consumer Price Index increased 5.3 percent and Federal Reserve Board Chair Jerome Powell has acknowledged that the increase in the rate of inflation is less transitory than the Fed originally anticipated. The Federal Reserve has announced it expects to discontinue some of its extraordinary monetary support over the next year, but if inflation continues to run high, the Fed may have to increase interest rates sooner than expected to slow an overheated economy.

The Board of Supervisors (BOS) and County Executive have been very proactive and fiscally responsible in monitoring the County's revenue and economic outlook due to the uncertainty for FY 2022. For the second year in a row, a special Midyear Budget Review will be conducted to closely review the financial accounts and fiscal patterns. The impact of economic conditions on FY 2022 revenue will become more apparent in upcoming months after several months of actual FY 2022 collections have been received.

The Local Economy

Total employment in Fairfax County decreased a net of 30,587 jobs (4.9 percent) in CY 2020, as reported by the U.S. Bureau of Labor and Statistics. While job losses were spread across the economy, losses were concentrated in public facing sectors such as the Leisure and Hospitality sector, which includes restaurant and hotel positions, where the number of jobs fell by 27.1 percent for the year due to pandemic related closures. Other sectors such as Professional and Business Services, where employees were able to work from home, were much less impacted. In the Professional and Business Services sector, the total number of jobs fell by less than 1 percent for CY 2020.

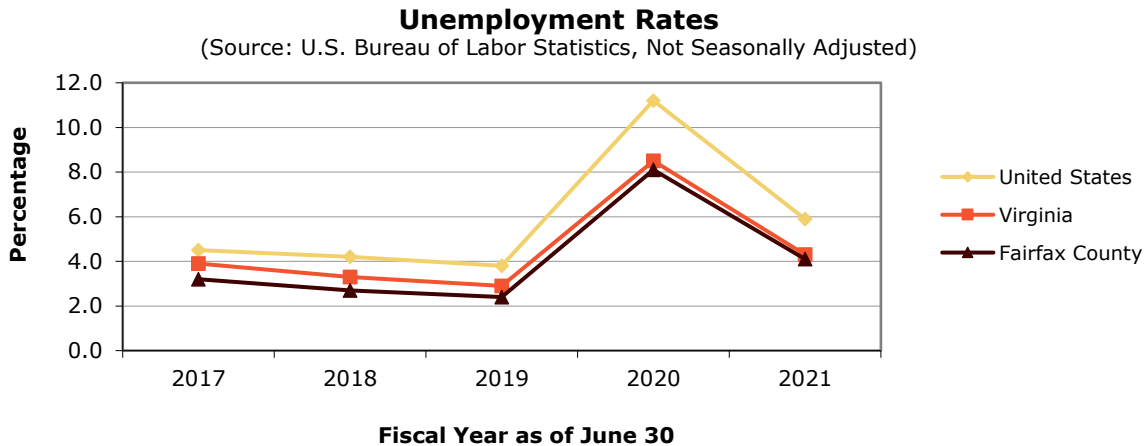
Because the economy of the Washington, D.C., region is knowledge-based, it is somewhat insulated from the supply-chain manufacturing disruptions affecting other regional economies. Business, Professional, and Occupational License (BPOL) and Sales Taxes are two revenue sources that are good indicators of economic activity in the County. In FY 2021, overall BPOL receipts decreased 1.5 percent from the previous year. Revenues in the combined Consultant and Business Service Occupations categories, which represent almost 45 percent of total BPOL receipts, increased by 4.3 percent. Due to pandemic related closures, the Retail category decreased 10.7 percent in FY 2021. FY 2021 Sales Tax receipts increased 5.1 percent, thanks to federal stimulus and the pandemic-related shift toward online spending.

For the commercial real estate market, office vacancy rates increased. According to the Fairfax County Economic Development Authority (FCEDA), the direct office vacancy rate increased for the first time in six years, from 13.9 percent in CY 2019 to 14.6 percent as of the end of CY 2020.

Based on information from Bright MLS, the average sales price of homes in Fairfax County rose 8.4 percent in CY 2020. Home prices continue to increase primarily because of a tight inventory of homes for sale and unprecedentedly low mortgage interest rates. Since 2009, the average home sales price has risen 56.4 percent, or an average annual growth of 4.1 percent. Bright MLS also reported that home sales in Fairfax County increased by 3.7 percent compared to CY 2019.

It should be noted that in FY 2021, the County received approximately \$111 million in federal stimulus funds from the American Rescue Plan Act (ARPA) of 2021 to mitigate revenue shortfalls and the negative effects of the pandemic. The revenue was appropriated in the General Fund to provide the County flexibility in responding to the pandemic. An additional similarly sized tranche of stimulus funds is expected in FY 2022.

As illustrated in the following chart, Fairfax County's unemployment rates, not seasonally adjusted, have consistently tracked well below both state and national averages. For June of FY 2021, Fairfax County's unemployment rate was 4.1 percent. The unemployment rate for the state of Virginia and the United States was 4.3 percent and 5.9 percent, respectively.



Economic Development

The County supports economic development through promoting a vibrant, diversified business community and growing job opportunities, while enhancing the commercial tax base. This approach has required quick maneuvering to respond to the upheaval caused by COVID-19 and the subsequent shutdown of business operations. Mandated full or partial business closures, health restrictions, and remote working redefined many business models. Certain business sectors, workers, and communities have faced disproportionate impacts of the COVID-19 pandemic. The Fairfax County Department of Economic Initiatives (DEI) and the FCEDA are the lead economic development organizations in Fairfax County.

Fairfax County DEI developed and led several COVID-19 response activities. This includes the following business support and economic recovery initiatives in FY 2021.

- Overseeing the \$1 million Small Business COVID-19 Recovery Microloan Fund and transitioning that to a revolving loan fund. The original source of funding was the Economic Opportunity Reserve.
- Developing, promoting, and overseeing the Fairfax RISE program: COVID-19 Small Business and Non-Profit Relief Grant Program, which distributed \$52.6 million in grants to 4,809 small businesses. The primary source of funding was the Coronavirus Aid Relief and Economic Security (CARES) Act received in late FY 2020.
- In partnership with the FCEDA, leading and launching an Economic Recovery Framework for business retention and economic competitiveness, and convening Economic Recovery Forums with more than 15 County agencies to discuss implementation and tracking.
- Developing, promoting, and overseeing the \$25 million PIVOT small business recovery grant program. The source of funding is ARPA funds.

- 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 and, designing and mailing business resources postcards to approximately 30,000 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.

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.

During CY 2020 the FCEDA hosted six career fairs, connecting over 10,000 candidates with over 500 recruiters from our companies across Fairfax County. We had 399,000 visits to our talent website, workinnorthernvirginia.com, with 198,000 coming from top 10 markets around the U.S. for recruiting talent to Fairfax County. Our outreach included 170 companies and more than 80 universities, including over 20 Historically Black Colleges and Universities (HBCUs) across the nation.

The FCEDA operates under the direction of eight commissioners appointed by the BOS. The FCEDA's mission statement is: "to promote the competitive advantages of Fairfax County and influence the growth of a diverse and innovative ecosystem that enhances the tax base, creates demand for commercial space, and supports an extraordinary and equitable quality of life across Fairfax County." It promotes the County as one of the world's best business locations. The FCEDA provides a wide array of services and information to assist new, expanding and relocating American and international businesses. There are offices in six important global technology business centers: Bangalore/Mumbai, India; London, England; Los Angeles; Berlin, Germany; Seoul, South Korea; and Tel Aviv, Israel. In upholding the diversification of the County's business community, in CY 2020, the FCEDA assisted 46 foreign-owned businesses with their expansions in the County. There are over 430 foreign-owned firms from 44 countries located in Fairfax County.

During CY 2020, the FCEDA worked with 153 companies adding approximately 11,176 jobs to Fairfax County's economy. The largest corporate announcements were as follows: Microsoft created 1,500 jobs in Reston; Aerotek added 1,500 jobs in Fairfax; ID.me created 1,000 jobs in Tysons; Volkswagen Group of America retained 798 jobs in Reston by moving within the County; Carahsoft added 200 jobs in Reston; Expel created 164 jobs in Herndon; and Randstad Technologies added 155 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 1.15 million County residents to enjoy.

Of the 148 businesses making job announcements, 102 are U.S.-based. Among the U.S. firms, 17 are minority-owned, woman-owned or veteran-owned companies. Of international businesses, 46 companies with headquarters or parent companies overseas, announced expansions in Fairfax County in CY 2020.

The total office space inventory in the County was 119 million square feet as of CY-end 2020, and 2.7 million feet under construction, making Fairfax County the largest suburban office market in the Washington D.C. area and the second largest in the U.S. Industrial/flex inventory in the County were reported at 39 million square feet.

Online Resource: <https://www.fairfaxcountyeda.org/2020-rising-to-the-challenge-fceda-annual-report-video-documents-collaboration-innovation-impact/>

MAJOR INITIATIVES AND ACCOMPLISHMENTS

On March 17, 2020, the BOS held an emergency special meeting, officially declaring a Local State of Emergency in response to COVID-19. Then, during the 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. This challenge persisted throughout FY 2021 and the County responded with innovative ways to track the COVID-19 data and keep the community informed while maintaining access to the basic services residents expect.

COVID-19 Data Dashboards

The Fairfax County Health Department's COVID-19 Case Data Dashboard contains information on cases, hospitalizations, and fatalities; rates by age, racial and ethnic groups; epidemic curve; and trajectory of cases; probable cases, deceased cases by age group, and COVID-19 testing by week. The current level of community transmission is substantial. Additionally, the proportion of PCR tests reported as positive has decreased to 3.5% as of the release of the October 2021 update.

Included on the dashboard are:

- Total doses of COVID-19 vaccine administered among Fairfax Health District residents;
- Aggregate number of doses administered by date of vaccination;
- Number and proportion of residents who have received at least one dose;
- Number and proportion of residents who are fully vaccinated; and
- Proportion vaccinated by age group, including among adolescents.

Testing and Vaccines

The Fairfax County Health Department continues to deploy its mobile laboratory to provide COVID-19 testing in several locations. These mobile testing opportunities are for individuals who are experiencing symptoms of COVID-19 or who may have been exposed to COVID-19 and were recommended for testing during their quarantine period. Dates, times and locations of sites are posted on the Health Department's COVID-19 Testing page and are based on demand and resources. The mobile clinics will provide both rapid tests and PCR tests.

During FY 2021, vaccines became available to help protect people and mitigate the disease caused by the virus. Northern Virginia's health districts initiated a media campaign to encourage everyone in the region to get vaccinated. The campaign encourages broad vaccination across the region while also focusing on various audiences who remain vaccine hesitant. Throughout the County, vaccination sites are available with supplies to vaccinate people 5 and older, as well as those eligible to receive a booster dose. The vaccination sites include healthcare providers, pharmacies, local Health Department clinics and the Community Vaccination Center (CVC) in Tysons.

Online Resource: <https://www.fairfaxcounty.gov/covid19/>

Emergency Basic Needs Assistance

Neighborhood and Community Services' Coordinated Services Planning (CSP) call center, a hotline for residents seeking emergency basic needs assistance, has experienced unprecedented demand since the start of the COVID-19 pandemic. To address the community's needs, \$22 million of CARES Act funding was allocated to community-based organizations (CBOs) to provide food and financial assistance to residents who needed help paying for groceries, rent, utilities, and medicine. Through a partnership between the Department of Housing and Community Development and CSP, coordinated access to additional resources were available

to support County residents' basic needs, including CBOs' grant and private funding and \$7.9 million of Community Development Block Grant funds. In addition, the County received \$69.6 million to administer the U.S. Treasury's Emergency Rental Assistance Program to help residents struggling to pay rent and utilities due to the pandemic's impact. This assistance has helped County residents meet their immediate needs and prevent evictions throughout the County.

The pandemic disproportionately impacted communities of color, people with disabilities, and low-income residents, which must be addressed so that all residents have financial security, stable housing, and the opportunity to thrive. The County conducted extensive outreach and communications efforts, including direct mailings and print and digital communications to ensure that our most impacted residents know how to access help. In addition, the Service Navigation Support Team was established, which is a partnership between County agencies and CBOs to ensure residents with COVID-19 have access to basic needs while in isolation or quarantine. County agencies partnered with culturally and linguistically diverse stakeholders to ensure awareness and access to services that support residents' basic needs.

Active and Thriving Community Grants

The Active and Thriving Community Grants program, using \$10 million of ARPA funds, was established in July 2021 to assist small businesses and certain nonprofits experiencing the negative economic impacts due to the pandemic. The business sectors included in this grant are childcare providers, youth athletic organizations, non-profit social safety net providers, out-of-school time providers, and community pools.

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>



Fairfax County Strategic Plan

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



The Ten Community Outcome Areas are:

- Cultural and Recreational Opportunities
- Economic Opportunity
- Effective and Efficient Government
- Empowerment and Support for Residents Facing Vulnerability

- Environment
- Health
- Housing and Neighborhood Livability
- Lifelong Education and Learning
- Mobility and Transportation
- Safety and Security

With the Board's action, staff will move into the next phase of implementing the plan.

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

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, to prevent repeated encounters with the criminal justice system and promote a safer community with enhanced public safety.



The Merrifield Crisis Response Center (MCRC), located at the Fairfax-Falls Church Community Service Board's (CSB's) Merrifield Center, is a 24/7 assessment site which allows patrol officers to transfer custody of nonviolent offenders to a Crisis Intervention Team (CIT) trained officer, or deputy; individuals who are diverted receive behavioral health services in lieu of arrest. The Community Response Teams (CRT), a public safety and health and human services partnership, provide 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 also serves the Diversion First population. The Supervised Release Program 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. Diversion First also includes community-based services such as behavioral health treatment, housing and peer recovery support.

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

Virginia Task Force 1

Virginia Task Force 1 is a premier disaster response and humanitarian resource sponsored by the Fairfax County Fire and Rescue Department through partnerships with the United States Agency for International Development Bureau for Humanitarian Assistance, and the Department of Homeland Security Federal Emergency Management Agency. Nationally, the team deploys as VA-TF1, and, internationally, as USA-01 to natural and man-made disasters on short notice. During FY 2021, Task Force members deployed to support response efforts for a volcanic eruption in Saint Vincent and The Grenadines, the Presidential Inauguration, Honduras for Hurricanes Eta and Iota, Texas for Hurricane Beta, Oregon for wildfires, and Louisiana for Hurricanes Laura, Sally, and Delta. 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 and has continued in FY 2021, as COVID-19 has impacted all facets of life in 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. In response to the circumstances that arose, the IT department aggressively moved to increase mobile options and improve the ability to conduct work and County business remotely and securely. 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 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

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 IT 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 improve efficiency.

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 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 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 effectiveness in public safety.

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, 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 requests for responsiveness and

timeliness. This application is used by over 32 agencies, with approximately 175 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 enable furtherance of Wi-Fi services for County sites. The Department of Information Technology 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 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 manage future growth effectively and efficiently. The Plan created a vision for the County's largest downtown and was designed to take advantage of the Silver Line extension of the Metrorail transit system. The transformation of Tysons into a walkable, vibrant urban center, expects to support a 2050 population of over 100,000 residents and 200,000 jobs. Tysons is fast becoming a 24-hour place where people live, work, and play.



Monitoring the progress of the Plan is critical to ensuring that the vision for Tysons is achieved. Many of the strategies and milestones for Tysons require the maturation of plans and development; therefore, it is crucial to monitor progress and adjust, as necessary, to achieve intended outcomes. The Plan calls for monitoring performance related to land use and demographics, transportation, environmental stewardship and sustainability, public facilities, and implementation. As part of the monitoring process, the BOS charged County staff with preparing a periodic report on Tysons. The 2020-2021 Progress Report provides monitoring data and updates on the progress of implementing the vision for Tysons contained in the Plan.

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

- 303 thousand square feet of development delivered since August 2020.
- 3.9 million square feet under construction.
- 14 Capital Bikeshare stations operating.
- 36 Tysons Area Metrorail Station Access Improvement Projects completed.
- Opening of Scott's Run Trail, connecting Tysons East and the McLean Metro Station with Westgate Elementary School and the surrounding community.
- 3 permanent park spaces opened since August 2020.

- Delivery of Scotts Run Fire Station #44, a proffered public facility.
- 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:

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 applications resulting in an additional 12.8 million square feet of non-residential development and an additional 16.1 million square feet of residential development with approximately 2.5 million square feet of park space. As of September 2021, the Reston Road Fund has received more than \$18 million in proffered contributions.

Online Resources:

www.fairfaxcounty.gov/transportation/projects/silver-line

www.fairfaxcounty.gov/planning-development/urban-centers/reston-tsas/development-guidelines

www.fairfaxcounty.gov/planning-zoning/comprehensive-plan/special-planning-areas

<https://reston-data-visualization-fairfaxcountygis.hub.arcgis.com/>

Land Development Services

Land Development Services (LDS) ensures every building and site developed in Fairfax County meets required safety, health, and environmental standards. In any given month, LDS staff process 7,064 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 2021, LDS processed 84,764 permits and conducted 223,427 site and building inspections. LDS collected \$47,075,935 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 – continue to add to the health of the local economy, long after buildings are completed, due to real estate taxes, employment and more. To provide additional support to customers, LDS launched the Permit Wizard, which journey-maps 60% of all application types. The Permit Wizard has become a prominent element on multiple LDS pages and use has continually increased each month. Along with increased online use, LDS saw a drastic increase in phone calls, averaging 280 calls per day; an 83% increase over call volumes prior to the pandemic. During the pandemic, demand for residential permits remained strong as families were building new pools, decks, sunrooms, and more, leading to an 11% increase in residential construction during FY 2021. LDS anticipates commercial construction to increase as well, following the trajectory of the residential home improvement market.

Transportation Improvements

On December 3, 2019, the BOS approved the FY 2020 – FY 2025 Transportation Priorities Plan (TPP) to direct County priorities for transportation projects through FY 2025. The current funding estimate for transportation capital projects is \$3.036 billion. The FY 2020 – FY 2025 TPP updates the FY 2015 – FY 2020 plan that the Board approved in 2014. The FY 2020 – FY 2025 TPP includes funds from a variety of federal,

state, local, and private sources, and includes projects previously approved by the Board, as part of other, stand-alone funding plans.

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 apply to vehicles with less than three people, instead of less than two people, as it does today. An additional eastbound lane on I-66 between the Dulles Connector Road and Fairfax Drive 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 52 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 of Route 28 from McLearen Road to the Dulles Toll Road, while the southbound lanes of Route 28 were widened from the Dulles Toll Road to Route 50. One additional lane will be added in both directions from the Prince William County border to Route 29. A Design-Build contract for widening this section of Route 28, from four to six lanes, was awarded in June 2020, 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, the Pope Heads Road intersection will be converted to an interchange. Design work continues on the Popes Head Road interchange. Land acquisition for the interchange began in summer 2021, and the interchange is expected to be completed in summer 2026.

Richmond Highway Bus Rapid Transit (BRT)

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

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>

Climate Planning and Action

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 an operational energy strategy and two major climate planning initiatives, described below. The OEEC supports a more comprehensive and effective approach to implementing the goals, objectives, and targets of the BOS' policies, goals, and initiatives. These include the Environmental Vision, the County's Comprehensive Plan, the Fairfax County Operational Energy Strategy, and the action items described in the 2019 and 2020 Fairfax Green Initiatives Board Matters.

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

To support the climate and energy objectives included in the Environmental Vision and Fairfax Green Initiatives, the OEEC is overseeing two community-wide climate planning and action initiatives to address climate change, its various impacts, and related considerations, such as equity. The first of these, the Community-wide Energy and Climate Action Plan (CECAP), is focused on climate mitigation and reducing greenhouse gas emissions in the County. The CECAP Working Group, an advisory body to the BOS made up of representatives and experts from community groups, organizations, and individuals from each magisterial district, was formed to consider climate mitigation goals, strategies and actions specific to Fairfax County. With support from the OEEC, the Metropolitan Washington Council of Governments (COG), and a consultant, and with feedback from the greater community, the Working Group met between January 2020 and May 2021 to identify 12 strategies, numerous actions, and long-term and interim goals, including the goal that the County achieve carbon neutrality by 2050.

The OEEC is also overseeing Resilient Fairfax, the County's first Climate Adaptation and Resilience Plan. The Resilient Fairfax planning initiative is identifying strategies to ensure the Fairfax County community can better address the impacts of climate change. This planning initiative also entails the development of local climate projections, an audit of existing policies, plans and programs, and a vulnerability and risk assessment to determine the extent to which County populations, community assets and services, local infrastructure, and County operations will be impacted by climate change. The OEEC is soliciting feedback from numerous County agencies, the broader public, an Infrastructure Advisory Group and Community Advisory Group on components of the planning process.

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

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.



Specific goals, targets, and actions to achieve sustainable County operations are included in the Fairfax County Operational Energy Strategy. In FY 2021, the County initiated an update to its Energy Strategy, first adopted in 2018. Accelerated goals, targets, and actions were developed across several focus areas, including energy use and efficiency, green buildings, renewables, fleet electrification, and waste management and recycling. These updates were developed in support of a goal that County operations be energy carbon neutral by 2040, a goal first recommended by Fairfax County and Fairfax County Public Schools' Joint Environmental Task Force in its October 2020 Final Report.

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

Environmental Improvement Program

The Environmental Improvement Program (EIP) supports the BOS' Environmental Vision and other environmental and energy policies and goals. The EIP provides the County Executive and BOS with environmental and energy action-oriented opportunities and initiatives that support these 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 2021 included several projects proposed by the Fairfax County Park Authority (FCPA), including its Invasive Management Area program, the restoration of 12.5 acres of FCPA meadows, and the installation of heating, ventilation, and air conditioning (HVAC) controls at non-staffed facilities. Other EIP projects funded include the first phase of a natural landscaping initiative at the Fairfax County Government Center, a Composting Pilot Program for County employees, and a new HomeWise Program, to train volunteers to perform simple energy efficiency upgrades in low- and moderate-income residential housing units in the County.



Online Resource:

<https://www.fairfaxcounty.gov/budget/sites/budget/files/assets/documents/fy2021/adopted/volume2/30015.pdf>

Affordable Housing

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

- **Housing Assistance Programs:** From emergency shelter for individuals and families experiencing homelessness to rental housing and, eventually, homeownership, the FCRHA and HCD provide critical assistance to households across the housing spectrum to obtain safe, decent, stable, and affordable housing.
 - **Emergency Shelter and Supportive Housing Programs:** In FY 2021, the County’s Office to Prevent and End Homelessness merged with HCD to establish a single agency that would be able to address the full range of housing needs from short-term emergency shelter to long-term affordable housing. In FY 2021, the County sheltered 2,650 residents through its emergency shelter and transitional housing projects. The County was able to assist 41 percent of those served to exit to permanent housing destinations.
 - **Rental Housing Subsidy Programs:** The County administers several local, state, and federal rental subsidy programs to assist low- and moderate-income households afford a place to call home. The County administers 4,139 rental housing subsidy vouchers awarded through both state and federal programs. Additionally, the FCRHA itself owns nearly 4,000 units of affordable rental housing, including 3,028 units of multifamily housing, 482 units of independent senior housing, 112 beds of assisted living, and 205 units/beds of specialized housing - including a manufactured housing community with 115 pads.
 - **Homeownership Programs:** For more than 40 years, The County has provided homeownership assistance to thousands of low- to moderate-income homebuyers. Programs afford qualified homebuyers access to for-sale homes at below-market prices; avenues for down payment assistance, lower interest rates, and reduced mortgage principal; and pre- and post-purchase counseling. In FY 2021, the County assisted 47 new homeowners in purchasing a home through the First-Time Homebuyer Program and helped facilitate down payment assistance for 173 households through state and federal programs.
- **Affordable Housing Development:** In 2019, the BOS adopted a countywide goal to produce a minimum of 5,000 new affordable units to households earning up to 60 percent of Area Median Income (AMI) by the year 2034. Since the adoption of that goal, the affordable housing development pipeline has grown to include 1,867 new units of affordable housing that have been completed or are in various stages of development. The County continues to grow this pipeline through utilizing public-private partnerships to construct new units of housing on County-owned land; pursuing opportunities to construct new FCRHA-owned units; investing local, state, and federal funding in private affordable housing development; and administering inclusionary zoning policies that encourage the incorporation of affordable units in market-rate housing development projects.
- **Affordable Housing Preservation:** The preservation of affordable rental housing has long been a concern of the BOS and the FCRHA, and in 2019, these bodies adopted a commitment of “No Net Loss” when it comes to Fairfax County’s stock of more than 15,000 units of committed affordable housing. As of May 2021, 1,268 housing units have been preserved or are in the preservation pipeline for households at or below 60% of AMI. As the preeminent housing financing agency in the County, the FCRHA issues loans and administers federal housing funds to support the private acquisition and rehabilitation of committed affordable housing units in all areas of the County.
- **Resident Services:** For the FCRHA, the work of affordable housing extends beyond the business of construction, property management, real estate finance and investment, application administration and so on. It is deeply rooted to the individual, the family, and the community and to providing tools, training, and resources to help residents achieve housing stability and self-sufficiency. Through the PROGRESS Center, residents can find access to resources and training to improve their financial management and repair credit, obtain employment, develop skills, and advance education to better compete for higher paying jobs in the local workforce. Staff in the

PROGRESS Center can also help connect participants to a variety of available County- and community-based resources to help them succeed. The FCRHA also provides the Home Repair for the Elderly Program which provides free skilled labor and up to \$500 in materials cost at no charge to qualified applicants to complete small handyman-sized projects for their home.

Throughout fiscal year 2021, staff have worked tirelessly to adapt every function of HCD's and the FCRHA's operations to meet the challenge of providing essential services and continuing to advance affordable housing development and preservation efforts amid the COVID-19 pandemic. The "Moving to Work" designation provided by the U.S. Department of Housing and Urban Development to high-performing housing authorities has helped significantly in enabling the FCRHA to make quick adjustments to rapidly evolving conditions.

Quality Communities

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

Parks

The Fairfax County Park Authority (FCPA), ranked among top park systems in the nation, continues to respond to the significant health and safety concerns, social and equity challenges, as well as financial tests posed by the pandemic. FCPA pivoted appropriately to address the needs of the community by operationalizing new recreational options via virtual and outdoor programming, creating effective safety protocols, and managing record crowds who turned to parks as the safest places to gather and spend time outdoors.

Of major significance was the Board of Supervisors' renewal of the Ordinance that established the FCPA on July 13, 2021. The Ordinance runs for 30 years, ending in 2051. Additionally, the BOS approved a Memorandum of Understanding that updates the responsibilities of both parties for the interactive operations of the FCPA and the County, which will be reviewed every five years. The updates include addressing One Fairfax, support and coordination with the County's Strategic Plan and a change in the County liaison to the Health and Human Services Deputy County Executive. This allows the FCPA to continue its tradition of excellence in serving the residents of the County.

FCPA's mission is to enrich the quality of life for all members of the community through an enduring park system that provides a healthy environment, preserves natural and cultural heritage, offers inspiring recreational experiences, and promotes healthy lifestyles. FCPA owns and manages 427 parks totaling 23,632 acres of parkland, which is approximately 9.4% of the land in Fairfax County. The park system is rich in amenities that include ownership/maintenance of nine recreation centers, eight golf courses, an ice skating rink, 11 dog parks, 228 playgrounds, 665 public garden plots throughout the community, seven nature centers, three equestrian facilities, 452 Fairfax County Public School athletic fields, 44 synthetic turf athletic fields (including two diamond fields and 42 rectangular fields), 260 FCPA athletic fields, 62 picnic shelters, 16 volleyball courts, 252 tennis and racquetball courts, a growing number of pickleball courts, 10 historic sites, two water parks, a horticultural center, and more than 334 miles of multimodal trails. The Park Authority embraces its dual role as a provider of active recreation including fitness and wellness opportunities as well as serving as stewards and interpreters of historic sites, cultural treasures, and natural resources.

At the core of FCPA success is planning, and a host of initiatives that help to prepare it for the future. The adoption of the FCPA's first Parks and Recreation system master plan two years ago set the stage for meeting the needs of a changing community over the next decade. With a ten-year horizon, *The Great Parks, Great Communities Parks and Recreation System Master Plan* created a foundation for progress.

Library

More than 500,000 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. For every \$1 invested in the library, Fairfax residents saw a return on investment of \$5.14 in the



last fiscal year. FY2021 presented opportunities for library staff to create new avenues through which to offer services amid the COVID-19 pandemic. In FY2021, FCPL offered express services during which visitors practiced social distancing and adhered to time limits for 256 days, curbside pickup and virtual services only for 83 days, and operated under a “new normal” service model for 26 days. Cardholders utilized curbside pickup 171,400 times during FY2021.

Pre-pandemic, FCPL provided spillover wireless connectivity outside branch buildings. During the pandemic, residents required strong internet connections to work and to educate themselves, and

we knew we could provide better access. As of April 2021, all public branches without parking garages have purposeful, expanded exterior wireless access.

When FCPL branches resumed full operations June 5, 2021, visitors began enjoying new hours. Regional branches are now open 10 a.m. to 9 p.m. Monday through Wednesday, and 10 a.m. to 6 p.m. Thursday through Sunday. Community branches are now open 10 a.m. to 9 p.m. Monday and Tuesday, and 10 a.m. to 6 p.m. Wednesday through Saturday. Community branches are not open on Sundays. These new hours allow FCPL staff to offer in-person programs on several weekday evenings, give cardholders time to pick up or drop off materials outside nine-to-five business hours, and enable community organizations to reserve available public spaces on evenings and weekends.

A partnership with Fairfax County Public Schools (FCPS) took on new significance in FY 2021. In 2018, FCPL piloted the Library Equity Access Pass (LEAP) program in one school pyramid. In October 2020, FCPL and FCPS expanded LEAP to every student enrolled in FCPS. What began as a program intended to provide another option if the child’s regular library card was blocked has blossomed during the pandemic into an important avenue of access in support of students’ virtual and in-person learning.

During FY 2021, FCPL saw circulation of more than 10 million, with e-circulation up 17% to more than 2.7 million. FCPL is one of the top 40 active libraries in North America on the e-reading tool Overdrive, where cardholders checked out items from FCPL’s digital collection more than 2.6 million times.

ABOUT FAIRFAX COUNTY

Governmental Structure

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

The County government is organized under the Urban County Executive form of government (as defined under Virginia law). The governing body of the County is the BOS, which sets policy for the administration of the County. The BOS consists of 10 members: a chairman, elected at-large for a four-year term and one member from each of nine districts, elected for a four-year term by the voters of the district in which each member resides. The BOS appoints a County Executive to act as the administrative head of the County. The County Executive serves at the pleasure of the 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

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

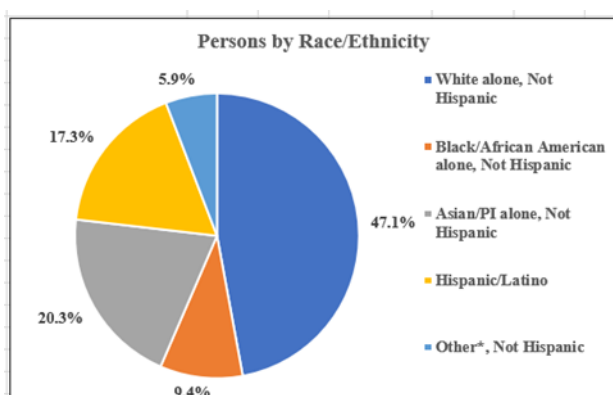
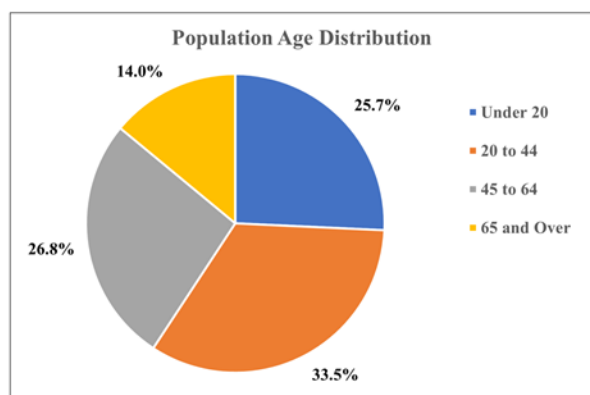
- The technology sector in Fairfax County attracts new talent and investments from across the nation. Fairfax County is home to 8,700 technology-focused enterprises that deliver a full spectrum of high-end services and solutions to government, industry, and consumer markets worldwide. From cloud computing and software development to artificial intelligence and data analytics, businesses and research teams in Fairfax County are defining the cutting edge.
- Eleven Fairfax County based companies are on the 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.
- 430 international companies are based in Fairfax County including global giants like Rolls-Royce; Airbus; Samsung; CGI; Volkswagen; Hexaware; and Israel Aerospace Industry North America.

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 2020, the County's estimated population was 1.17 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 33 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 almost 53 percent of the County's population consisting of racial/ethnic minorities according to the 2020 Decennial Census. 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 illustrate the County's population age distribution and its racial/ethnic composition based on data for 2020.



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 one of the largest school divisions in the U.S. with 198 schools and centers. FCPS serves a diverse student population of more than 178,000 students in grades, prekindergarten through 12, speaking over 200 languages. Over 27 percent of the total student population is Economically Disadvantaged; 14.4 percent are reported as Students with Disabilities; and more than 26 percent of students are English Learners. Demographically, 36.8 percent of FCPS students are White, 27.1 percent are Hispanic, 19.8 percent are Asian, 10 percent are Black, 5.9 percent are two or more races, 0.3 percent are American Indian, and 0.1 percent are Native Hawaiian, (Source: 2020 Fall Membership by Subgroup as reported in the Virginia Department of Education School Quality Profile).

Nearly 95 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 2021 had 214 students, from 16 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 per *U.S. News and World Report* Best High Schools Rankings for 2021. Rankings are based on a school's performance on state-required tests, graduation, and how well they prepare students for college.

Online Resource: <https://www.fcps.edu/about-fcps>
<https://www.usnews.com/education/best-high-schools/articles/us-news-ranks-best-high-schools>
<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.fairfaxcountypedu.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 audit of expenditures of federal awards.

Ten Principles of Sound Financial Management

The keystone of the County's maintenance of fiscal integrity and sound financial management is the approval and continuing commitment of the BOS to the *Ten Principles of Sound Financial Management*. These principles, the policy context in which financial decisions are considered and taken, relate primarily to the integration of capital planning, debt planning, cash management, and productivity as a means of ensuring prudent and responsible allocation of the County's resources. In FY 2016, the principles were reviewed by the BOS and have been revised to place additional emphasis on building and maintaining reserves to increase flexibility to deal with both expected and unanticipated events.

The County maintains a self-managed investment program under the direction and oversight of an Investment Committee. The committee is comprised of the Chief Financial Officer, the Director of the Department of Finance, the Director of the Department of 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

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

Online Resource:

<https://www.fairfaxcounty.gov/budget/sites/budget/files/assets/documents/fy2022/adopted/overview/long-term-financial-policies-tools.pdf>

Budgetary and Accounting Controls

The Code of Virginia requires that the County adopt a balanced budget. The County maintains extensive budgetary controls at certain legal, managerial, and administrative levels. The adopted Fiscal Planning Resolution places legal restrictions on expenditures at the agency or fund level. Managerial budgetary control is maintained and controlled at the fund, department, superior commitment item grouping or project level. Any revisions that alter the total expenditures of any agency or fund must be approved by the BOS. The County's budget is adopted by May 15 for the coming fiscal year, which commences on July 1. Three budget reviews during the year, the Carryover Review, Mid-Year Review, and Third Quarter Review, serve as the primary mechanisms for revising appropriations. A synopsis of proposed changes is advertised, and a public hearing is held prior to the adoption of amendments to the current year budget when adjustments exceed one percent of total expenditures.

Since 1999, the County has maintained a Revenue Stabilization Fund, included in the General Fund for reporting purposes, to provide a mechanism for maintaining a balanced budget without resorting to tax increases and expenditure reductions that aggravate the stresses imposed by the cyclical nature of the economy. The BOS established the fund with the condition that it will not be used as a method of addressing the demand for new or expanded services but will be used as a financial tool only in the event of an economic downturn, and then within strict parameters. The Revenue Stabilization Fund is separate and distinct from the County's Managed Reserve, which was established initially in FY 1983. As part of the adoption of the FY 2016 Adopted Budget Plan, the BOS updated the County's *Ten Principles of Sound Financial Management* to increase the reserve targets for both the Revenue Stabilization Reserve and the Managed Reserve. The target level of the Revenue Stabilization Reserve is five percent of General Fund disbursements, and the target level of the Managed Reserve is four percent of General Fund disbursements. In addition, the BOS established a new Economic Opportunity Reserve with a target balance equal to one percent of General Fund disbursements. This fund acts as a revolving reserve to address opportunities that are identified as priorities of the BOS. The total target balance for these three reserves is ten percent of General Fund disbursements. As of June 30, 2021, the Revenue Stabilization Fund, Managed Reserve and Economic Opportunity Reserve balances were \$228,917,963, \$182,576,859, and \$46,527,372, 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 2021, only 13 of 50 states, 49 of 3,143 counties, and 33 of 19,429 cities in the U.S. had such high bond ratings from all three rating agencies. These high credit ratings enable the County to sell bonds at interest rates significantly lower than those of most municipalities, resulting in substantial savings for County taxpayers throughout the life of the bonds. The details of bonds outstanding and bonds authorized-but-not-issued are shown in Note J of the financial statements. Tables 3.1 through 3.5 of the Statistical Section provide detailed historical information regarding the debt position and debt service requirements of the County.

AWARDS

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the County with the Certificate of Achievement for Excellence in Financial Reporting for its FY 2020 Financial Report. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. The County has received the Certificate of Achievement since 1977.

Award for Outstanding Achievement in Popular Annual Financial Reporting

GFOA also awarded the County with the Award for Outstanding Achievement in Popular Annual Financial Reporting for the FY 2020 Popular Annual Financial Report (PAFR). The PAFR is designed to offer those with a general interest in the County's financial activities a broad, high-level view of select data from the Annual Comprehensive Financial Report (ACFR), presented in an easily readable format. The GFOA PAFR award program annually recognizes high quality reports that meet the GFOA's criteria for reader appeal, understandability, dissemination, and other related requirements.

Distinguished Budget Presentation Award

The GFOA has presented the Award for Distinguished Budget Presentation to the County for its annual budget for each year since FY 1985. To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, operations guide, financial plan, and communications device.

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

Since 2002, the County has received ICMA's highest award for performance management. In 2021, the County was one of only 28 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) 2021 Achievement Awards

Fairfax County received two National Association of Counties 2021 Achievement Awards, recognizing effective and innovative programs that contribute to and enhance county government in the United States.



- ***ECO Video Series*** - The ECO video series is produced by Fairfax County freshwater ecologists in the Watershed Education and Outreach (WEO) section and has become an invaluable and inclusive tool that connects students and teachers to their local environment. During recent periods of virtual schooling, these videos have served as highly requested items by Fairfax County Public Schools (FCPS) and have provided an opportunity for ecologists to reach more students virtually than previously possible in person. The prerecorded videos allow students and teachers to work at their own pace, allow for real-time, interactive labs and provide guided virtual programming.

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 sixteen of the last seventeen years of the award, and in the top three, nine times.



ACKNOWLEDGMENTS

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

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

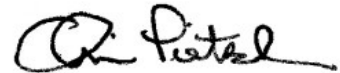
Respectfully,



Bryan J. Hill
County Executive



Christina C. Jackson
Chief Financial Officer



Christopher J. Pietsch
Director of Finance

COUNTY OF FAIRFAX, VIRGINIA
 Urban County Executive Form of Government
 As of June 30, 2021

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

Joseph M. Mondoro, CFO
 Rachel O'Dwyer Flynn
 Christopher Leonard
 David M. Rohrer

DEPARTMENT OF MANAGEMENT AND BUDGET

Christina C. Jackson, Director

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

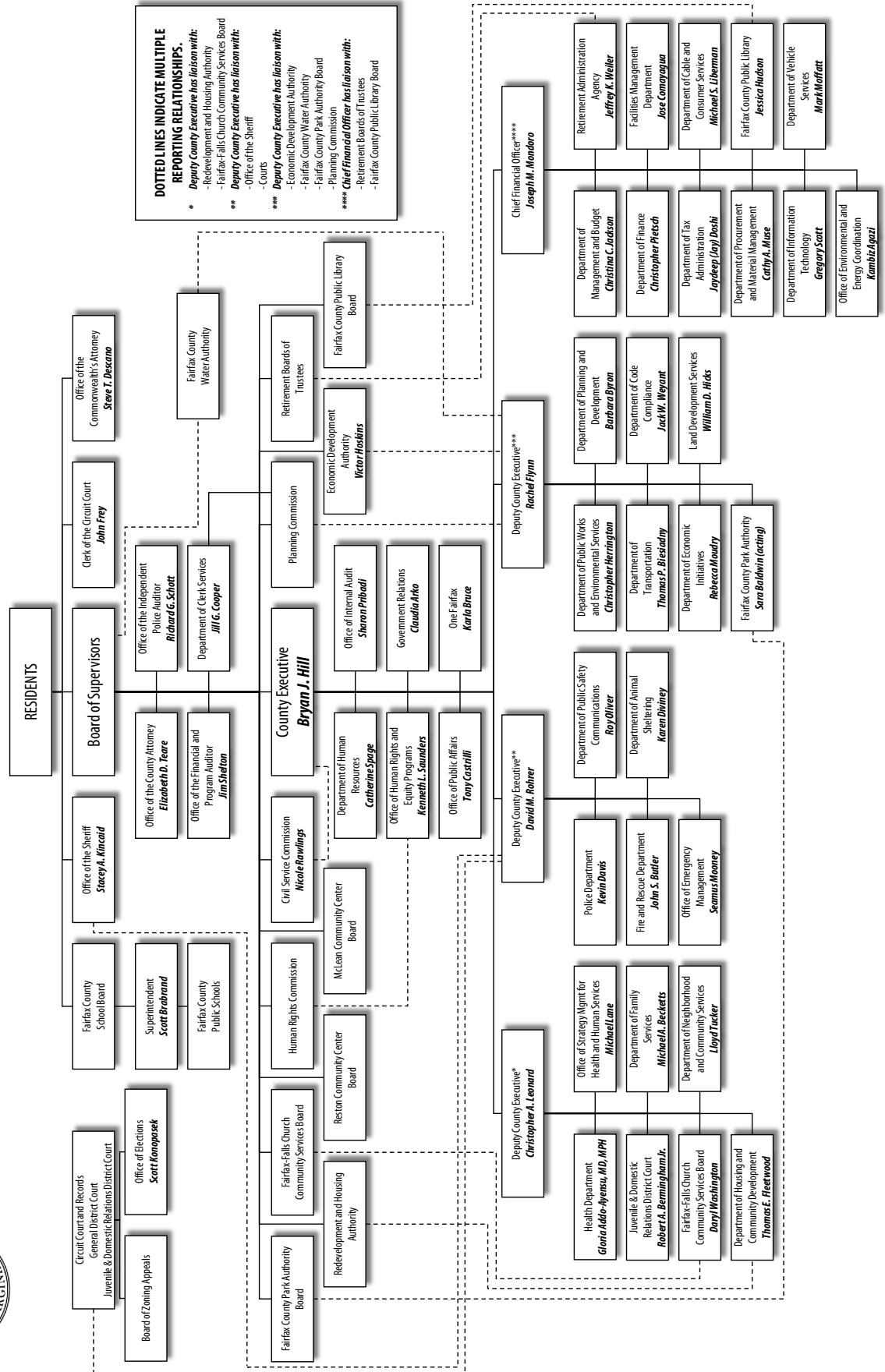
OFFICE OF THE INTERNAL AUDITOR

Sharon A. Pribadi, Director

INDEPENDENT AUDITOR

Cherry Bekaert LLP





This report was prepared by:

COUNTY OF FAIRFAX, VIRGINIA
DEPARTMENT OF FINANCE

12000 Government Center Parkway, Suite 214
Fairfax, Virginia 22035
(703) 324-3120, TTY 711
www.fairfaxcounty.gov

DIRECTOR

Christopher J. Pietsch, CPFO, CIA, CBA

DEPUTY DIRECTORS

Tanya D. Burrell, CPA, MPA
Jerry Wilhelm

ACFR PROJECT TEAM

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Jennifer Rosales, Financial Reporting Manager
Javed Khan, CPA, Financial Reporting Manager
Franklin L. Fout, CPA, Financial Reporting Manager

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Nanette A. Velasco
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Xuan Wang

GRANTS PROJECT TEAM

Asiya Akhtar, Financial Reporting Manager
Nashwa Abualsaad
Dung La

With the support and assistance of many others.

Special Thanks to Carl Pagani, Department of Finance

**GOVERNMENT
FINANCE
OFFICERS
ASSOCIATION
AWARD**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2020. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. The County has received a Certificate of Achievement 43 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, 2020

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, 2021, 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, 2021, 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***Change in Accounting Principle***

As discussed in Note M to the financial statements, the County adopted the provisions of Governmental Accounting Standards Board (the "GASB") Statement No. 84, *Fiduciary Activities*, effective July 1, 2020. As a result, the related net position of the fiduciary funds and aggregate discretely presented component units has been restated. Our opinions are not modified with respect to this matter.

Restatement

As discussed in Note N to the financial statements, the net position of the aggregate discretely presented component units as of July 1, 2020 has been restated from the previously issued financial statements to reflect the correction of an error. Our opinions are 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 15, 2021, 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 15, 2021



Management's Discussion and Analysis

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (*UNAUDITED*)

This section of the County of Fairfax, Virginia's (the County) Annual Comprehensive Financial Report (ACFR) presents our discussion and analysis of the County's financial performance during the fiscal year that ended on June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Letter of Transmittal, located in the Introductory Section of the ACFR.

FINANCIAL HIGHLIGHTS

Highlights for Government-wide Financial Statements

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

- The County's assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by \$884.8 million on a government-wide basis at June 30, 2021.
- For the fiscal year, taxes and other revenues of the County's governmental activities amounted to \$5,454.4 million. Expenses amounted to \$5,433.7 million.
- For the fiscal year, revenues of the County's business-type activities were \$253.4 million and expenses were \$195.2 million.

Highlights for Fund Financial Statements

The fund financial statements provide detailed information about the County's most significant funds using the current financial resources measurement focus and modified accrual basis of accounting.

- The County's governmental funds reported an increase in fund balance of \$96.4 million for fiscal year 2021, compared to a decrease of \$75.4 million for fiscal year 2020.
- The County's General Fund reported a fund balance of \$684.5 million, an increase of \$76.7 million, or 12.6 percent, over fiscal year 2020.

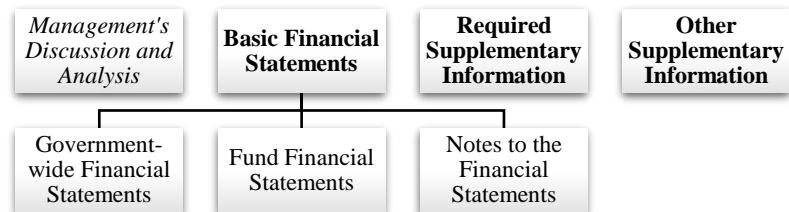
General Financial Highlights

- In September 2020, the County issued \$294.1 million of Series 2020B General Obligation Refunding Bonds to advance refund multiple outstanding Series bonds to save \$32.4 million in future debt service payments with a \$29.7 million net present value.
- In February 2021, the County issued \$254.2 million of Series 2021A General Obligation Public Improvement Bonds. Bond proceeds from this issue are being used to finance school, park, road, and other County improvements.
- In May 2021, the County closed on a partial defeasance in the amount of \$11.2 million of certain Series 2016 obligations associated with the Transportation District Improvement Revenue Bonds (Silver Line Phase 1 Project) in order to save \$17.5 million in future debt service payments.

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 the County's assets and deferred outflow of resources less liabilities and deferred inflow of resources, resulting in the net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial health of the County is improving or deteriorating. Additionally, non-financial factors, such as a change in the County's property tax base or the condition of County facilities, should be considered to assess the overall health of the County.

The second statement—the statement of activities—presents information showing how the County's net position changed during the fiscal year. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

The government-wide financial statements are divided into three categories:

Governmental Activities – Most of the County's basic services are reported here, including: public safety, public works, judicial administration, health and welfare services, community development, parks, recreation, and cultural programs, education, and general administration. These activities are financed primarily by property taxes, other local taxes, and federal and state grants. Included in the governmental activities are the governmental funds and internal service funds.

Business-type Activities – The County's only business-type activity, the Integrated Sewer System (Sewer System), is reported here.

Discretely Presented Component Units – The County includes four other entities in its annual financial report: Fairfax County Public Schools (Public Schools), Fairfax County Redevelopment and Housing Authority (FCRHA), Fairfax County Park Authority (Park Authority), and Fairfax County Economic Development Authority (EDA). Although legally separate, these component units are included because the County is financially accountable for them.

The County's governmental and business-type activities are collectively referred to as the primary government. Together, the primary government and its discretely presented component units are referred to as the reporting entity.

Fund Financial Statements

The fund financial statements provide detailed information about the County's most significant funds. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes. The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The County has the following three types of funds:

Governmental Funds – Most of the County's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances remaining at year-end that are available for spending. The governmental funds financial statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the governmental activities in the government-wide financial statements, additional information is provided to explain the relationship (or differences). The General Fund accounts for the main operating activities of the County; it is the largest of the governmental funds. All other governmental funds, that is, special revenue funds, debt service funds, and capital projects funds, are collectively referred to as nonmajor governmental funds.

Proprietary Funds – Proprietary funds, which consist of enterprise funds and internal service funds, are used to account for operations that are financed and operated in a manner similar to private business enterprises in which costs are recovered primarily through user charges. Proprietary fund financial statements, like the government-wide financial statements, provide both long- and short-term financial information. The County's only enterprise fund, the Sewer System, is reported as the County's business-type activity in the government-wide statements. The fund financial statements provide additional information, such as cash flows, for the Sewer System. The internal service funds are used to account for the provision of general liability, malpractice, and workers' compensation insurance, health benefits for employees and retirees, vehicle services, document services, and technology infrastructure support to County departments on a cost reimbursement basis.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's programs. The County's fiduciary funds consist of pension trust funds, an OPEB trust fund and custodial funds. The pension trust funds are used to account for the assets held in trust by the County for the employees and beneficiaries of its defined benefit pension plans—the Employees' Retirement System, the Police Officers Retirement System, and the Uniformed Retirement System. The OPEB trust fund is used to account for the assets held in trust by the County for other post-employment benefits. The custodial funds are used to account for monies received, held, and disbursed on behalf of developers, welfare recipients, the Commonwealth of Virginia, the recipients of certain bond proceeds, and certain other local governments.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Statement of Net Position

The tables below and on the following page present a Summary of Net Position for the reporting entity as of June 30, 2021 and 2020:

| Summary of Net Position As of June 30 (\$ in millions) | | | | | | |
|--|----------------------------|------------|-----------------------------|------------|-----------------------------|-----------|
| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Assets: | | | | | | |
| Current and other assets | \$ 6,361.0 | \$ 6,147.5 | \$ 457.6 | \$ 247.0 | \$ 6,818.6 | 6,394.5 |
| Capital assets (net) | 3,118.9 | 3,041.0 | 1,743.3 | 1,679.0 | 4,862.2 | 4,720.0 |
| Total assets | 9,479.9 | 9,188.5 | 2,200.9 | 1,926.0 | 11,680.8 | 11,114.5 |
| Deferred outflow of resources: | 905.5 | 660.5 | 50.9 | 32.0 | 956.4 | 692.5 |
| Liabilities: | | | | | | |
| Current liabilities | 593.6 | 568.2 | 38.5 | 34.1 | 632.1 | 602.3 |
| Long-term liabilities | 6,268.1 | 5,957.5 | 879.9 | 653.5 | 7,148.0 | 6,611.0 |
| Total liabilities | 6,861.7 | 6,525.7 | 918.4 | 687.6 | 7,780.1 | 7,213.3 |
| Deferred inflow of resources: | 3,963.3 | 3,783.6 | 9.0 | 4.2 | 3,972.3 | 3,787.8 |
| Net position: | | | | | | |
| Net investment in capital assets | 2,347.8 | 2,265.8 | 1,207.8 | 1,112.4 | 3,555.6 | 3,378.2 |
| Restricted | 355.7 | 382.0 | 17.9 | 20.3 | 373.6 | 402.3 |
| Unrestricted (deficit) | (3,143.1) | (3,108.1) | 98.7 | 133.5 | (3,044.4) | (2,974.6) |
| Net position | \$ (439.6) | \$ (460.3) | \$ 1,324.4 | \$ 1,266.2 | \$ 884.8 | \$ 805.9 |

| Summary of Net Position - continued As of June 30 (\$ in millions) | | | | | | | | |
|--|-----------------------------|------------|--------------------|-----------|--------------------|-----------|---------------------------|------------|
| | Total Primary Government | | Component Units | | Reclassifications* | | Total Reporting Entity | |
| | 2021 | 2020 | 2021 | 2020** | 2021 | 2020 | 2021 | 2020** |
| Assets: | | | | | | | | |
| Current and other assets | \$ 6,818.6 | \$ 6,394.5 | \$ 1,009.3 | \$ 813.7 | \$ - | \$ - | \$ 7,827.9 | \$ 7,208.2 |
| Capital assets (net) | 4,862.2 | 4,720.0 | 3,505.7 | 3,454.7 | - | - | 8,367.9 | 8,174.7 |
| Total assets | 11,680.8 | 11,114.5 | 4,515.0 | 4,268.4 | - | - | 16,195.8 | 15,382.9 |
| Deferred outflow of resources: | 956.4 | 692.5 | 1,187.1 | 1,028.9 | - | - | 2,143.5 | 1,721.4 |
| Liabilities: | | | | | | | | |
| Current liabilities | 632.1 | 602.3 | 249.3 | 226.0 | - | - | 881.4 | 828.3 |
| Long-term liabilities | 7,148.0 | 6,611.0 | 4,948.7 | 4,637.6 | - | - | 12,096.7 | 11,248.6 |
| Total liabilities | 7,780.1 | 7,213.3 | 5,198.0 | 4,863.6 | - | - | 12,978.1 | 12,076.9 |
| Deferred inflow of resources: | 3,972.3 | 3,787.8 | 348.2 | 386.5 | - | - | 4,320.5 | 4,174.3 |
| Net position: | | | | | | | | |
| Net investment in capital assets | 3,555.6 | 3,378.2 | 3,304.7 | 3,255.0 | (1,680.1) | (1,690.2) | 5,180.2 | 4,943.0 |
| Restricted | 373.6 | 402.3 | 188.0 | 137.3 | (101.9) | (51.7) | 459.7 | 487.9 |
| Unrestricted (deficit) | (3,044.4) | (2,974.6) | (3,336.9) | (3,345.1) | 1,782.0 | 1,741.9 | (4,599.3) | (4,577.8) |
| Net position | \$ 884.8 | \$ 805.9 | \$ 155.8 | \$ 47.2 | \$ - | \$ - | \$ 1,040.6 | \$ 853.1 |

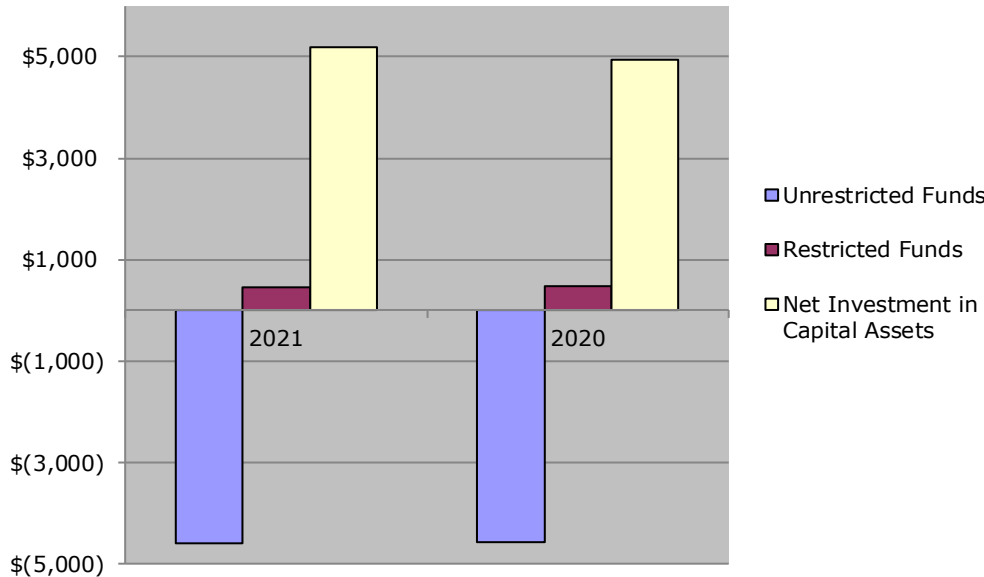
*Reclassification represents County issued debt for Schools and Parks facilities. See Note A - 13 for more information.

**Fiscal year 2020 net position restated for Schools due to the implementation of GASB statement 84.

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.

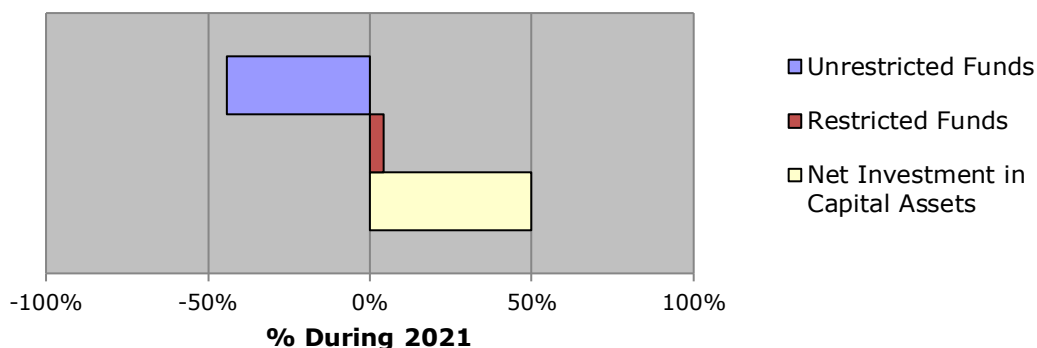
As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the reporting entity, assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by \$1,040.6 million at the end of fiscal year 2021, representing an increase of \$187.5 million from the net position at June 30, 2020, as shown above. The increase in fiscal year 2021 net position was due to the net additions in capital assets.

**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 (\$336.7 million), grant programs (\$43.5 million), housing (\$47.6 million), and community centers (\$13.4 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

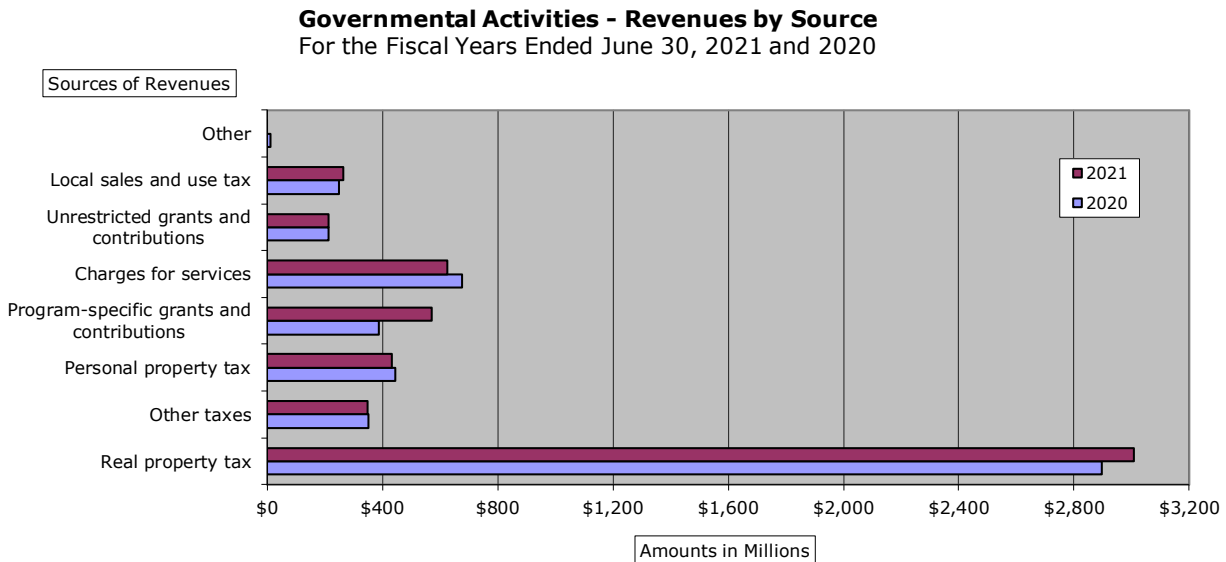
The following table summarizes the changes in Net Position for the primary government for the fiscal years ended June 30, 2021 and 2020:

| Summary of Changes in Net Position For the Fiscal Years Ended June 30 (\$ in millions) | | | | | | |
|--|----------------------------|------------|-----------------------------|------------|-----------------------------|----------|
| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 625.0 | \$ 677.2 | \$ 251.2 | \$ 240.0 | \$ 876.2 | \$ 917.2 |
| Operating grants and contributions | 505.0 | 346.8 | - | - | 505.0 | 346.8 |
| Capital grants and contributions | 64.4 | 40.7 | 1.4 | 2.6 | 65.8 | 43.3 |
| General revenues: | | | | | | |
| Real property tax | 3,008.7 | 2,897.8 | - | - | 3,008.7 | 2,897.8 |
| Personal property tax | 432.9 | 443.3 | - | - | 432.9 | 443.3 |
| Business licenses tax | 180.1 | 180.1 | - | - | 180.1 | 180.1 |
| Local sales and use tax | 263.8 | 249.7 | - | - | 263.8 | 249.7 |
| Consumers utility tax | 104.8 | 110.5 | - | - | 104.8 | 110.5 |
| Other taxes | 63.5 | 59.9 | - | - | 63.5 | 59.9 |
| Unrestricted grants and contributions | 211.4 | 211.4 | - | - | 211.4 | 211.4 |
| Revenue from the use of money | (5.2) | 11.7 | 0.8 | 2.9 | (4.4) | 14.6 |
| Total revenues | 5,454.4 | 5,229.1 | 253.4 | 245.5 | 5,707.8 | 5,474.6 |
| Expenses: | | | | | | |
| General government administration | 258.1 | 258.3 | - | - | 258.1 | 258.3 |
| Judicial administration | 71.1 | 76.7 | - | - | 71.1 | 76.7 |
| Public safety | 882.3 | 879.2 | - | - | 882.3 | 879.2 |
| Public works | 282.3 | 274.4 | 195.2 | 193.4 | 477.5 | 467.8 |
| Health and welfare | 797.8 | 721.9 | - | - | 797.8 | 721.9 |
| Community development | 569.7 | 550.1 | - | - | 569.7 | 550.1 |
| Parks, recreation, and cultural | 133.2 | 143.7 | - | - | 133.2 | 143.7 |
| Education | 2,339.3 | 2,332.4 | - | - | 2,339.3 | 2,332.4 |
| Interest on long-term debt * | 99.9 | 103.2 | - | - | 99.9 | 103.2 |
| Total expenses | 5,433.7 | 5,339.9 | 195.2 | 193.4 | 5,628.9 | 5,533.3 |
| Increase (decrease) in net position before special item | 20.7 | (110.8) | 58.2 | 52.1 | 78.9 | (58.7) |
| Special items: | | | | | | |
| Gain from sale of purchased capacity | - | - | - | 9.9 | - | 9.9 |
| Increase (decrease) in net position | 20.7 | (110.8) | 58.2 | 62.0 | 78.9 | (48.8) |
| Beginning net position | (460.3) | (349.5) | 1,266.2 | 1,204.2 | 805.9 | 854.7 |
| Ending net position | \$ (439.6) | \$ (460.3) | \$ 1,324.4 | \$ 1,266.2 | \$ 884.8 | \$ 805.9 |

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

Governmental Activities

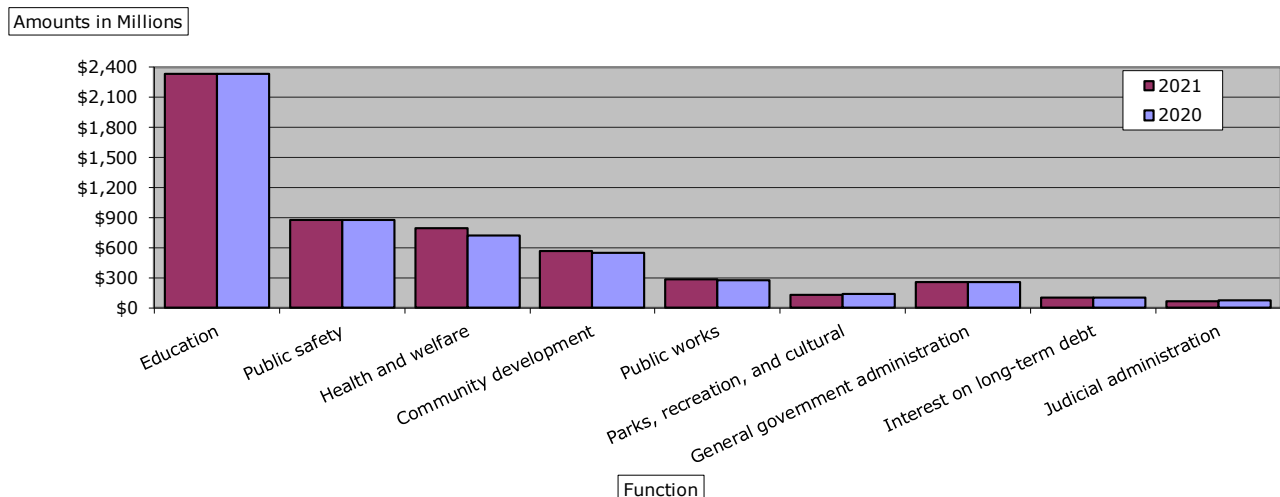
Revenue for the County's governmental activities was \$5,454.4 million for fiscal year 2021, representing an increase of \$225.3 million over fiscal year 2020. Sources of revenue for fiscal years 2021 and 2020 are shown below:



Taxes constitute the largest source of County revenues, amounting to \$4,053.8 million for fiscal year 2021, an increase of \$112.5 million over fiscal year 2020, primarily due to increase in real property taxes. Real property taxes (\$3,008.7 million) represent 74.2 percent of total taxes and over half of all revenues combined. The real estate tax rate remains at \$1.15 per \$100 of assessed value, but the real estate assessments increased by \$110.9 million resulting in the increased revenue. Unrestricted grants and contributions include \$211.4 million in revenue from the Commonwealth of Virginia to reimburse the County as part of the Personal Property Tax Relief Act (see Note C to the financial statements).

Governmental Activities - Expenses by Function

For the Fiscal Years Ended June 30, 2021 and 2020



The total cost of all of the County's governmental activities for fiscal year 2021 was \$5,433.7 million, representing an increase of \$93.8 million over fiscal year 2020. As the table below indicates, education continues to be the County's largest program. Education totaled \$2,339.3 million in fiscal year 2021, an increase of \$6.9 million over fiscal year 2020, to support school operations and to service debt for bond-funded projects to build new schools and renew older facilities. Health and welfare increased by \$75.9 million in total cost of services compared to fiscal year 2020. A significant portion of this arises from new federal grant awards related to health and social services.

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 | |
| | 2021 | 2020 | 2021 | 2020 |
| Education | \$ 2,339.3 | 2,332.4 | \$ 2,339.3 | 2,332.4 |
| Public safety | 882.3 | 879.2 | 743.8 | 757.2 |
| Health and welfare | 797.8 | 721.9 | 400.3 | 422.7 |
| Community development | 569.7 | 550.1 | 217.4 | 253.8 |
| Public works | 282.3 | 274.4 | 79.1 | 85.5 |
| General government administration | 258.1 | 258.3 | 206.5 | 154.8 |
| Other | 304.2 | 323.6 | 253.0 | 268.8 |
| Total | \$ 5,433.7 | 5,339.9 | \$ 4,239.4 | 4,275.2 |

Some of the cost of governmental activities was paid by those who directly benefited from the programs, these costs totaled \$624.9 million. Other governments and organizations subsidized certain programs with grants and contributions totaling \$569.4 million. Of the \$4,239.4 million net cost of services, the amount that taxpayers paid for these programs through County taxes was \$4,053.8 million.

Business-type Activities

The Sewer System recovers its costs primarily through user service charges and availability fees. For fiscal year 2021, the Sewer System reported an increase in net position of \$58.2 million. Total revenues of the Sewer System increased \$7.9 million from fiscal year 2020. This increase was primarily the result of an increase in the sewer availability fees.

Total expenses of the Sewer System for fiscal year 2021 were \$195.2 million, increasing by \$1.8 million from fiscal year 2020. This increase was primarily the result of increases in 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, 2021, the County's governmental funds had a combined fund balance of \$1,691.5 million, compared with \$1,595.0 million at June 30, 2020. Of the fiscal year 2021 fund balance, \$36.8 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 21.3 percent (\$145.5 million) of the total 2021 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, 60.5 percent (\$1,023.3 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 0.12 percent (\$2.0 million) of the total fund balance. At June 30, 2021, \$411.5 million of the General Fund's committed fund balance of \$500.6 million is designated for the managed reserve and revenue stabilization fund based on fiscal year 2021 actuals.

For the fiscal year ended June 30, 2021, fund balances for all governmental funds increased by \$96.4 million, compared with the \$75.4 million decrease for fiscal year ended June 30, 2020. Total revenues and other financing sources were \$6,802.5 million, total expenditures and other financing uses were \$6,706.1 million, resulting in the increase to the fund balances. Although total revenues were less than expenditures in fiscal year 2021, the total other financing sources and uses exceeded the deficiency of revenues over expenditures. In comparison to fiscal year 2020, total revenues and other financing sources increased by \$382.6 million mainly due to an increase in real estate assessments and the recognition of federal stimulus funds from the Coronavirus Relief Fund. Expenditures and other financing uses increased by \$210.7 million compared to fiscal year 2020 due to expended Coronavirus Relief funds and debt service payments.

The General Fund is the main operating fund of the County. At the end of the current fiscal year, the unassigned fund balance was \$145.5 million, which represents approximately 3.7 percent of the General Fund's total expenditures. Revenues of \$4,615.4 million, less expenditures of \$3,894.7 million and other financing uses of \$644.0 million, resulted in a net increase in fund balance of \$76.7 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 19.6 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, 2021 | |
| (\$ in millions) | |
| General fund committed reserves ⁽¹⁾ : | |
| Revenue stabilization fund reserve | \$ 228.9 |
| Managed reserve | 182.6 |
| Information Technology and others | 89.1 |
| Total committed | 500.6 |
| General fund assigned reserves (encumbrances) | 36.8 |
| General fund unassigned reserves | 145.5 |
| General fund supported reserves ⁽²⁾ : | |
| Community services board | 38.8 |
| Internal service fund reserves ⁽³⁾ : | |
| Vehicle related reserves | 64.9 |
| Technology related reserves | 16.5 |
| Self insurance reserves | 104.5 |
| Total reserves funded by and available to the general fund | 907.6 |
| General fund revenues and transfers in ⁽⁴⁾ : | |
| General fund revenues | 4,615.5 |
| Transfers in | 7.1 |
| Total general fund revenues and transfers in | \$ 4,622.6 |
| Total available reserves as % of general fund revenues | 19.6% |

⁽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 \$352.2 million or 7.9 percent. This increase is primarily due to the carryover of prior-year commitments. The final amended budget revenues and transfers in were more than the original budget by a net of \$90.3 million or 2.0 percent, primarily due to higher than projected Local Sales and Use Tax receipts, Business Licenses, and Intergovernmental revenue associated with the receipt of over \$111 million in stimulus funds from the American Rescue Plan Act (ARPA).

Actual revenues were \$44.1 million more than final budget amounts, and actual expenditures were \$263.9 million less than final budget amounts. Highlights of the comparison of final budget to actual figures for the fiscal year ended June 30, 2021, include the following:

- Tax revenues exceeded budgeted amounts by \$30.1 million. The increase is a combination of increases in Real Property and Business Licenses Taxes, Local Sales & Use Taxes, and Recordation Taxes.
- Intergovernmental revenue was \$1.8 million more than budgeted amounts primarily associated with reimbursable expenditures for various public assistance programs.
- General government administration expenditures were \$8.0 million, or 6.1 percent, less than budgeted amounts as a result of managing position vacancies and encumbrances carried forward to the next fiscal year.

- Public safety expenditures were \$26.3 million, or 4.8 percent, less than budgeted amounts mainly as a result of savings associated with managing position vacancies and encumbrances carried forward to the next fiscal year.
- Health and welfare expenditures were \$50.4 million, or 16.6 percent, less than budgeted amounts due to managing position vacancies, lower than anticipated costs in the Department of Family Services, the Health Department, and the Department of Neighborhood and Community Services, and encumbrances carried forward to the next fiscal year.
- Nondepartmental expenditures were \$157.5 million, or 23.6 percent, less than budgeted amounts primarily due to unspent balances of federal stimulus funds carried forward to the next fiscal year and savings in employer contributions to group health and life insurance.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The County's investment in capital assets as of June 30, 2021, amounted to \$4.9 billion, which represents an increase of \$142.2 million, or 3.0 percent, over last year. Capital assets as of June 30, 2021 and 2020, are summarized below:

| Capital Assets As of June 30 (\$ in millions) | | | | | | |
|---|----------------------------|-----------|-----------------------------|-----------|-----------------------------|-----------|
| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Land and easements | \$ 463.4 | 460.8 | \$ 18.1 | 18.0 | \$ 481.5 | 478.8 |
| Buildings, improvements, and infrastructure | 3,230.3 | 3,102.5 | 1,553.2 | 1,511.9 | 4,783.5 | 4,614.4 |
| Software | 181.1 | 163.3 | - | - | 181.1 | 163.3 |
| Vehicles, equipment, and library collections | 662.6 | 632.4 | 17.1 | 15.8 | 679.7 | 648.2 |
| Construction in progress | 351.0 | 317.5 | 285.2 | 228.5 | 636.2 | 546.0 |
| Equipment under construction | 30.6 | 32.3 | - | - | 30.6 | 32.3 |
| Software in development | 20.4 | 15.9 | - | - | 20.4 | 15.9 |
| Purchased capacity | - | - | 1,154.8 | 1,124.3 | 1,154.8 | 1,124.3 |
| Total capital assets | 4,939.4 | 4,724.7 | 3,028.4 | 2,898.5 | 7,967.8 | 7,623.2 |
| Less: Accumulated depreciation and amortization | (1,820.5) | (1,683.7) | (1,285.1) | (1,219.5) | (3,105.6) | (2,903.2) |
| Total capital assets, net | \$ 3,118.9 | 3,041.0 | \$ 1,743.3 | 1,679.0 | \$ 4,862.2 | 4,720.0 |

The major capital asset activities for fiscal year 2021 included the following:

- Developers' contributions of sewer lines and manholes totaled \$1.4 million; contributions related to stormwater and pedestrian walkways totaled \$9.3 million.
- The purchase of library books and audio/video materials totaled \$3.7 million, funded through general operating revenues.
- Improvements to transportation, including bus and rail service, totaled \$5.4 million, County and Regional transportation projects totaled \$2.9 million, and Stormwater Services totaled \$40.7 million.

- Expenditures related to construction of the Springfield and Innovation Metrorail Parking Facility, Sully and Lorton Community Center, Fire Station in multiple locations and Capital Sinking fund for facilities and walkways were \$2.7 million, \$13.3 million, \$35.0 million, and \$7.7 million, respectively.
- The Sewer System's share of the upgrade and operating costs of the Noman Cole Treatment Plant Renovation, totaled \$61.3 million.
- The acquisition of Software increased by \$22.4 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 2021, these percentages were 1.03 percent and 7.16 percent, respectively.

In February 2021, the County issued \$254.2 million of Series 2021A General Obligation Public Improvement Bonds with a true interest cost of 1.23 percent and a premium of \$36.5 million. Proceeds of \$254.2 million are being used to fund new facilities and improvements, as follows (in millions):

| | |
|--|----------------|
| County facilities: | |
| Transportation Improvements | \$ 15.0 |
| Public safety facilities | 24.0 |
| Other purposes | 8.0 |
| Park facilities | 13.9 |
| Transportation facilities | 36.0 |
| Public Schools facilities | <u>157.3</u> |
| Total bonds issued for new projects..... | <u>\$254.2</u> |

In September 2020, the County issued \$294.1 million of Series 2020B General Obligation Refunding Bonds to advance refund multiple outstanding Series bonds to save \$32.4 million in future debt service payments with a \$29.7 million net present value.

In May 2021, the County closed on a partial defeasance in the amount of \$11.2 million of certain Series 2016 obligations associated with the Transportation District Improvement Revenue Bonds (Silver Line Phase 1 Project) to save \$17.5 million of future debt service payments, with a \$17.3 million net present value.

The following is a summary of the County's gross outstanding long-term debt as of June 30, 2021 and 2020:

| Outstanding Long-term Debt As of June 30 (\$ in millions) | | | | | | |
|--|------------------------------------|-------------|-------------------------------------|-------------|-------------------------------------|-------------|
| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| General obligation bonds issued for: | | | | | | |
| County facilities | \$ 866.3 | 823.3 | \$ - | - | \$ 866.3 | 823.3 |
| Public Schools facilities | 1,489.6 | 1,435.8 | - | - | 1,489.6 | 1,435.8 |
| Revenue bonds | 647.2 | 700.0 | - | - | 647.2 | 700.0 |
| Sewer revenue bonds | - | - | 742.2 | 564.3 | 742.2 | 564.3 |
| Notes payable and other | 469.3 | 463.9 | - | - | 469.3 | 463.9 |
| Total County outstanding debt | \$ 3,472.4 | 3,423.0 | \$ 742.2 | 564.3 | \$ 4,214.6 | 3,987.3 |

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 2022:

- The assessed value of all real property increased by \$7.62 billion, or 2.88 percent, over the fiscal year 2021 value. This resulted from an increase in existing property values and construction of new properties.
- Equalized residential property assessments increased 4.25 percent and non-residential equalization decreased 4.05 percent for fiscal year 2022. For the first time since fiscal 2016, growth in residential equalization has been higher than that of non-residential equalization.
- Personal property tax revenue is projected to increase 1.86 percent in fiscal year 2022 compared to the fiscal year 2021 revised budget. The total vehicle volume is forecasted to decline 3.80 percent in fiscal year 2022.
- The General Fund revenue is expected to decrease 0.64 percent from the fiscal year 2021 revised budget plan, due to the American Rescue Plan Act stimulus revenue received in fiscal year 2021. Absent the stimulus revenue, fiscal year 2022 revenue is expected to increase 1.85 percent.

The fiscal year 2022 Adopted Budget includes revenues of \$4.52 billion, or a 0.64 percent decrease from the fiscal year 2021 Revised Budget Plan. Real estate and personal property taxes represent the majority of budgeted revenues, comprising approximately 81.93 percent of the fiscal year 2022 General Fund revenues. Revenue from real property taxes alone makes up 67.46 percent of total revenues, as compared with approximately 67.35 percent in the fiscal year 2021 Adopted Budget.

The fiscal year 2022 General Fund disbursements, which include transfers out, total \$4.53 billion, a 6.15 percent decrease from the fiscal year 2021 Revised Budget Plan. County funding for Public Schools is \$2.38 billion which is approximately 52.63 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 \$264.19 million, or 13.77 percent, from fiscal year 2021.

The following tax rates and fees were approved for fiscal year 2022:

- Real estate tax rate decreases from \$1.15 to \$1.14 per \$100 of assessed value.
- Commercial real estate tax rate for County transportation projects remains at \$0.125 per \$100 of assessed value, levied on commercial and industrial properties.
- Special tax rate for the Dulles Rail Phase I Transportation Improvement District remains at \$0.09 per \$100 of assessed value, levied on commercial and industrial properties in the district. Dulles Rail Phase II 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 increases from \$7.28 to \$7.72 per 1,000 gallons of water consumption and the Sewer Availability Charge for new single-family homes increases from \$8,340 to \$8,507 per unit. The Sewer Base Charge increases from \$32.91 to \$36.54 per quarter.
- Refuse collection rate for County collection sanitation districts increases from \$370 to \$400 per household and the refuse disposal rate decreases from \$68 to \$66 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 2022 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, 2021

| | Primary Government | | Total Primary Government |
|--|----------------------------|-----------------------------|--------------------------------|
| | Governmental Activities | Business-type Activities | |
| ASSETS | | | |
| Equity in pooled cash and temporary investments | \$ 1,183,787,356 | 104,322,559 | 1,288,109,915 |
| Cash in banks/with fiscal agents | - | - | - |
| Investments | 1,045,065,650 | - | 1,045,065,650 |
| Receivables (net of allowances): | | | |
| Accounts | 25,014,653 | 1,363,801 | 26,378,454 |
| Accrued interest | 7,055,300 | - | 7,055,300 |
| Property taxes: | | | |
| Delinquent | 28,372,527 | - | 28,372,527 |
| Not yet due | 3,503,193,330 | - | 3,503,193,330 |
| Business license taxes - delinquent | 2,618,259 | - | 2,618,259 |
| Loans | 61,831,321 | - | 61,831,321 |
| Notes | - | - | - |
| Due from intergovernmental units (net of allowances): | | | |
| Property tax relief - not yet due | 211,313,944 | - | 211,313,944 |
| Other | 132,073,410 | 64,973,713 | 197,047,123 |
| Due from primary government | - | - | - |
| Due from component units | 331,817 | - | 331,817 |
| Loan to component unit | 9,599,400 | - | 9,599,400 |
| Lease to component unit | 34,925,000 | - | 34,925,000 |
| Inventories of supplies | 3,265,136 | 453,527 | 3,718,663 |
| Prepaid and other assets | 2,035,283 | - | 2,035,283 |
| Restricted assets: | | | |
| Equity in pooled cash and temporary investments | 17,027,995 | 235,966,039 | 252,994,034 |
| Cash and temporary investments with fiscal agents | 92,045,040 | 17,941,505 | 109,986,545 |
| Deposit held in trust | - | - | - |
| Investments | - | 32,570,543 | 32,570,543 |
| Property held for sale | 1,404,724 | - | 1,404,724 |
| Capital assets: | | | |
| Non-depreciable/non-amortizable: | | | |
| Land and easements | 463,397,346 | 18,063,764 | 481,461,110 |
| Construction in progress | 351,041,565 | 285,175,888 | 636,217,453 |
| Equipment under construction | 30,595,562 | - | 30,595,562 |
| Software in development | 20,430,576 | - | 20,430,576 |
| Depreciable/amortizable: | | | |
| Vehicles and equipment | 543,738,120 | 17,164,967 | 560,903,087 |
| Software | 181,156,545 | - | 181,156,545 |
| Library collections | 118,851,208 | - | 118,851,208 |
| Purchased capacity | - | 1,154,792,912 | 1,154,792,912 |
| Buildings and improvements | 2,029,958,517 | 91,850,481 | 2,121,808,998 |
| Infrastructure | 1,200,301,478 | 1,461,362,424 | 2,661,663,902 |
| Accumulated depreciation | (1,745,241,237) | (793,296,772) | (2,538,538,009) |
| Accumulated amortization | (75,284,330) | (491,765,757) | (567,050,087) |
| Total assets | 9,479,905,495 | 2,200,939,594 | 11,680,845,089 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred outflow for pension contributions subsequent to the measurement date | 273,129,715 | 5,387,683 | 278,517,398 |
| Deferred outflow for change in proportion (pensions) | 18,173,024 | 1,474,940 | 19,647,964 |
| Deferred outflow for differences between expected and actual experience (pensions) | 41,443,103 | 1,108,033 | 42,551,136 |
| Deferred outflow of recognition of pension investments | 399,016,828 | 3,897,205 | 402,914,033 |
| Deferred outflow for changes in assumptions (pensions) | 16,291,949 | 257,664 | 16,549,613 |
| Deferred outflow for OPEB contributions subsequent to the measurement date | 16,526,889 | 435,536 | 16,962,425 |
| Deferred outflow for change in proportion (OPEB) | 55,185 | - | 55,185 |
| Deferred outflow for differences between expected and actual experience (OPEB) | 13,636,719 | 359,607 | 13,996,326 |
| Deferred outflow for recognition of investments (OPEB) | 8,930,075 | 235,490 | 9,165,565 |
| Deferred outflow for changes in assumptions (OPEB) | 65,317,805 | 1,722,463 | 67,040,268 |
| Deferred loss on refunding of debt | 53,002,643 | 36,004,193 | 89,006,836 |
| Total deferred outflows of resources | \$ 905,523,935 | 50,882,814 | 956,406,749 |
| See accompanying notes to the financial statements. | | | |

EXHIBIT A

| Total Component Units | Reclassifications (See Note A-13) | Total Reporting Entity | |
|-----------------------------|--------------------------------------|------------------------------|--|
| | | | ASSETS |
| 613,277,432 | - | 1,901,387,347 | Equity in pooled cash and temporary investments |
| 41,361,658 | - | 41,361,658 | Cash in banks/with fiscal agents |
| 2,205,000 | - | 1,047,270,650 | Investments |
| | | | Receivables (net of allowances): |
| 20,861,903 | - | 47,240,357 | Accounts |
| 164,281 | - | 7,219,581 | Accrued interest |
| | | | Property taxes: |
| - | - | 28,372,527 | Delinquent |
| - | - | 3,503,193,330 | Not yet due |
| - | - | 2,618,259 | Business license taxes - delinquent |
| - | - | 61,831,321 | Loans |
| 28,389,985 | - | 28,389,985 | Notes |
| | | | Due from intergovernmental units (net of allowances): |
| - | - | 211,313,944 | Property tax relief - not yet due |
| 68,758,139 | - | 265,805,262 | Other |
| 5,445,615 | - | 5,445,615 | Due from primary government |
| - | - | 331,817 | Due from component units |
| - | - | 9,599,400 | Loan to component unit |
| - | - | 34,925,000 | Lease to component unit |
| 1,545,933 | - | 5,264,596 | Inventories of supplies |
| 3,592,390 | - | 5,627,673 | Prepaid and other assets |
| | | | Restricted assets: |
| 142,519,777 | - | 395,513,811 | Equity in pooled cash and temporary investments |
| 70,853,116 | - | 180,839,661 | Cash and temporary investments with fiscal agents |
| 9,108,543 | - | 9,108,543 | Deposit held in trust |
| 1,212,739 | - | 33,783,282 | Investments |
| - | - | 1,404,724 | Property held for sale |
| | | | Capital assets: |
| | | | Non-depreciable/non-amortizable: |
| 490,689,367 | - | 972,150,477 | Land and easements |
| 338,294,348 | - | 974,511,801 | Construction in progress |
| - | - | 30,595,562 | Equipment under construction |
| 777,072 | - | 21,207,648 | Software in development |
| | | | Depreciable/amortizable: |
| 428,577,093 | - | 989,480,180 | Vehicles and equipment |
| 13,260,834 | - | 194,417,379 | Software |
| 20,612,968 | - | 139,464,176 | Library collections |
| - | - | 1,154,792,912 | Purchased capacity |
| 5,140,688,973 | - | 7,262,497,971 | Buildings and improvements |
| - | - | 2,661,663,902 | Infrastructure |
| (2,917,086,420) | - | (5,455,624,429) | Accumulated depreciation |
| (10,104,410) | - | (577,154,497) | Accumulated amortization |
| 4,515,006,336 | - | 16,195,851,425 | Total assets |
| | | | DEFERRED OUTFLOWS OF RESOURCES |
| 444,228,423 | - | 722,745,821 | Deferred outflow for pension contributions subsequent to the measurement date |
| 38,437,161 | - | 58,085,125 | Deferred outflow for change in proportion (pensions) |
| 49,293,817 | - | 91,844,953 | Deferred outflow for differences between expected and actual experience (pensions) |
| 322,769,725 | - | 725,683,758 | Deferred outflow of recognition of pension investments |
| 207,754,017 | - | 224,303,630 | Deferred outflow for changes in assumptions (pensions) |
| | | | Deferred outflow for OPEB contributions subsequent to the measurement date |
| 29,644,869 | - | 46,607,294 | Deferred outflow for change in proportion (OPEB) |
| 8,232,662 | - | 8,287,847 | Deferred outflow for differences between expected and actual experience (OPEB) |
| 65,274,927 | - | 79,271,253 | Deferred outflow for recognition of investments (OPEB) |
| 5,661,857 | - | 14,827,422 | Deferred outflow for changes in assumptions (OPEB) |
| 15,847,722 | - | 82,887,990 | Deferred loss on refunding of debt |
| - | - | 89,006,836 | |
| 1,187,145,180 | - | 2,143,551,929 | Total deferred outflows of resources |

continued

COUNTY OF FAIRFAX, VIRGINIA
Statement of Net Position
June 30, 2021

| | Primary Government | | Total |
|--|--------------------|---------------|-----------------|
| | Governmental | Business-type | Primary |
| | Activities | Activities | Government |
| LIABILITIES | | | |
| Accounts payable and accrued liabilities | \$ 117,741,754 | 1,962,745 | 119,704,499 |
| Accrued salaries and benefits | 100,010,620 | 2,352,592 | 102,363,212 |
| Contract retainages | 9,668,916 | 27,957,265 | 37,626,181 |
| Accrued interest payable | 36,300,568 | 6,238,664 | 42,539,232 |
| Due to intergovernmental units | 8,826,838 | - | 8,826,838 |
| Due to primary government | - | - | - |
| Due to component units | 5,445,615 | - | 5,445,615 |
| Unearned revenue | - | - | - |
| Other | 193,640,522 | - | 193,640,522 |
| Performance and other deposits | 121,955,737 | - | 121,955,737 |
| Long-term liabilities: | | | |
| Portion due or payable within one year: | | | |
| General obligation bonds payable, net | 249,098,031 | - | 249,098,031 |
| Revenue bonds payable, net | 46,156,989 | 36,133,788 | 82,290,777 |
| Notes payable, net | 645,000 | - | 645,000 |
| Compensated absences payable | 74,226,029 | 1,557,921 | 75,783,950 |
| Landfill closure and postclosure obligation | 36,000 | - | 36,000 |
| Obligations under capital leases and installment purchases | 1,192,467 | - | 1,192,467 |
| Insurance and benefit claims payable | 26,291,000 | - | 26,291,000 |
| Loan from primary government | - | - | - |
| Unearned Rent | - | - | - |
| Other | 1,323,915 | - | 1,323,915 |
| Portion due or payable after one year: | | | |
| General obligation bonds payable, net | 2,324,618,854 | - | 2,324,618,854 |
| Revenue bonds payable, net | 674,430,064 | 799,211,374 | 1,473,641,438 |
| Notes payable, net | 449,737,544 | - | 449,737,544 |
| Compensated absences payable | 87,329,316 | 1,632,067 | 88,961,383 |
| Landfill closure and postclosure obligation | 49,383,018 | - | 49,383,018 |
| Obligations under capital leases and installment purchases | 1,800,090 | - | 1,800,090 |
| Insurance and benefit claims payable | 56,496,000 | - | 56,496,000 |
| Net pension liability | 2,194,716,908 | 41,009,432 | 2,235,726,340 |
| Net OPEB liability | 15,939,689 | 420,338 | 16,360,027 |
| Loan from primary government | - | - | - |
| Unearned Rent | - | - | - |
| Other | 14,649,355 | - | 14,649,355 |
| Total liabilities | 6,861,660,839 | 918,476,186 | 7,780,137,025 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred tax revenue | 3,754,774,602 | - | 3,754,774,602 |
| Deferred revenue - other | 6,003,506 | - | 6,003,506 |
| Deferred gain on refunding | 6,933,249 | 4,763,412 | 11,696,661 |
| Deferred inflow related to differences between actual and expected experience (pensions) | 62,498,918 | 490,250 | 62,989,168 |
| Deferred inflow for change in proportion (pensions) | 392,522 | 208,695 | 601,217 |
| Deferred inflow related to differences between actual and expected experience (OPEB) | 7,015,555 | 185,004 | 7,200,559 |
| Deferred recognition of OPEB investments | - | - | - |
| Deferred inflow for change in proportion (OPEB) | - | 12,803 | 12,803 |
| Deferred inflow for change in assumptions (OPEB) | 125,748,662 | 3,316,055 | 129,064,717 |
| Reduction of capital lease | - | - | - |
| Total deferred inflows of resources | 3,963,367,014 | 8,976,219 | 3,972,343,233 |
| NET POSITION | | | |
| Net investment in capital assets | 2,347,835,603 | 1,207,780,108 | 3,555,615,711 |
| Restricted for: | | | |
| Grant programs | 5,632,351 | - | 5,632,351 |
| Repair and replacement | - | - | - |
| Community centers | 13,397,526 | - | 13,397,526 |
| Housing | - | - | - |
| Transportation | 336,651,809 | - | 336,651,809 |
| Capital projects | - | - | - |
| Debt service | - | 17,941,505 | 17,941,505 |
| Unrestricted (deficit) | (3,143,115,712) | 98,648,390 | (3,044,467,322) |
| Net position | \$ (439,598,423) | 1,324,370,003 | 884,771,580 |

See accompanying notes to the financial statements.

EXHIBIT A
concluded

| Total Component Units | Reclassifications (See Note A-13) | Total Reporting Entity | |
|---|--------------------------------------|------------------------------|--|
| LIABILITIES | | | |
| 59,155,890 | - | 178,860,389 | Accounts payable and accrued liabilities |
| 99,627,361 | - | 201,990,573 | Accrued salaries and benefits |
| 15,242,521 | - | 52,868,702 | Contract retainages |
| 15,633,261 | - | 58,172,493 | Accrued interest payable |
| 3,599,450 | - | 12,426,288 | Due to intergovernmental units |
| 331,817 | - | 331,817 | Due to primary government |
| - | - | 5,445,615 | Due to component units |
| 35,659,870 | - | 35,659,870 | Unearned revenue |
| - | - | 193,640,522 | Other |
| 20,057,911 | - | 142,013,648 | Performance and other deposits |
| Long-term liabilities: | | | |
| Portion due or payable within one year: | | | |
| - | - | 249,098,031 | General obligation bonds payable, net |
| 715,457 | - | 83,006,234 | Revenue bonds payable, net |
| 26,610,170 | - | 27,255,170 | Notes payable, net |
| 30,336,474 | - | 106,120,424 | Compensated absences payable |
| - | - | 36,000 | Landfill closure and postclosure obligation |
| 28,305,987 | - | 29,498,454 | Obligations under capital leases and installment purchases |
| 30,833,347 | - | 57,124,347 | Insurance and benefit claims payable |
| 645,300 | - | 645,300 | Loan from primary government |
| 201,343 | - | 201,343 | Unearned Rent |
| - | - | 1,323,915 | Other |
| Portion due or payable after one year: | | | |
| - | - | 2,324,618,854 | General obligation bonds payable, net |
| 18,970,625 | - | 1,492,612,063 | Revenue bonds payable, net |
| 61,877,402 | - | 511,614,946 | Notes payable, net |
| 15,964,175 | - | 104,925,558 | Compensated absences payable |
| - | - | 49,383,018 | Landfill closure and postclosure obligation |
| 81,486,318 | - | 83,286,408 | Obligations under capital leases and installment purchases |
| 41,283,388 | - | 97,779,388 | Insurance and benefit claims payable |
| 4,209,841,631 | - | 6,445,567,971 | Net pension liability |
| 388,542,684 | - | 404,902,711 | Net OPEB liability |
| 8,954,100 | - | 8,954,100 | Loan from primary government |
| 4,229,146 | - | 4,229,146 | Unearned Rent |
| - | - | 14,649,355 | Other |
| 5,198,105,628 | - | 12,978,242,653 | Total liabilities |
| DEFERRED INFLOWS OF RESOURCES | | | |
| - | - | 3,754,774,602 | Deferred tax revenue |
| - | - | 6,003,506 | Deferred revenue - other |
| - | - | 11,696,661 | Deferred gain on refunding |
| 179,279,757 | - | 242,268,925 | Deferred inflow related to differences between actual and expected experience (pensions) |
| 20,195,670 | - | 20,796,887 | Deferred inflow for change in proportion (pensions) |
| 24,530,882 | - | 31,731,441 | Deferred inflow related to differences between actual and expected experience (OPEB) |
| 24,831,484 | - | 24,831,484 | Deferred recognition of OPEB investments |
| 677,139 | - | 689,942 | Deferred inflow for change in proportion (OPEB) |
| 95,665,131 | - | 224,729,848 | Deferred inflow for change in assumptions (OPEB) |
| 3,044,188 | - | 3,044,188 | Reduction of capital lease |
| 348,224,251 | - | 4,320,567,484 | Total deferred inflow of resources |
| NET POSITION | | | |
| 3,304,655,268 | (1,680,137,478) | 5,180,133,501 | Net investment in capital assets |
| Restricted for: | | | |
| 37,843,039 | - | 43,475,390 | Grant programs |
| 700,000 | - | 700,000 | Repair and replacement |
| - | - | 13,397,526 | Community centers |
| 47,575,932 | - | 47,575,932 | Housing |
| - | - | 336,651,809 | Transportation |
| 101,905,820 | (101,905,820) | - | Capital projects |
| - | - | 17,941,505 | Debt service |
| (3,336,858,422) | 1,782,043,298 | (4,599,282,446) | Unrestricted (deficit) |
| 155,821,637 | - | 1,040,593,217 | Net position |

COUNTY OF FAIRFAX, VIRGINIA
Statement of Activities
For the fiscal year ended June 30, 2021

| Functions/Programs | Expenses | Program Revenues | | | |
|-------------------------------------|------------------|----------------------------|--|--|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Primary government: | | | | | |
| Governmental activities: | | | | | |
| General government administration | \$ 258,112,138 | 38,861,891 | 5,727,797 | 6,984,266 | |
| Judicial administration | 71,191,932 | 9,275,977 | 25,113,265 | - | |
| Public safety | 882,293,607 | 73,317,201 | 64,356,610 | 794,816 | |
| Public works | 282,251,099 | 176,467,547 | 4,829,382 | 21,900,500 | |
| Health and welfare | 797,755,569 | 42,688,380 | 354,371,202 | 420,421 | |
| Community development | 569,687,675 | 268,142,659 | 49,793,854 | 34,303,458 | |
| Parks, recreation, and cultural | 133,178,188 | 16,160,486 | 770,371 | 13,260 | |
| Education - for Public Schools | 2,339,297,904 | - | - | - | |
| Interest on long-term debt | 99,955,370 | - | - | - | |
| Total governmental activities | 5,433,723,482 | 624,914,141 | 504,962,481 | 64,416,721 | |
| Business-type activities: | | | | | |
| Public works - Sewer | 195,221,272 | 251,162,619 | - | 1,475,624 | |
| Total business-type activities | 195,221,272 | 251,162,619 | - | 1,475,624 | |
| Total primary government | 5,628,944,754 | 876,076,760 | 504,962,481 | 65,892,345 | |
| Component units: | | | | | |
| Public Schools | 3,320,812,299 | 76,892,323 | 411,859,293 | 194,679,133 | |
| Redevelopment and Housing Authority | 129,242,102 | 41,444,041 | 90,915,113 | - | |
| Park Authority | 101,775,493 | 30,993,539 | - | 25,000,214 | |
| Economic Development Authority | 63,793,551 | - | - | 1,750,000 | |
| Total component units | \$ 3,615,623,445 | 149,329,903 | 502,774,406 | 221,429,347 | |

General revenues:

Taxes:

Real property
 Personal property
 Business licenses
 Local sales and use
 Consumers utility
 Recordation
 Occupancy, tobacco, and other
 Grants and contributions not restricted
 to specific programs
 Revenue from the use of money
 Revenue from primary government
 Other

Total general revenues

Change in net position

Net position, July 1, 2020, as previously restated

Prior period adjustment

Net position, July 1, 2020, as restated

Net position, June 30, 2021

See accompanying notes to the financial statements.

EXHIBIT A-1

| Net (Expense) Revenue and Changes in Net Position | | | | |
|--|--------------------------|--------------------------|-----------------|--|
| Primary Government | | | Total | |
| Governmental Activities | Business-type Activities | Total Primary Government | Component Units | Functions/Programs |
| | | | | Primary government: |
| | | | | Governmental activities: |
| (206,538,184) | - | (206,538,184) | - | General government administration |
| (36,802,690) | - | (36,802,690) | - | Judicial administration |
| (743,824,980) | - | (743,824,980) | - | Public safety |
| (79,053,670) | - | (79,053,670) | - | Public works |
| (400,275,566) | - | (400,275,566) | - | Health and welfare |
| (217,447,704) | - | (217,447,704) | - | Community development |
| (116,234,071) | - | (116,234,071) | - | Parks, recreation, and cultural |
| (2,339,297,904) | - | (2,339,297,904) | - | Education - for Public Schools |
| (99,955,370) | - | (99,955,370) | - | Interest on long-term debt |
| (4,239,430,139) | - | (4,239,430,139) | - | Total governmental activities |
| | | | | Business-type activities: |
| - | 57,416,971 | 57,416,971 | - | Public works - Sewer |
| - | 57,416,971 | 57,416,971 | - | Total business-type activities |
| (4,239,430,139) | 57,416,971 | (4,182,013,168) | - | Total primary government |
| | | | | Component units: |
| - | - | - | (2,637,381,550) | Public Schools |
| - | - | - | 3,117,052 | Redevelopment and Housing Authority |
| - | - | - | (45,781,740) | Park Authority |
| - | - | - | (62,043,551) | Economic Development Authority |
| - | - | - | (2,742,089,789) | Total component units |
| | | | | General revenues: |
| | | | | Taxes: |
| \$ 3,008,700,940 | - | 3,008,700,940 | - | Real property |
| 432,944,446 | - | 432,944,446 | - | Personal property |
| 180,132,797 | - | 180,132,797 | - | Business licenses |
| 263,801,220 | - | 263,801,220 | - | Local sales and use |
| 104,787,720 | - | 104,787,720 | - | Consumers utility |
| 42,977,172 | - | 42,977,172 | - | Recordation |
| 20,532,652 | - | 20,532,652 | - | Occupancy, tobacco, and other |
| 211,422,769 | - | 211,422,769 | 577,036,007 | Grants and contributions not restricted to specific programs |
| (5,159,355) | 790,769 | (4,368,586) | 1,073,695 | Revenue from the use of money |
| - | - | - | 2,262,328,957 | Revenue from primary government |
| - | - | - | 3,438,640 | Other |
| 4,260,140,361 | 790,769 | 4,260,931,130 | 2,843,877,299 | Total general revenues |
| 20,710,222 | 58,207,740 | 78,917,962 | 101,787,510 | Change in net position |
| (460,308,645) | 1,266,162,263 | 805,853,618 | 31,066,502 | Net position, July 1, 2020, as previously restated |
| | | | 22,967,625 | Prior period adjustment |
| | | | 54,034,127 | Net position, July 1, 2020, as restated |
| \$ (439,598,423) | 1,324,370,003 | 884,771,580 | 155,821,637 | Net position, June 30, 2021 |

COUNTY OF FAIRFAX, VIRGINIA
Balance Sheet
Governmental Funds
June 30, 2021

EXHIBIT A-2

| | General Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|--|-------------------------|-----------------------------------|--------------------------------|
| ASSETS | | | |
| Equity in pooled cash and temporary investments | \$ 466,239,498 | 448,247,461 | 914,486,959 |
| Investments | 532,813,376 | 512,252,274 | 1,045,065,650 |
| Receivables (net of allowances): | | | |
| Accounts | 10,633,316 | 14,376,675 | 25,009,991 |
| Accrued interest | - | 7,055,300 | 7,055,300 |
| Property taxes: | | | |
| Delinquent | 28,372,527 | - | 28,372,527 |
| Not yet due | 3,503,193,330 | - | 3,503,193,330 |
| Business license taxes - delinquent | 2,618,259 | - | 2,618,259 |
| Loans | - | 61,831,321 | 61,831,321 |
| Due from intergovernmental units (net of allowances): | | | |
| Not yet due | 211,313,944 | - | 211,313,944 |
| Other | 52,605,958 | 78,978,183 | 131,584,141 |
| Due from component units | 331,817 | - | 331,817 |
| Loan to component unit | - | 9,599,400 | 9,599,400 |
| Lease to component unit | - | 34,925,000 | 34,925,000 |
| Interfund receivables | 834,601 | - | 834,601 |
| Prepaid and other assets | 1,702,289 | 332,994 | 2,035,283 |
| Restricted assets: | | | |
| Equity in pooled cash and temporary investments | - | 17,027,995 | 17,027,995 |
| Cash with fiscal agents | 672,124 | 91,372,916 | 92,045,040 |
| Property held for sale | - | 1,404,724 | 1,404,724 |
| Total assets | 4,811,331,039 | 1,277,404,243 | 6,088,735,282 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Total deferred outflows of resources | - | - | - |
| Total assets and deferred outflows of resources | \$ 4,811,331,039 | 1,277,404,243 | 6,088,735,282 |
| LIABILITIES | | | |
| Accounts payable and accrued liabilities | \$ 29,163,240 | 79,349,450 | 108,512,690 |
| Accrued salaries and benefits | 78,904,257 | 18,693,766 | 97,598,023 |
| Contract retainages | 2,348 | 9,666,568 | 9,668,916 |
| Due to intergovernmental units | 29,794 | 8,797,044 | 8,826,838 |
| Due to component units | 3,444,701 | 2,000,914 | 5,445,615 |
| Interfund payables | 1,577,996 | 834,601 | 2,412,597 |
| Unearned revenue | 154,947,042 | 100,553,608 | 255,500,650 |
| Performance and other deposits | 82,730,157 | 39,225,580 | 121,955,737 |
| Total liabilities | 350,799,535 | 259,121,531 | 609,921,066 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred tax revenue | 3,754,774,602 | - | 3,754,774,602 |
| Unavailable revenue | 21,209,579 | 11,379,045 | 32,588,624 |
| Total deferred inflows of resources | 3,775,984,181 | 11,379,045 | 3,787,363,226 |
| Total liabilities and deferred inflows of resources | \$ 4,126,783,716 | 270,500,576 | 4,397,284,292 |

continued

EXHIBIT A-2

| | General Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|------------------|-----------------------------------|--------------------------------|
| FUND BALANCES | | | |
| Nonspendable: | | | |
| Prepaid amounts | \$ 1,702,289 | 332,994 | 2,035,283 |
| Total Nonspendable | 1,702,289 | 332,994 | 2,035,283 |
| Restricted for: | | | |
| Public safety, courts, and judicial | - | 37,016,436 | 37,016,436 |
| General public works | - | 116,443,293 | 116,443,293 |
| Stormwater management | - | 90,191,555 | 90,191,555 |
| Transportation | - | 356,413,484 | 356,413,484 |
| Social services, health and welfare | - | 2,881,495 | 2,881,495 |
| Housing and community development | - | 45,013,165 | 45,013,165 |
| Parks, recreation, and cultural | - | 14,163,058 | 14,163,058 |
| Debt service | - | 10,920,181 | 10,920,181 |
| Capital projects | - | 83,364,946 | 83,364,946 |
| Other purposes | - | 7,072,814 | 7,072,814 |
| Total Restricted | - | 763,480,427 | 763,480,427 |
| Committed to: | | | |
| Revenue stabilization | 228,917,962 | - | 228,917,962 |
| Managed reserves | 182,576,859 | - | 182,576,859 |
| Public safety, courts, and judicial | 658,813 | 2,334,021 | 2,992,834 |
| Transportation | - | 26,616,996 | 26,616,996 |
| Social services, health and welfare | 1,892,893 | 38,791,924 | 40,684,817 |
| Housing and community development | 46,559,602 | 18,529,911 | 65,089,513 |
| Parks, recreation, and cultural | 995,508 | - | 995,508 |
| Debt service | - | 5,662,300 | 5,662,300 |
| Capital projects | - | 167,873,221 | 167,873,221 |
| Other purposes | 39,011,234 | - | 39,011,234 |
| Total Committed | 500,612,871 | 259,808,373 | 760,421,244 |
| Assigned to: | | | |
| Public safety, courts, and judicial | 13,699,913 | - | 13,699,913 |
| General public works | 5,350,833 | - | 5,350,833 |
| Social services, health and welfare | 9,036,907 | - | 9,036,907 |
| Housing and community development | 3,343,327 | - | 3,343,327 |
| Parks, recreation, and cultural | 304,364 | - | 304,364 |
| Other purposes | 5,027,186 | - | 5,027,186 |
| Total Assigned | 36,762,530 | - | 36,762,530 |
| Unassigned: | 145,469,633 | (16,718,127) | 128,751,506 |
| Total fund balances | 684,547,323 | 1,006,903,667 | 1,691,450,990 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 4,811,331,039 | 1,277,404,243 | 6,088,735,282 |

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, 2021

EXHIBIT A-2
concluded

Fund balances - Total governmental funds \$ 1,691,450,990

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 | \$ 461,458,658 | |
| Construction in progress | 336,066,329 | |
| Equipment under construction | 26,629,872 | |
| Software in development | 20,430,576 | |
| Depreciable/amortizable assets: | | |
| Vehicles and equipment | 340,489,420 | |
| Software | 178,955,958 | |
| Library collections | 118,851,208 | |
| Buildings and improvements | 2,007,742,780 | |
| Infrastructure | <u>1,195,703,688</u> | |
| Total capital assets | 4,686,328,489 | |
| Less accumulated depreciation/amortization | <u>(1,659,519,620)</u> | 3,026,808,869 |

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 | \$ 24,316,869 | |
| Business license | 2,618,259 | |
| Sales and use and other taxes | 1,048,917 | |
| Other charges for services | | |
| Lease to component unit | <u>34,925,000</u> | 62,909,045 |

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 | \$ 23,021,043 | |
| EMS transport and other charges for services | <u>2,515,158</u> | 25,536,201 |

Investment fair value adjustment is recorded in the government-wide statements but not in the fund financial statements (2,655,186)

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 | \$ 53,002,643 | |
| Deferred gain on refunding of debt | <u>(6,933,249)</u> | 46,069,394 |

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 | \$ 273,129,715 | |
| Deferred outflow for change in proportion (pensions) | 18,173,024 | |
| Deferred outflow for differences between expected and actual experience (pensions) | 41,443,103 | |
| Deferred outflow for recognition of pension investments | 399,016,828 | |
| Deferred outflow for changes in assumptions (pensions) | 16,291,949 | |
| Deferred inflow for differences between expected and actual experience (pensions) | (62,498,918) | |
| Deferred inflow for change in proportion (pensions) | (392,522) | |
| Deferred outflow for OPEB contributions subsequent to the measurement date | 16,526,889 | |
| Deferred outflow for change in proportion (OPEB) | 55,185 | |
| Deferred outflow for differences between expected and actual experience (OPEB) | 13,636,719 | |
| Deferred outflow for recognition of investments (OPEB) | 8,930,075 | |
| Deferred outflow for changes in assumptions (OPEB) | 65,317,805 | |
| Deferred inflow related to differences between actual and expected experience (OPEB) | (7,015,555) | |
| Deferred inflow for change in assumptions (OPEB) | <u>(125,748,662)</u> | 656,865,635 |

Certain other receivables are accrued only in the government-wide statements 486,917

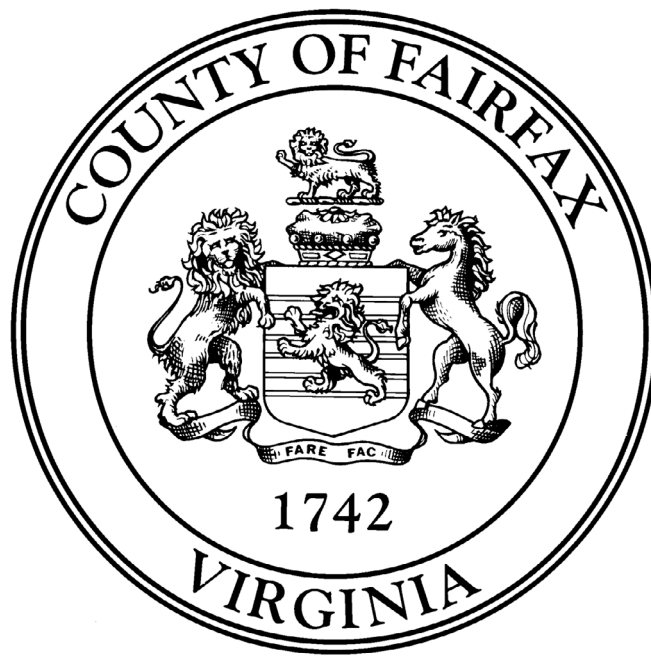
Internal service funds are used by management to provide certain goods and services to governmental funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

| | | |
|--|---------------------|-------------|
| Assets: | | |
| Current assets | \$ 276,805,729 | |
| Capital assets | 253,142,428 | |
| Less accumulated depreciation/amortization | (161,005,947) | |
| Liabilities | <u>(98,301,184)</u> | 270,641,026 |

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 | \$ (2,573,716,885) | |
| Revenue bonds payable, net | (720,587,053) | |
| Notes payable | (450,382,544) | |
| Compensated absences payable | (157,682,822) | |
| Landfill closure and postclosure obligation | (49,419,018) | |
| Obligations under capital leases and installment purchases | (2,992,557) | |
| Net pension liability | (2,194,716,908) | |
| Net OPEB liability | (15,939,689) | |
| Other long-term liabilities | (15,973,270) | |
| Accrued interest on long-term debt | <u>(36,300,568)</u> | (6,217,711,314) |

Net position of governmental activities \$ (439,598,423)



COUNTY OF FAIRFAX, VIRGINIA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the fiscal year ended June 30, 2021

EXHIBIT A-3

| | General Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|-----------------------|-----------------------------------|--------------------------------|
| REVENUES | | | |
| Taxes | \$ 3,987,017,016 | 61,508,767 | 4,048,525,783 |
| Permits, privilege fees, and regulatory licenses | 57,091,315 | 19,574,669 | 76,665,984 |
| Intergovernmental | 492,467,179 | 351,481,633 | 843,948,812 |
| Charges for services | 37,731,261 | 323,602,165 | 361,333,426 |
| Fines and forfeitures | 6,294,096 | 85,183 | 6,379,279 |
| Developers' contributions | - | 24,277,538 | 24,277,538 |
| Revenue from the use of money and property | 25,774,719 | 12,849,807 | 38,624,526 |
| Recovered costs | 8,502,496 | 9,197,927 | 17,700,423 |
| Gifts, donations, and contributions | 612,547 | 2,323,320 | 2,935,867 |
| Total revenues | 4,615,490,629 | 804,901,009 | 5,420,391,638 |
| EXPENDITURES | | | |
| Current: | | | |
| General government administration | 204,608,479 | 7,154,904 | 211,763,383 |
| Judicial administration | 61,256,531 | 997,450 | 62,253,981 |
| Public safety | 734,927,745 | 67,690,972 | 802,618,717 |
| Public works | 93,498,804 | 113,518,671 | 207,017,475 |
| Health and welfare | 378,540,159 | 376,127,798 | 754,667,957 |
| Community development | 88,912,424 | 253,708,214 | 342,620,638 |
| Parks, recreation, and cultural | 38,033,431 | 14,247,852 | 52,281,283 |
| Intergovernmental: | | | |
| Community development | 67,192,619 | 109,629,000 | 176,821,619 |
| Parks, recreation, and cultural | 37,909,623 | 28,374,025 | 66,283,648 |
| Education - for Public Schools | 2,156,536,123 | 182,761,781 | 2,339,297,904 |
| Capital outlay: | | | |
| General government administration | 23,472,494 | 8,724,883 | 32,197,377 |
| Judicial administration | 116,469 | - | 116,469 |
| Public safety | 1,721,862 | 53,787,143 | 55,509,005 |
| Public works | 86,002 | 58,529,814 | 58,615,816 |
| Health and welfare | 2,590,446 | 16,940,961 | 19,531,407 |
| Community development | 27,083 | 22,573,347 | 22,600,430 |
| Parks, recreation, and cultural | 4,374,410 | 6,679,495 | 11,053,905 |
| Debt service: | | | |
| Principal retirement | 895,579 | 317,676,444 | 318,572,023 |
| Interest and other charges | 29,944 | 128,901,281 | 128,931,225 |
| Total expenditures | 3,894,730,227 | 1,768,024,035 | 5,662,754,262 |
| Excess (deficiency) of revenues over (under) expenditures | 720,760,402 | (963,123,026) | (242,362,624) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 7,139,163 | 727,606,761 | 734,745,924 |
| Transfers out | (651,171,626) | (99,068,047) | (750,239,673) |
| General obligation bonds issued | - | 254,190,000 | 254,190,000 |
| Premium on general obligation bonds issued | - | 36,549,140 | 36,549,140 |
| General obligation refunding bonds issued | - | 294,060,000 | 294,060,000 |
| Lease revenue refunding bonds issued | - | 55,650,000 | 55,650,000 |
| Premium on lease revenue refunding bonds issued | - | 5,682,049 | 5,682,049 |
| Payments to refunded bonds escrow agent | - | (293,126,253) | (293,126,253) |
| Capital leases | - | 1,274,161 | 1,274,161 |
| Total other financing sources (uses) | (644,032,463) | 982,817,811 | 338,785,348 |
| Net change in fund balances | 76,727,939 | 19,694,785 | 96,422,724 |
| Fund balances, July 1, 2020 | 607,819,384 | 987,208,882 | 1,595,028,266 |
| Fund balances, June 30, 2021 | \$ 684,547,323 | 1,006,903,667 | 1,691,450,990 |

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, 2021

EXHIBIT A-3
concluded

Net change in fund balances - Total governmental funds \$ 96,422,724

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 | \$ 199,624,409 | |
| Less depreciation/amortization expense | <u>(125,281,685)</u> | 74,342,724 |

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. (34,515,651)

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. 38,086,348

Build America Bonds interest subsidy accrual is not recognized as revenue in the fund statements (50,280)

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 | \$ 3,732,608 | |
| Delinquent business license taxes | (131,440) | |
| Other charges for services | <u>289,823</u> | 3,890,991 |

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 | \$ 1,749,996 | |
| EMS transport and other charges for services | <u>1,808,170</u> | 3,558,166 |

Investment fair value adjustment is recorded in the government-wide statements but not in the fund financial statements (9,964,013)

The receipt of principal payments for the lease to the component unit does not result in a revenue in the statement of activities. (1,685,000)

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 2021A General Obligation Bonds | \$ (290,739,140) | |
| Series 2020B General Obligation Refunding Bonds | (294,060,000) | |
| Lease revenue refunding bonds | (61,332,049) | (647,405,350) |
| Obligations under capital leases and installment purchases | <u>(1,274,161)</u> | |

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. (1,776,737)

Certain other long-term liabilities are recognized only in the government-wide statements, resulting in a net difference. 861,569

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 | \$ 313,964,000 | |
| Payment to escrow agent to refund bonds | 293,126,253 | |
| Principal payments of capital leases and installment purchases | <u>4,608,023</u> | 611,698,276 |

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 | \$ (12,012,325) | |
| Amortization of bond premiums and discounts | 50,811,781 | |
| Amortization of deferred gains on bond refundings | 1,404,948 | |
| Amortization of deferred losses on bond refundings | <u>(11,168,308)</u> | 29,036,096 |

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 | \$ (585,996) | |
| Compensated absences | (10,693,983) | |
| Net pension liability | <u>(139,322,411)</u> | (150,602,390) |

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. 8,812,749

Change in net position of governmental activities \$ 20,710,222

COUNTY OF FAIRFAX, VIRGINIA
Statement of Net Position
Proprietary Funds
June 30, 2021

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 | \$ 104,322,559 | 271,955,583 |
| Accounts receivable | 568,834 | 4,662 |
| Due from intergovernmental units (net of allowance) | 64,973,713 | 2,352 |
| Interfund receivables | - | 1,577,996 |
| Inventories of supplies | 453,527 | 3,265,136 |
| Total unrestricted current assets | 170,318,633 | 276,805,729 |
| Restricted assets: | | |
| Equity in pooled cash and temporary investments | 235,966,039 | - |
| Temporary investments with fiscal agents | 17,941,505 | - |
| Investments with fiscal agents | 32,570,543 | - |
| Total restricted current assets | 286,478,087 | - |
| Total current assets | 456,796,720 | 276,805,729 |
| Long-term assets: | | |
| Capital assets: | | |
| Non-depreciable/non-amortizable: | | |
| Land | 17,407,323 | 1,938,688 |
| Easements | 656,441 | - |
| Construction in progress | 285,175,888 | 14,975,236 |
| Equipment under construction | - | 3,965,690 |
| Depreciable/amortizable: | | |
| Vehicles and equipment | 17,164,967 | 203,248,700 |
| Software | - | 2,200,587 |
| Purchased capacity | 1,154,792,912 | - |
| Buildings and improvements | 91,850,481 | 22,215,737 |
| Infrastructure | 1,461,362,424 | 4,597,790 |
| Accumulated depreciation | (793,296,772) | (159,294,628) |
| Accumulated amortization | (491,765,757) | (1,711,319) |
| Total capital assets, net | 1,743,347,907 | 92,136,481 |
| Other long-term asset | | |
| Accounts receivable | 794,967 | - |
| Total other long-term asset | 794,967 | - |
| Total long-term assets | 1,744,142,874 | 92,136,481 |
| Total assets | 2,200,939,594 | 368,942,210 |

DEFERRED OUTFLOWS OF RESOURCES

| | | |
|--|---------------|---|
| Deferred outflow for pension contributions subsequent to the measurement date | 5,387,683 | - |
| Deferred outflow for change in proportion (pensions) | 1,474,940 | - |
| Deferred outflow for differences between expected and actual experience (pensions) | 1,108,033 | - |
| Deferred outflow for changes in assumptions (pensions) | 257,664 | - |
| Deferred outflow of recognition of pension investments | 3,897,205 | - |
| Deferred outflow for OPEB contributions subsequent to the measurement date | 435,536 | - |
| Deferred outflow for differences between expected and actual experience (OPEB) | 359,607 | - |
| Deferred outflow for recognition of investments (OPEB) | 235,490 | - |
| Deferred outflow for changes in assumptions (OPEB) | 1,722,463 | - |
| Deferred amounts from the refunding of debt | 36,004,193 | - |
| Total deferred outflows of resources | \$ 50,882,814 | - |

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 | \$ 1,962,745 | 9,229,064 |
| Accrued salaries and benefits | 2,352,592 | 2,412,597 |
| Contract retainages | 27,957,265 | - |
| Accrued interest payable | 6,238,664 | - |
| Revenue bonds payable, net | 36,133,788 | - |
| Compensated absences payable | 1,557,921 | 1,679,723 |
| Insurance and benefit claims payable | - | 26,291,000 |
| Total current liabilities | 76,202,975 | 39,612,384 |
| Long-term liabilities: | | |
| Revenue bonds payable, net | 799,211,374 | - |
| Compensated absences payable | 1,632,067 | 2,192,800 |
| Insurance and benefit claims payable | - | 56,496,000 |
| Net pension liability | 41,009,432 | - |
| Net other postemployment benefit liability | 420,338 | - |
| Total long-term liabilities | 842,273,211 | 58,688,800 |
| Total liabilities | 918,476,186 | 98,301,184 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred inflow related to differences between actual and expected experience (pensions) | 490,250 | - |
| Deferred inflow for change in proportion (pensions) | 208,695 | - |
| Deferred inflow related to differences between actual and expected experience (OPEB) | 185,004 | - |
| Deferred inflow for change in proportion (OPEB) | 12,803 | - |
| Deferred inflow for change in assumptions (OPEB) | 3,316,055 | - |
| Deferred gain on refunding | 4,763,412 | - |
| Total deferred inflow of resources | 8,976,219 | - |
| NET POSITION | | |
| Net investment in capital assets | 1,207,780,108 | 92,136,481 |
| Restricted for: | | |
| Debt service | 17,941,505 | - |
| Unrestricted | 98,648,390 | 178,504,545 |
| Net position | \$ 1,324,370,003 | 270,641,026 |

COUNTY OF FAIRFAX, VIRGINIA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the fiscal year ended June 30, 2021

EXHIBIT A-5

| | Business-type Activities - Enterprise Fund Integrated Sewer System | Governmental Activities - Internal Service Funds |
|--|--|---|
| OPERATING REVENUES: | | |
| Charges for services | \$ 216,447,771 | 309,103,449 |
| Recovered costs | - | 86,554 |
| Total operating revenues | 216,447,771 | 309,190,003 |
| OPERATING EXPENSES: | | |
| Personnel services | 39,859,440 | 33,856,977 |
| Materials and supplies | 16,915,830 | 3,325,630 |
| Equipment operation and maintenance | - | 27,599,123 |
| Risk financing and benefit payments | - | 189,068,507 |
| Depreciation and amortization | 65,629,470 | 17,735,447 |
| Professional consultant and contractual services | 52,419,831 | 33,266,019 |
| Other | - | 12,002,990 |
| Total operating expenses | 174,824,571 | 316,854,693 |
| Operating gain (loss) | 41,623,200 | (7,664,690) |
| NONOPERATING REVENUES (EXPENSES): | | |
| Availability fees | 34,714,848 | - |
| Interest revenue | 790,769 | 518,976 |
| Interest expense | (19,458,780) | (60,241) |
| Bond issuance costs | (993,208) | - |
| Gain on disposal of capital assets | 55,287 | 473,685 |
| Total nonoperating revenues (expenses) | 15,108,916 | 932,420 |
| Gain (loss) before contributions and transfers | 56,732,116 | (6,732,270) |
| Capital contributions | 1,475,624 | 51,270 |
| Transfers in | - | 15,493,749 |
| Change in net position | 58,207,740 | 8,812,749 |
| Net position, July 1, 2020 | 1,266,162,263 | 261,828,277 |
| Net position, June 30, 2021 | \$ 1,324,370,003 | 270,641,026 |

See accompanying notes to the financial statements.

COUNTY OF FAIRFAX, VIRGINIA
Statement of Cash Flows
Proprietary Funds
For the fiscal year ended June 30, 2021

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 | \$ 213,832,425 | - |
| Receipts from interfund services provided | - | 309,218,509 |
| Payments to suppliers and contractors | (68,520,776) | (63,838,927) |
| Payments to employees | (37,093,208) | (33,756,409) |
| Claims and benefits paid | - | (196,282,511) |
| Payments for interfund services used | - | (4,356,976) |
| Net cash provided by operating activities | 108,218,441 | 10,983,686 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Transfers from other funds | - | 15,493,749 |
| Net cash provided by noncapital financing activities | - | 15,493,749 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Availability fees received | 34,714,848 | - |
| Capital grants received | 51,862 | - |
| Increase in contracts payable | 4,041,052 | - |
| Principal payments on sewer revenue bonds | (29,088,088) | - |
| Interest payments on sewer revenue bonds | (20,885,736) | - |
| Revenue bonds issued, including premium | 270,107,705 | - |
| Escrow for refunded bonds | (29,269,064) | - |
| Payment of bond issuance costs | (993,208) | - |
| Proceeds from sale of capital assets | 55,287 | 530,680 |
| Purchase of capital assets, other than purchased capacity | (98,100,207) | (17,768,178) |
| Acquisition of purchased capacity | (30,647,350) | - |
| Principal payments on obligations under capital leases | - | (1,199,341) |
| Interest payments on obligations under capital leases | - | (60,241) |
| Net cash used in capital and related financing activities | 99,987,101 | (18,497,080) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Sales of restricted investments | 25,778,477 | - |
| Purchases of restricted investments | (34,116,478) | - |
| Interest received | 402,200 | 518,976 |
| Net cash provided by investing activities | (7,935,801) | 518,976 |
| Net increase (decrease) in cash and cash equivalents | 200,269,741 | 8,499,331 |
| Cash and cash equivalents, July 1, 2020 | 140,018,857 | 263,456,252 |
| Cash and cash equivalents, June 30, 2021 | \$ 340,288,598 | 271,955,583 |

Reconciliation of operating income (loss) to net cash provided by operating activities:

| | | |
|--|----------------|-------------|
| Operating income (loss) | \$ 41,623,200 | (7,664,690) |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | |
| Depreciation and amortization | 65,629,470 | 17,735,447 |
| Change in assets and liabilities: | | |
| Decrease in accounts receivable | - | 16,711 |
| Increase in intergovernmental receivables | (2,615,346) | (1,541) |
| Decrease in interfund receivables | - | 13,336 |
| (Increase)/Decrease in inventories of supplies | (19,188) | 277,328 |
| Decrease in other assets | 306,938 | - |
| Increase in accounts payable and accrued liabilities | 527,135 | 501,421 |
| Increase in pension and OPEB related deferred outflows and deferred inflows | 2,156,418 | - |
| Increase in accrued salaries and benefits | 609,814 | 105,674 |
| Increase in due to intergovernmental units | - | - |
| Total adjustments to operating income | 66,595,241 | 18,648,376 |
| Net cash provided by operating activities | \$ 108,218,441 | 10,983,686 |

Noncash investing, capital, and financing activities:

| | | |
|--|--------------|---------|
| Capital contributions - sewer lines, manholes, and equipment | \$ 1,423,762 | - |
| Gain on disposal of capital assets | - | 473,685 |
| Net increase in long-term debt resulting from the issuance of loans/revenue bonds by UOSA | 19,939,089 | - |
| Amortization of bond premium | 2,371,450 | - |
| Increase in deferred gain recognized resulting from the issuance of refunded revenue bonds | 3,969,019 | - |
| Increase in fair value of investments not classified as cash and cash equivalents | 2,002 | - |
| Removal of purchased capacity through credit of UOSA debt | 177,000 | - |
| UOSA adjustment to bond payments | (1,893) | - |
| Net decrease in long-term debt resulting from the sale of purchased capacity | (365,706) | - |

See accompanying notes to the financial statements.

COUNTY OF FAIRFAX, VIRGINIA
Statement of Fiduciary Net Position
Trust and Custodial Funds
June 30, 2021

EXHIBIT A-7

| | Pension/OPEB Trust Funds | Custodial Funds |
|--|-----------------------------|--------------------|
| ASSETS | | |
| Equity in pooled cash and temporary investments | \$ 14,218,046 | 3,011,029 |
| Cash collateral for securities lending | 163,689,487 | - |
| Accounts receivable | - | 171,806 |
| Contributions receivable | 23,095,209 | - |
| Accrued interest and dividends receivable | 16,117,817 | - |
| Receivable from sale of pension investments | 158,576,311 | - |
| Buildings and improvements | 26,328 | - |
| Vehicles and equipment | 31,410 | - |
| Investments: | | |
| U.S. Government and agency securities | 358,422,272 | - |
| Asset-backed securities | 266,604,457 | - |
| Corporate and other bonds | 604,238,906 | - |
| Common and preferred stock | 1,726,685,525 | - |
| Short-term investments | 453,469,787 | - |
| Investment in pooled funds | 6,099,599,271 | - |
| Total assets | <u>9,884,774,826</u> | <u>3,182,835</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Total deferred outflows of resources | - | - |
| LIABILITIES | | |
| Accounts payable and accrued liabilities | 21,851,385 | 103 |
| Payable for purchase of pension investments | 155,359,012 | - |
| Liabilities for collateral received under securities lending agreements | 163,689,487 | - |
| Due to intergovernmental units | - | 450,993 |
| Performance and other deposits | - | 790,526 |
| Compensated absences | 531,050 | - |
| Total liabilities | <u>341,430,934</u> | <u>1,241,622</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Total deferred inflows of resources | - | - |
| NET POSITION | | |
| Net position restricted for OPEB benefits | 423,896,368 | - |
| Net position restricted for pension benefits | 9,119,447,524 | - |
| Net position restricted for individuals, organizations, and other governments | - | 1,941,213 |
| Total net position | <u>\$ 9,543,343,892</u> | <u>1,941,213</u> |

COUNTY OF FAIRFAX, VIRGINIA
Statement of Changes in Fiduciary Net Position
Trust and Custodial Funds
For the fiscal year ended June 30, 2021

EXHIBIT A-8

| | Pension/OPEB Trust Funds | Custodial Funds |
|--|-----------------------------|--------------------|
| ADDITIONS | | |
| Contributions: | | |
| Employer | \$ 365,632,588 | - |
| Plan members | 67,583,443 | - |
| Other | 97,913 | - |
| Total contributions | 433,313,944 | - |
| Investment income: | | |
| From investment activities: | | |
| Net appreciation in fair value of investments | 2,066,925,441 | - |
| Interest | 61,520,512 | 9,035 |
| Dividends | 34,693,808 | - |
| Total income from investment activities | 2,163,139,761 | 9,035 |
| Less investment activities expenses: | | |
| Management fees | 92,650,184 | 588 |
| Other | 4,118,050 | - |
| Total investment activities expenses | 96,768,234 | 588 |
| Net income from investment activities | 2,066,371,527 | 8,447 |
| From securities lending activities: | | |
| Securities lending income | 2,165,935 | - |
| Less securities lending expenses: | | |
| Management fees | 653,144 | - |
| Total securities lending activities expenses | 653,144 | - |
| Net income from securities lending activities | 1,512,791 | - |
| Net investment income | 2,067,884,318 | 8,447 |
| Collections: | | |
| Taxes and fees for other governments | - | 17,520,943 |
| Intergovernmental for individuals | - | 446,424 |
| Penalty for other governments and organizations | - | 927,395 |
| Other for organizations and individuals | - | 1,273,268 |
| Total collections | - | 20,168,030 |
| Total additions | 2,501,198,262 | 20,176,477 |
| DEDUCTIONS | | |
| Benefits | 583,865,128 | - |
| Refunds of contributions | 5,489,916 | - |
| Administrative expenses | 3,994,193 | 72,765 |
| Payments: | | |
| Taxes and fees to other governments | - | 17,725,631 |
| Intergovernmental collections to individuals | - | 530,056 |
| Penalties to other governments and organizations | - | 927,489 |
| Other collections to organizations and individuals | - | 838,600 |
| Total payments | - | 20,021,776 |
| Total deductions | 593,349,237 | 20,094,541 |
| Change in net position | 1,907,849,025 | 81,936 |
| Net position, July 1, 2020 | 7,635,494,867 | - |
| Prior period adjustment | - | 1,859,277 |
| Net position, June 30, 2021 | \$ 9,543,343,892 | 1,941,213 |

See accompanying notes to the financial statements.

COUNTY OF FAIRFAX, VIRGINIA
Combining Statement of Net Position
Component Units
June 30, 2021

| | Public Schools | Redevelopment and Housing Authority | Park Authority |
|--|-------------------|---|-------------------|
| ASSETS | | | |
| Equity in pooled cash and temporary investments | \$ 550,215,017 | 24,333,274 | 38,729,141 |
| Cash in banks/with fiscal agents/escrow | 228,513 | 41,133,145 | - |
| Investments | - | 2,205,000 | - |
| Receivables (net of allowances): | | | |
| Accounts | 15,397,845 | 5,423,898 | 40,160 |
| Accrued interest | 12,538 | 151,743 | - |
| Notes | - | 28,389,985 | - |
| Due from intergovernmental units | 68,572,705 | - | 185,434 |
| Due from primary government | 235,842 | - | 4,739,473 |
| Inventories of supplies | 1,399,420 | - | 146,513 |
| Prepaid and other assets | 88,906 | 3,325,914 | 177,570 |
| Restricted assets: | | | |
| Equity in pooled cash and temporary investments | 121,248,325 | - | 17,271,452 |
| Cash with fiscal agents | - | 70,853,116 | - |
| Deposit held in trust | - | 9,108,543 | - |
| Investments | - | 1,212,739 | - |
| Capital assets: | | | |
| Non-depreciable/non-amortizable: | | | |
| Land and easements | 46,837,095 | 44,390,873 | 399,461,399 |
| Construction in progress | 321,205,883 | 3,876,835 | 13,211,630 |
| Software in development | 777,072 | - | - |
| Depreciable/amortizable: | | | |
| Vehicles and equipment | 407,108,608 | 7,386,182 | 14,063,014 |
| Software | 13,260,834 | - | - |
| Library collections | 20,612,968 | - | - |
| Buildings and improvements | 4,363,348,374 | 235,420,384 | 540,743,404 |
| Accumulated depreciation | (2,474,902,989) | (147,896,675) | (294,267,557) |
| Accumulated amortization | (9,073,162) | - | - |
| Total assets | 3,446,573,794 | 329,314,956 | 734,501,633 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred outflow for pension contributions subsequent to the measurement date | 432,392,843 | 3,738,600 | 7,137,297 |
| Deferred outflow for change in proportion (pensions) | 37,288,238 | 821,196 | 233,364 |
| Deferred outflow for differences between expected and actual experience (pensions) | 46,739,211 | 790,639 | 1,581,217 |
| Deferred outflow for recognition of pension investments | 313,784,588 | 2,780,860 | 5,561,503 |
| Deferred outflow for changes in assumptions (pensions) | 207,159,963 | 183,857 | 367,700 |
| Deferred outflow for OPEB contributions subsequent to the measurement date | 28,535,246 | 299,996 | 762,640 |
| Deferred outflow for change in proportion (OPEB) | 7,968,631 | - | 264,031 |
| Deferred outflow for differences between expected and actual experience (OPEB) | 64,349,797 | 249,188 | 635,654 |
| Deferred outflow for recognition of investments (OPEB) | 5,056,032 | 163,182 | 416,261 |
| Deferred outflow for changes in assumptions (OPEB) | 11,416,489 | 1,193,574 | 3,044,686 |
| Total deferred outflows of resources | \$ 1,154,691,038 | 10,221,092 | 20,004,353 |

See accompanying notes to the financial statements.

EXHIBIT A-9

| Economic Development Authority | Total Component Units | |
|---------------------------------------|-----------------------------|--|
| ASSETS | | |
| - | 613,277,432 | Equity in pooled cash and temporary investments |
| - | 41,361,658 | Cash in banks/with fiscal agents/escrow |
| - | 2,205,000 | Investments |
| | | Receivables (net of allowances): |
| - | 20,861,903 | Accounts |
| - | 164,281 | Accrued interest |
| - | 28,389,985 | Notes |
| - | 68,758,139 | Due from intergovernmental units |
| 470,300 | 5,445,615 | Due from primary government |
| - | 1,545,933 | Inventories of supplies |
| - | 3,592,390 | Prepaid and other assets |
| | | Restricted assets: |
| 4,000,000 | 142,519,777 | Equity in pooled cash and temporary investments |
| - | 70,853,116 | Cash with fiscal agents |
| - | 9,108,543 | Deposit held in trust |
| - | 1,212,739 | Investments |
| | | Capital assets: |
| | | Non-depreciable/non-amortizable: |
| - | 490,689,367 | Land and easements |
| - | 338,294,348 | Construction in progress |
| - | 777,072 | Software in development |
| | | Depreciable/amortizable: |
| 19,289 | 428,577,093 | Equipment |
| - | 13,260,834 | Software |
| - | 20,612,968 | Library collections |
| 1,176,811 | 5,140,688,973 | Buildings and improvements |
| (19,199) | (2,917,086,420) | Accumulated depreciation |
| (1,031,248) | (10,104,410) | Accumulated amortization |
| 4,615,953 | 4,515,006,336 | Total assets |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| 959,683 | 444,228,423 | Deferred outflow for pension contributions subsequent to the measurement date |
| 94,363 | 38,437,161 | Deferred outflow for change in proportion (pensions) |
| 182,750 | 49,293,817 | Deferred outflow for differences between expected and actual experience (pensions) |
| 642,774 | 322,769,725 | Deferred outflow for recognition of pension investments |
| 42,497 | 207,754,017 | Deferred outflow for changes in assumptions (pensions) |
| 46,987 | 29,644,869 | Deferred outflow for OPEB contributions subsequent to the measurement date |
| - | 8,232,662 | Deferred outflow for change in proportion (OPEB) |
| 40,288 | 65,274,927 | Deferred outflow for differences between expected and actual experience (OPEB) |
| 26,382 | 5,661,857 | Deferred outflow for recognition of investments (OPEB) |
| 192,973 | 15,847,722 | Deferred outflow for changes in assumptions (OPEB) |
| 2,228,697 | 1,187,145,180 | Total deferred outflows of resources |

continued

COUNTY OF FAIRFAX, VIRGINIA
Combining Statement of Net Position
Component Units
June 30, 2021

| | Public Schools | Redevelopment and Housing Authority | Park Authority |
|--|-------------------|---|-------------------|
| LIABILITIES | | | |
| Accounts payable and accrued liabilities | \$ 48,118,697 | 5,428,436 | 5,500,106 |
| Accrued salaries and benefits | 93,914,708 | 1,003,133 | 4,347,871 |
| Contract retainages | 15,037,923 | - | 204,598 |
| Accrued interest payable | 980,521 | 14,629,945 | 22,795 |
| Due to intergovernmental units | 1,917,045 | 1,682,405 | - |
| Due to primary government | 196,515 | - | 135,302 |
| Unearned revenue | 18,394,983 | 955,593 | 12,309,294 |
| Performance and other deposits | 17,116,723 | 2,126,939 | 814,249 |
| Long-term liabilities: | | | |
| Portion due or payable within one year: | | | |
| Revenue bonds payable, net | - | 715,457 | - |
| Notes payable | - | 26,610,170 | - |
| Compensated absences payable | 27,334,200 | 476,932 | 2,308,319 |
| Obligations under capital leases and installment purchases | 28,305,987 | - | - |
| Insurance and benefit claims payable | 30,833,347 | - | - |
| Loan from primary government | - | - | 645,300 |
| Unearned rent | - | - | - |
| Portion due or payable after one year: | | | |
| Revenue bonds payable, net | - | 18,970,625 | - |
| Notes payable | - | 61,877,402 | - |
| Compensated absences payable | 11,714,658 | 447,459 | 3,466,319 |
| Obligations under capital leases and installment purchases | 81,486,318 | - | - |
| Insurance and benefit claims payable | 41,283,388 | - | - |
| Net OPEB liability | 387,461,319 | 291,271 | 743,003 |
| Loan from primary government | - | - | 8,954,100 |
| Unearned rent | 4,154,666 | - | - |
| Net pension liability | 4,115,292,996 | 29,262,385 | 58,522,476 |
| Total liabilities | 4,923,543,994 | 164,478,152 | 97,973,732 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred inflow related to differences between actual and expected experience (pensions) | 178,149,469 | 349,819 | 699,611 |
| Deferred inflow for change in proportion and assumptions (pensions) | 14,990,759 | 1,191,418 | 2,973,122 |
| Deferred inflow related to differences between actual and expected experience (OPEB) | 24,054,938 | 128,198 | 327,019 |
| Deferred recognition of OPEB investments | 24,831,484 | - | - |
| Deferred inflow for change in proportion (OPEB) | 370,725 | 124,246 | - |
| Deferred inflow for change in assumptions (OPEB) | 87,134,202 | 2,297,846 | 5,861,575 |
| Reduction of capital lease | 3,044,188 | - | - |
| Total deferred inflow of resources | 332,575,765 | 4,091,527 | 9,861,327 |
| NET POSITION | | | |
| Net investment in capital assets | 2,564,344,454 | 76,552,671 | 663,612,490 |
| Restricted for: | | | |
| Grant and education programs | 36,335,113 | - | - |
| Repair and replacement | - | - | 700,000 |
| Housing | - | 47,575,932 | - |
| Capital projects | 67,602,452 | - | 34,303,368 |
| E.C. Lawrence Trust - Nonexpendable reserve | - | - | 1,507,926 |
| Unrestricted (deficit) | (3,323,136,946) | 46,837,766 | (53,452,857) |
| Net position | \$ (654,854,927) | 170,966,369 | 646,670,927 |

See accompanying notes to the financial statements.

EXHIBIT A-9

concluded

| Economic Development Authority | Total Component Units | |
|--------------------------------------|-----------------------------|--|
| | | LIABILITIES |
| 108,651 | 59,155,890 | Accounts payable and accrued liabilities |
| 361,649 | 99,627,361 | Accrued salaries and benefits |
| - | 15,242,521 | Contract retainages |
| - | 15,633,261 | Accrued interest payable |
| - | 3,599,450 | Due to intergovernmental units |
| - | 331,817 | Due to primary government |
| 4,000,000 | 35,659,870 | Unearned revenue |
| - | 20,057,911 | Performance and other deposits |
| | | Long-term liabilities: |
| | | Portion due or payable within one year: |
| - | 715,457 | Revenue bonds payable, net |
| - | 26,610,170 | Notes payable |
| 217,023 | 30,336,474 | Compensated absences payable |
| - | 28,305,987 | Obligations under capital leases and installment purchases |
| - | 30,833,347 | Insurance and benefit claims payable |
| - | 645,300 | Loan from primary government |
| 201,343 | 201,343 | Unearned rent |
| | | Portion due or payable after one year: |
| - | 18,970,625 | Revenue bonds payable, net |
| - | 61,877,402 | Notes payable |
| 335,739 | 15,964,175 | Compensated absences payable |
| - | 81,486,318 | Obligations under capital leases and installment purchases |
| - | 41,283,388 | Insurance and benefit claims payable |
| 47,091 | 388,542,684 | Net OPEB liability |
| - | 8,954,100 | Loan from primary government |
| 74,480 | 4,229,146 | Unearned rent |
| 6,763,774 | 4,209,841,631 | Net pension liability |
| 12,109,750 | 5,198,105,628 | Total liabilities |
| | | DEFERRED INFLOWS OF RESOURCES |
| 80,858 | 179,279,757 | Deferred inflow related to differences between actual and expected experience (pensions) |
| 1,040,371 | 20,195,670 | Deferred inflow for change in proportion (pensions) |
| 20,727 | 24,530,882 | Deferred inflow related to differences between actual and expected experience (OPEB) |
| - | 24,831,484 | Deferred recognition of OPEB investments |
| 182,168 | 677,139 | Deferred inflow for change in proportion (OPEB) |
| 371,508 | 95,665,131 | Deferred inflow for change in assumptions (OPEB) |
| - | 3,044,188 | Reduction of capital lease |
| 1,695,632 | 348,224,251 | Total deferred inflow of resources |
| | | NET POSITION |
| 145,653 | 3,304,655,268 | Net investment in capital assets |
| | | Restricted for: |
| - | 36,335,113 | Grant and education programs |
| - | 700,000 | Repair and replacement |
| - | 47,575,932 | Housing |
| - | 101,905,820 | Capital projects |
| - | 1,507,926 | E.C. Lawrence Trust |
| (7,106,385) | (3,336,858,422) | Unrestricted (deficit) |
| (6,960,732) | 155,821,637 | Net position |

COUNTY OF FAIRFAX, VIRGINIA
Combining Statement of Activities
Component Units
For the fiscal year ended June 30, 2021

| Functions/Programs | Expenses | Program Revenues | | |
|--------------------------------------|------------------|----------------------------|--|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Public Schools: | | | | |
| Education | \$ 3,320,812,299 | 76,892,323 | 411,859,293 | 194,679,133 |
| Redevelopment and Housing Authority: | | | | |
| Community development | 129,242,102 | 41,444,041 | 90,915,113 | - |
| Park Authority: | | | | |
| Parks, recreation, and cultural | 101,775,493 | 30,993,539 | - | 25,000,214 |
| Economic Development Authority: | | | | |
| Community development | 63,793,551 | - | - | 1,750,000 |
| Total component units | \$ 3,615,623,445 | 149,329,903 | 502,774,406 | 221,429,347 |

General revenues:

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

Total general revenues

Change in net position

Net position, July 1, 2020, as previously stated

Prior period adjustment

Net position, July 1, 2020, as restated

Net position, June 30, 2021

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 |
| (2,637,381,550) | - | - | - | (2,637,381,550) |
| - | 3,117,052 | - | - | 3,117,052 |
| - | - | (45,781,740) | - | (45,781,740) |
| - | - | - | (62,043,551) | (62,043,551) |
| (2,637,381,550) | 3,117,052 | (45,781,740) | (62,043,551) | (2,742,089,789) |
| | | | | |
| \$ 571,864,424 | - | 5,171,583 | - | 577,036,007 |
| 62,628 | 940,518 | 70,549 | - | 1,073,695 |
| 2,143,322,211 | 4,079,176 | 52,855,354 | 62,072,216 | 2,262,328,957 |
| 3,438,640 | - | - | - | 3,438,640 |
| 2,718,687,903 | 5,019,694 | 58,097,486 | 62,072,216 | 2,843,877,299 |
| 81,306,353 | 8,136,746 | 12,315,746 | 28,665 | 101,787,510 |
| (759,128,905) | 162,829,623 | 634,355,181 | (6,989,397) | 31,066,502 |
| 22,967,625 | - | - | - | 22,967,625 |
| (736,161,280) | 162,829,623 | 634,355,181 | (6,989,397) | 54,034,127 |
| \$ (654,854,927) | 170,966,369 | 646,670,927 | (6,960,732) | 155,821,637 |



COUNTY OF FAIRFAX, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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 (IDAFIC). The IDAFIC does not have a significant operational or financial relationship with the County. Fairfax Water bills and collects for the sales of sewer services on behalf of the County's sewer system. During fiscal year 2021, Fairfax Water collected approximately \$202.2 million on behalf of the County, and as of June 30, 2021, the County has receivables of approximately \$51.0 million due from Fairfax Water.

Joint Ventures

The County is a participant in the Upper Occoquan Service 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.

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

3. Measurement Focus and Basis of Accounting

Government-wide, Proprietary, and Fiduciary Fund Statements

The government-wide, proprietary, trust, and custodial fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and entitlements. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied. For the trust funds, consisting of employee retirement and OPEB plans, member and employer contributions as applicable are

recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. For the Sewer System, principal operating revenues include sales to existing customers for continuing sewer service. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Also, unbilled Sewer System receivables, net of an allowance for uncollectible accounts, are recorded at year end to the extent they can be estimated.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's Sewer System and various other functions of the government; elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Governmental Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenue from the use of money and property and from intergovernmental reimbursement grants is recorded as earned. Other revenues are considered available to be used to pay liabilities of the current period if they are collectible within the current period or within 45 days thereafter. The primary revenues susceptible to accrual include property, business license, and other local taxes and intergovernmental revenues. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the individual programs are used as guidance. Expenditures are recorded when the related fund liability is incurred, except that principal and interest on general long-term debt and certain other general long-term obligations, such as compensated absences and landfill closure and postclosure care costs, are recognized only to the extent they have matured. General capital asset acquisitions are reported as capital outlays in governmental funds. The issuance of general long-term debt and acquisitions under 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, 2021, 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, 2021, 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 | \$ 1,927,084 |
| Internal Service Funds | 214,169 |
| Custodial Funds | 1,426 |
| Total primary government | 2,142,679 |
| Component Units | |
| Public Schools | 1,389,212 |
| FCRHA | 10,319 |
| Park Authority | 38,813 |
| Total component units | 1,438,344 |
| Total reporting entity | \$ 3,581,023 |

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 is used. Under this method, inventories are expensed as they are consumed as operating supplies and spare parts in the period to which they apply. Inventories are valued and carried on an average unit cost basis. Prepaid items represent non-inventory transactions that do not qualify for expense or expenditure recognition, but the cash flow occurred as of the end of the fiscal year but prior to meeting the requirements for liability recognition.

9. Restricted Assets

Restricted assets are liquid assets which have third-party limitations on their use. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Unspent amounts from the issuance of general obligation bonds are reported as restricted assets in the County's capital projects funds. The County also holds deposits under the terms of performance agreements. The County may require a developer to enter into these agreements in order to ensure that certain structures and improvements are completed according to approved site plans. The deposits are released to the developer when the terms of the agreement have been satisfied. If the terms of the agreement are not satisfied, the County uses the deposits to correct or complete the project as necessary. The amount of the deposits held is reported as restricted assets in the General Fund.

In accordance with the provisions of the 1985 General Bond Resolution as modified through July 2009, certain assets of the Sewer System are restricted for specific future uses, such as repayment of debt obligations, payments on construction projects, extensions and improvements, or the purchase of additional capacity at certain wastewater treatment facilities for the benefit of the County. As of June 30, 2021, the Sewer System has cash and investments that are restricted for the following uses:

| Restricted Assets of the Sewer System | |
|--|-----------------------|
| Unspent bond proceeds | \$ 232,689,428 |
| Long-term debt service requirements | 35,847,154 |
| Current debt service requirements | 17,941,505 |
| Total restricted assets | <u>\$ 286,478,087</u> |

In accordance with requirements of the U. S. Department of Housing and Urban Development and the Virginia Housing Development Authority, the FCRHA is required to maintain certain restricted deposits and funded reserves for repairs and replacements.

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

10. Capital Assets

Depreciable capital assets, including buildings, improvements, equipment, library collections, purchased capacity, 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, and non-depreciable assets including land and permanent right-of-way easements which have no threshold, are reported in the proprietary funds and applicable governmental or business-type activities columns in the government-wide financial statements. The County has capitalized general infrastructure assets, including solid waste disposal facilities, storm water management facilities, public drainage systems, mass transportation facilities, commercial revitalization improvements, and public trails and walkways that were acquired or substantially improved subsequent to July 1, 1980. The County does not capitalize roads and bridges as these belong to the Commonwealth of Virginia.

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

Purchased capital assets are stated at historical cost or estimated historical cost. Donated capital assets are recorded at their estimated acquisition value as of the date of donation. Capital assets are depreciated/amortized over their estimated useful lives using the straight-line method. The estimated useful lives are shown in the table on the right.

| 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 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, 2021, the primary government had \$373.6 million restricted net position, of which \$350.1 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 \$1,782.0 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 \$101.9 million for capital projects with the balance of \$1,782.0 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 | \$ 3,555,615,711 | 3,304,655,268 | (1,507,855,715) | (172,281,763) | (1,680,137,478) | 5,180,133,501 |
| Restricted | 373,623,191 | 188,024,791 | (86,842,293) | (15,063,527) | (101,905,820) | 459,742,162 |
| Unrestricted | (3,044,467,322) | (3,336,858,422) | 1,594,698,008 | 187,345,290 | 1,782,043,298 | (4,599,282,446) |
| Net position | \$ 884,771,580 | 155,821,637 | - | - | - | 1,040,593,217 |

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 | \$ 13,699,913 |
| General public works | 5,350,833 |
| Social services, health and welfare | 9,036,907 |
| Housing and community development | 3,343,327 |
| Parks, recreation, and cultural | 304,364 |
| Other purposes | 18,827,317 |
| Total General Fund | 50,562,661 |
| Capital Projects Funds | |
| Capital Project | \$ 169,090,715 |

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 between 30 and 99 years, depending on time of installation.

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 ACFR. The Board of Trustees of the Virginia Pooled OPEB Trust has adopted an investment policy to achieve a compound annualized total rate of return over a market cycle, including current income and capital appreciation, in excess of 5 percent after inflation, in a manner consistent with prudent risk-taking. Investment decisions for the funds' assets are made by the Board of Trustees. The Board of Trustees establishes investment objectives, risk tolerance and asset allocation policies in light of the investment policy, market and economic conditions, and generally prevailing prudent investment practices. The Board of Trustees also monitors the investments to ensure adherence to the adopted policies and guidelines. In addition, the Trustees review, monitor, and evaluate the performance of the investments and its investment advisors in light of available investment opportunities, market conditions, and publicly available indices for the generally accepted evaluation and measurement of

such performance. Specific investment information for the Virginia Pooled OPEB Trust can be obtained by writing to VML/VACo Finance Program, 8 East Canal Street, Suite 100, Richmond, Virginia 23219.

The Code of Virginia (Code) authorizes the reporting entity to purchase the following types of investments:

- Commercial paper
- U.S. Treasury and agency securities
- U.S. Treasury strips
- Certificates of deposits and bank notes
- Insured Deposits
- Demand Deposit Accounts
- Money market funds
- Bankers acceptances
- Repurchase agreements
- Medium term corporate notes
- Local government investment pool
- Asset-backed securities
- Hedged debt obligations of sovereign governments
- Securities lending programs
- Obligations of the Asian Development Bank
- Obligations of the African Development Bank
- Obligations of the International Bank for Reconstruction and Development
- Obligations of the Commonwealth of Virginia and its instrumentalities
- Obligations of counties, cities, towns, and other public bodies located within the Commonwealth of Virginia
- Obligations of state and local government units located within other states
- Savings accounts or time deposits in any bank or savings institution within the Commonwealth that complies with the Code
- Qualified investment pools

However, the investment policy precludes the investment of pooled funds in derivative securities, reverse repurchase agreements, security lending programs, asset-backed securities, hedged debt, obligations of sovereign governments, obligations of the Commonwealth of Virginia and its instrumentalities, obligations of counties, cities, towns, and other public bodies located within the Commonwealth of Virginia and obligations of state and local government units located within other states.

The Code also authorizes the reporting entity to purchase other investments for its pension trust funds and OPEB trust funds, including common and preferred stocks and corporate bonds that meet the standard of judgment and care set forth in the Code. The pension trust funds' Boards of Trustees' investment policies permit these funds to lend their securities to broker-dealers and other entities (borrowers) for collateral that will be returned for the same securities in the future.

2. Fair Value Measurement

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

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

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

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

Level 3 Includes unobservable information to arrive at the valuation.

The Primary Government has the following investments measured at fair value as of June 30, 2021:

| 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 | 6/30/2021 | | Primary Government | Component Unit |
| Cash & Cash Equivalents: | | | | |
| Negotiable Certificates of Deposit | \$ 890,000,000 | - | 693,187,369 | 196,812,631 |
| Commercial Paper | 654,416,193 | - | 509,700,044 | 144,716,149 |
| Fixed Income Securities: | | | | |
| US Treasury and Agencies | 554,051,267 | - | 431,529,596 | 122,521,671 |
| Corporate Notes | 264,814,382 | - | 206,253,916 | 58,560,466 |
| Total investment by Fair Value Level | \$ 2,363,281,842 | - | 1,840,670,925 | 522,610,917 |

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

Securities and equities held by the County and component pension systems classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Securities in Level 2 are valued using bid evaluation which may include market quotations, yields, maturity call features and ratings. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices. Level 3 securities use proprietary information or single source pricing. Additional information regarding the holdings of the individual retirement systems is

available in their separately issued ACFRs. Information on how these may be viewed can be found in Note G.

Pension holdings reported at fair value and net asset value are presented below:

| Primary Government - Pension Trust Funds: | | Fair Value Measurements Using | | |
|--|-------------------------|---|---|---------------------------------------|
| | | Quoted Prices in Active markets for Identical Assets | Significant Other Observable Inputs | Significant Unobservable Inputs |
| Investments by Fair Value Level | 6/30/2021 | Level 1 | Level 2 | Level 3 |
| Asset-backed securities | \$ 266,604,457 | - | 82,805,696 | 183,798,761 |
| Convertible or exchangeable securities | 12,976,183 | - | 12,976,183 | - |
| Convertible securities | 435,463 | 435,463 | - | - |
| Corporate and other bonds | 506,250,162 | 22,350,383 | 380,571,136 | 103,328,643 |
| Equity | 1,713,952,913 | 1,630,511,756 | (495,730) | 83,936,887 |
| Futures contracts | 22,256,521 | 22,256,521 | - | - |
| International bonds | 30,216,011 | - | 30,216,011 | - |
| Natural resources | 4,425,275 | - | - | 4,425,275 |
| Preferred securities | 8,307,337 | 4,131,110 | 4,148,581 | 27,646 |
| Real estate | 32,104,566 | 32,104,566 | - | - |
| US government obligations | 358,422,272 | - | 358,422,272 | - |
| Total investment by Fair Value Level | \$ 2,955,951,160 | 1,711,789,799 | 868,644,149 | 375,517,212 |
| | | Unfunded Commitments | Redemption Frequency | Redemption Notice Period |
| Investments measured at the net asset value (NAV) | | | | |
| Absolute return | \$1,173,952,307 | - | Daily, Monthly, Quarterly | 2-90 days |
| Global equity | 1,335,948,774 | 454,641,287 | None, Daily, Monthly, Quarterly | 0 - 90 days, N/A |
| Global fixed income | 1,744,074,123 | 388,369,349 | None, Daily, Monthly, Quarterly, Semi-Annually | 0 - 90 days, N/A |
| Global multi-asset | 875,749,449 | - | Daily, Monthly, Quarterly | 1-90 days |
| Global real assets | 548,869,452 | 179,269,575 | None, Daily, Quarterly | 0-60 days, N/A |
| Total investments measured at the NAV | 5,678,594,105 | 1,022,280,211 | | |
| Investments Measured at Amortized Cost | | | | |
| Short Term | 453,469,787 | | | |
| Total investments | \$ 9,088,015,052 | | | |

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 percent invested position by investing 130 percent of portfolio assets in long positions and 30 percent in short positions.

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

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

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

Global Multi-Asset: This type includes funds that invest across multiple asset classes using a risk balance approach in their asset allocation with the intent to balance risk across all combinations of Rising and Falling Growth and Inflation. The main goal is to construct a portfolio that achieves the best risk adjusted return at a given expected level of volatility which varies by fund. This is achieved through the use of derivatives and liquid long positions across multiple asset classes.

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

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

Real Estate funds: One fund in this type is primarily a core portfolio of U.S. equity real estate with a goal to provide good returns while limiting downside risk through property type, geographic, and economic diversification with moderate leverage. This type also includes distressed real estate fund-of-funds that invest in local real estate managers that purchase distressed 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 | 6/30/2021 | Level 1 | Level 2 | Level 3 | |
| Short-term securities | \$ 82,434,178 | - | 82,434,178 | - | |
| Asset and mortgage backed securities | 131,235,280 | - | 131,235,280 | - | |
| Corporate bonds | 296,155,653 | - | 290,200,138 | 5,955,515 | |
| Convertible securities | 7,885,605 | 433,004 | 7,452,601 | - | |
| International bonds | 48,744,879 | - | 48,282,977 | 461,902 | |
| Municipal bonds | 629,074 | - | 629,074 | - | |
| US government obligations | 134,299,276 | 134,299,276 | - | - | |
| Basic industries | 114,111,656 | 114,111,656 | - | - | |
| Consumer services | 211,957,163 | 211,957,163 | - | - | |
| Financial industries | 87,022,348 | 87,022,348 | - | - | |
| Preferred securities | 2,847,981 | 2,847,981 | - | - | |
| REITS | 15,429,647 | 15,429,647 | - | - | |
| Technology | 133,056,927 | 133,056,927 | - | - | |
| Utilities | 5,837,841 | 5,837,841 | - | - | |
| Total investment by Fair Value Level | \$ 1,271,647,508 | 704,995,843 | 560,234,248 | 6,417,417 | |
| Investments measured at the net asset value (NAV) | | Unfunded Commitments | Redemption Frequency | Redemption Notice Period | |
| Commingled large cap equity funds | \$ 520,490,767 | - | Daily | None | |
| Commingled emerging markets equity funds | 209,646,091 | - | Daily | 3 days | |
| Commingled global equity fund | 179,682,927 | - | Daily | None | |
| Commingled global fixed income funds | 117,469,670 | - | Daily | None | |
| Commingled emerging markets debt funds | 94,630,238 | - | Monthly | 30 days | |
| Private markets | 238,898,086 | 153,707,291 | Not eligible | N/A | |
| Commingled Multi asset class solutions | 306,184,789 | - | Monthly | 5 days | |
| Commingled Hedge funds | 187,556,946 | - | Monthly | 30 days | |
| Commingled real estate equity funds | 138,530,606 | - | Daily, quarterly | 1 to 90 days | |
| Private real estate fund | 17,601,518 | 52,678,490 | Not eligible | N/A | |
| Total investments measured at the NAV | 2,010,691,638 | 206,385,781 | | | |
| Total investments measured at Fair Value | \$ 3,282,339,146 | | | | |

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

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

Private Equity and Debt Partnerships: This type includes investments in limited partnerships, which generally include the following strategies: buyouts, venture capital, mezzanine, distressed debt,

growth equity and special situations. These investments have an approximate life of 10 years and are considered illiquid. Redemptions are restricted over the life of the partnership. During the life of the partnerships, distributions are received as underlying partnership investments are realized. As of June 30, 2021, it is probable that all of the investments in this type will be sold at an amount different from the NAV per share of the plan's ownership interest in partners' capital.

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

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

Commingled Real Estate Equity Funds: 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.

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

Information related to the investments held in the OPEB trust funds of both the County and 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, 2021, are summarized on the following page:

| Investment Type | Valuation | Weighted Average Maturity (Days) |
|---|-------------------------|---|
| Primary Government - Pooled Investments: | | |
| Pooled Investments: | | |
| U.S. Treasury Securities and Agencies | \$ 431,540,226 | 1,451 |
| Commercial Paper | 509,964,422 | 81 |
| Corporate Notes and Bonds | 206,258,997 | 581 |
| Money Market Funds | 248,089,984 | 1 |
| Negotiable Certificates of Deposit | 693,204,446 | 158 |
| State of Virginia LGIP | 102,123,314 | 58 |
| Virginia Investment Pool LGIP | 179,630,376 | 47 |
| Total | <u>\$ 2,370,811,765</u> | |
| Portfolio weighted average maturity | | 384 |
| Component Units - Pooled Investments: | | |
| U.S. Treasury Securities and Agencies | \$ 122,511,041 | 1,451 |
| Commercial Paper | 144,775,083 | 81 |
| Corporate Notes | 58,555,386 | 581 |
| Money Market Funds | 70,430,890 | 1 |
| Negotiable Certificates of Deposit | 196,795,554 | 158 |
| State of Virginia LGIP | 28,992,044 | 58 |
| Virginia Investment Pool LGIP | 50,995,719 | 47 |
| Total | <u>\$ 673,055,717</u> | |
| Portfolio weighted average maturity | | 384 |

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, 2021, 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 | \$ 214,000,466 | 15.5 |
| Police Officers Retirement System | 78,964,276 | 13.4 |
| Uniformed Retirement System | 65,457,530 | 9.2 |
| Corporate and other bonds | | |
| Employees' Retirement System | 378,254,879 | 2.7 |
| Police Officers Retirement System | 82,378,203 | 4.8 |
| Uniformed Retirement System | 113,389,813 | 3.4 |
| International Bonds | | |
| Employees' Retirement System | 29,724,867 | 4.9 |
| Police Officers Retirement System | - | - |
| Uniformed Retirement System | 491,144 | 5.8 |
| Asset-backed securities | | |
| Employees' Retirement System | 117,362,797 | 4.7 |
| Police Officers Retirement System | 43,380,369 | 6.0 |
| Uniformed Retirement System | 105,861,291 | 4.2 |
| Short-term investments | | |
| Employees' Retirement System | 205,607,282 | - |
| Police Officers Retirement System | 65,667,361 | - |
| Uniformed Retirement System | 182,195,144 | - |
| Total | <u>\$ 1,682,735,422</u> | |
| Component Unit - Pension Trust Fund: | | |
| Asset and mortgage backed | \$ 131,235,280 | 1.0 |
| Convertible securities | 7,885,605 | 0.2 |
| Corporate bonds | 296,155,653 | 3.5 |
| International bonds | 48,744,879 | 0.6 |
| Municipal bonds | 629,074 | 0.0 |
| Short-term investment funds | 82,434,178 | - |
| US government obligations | 134,299,276 | 0.9 |
| Total | <u>\$ 701,383,945</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, 2021, investments held by the county pool were rated as follows:

| Credit Quality Rating * | | | | | | | |
|----------------------------|-------|------------------|-------|--------------------|-------|-------------------------|------|
| AA | | A-1 | | AAA-m | | Unrated | |
| Corporate Notes | 7.9% | Commercial paper | 19.5% | Money Market Funds | 1.1% | Demand Deposit Accounts | 2.3% |
| US Treasury and Agencies** | 16.6% | Negotiable CD | 26.6% | LGIP | 10.8% | Collateralized CDs | 6.8% |
| | | | | Bond Funds | 8.4% | | |
| 24.5% | | 46.1% | | 20.3% | | 9.1% | |

* 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, 2021.

** U.S. Treasury and Agencies AA+

The primary government and component units' pension trust funds' credit quality ratings at June 30, 2021, 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 | - % | 21.3 % | - % | - % | - % | - % | - % | - % |
| Corporate and other bonds | - | 0.5 | 1.3 | 3.5 | 6.8 | 6.3 | 2.8 | 12.8 |
| Asset-backed securities | 0.2 | 4.2 | 0.2 | 0.2 | 1.1 | 0.7 | 0.8 | 8.4 |
| Short-term investments | - | - | - | - | - | - | - | 27.0 |
| International bonds | - | 0.2 | 0.1 | 1.0 | 0.7 | - | - | (0.1) |
| Component Units | | | | | | | | |
| Pension Trust Fund: | | | | | | | | |
| Asset and mortgage-backed securities | 3.4 % | 11.2 % | 4.2 % | 3.9 % | 0.6 % | 0.3 % | 2.1 % | 1.4 % |
| Corporate bonds | - | 1.6 | 6.4 | 37.7 | 10.3 | 4.6 | 0.4 | 0.1 |
| Convertible securities | - | - | - | 0.8 | 0.2 | 0.6 | - | - |
| International bonds | 1.9 | 0.8 | 1.4 | 3.1 | 2.3 | 0.6 | 0.1 | - |
| Municipal bonds | - | - | - | 0.1 | - | - | - | - |

* Credit quality ratings are determined using S&P's long-term rating schema, which approximates the greatest degree of risk as of June 30, 2021.

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, 2021, ERF had three active fixed income managers. The active manager portfolios had values of \$184.8 million, \$205.5 million and \$270.5 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 1.43 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 fair value of the security and 105 percent of the market value of the foreign security. The custodian monitors the fair 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, 2021, 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 | \$ 7,178,483 | 7,324,516 | - |
| Corporate and other bonds | 42,296,228 | 43,340,791 | - |
| Common and preferred stock | 110,296,185 | 113,024,180 | - |
| Lent for securities collateral: | | | |
| U.S. Government securities | 81,403,351 | - | 87,557,268 |
| Corporate and other bonds | 10,958,325 | - | 12,841,020 |
| Common and preferred stock | 276,584,027 | - | 307,083,470 |
| Total securities lent | <u>\$ 528,716,599</u> | <u>163,689,487</u> | <u>407,481,758</u> |
| Component Unit - Pension Trust Fund: | | | |
| Lent for cash collateral: | | | |
| Domestic corporate bonds | \$ 55,178,653 | 56,542,403 | - |
| Domestic stock | 76,149,463 | 77,923,350 | - |
| International bonds | 1,794,100 | 1,877,850 | - |
| International stock | 2,271,307 | 2,399,178 | - |
| U.S. Government securities | 8,192,002 | 8,362,318 | - |
| Total securities lent | <u>\$ 143,585,525</u> | <u>147,105,099</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, 2021, is presented on the following pages:

Foreign Currency Risk

| International Securities | Cash and Cash Equivalents | Equity | Convertible and Fixed Income | Total U.S. Dollars |
|--|---------------------------------|--------------------|------------------------------------|-----------------------|
| Primary Government - Pension Trust Funds: | | | | |
| Australian Dollar | \$ (156,150) | 87,018,021 | 308,659 | 87,170,530 |
| Brazil Real | 2,374 | 65,123,087 | (412,665) | 64,712,796 |
| Canadian Dollar | 17,069 | 37,136,394 | - | 37,153,463 |
| Chilean Peso | - | 31,159,581 | - | 31,159,581 |
| Colombian Peso | 27 | 24,986,269 | 157,158 | 25,143,454 |
| Czech Koruna | - | 21,744,546 | - | 21,744,546 |
| Danish Krone | 745 | 29,225,770 | 6,296,550 | 35,523,065 |
| Euro Currency Unit | 448,647 | 99,779,287 | - | 100,227,934 |
| Hong Kong Dollar | 148,858 | 22,845,417 | 8,995,911 | 31,990,186 |
| Hungarian Forint | - | 8,215,461 | - | 8,215,461 |
| Indian Rupee | 5,474 | 5,454,428 | 2,290,997 | 7,750,899 |
| Indonesian Rupiah | - | - | 6,250,740 | 6,250,740 |
| Japanese Yen | 1,277,929 | 82,032,753 | - | 83,310,682 |
| Malaysian Ringgit | - | 102,257 | 5,958,092 | 6,060,349 |
| Mexican Peso | - | 115,575 | 5,559,838 | 5,675,413 |
| New Taiwan Dollar | 317,744 | 8,487,781 | - | 8,805,525 |
| New Zealand Dollar | - | 242,116 | 4,933,312 | 5,175,428 |
| Norwegian Krone | - | 6,074,384 | (249,421) | 5,824,963 |
| Peruvian Sol | - | - | 117,959 | 117,959 |
| Philippine Peso | 8,274 | 2,543,471 | - | 2,551,745 |
| Polish Zloty | - | - | 2,191,013 | 2,191,013 |
| Pound Sterling | 53,319 | 65,545,291 | - | 65,598,610 |
| Russian Ruble | - | - | 1,322,203 | 1,322,203 |
| Singapore Dollar | 31,211 | 7,932,228 | 620,539 | 8,583,978 |
| South African Rand | 13 | 160,767 | 400,385 | 561,165 |
| South Korean Won | 3,336 | 4,389,592 | (318,893) | 4,074,035 |
| Swedish Krona | 3,606 | 13,630,138 | (1,682,248) | 11,951,496 |
| Swiss Franc | 514 | 28,549,979 | (2,755,842) | 25,794,651 |
| Thailand Baht | (5) | 639,785 | (6,695,031) | (6,055,251) |
| Turkish Lira | - | 83,413 | - | 83,413 |
| Total fair value | <u>\$ 2,162,985</u> | <u>653,217,791</u> | <u>33,289,256</u> | <u>688,670,032</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 | \$ 9,480 | 8,920,154 | - | 8,929,634 |
| Brazil Real | 27,956 | 4,227,852 | 2,754,103 | 7,009,911 |
| Canadian Dollar | 3,336 | 4,789,106 | - | 4,792,442 |
| Chinese Yuan Renminbi | 30,546 | - | - | 30,546 |
| Czech Koruna | - | 342,028 | - | 342,028 |
| Danish Krone | 146,734 | 14,808,713 | - | 14,955,447 |
| Euro Currency Unit | 647,035 | 59,864,766 | 15,230,770 | 75,742,571 |
| Hong Kong Dollar | 155,708 | 24,725,293 | - | 24,881,001 |
| Hungarian Forint | - | 69,190 | - | 69,190 |
| Indian Rupee | - | - | 616,557 | 616,557 |
| Israeli Shekel | - | 438,272 | - | 438,272 |
| Japanese Yen | 231,731 | 26,121,053 | - | 26,352,784 |
| Malaysian Ringgit | 13,603 | 832,235 | - | 845,838 |
| Mexican Peso | 28,837 | 313,753 | 1,340,158 | 1,682,748 |
| New Taiwan Dollar | 86,434 | 12,976,061 | - | 13,062,495 |
| New Zealand Dollar | 10,724 | 1,354,997 | - | 1,365,721 |
| Norwegian Krone | 8,541 | 1,410,484 | - | 1,419,025 |
| Polish Zloty | - | 2,147,858 | - | 2,147,858 |
| Pound Sterling | 180,136 | 21,431,468 | 16,418 | 21,628,022 |
| Qatari Riyal | 11,493 | 834,532 | - | 846,025 |
| Russian Ruble | 277 | - | - | 277 |
| Singapore Dollar | - | 46,082 | - | 46,082 |
| South African Rand | - | 423,876 | - | 423,876 |
| South Korean Won | 36,769 | 11,353,286 | 70,504 | 11,460,559 |
| Swedish Krona | 79,401 | 14,560,735 | - | 14,640,136 |
| Swiss Franc | 451,871 | 26,956,293 | - | 27,408,164 |
| Thailand Baht | - | 4,094,654 | - | 4,094,654 |
| Turkish Lira | 463 | 108,867 | - | 109,330 |
| UAE Dirham | 9,426 | 251,046 | - | 260,472 |
| Total fair value | <u>\$ 2,170,501</u> | <u>243,402,654</u> | <u>20,028,510</u> | <u>265,601,665</u> |

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 2021, the Pension trust funds invested directly in various derivatives including asset-backed securities, collateralized mortgage obligations, exchange-traded futures contracts, forward currency contracts, options, swaps, and floating rate securities. Some traditional on-balance-sheet securities, such as structured notes, can have derivative-like characteristics where the return may be linked to one or more indices. Asset-backed securities, such as collateralized mortgage obligations (CMOs), are sensitive to changes in interest rates and pre-payments. Futures, forwards, options, and swaps generally are not recorded on the financial statements, whereas floating rate securities, structured notes, and asset-backed securities are recorded. The Pension trust funds also have exposure to derivatives indirectly through their ownership interests in certain hedge funds, mutual funds, and commingled funds which may use, hold, or write derivative financial instruments.

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

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

Futures contracts are contracts to deliver or receive securities at a specified future date and at a specified price or yield. Futures contracts are traded on organized exchanges (exchange-traded) and typically require an initial margin (collateral) in the form of cash or marketable securities. The net change in the futures contract value is settled daily with the exchanges in cash and the net gains or losses are included in the Pension trust funds' financial statements. Holders of futures contracts look to the exchange for performance under the contract and not to the entity holding the offsetting futures position. Accordingly, the amount at risk posed by nonperformance of counterparties to futures contracts is minimal. The notional value of the Pension trust funds' investment in futures contracts at June 30, 2021, 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 | (409,441,948) | (419,459,799) |
| Equity Futures: | | |
| Long | 787,297,950 | 779,456,444 |
| Short | (143,891,045) | (147,674,400) |
| Fixed Income Futures: | | |
| Long | 394,661,017 | 389,567,765 |
| Short | (7,900,188) | (7,618,362) |
| Commodity Futures: | | |
| Long | 412,692,756 | 418,463,356 |
| Short | - | - |
| Total | <u>\$ 1,033,418,542</u> | <u>1,012,735,004</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, 2021, is summarized as follows:

| Swap Types | Base Exposure | Fair Value |
|--|------------------------|---------------------|
| Primary Government - Pension Trust Funds: | | |
| Fixed Income Swaps: | | |
| Cleared Interest Rate Swaps | \$ (17,569,984) | (19,885,880) |
| Cleared Credit Default Swaps | 2,000,165 | 1,969,081 |
| Cleared Zero Coupon Swaps | (1,406,890) | (1,550,162) |
| Total | <u>\$ (16,976,709)</u> | <u>(19,466,961)</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, 2021, are presented on the following page.

| | Cost | Fair Value | Unrealized Gain/(loss) |
|--|---------------------|------------------|---------------------------|
| Primary Government - Pension Trust Funds: | | | |
| Equity Options: | | | |
| Purchased Call | \$ (353,345) | (495,730) | (142,385) |
| Fixed Income Options: | | | |
| Written Call | - | - | - |
| Total | <u>\$ (353,345)</u> | <u>(495,730)</u> | <u>(142,385)</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 fair 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, 2021, was \$64,237, 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: | | | | |
| Australian Dollar | (17,670,000) | \$ (13,636,681) | \$ (13,268,922) | \$ 367,759 |
| Brazil Real | (730,000) | (139,154) | (145,301) | (6,147) |
| Columbian Peso | (570,000,000) | (152,610) | (152,452) | 158 |
| Euro Currency Unit | (7,155,000) | (8,539,561) | (8,491,030) | 48,531 |
| Hong Kong Dollar | (229,587) | (29,562) | (29,564) | (2) |
| Indonesian Rupiah | (69,000,000,000) | (4,777,563) | (4,732,503) | 45,060 |
| Mexican Peso | (16,400,000) | (803,502) | (819,496) | (15,994) |
| New Zealand Dollar | (3,910,000) | (2,798,003) | (2,732,086) | 65,917 |
| Polish Zloty | (920,000) | (250,443) | (241,673) | 8,770 |
| Pound Sterling | (343,000) | (477,533) | (473,941) | 3,592 |
| Russian Ruble (New) | (11,000,000) | (148,608) | (149,738) | (1,130) |
| South African Rand | (96,700,000) | (6,699,506) | (6,733,610) | (34,104) |
| South Korean Won | (8,730,000,000) | (7,690,708) | (7,724,942) | (34,234) |
| Swiss Franc | (6,400,000) | (7,092,102) | (6,937,190) | 154,912 |
| Total Foreign Currency Contracts Purchased | | | <u>\$ (52,632,448)</u> | <u>603,088</u> |

| | | | | |
|--|---------------|--------------|----------------------|------------------|
| Foreign Currency Contracts Sold | | | | |
| Primary Government - Pension Trust Funds: | | | | |
| Brazil Real | 11,120,000 | \$ 1,980,551 | \$ 2,213,349 | \$ 232,798 |
| Chilean Peso | 9,625,000,000 | 13,454,304 | 13,195,293 | (259,011) |
| Colombian Peso | 2,820,000,000 | 778,371 | 754,237 | (24,134) |
| Euro Currency Unit | 15,120,000 | 18,264,141 | 17,939,741 | (324,400) |
| Hungarian Forint | 1,550,000,000 | 5,152,093 | 5,234,469 | 82,376 |
| New Zealand Dollar | 3,910,000 | 2,797,585 | 2,732,086 | (65,499) |
| Polish Zloty | 47,570,000 | 12,469,174 | 12,496,442 | 27,268 |
| Pound Sterling | 5,440,000 | 7,711,934 | 7,515,950 | (195,984) |
| Russian Ruble (new) | 396,000,000 | 5,280,833 | 5,384,684 | 103,851 |
| South Korean Won | 8,730,000,000 | 7,802,902 | 7,724,942 | (77,960) |
| Thailand Baht | 44,300,000 | 1,420,226 | 1,382,070 | (38,156) |
| Total Foreign Currency Contracts Sold | | | <u>\$ 76,573,263</u> | <u>(538,851)</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 values as determined by our custodian and recorded in the Statement of Changes in Plan Net Position of the pension trust funds.

As permitted by the Code, the component unit's pension trust fund (ERFC) invests in derivative instruments on a limited basis in accordance with the Board of Trustees' investment policy. Derivatives provide a means for ERFC to increase earnings and/or hedge against potential losses. The risks associated with derivative instruments, include market risk resulting from fluctuations in interest and currency rates, the credit worthiness of counter parties to any contracts entered into, and the credit worthiness of mortgages related to collateralized mortgage obligations (CMOs). Specific authorization by the Board is required should investment managers seek to purchase securities on margin or leverage. During fiscal year 2021, ERFC had no direct investments in derivatives.

9. Deferred Outflows/Inflows of Resources

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources representing a consumption of net 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, 2021, after allowances for uncollectible amounts, is \$28,372,527 of which \$4,055,658 has been included in tax revenue for fiscal year 2021 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 2021 as receivables (net of payments totaling \$40,267,328 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, 2021; however, these resources, which amount to \$3,754,774,602, will not be available to the County until fiscal year 2022.

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, 2021, consist of the following:

| | General Fund | Nonmajor Governmental Funds | Enterprise Fund | Internal Service Funds | Total Primary Government (Exhibit A) |
|-------------------------------------|------------------|-----------------------------|-----------------|------------------------|--------------------------------------|
| Receivables: | | | | | |
| Accounts | \$ 13,673,760 | 14,376,675 | 1,363,801 | 4,662 | 29,418,898 |
| Accrued interest | - | 13,423,679 | - | - | 13,423,679 |
| Property taxes: | | | | | |
| Delinquent | 52,511,563 | - | - | - | 52,511,563 |
| Not yet due | 3,512,657,671 | - | - | - | 3,512,657,671 |
| Business license taxes - delinquent | 29,938,585 | - | - | - | 29,938,585 |
| Loans | - | 111,412,644 | - | - | 111,412,644 |
| Total receivables | 3,608,781,579 | 139,212,998 | 1,363,801 | 4,662 | 3,749,363,040 |
| Allowances for uncollectibles: | | | | | |
| Accounts receivable | (3,040,444) | - | - | - | (3,040,444) |
| Accrued interest | - | (6,368,379) | - | - | (6,368,379) |
| Property taxes: | | | | | |
| Delinquent | (24,139,036) | - | - | - | (24,139,036) |
| Not yet due | (9,464,341) | - | - | - | (9,464,341) |
| Business license taxes - delinquent | (27,320,326) | - | - | - | (27,320,326) |
| Loans | - | (49,581,323) | - | - | (49,581,323) |
| Total allowances for uncollectibles | (63,964,147) | (55,949,702) | - | - | (119,913,849) |
| Total net receivables | \$ 3,544,817,432 | 83,263,296 | 1,363,801 | 4,662 | 3,629,449,191 |

Receivables of the component units, excluding fiduciary funds, at June 30, 2021, consist of the following:

| | Public Schools | FCRHA | Park Authority | EDA | Total Component Units |
|------------------------------|----------------|-------------|----------------|-----|-----------------------|
| Receivables: | | | | | |
| Accounts | \$ 15,397,845 | 6,345,696 | 40,160 | - | 21,783,701 |
| Accrued interest | 12,538 | 151,743 | - | - | 164,281 |
| Notes, mortgages, and other | - | 28,549,964 | - | - | 28,549,964 |
| Total receivables | 15,410,383 | 35,047,403 | 40,160 | - | 50,497,946 |
| Allowances for uncollectible | - | (1,081,777) | - | - | (1,081,777) |
| Total net receivables | \$ 15,410,383 | 33,965,626 | 40,160 | - | 49,416,169 |

Delinquent property taxes receivable from taxpayers in the General Fund as of June 30, 2021, are as follows:

| Year of Levy | Real Estate | Personal Property | Total |
|--|---------------|-------------------|---------------|
| 2019 | \$ 10,573,002 | 15,296,030 | 25,869,032 |
| 2018 | 2,262,227 | 5,660,973 | 7,923,200 |
| 2017 | 827,613 | 3,829,056 | 4,656,669 |
| Prior years | 1,256,308 | 5,656,563 | 6,912,871 |
| Total delinquent taxes | \$ 14,919,150 | 30,442,622 | 45,361,772 |
| Penalty and interest | | | 7,149,791 |
| Total delinquent taxes, penalty and interest | | | 52,511,563 |
| Allowances for uncollectibles | | | (24,139,036) |
| Net delinquent tax receivables | | | \$ 28,372,527 |

Amounts due to the primary government and component units from other governmental units at June 30, 2021, 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 | \$ 108,957 | 11,609,427 | 185,220 | - | 11,903,604 | 47,238,298 | 184,300 |
| State government: | | | | | | | |
| Property tax relief - not yet due | 211,313,944 | - | - | - | 211,313,944 | - | - |
| Other | 51,808,646 | 49,634,306 | 2,047,349 | - | 103,490,301 | 21,094,994 | - |
| Local governments | 688,355 | 17,734,450 | 62,741,144 | 2,352 | 81,166,301 | 171,129 | 1,134 |
| Total intergovernmental units | \$ 263,919,902 | 78,978,183 | 64,973,713 | 2,352 | 407,874,150 | \$ 68,504,421 | \$ 185,434 |
| Federal-Build America Bond subsidy | | | | | 486,917 | | |
| Total (Exhibit A) | | | | | \$ 408,361,067 | | |

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, 2021, are as follows:

| | Interfund Receivables | Interfund Payables |
|---------------------------------|-----------------------|--------------------|
| Primary Government | | |
| General Fund | \$ 834,601 | 1,577,996 |
| Nonmajor Governmental Funds | - | 834,601 |
| Internal Service Funds | 1,577,996 | - |
| Total primary government | \$ 2,412,597 | 2,412,597 |
| Component Unit | | |
| Public Schools: | | |
| General Fund | \$ 300,000 | - |
| Nonmajor Governmental Funds | - | 300,000 |
| Total component units | \$ 300,000 | 300,000 |

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, 2021, are as follows:

| Receivable Entity | Payable Entity | Amount |
|----------------------------------|----------------------------------|---------------------|
| <u>Component Units</u> | <u>Primary Government</u> | |
| Public Schools | General Fund | \$ 235,842 |
| Park Authority | General Fund | 2,738,559 |
| Park Authority | Nonmajor Governmental Fund | 2,000,914 |
| EDA | General Fund | 470,300 |
| Total | | \$ 5,445,615 |
| <u>Primary Government</u> | <u>Component Unit</u> | |
| General Fund | Park Authority | \$ 135,302 |
| General Fund | Public Schools | 196,515 |
| Total | | \$ 331,817 |

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, 2021, are as follows:

| | Transfers In | Transfers Out |
|----------------------------------|-----------------------|--------------------|
| <u>Primary Government</u> | | |
| General Fund | \$ 7,139,163 | 651,171,626 |
| Nonmajor Governmental Funds | 727,606,761 | 99,068,047 |
| Internal Service Funds | 15,493,749 | - |
| Total primary government | \$ 750,239,673 | 750,239,673 |
| <u>Component Unit</u> | | |
| Public Schools: | | |
| General Fund | \$ - | 44,299,257 |
| Capital Projects Fund | 13,078,444 | - |
| Nonmajor Governmental Funds | 31,220,813 | - |
| Total component units | \$ 44,299,257 | 44,299,257 |

F. CAPITAL ASSETS

Capital assets activity for the primary government and component units for the year ended June 30, 2021, is as follows:

| | Balances July 1, 2020 | Increases | Decreases | Balances June 30, 2021 |
|---|--------------------------|---------------|---------------|---------------------------|
| Primary Government | | | | |
| Governmental activities: | | | | |
| Non-depreciable/non-amortizable: | | | | |
| Land and easements | \$ 460,824,135 | 2,573,211 | - | 463,397,346 |
| Construction in progress | 317,482,087 | 146,565,818 | (113,006,340) | 351,041,565 |
| Equipment under construction | 32,326,248 | 7,114,005 | (8,844,691) | 30,595,562 |
| Software in development | 15,938,112 | 14,483,525 | (9,991,061) | 20,430,576 |
| Total non-depreciable/non-amortizable | 826,570,582 | 170,736,559 | (131,842,092) | 865,465,049 |
| Depreciable/amortizable: | | | | |
| Vehicles and equipment | 517,254,071 | 30,785,435 | (4,301,386) | 543,738,120 |
| Software | 163,335,355 | 17,821,190 | - | 181,156,545 |
| Library collections | 115,106,917 | 3,744,342 | (51) | 118,851,208 |
| Buildings | 1,667,538,552 | 65,621,896 | (5,943,488) | 1,727,216,960 |
| Improvements | 287,666,885 | 15,074,672 | - | 302,741,557 |
| Infrastructure | 1,147,273,589 | 61,893,992 | (8,866,103) | 1,200,301,478 |
| Total depreciable/amortizable | 3,898,175,369 | 194,941,527 | (19,111,028) | 4,074,005,868 |
| Less accumulated depreciation/amortization for: | | | | |
| Vehicles and equipment | (357,268,349) | (36,175,488) | 2,315,959 | (391,127,878) |
| Software | (62,675,973) | (12,608,357) | - | (75,284,330) |
| Library collections | (102,835,728) | (4,026,177) | - | (106,861,905) |
| Buildings | (655,014,982) | (49,250,012) | 3,329,832 | (700,935,162) |
| Improvements | (115,741,020) | (12,013,549) | - | (127,754,569) |
| Infrastructure | (390,204,976) | (28,943,549) | 586,802 | (418,561,723) |
| Total accumulated depreciation/amortization | (1,683,741,028) | (143,017,132) | 6,232,593 | (1,820,525,567) |
| Total capital assets, being depreciated/amortized, net | 2,214,434,341 | 51,924,395 | (12,878,435) | 2,253,480,301 |
| Total capital assets, net - Governmental activities | 3,041,004,923 | 222,660,954 | (144,720,527) | 3,118,945,350 |
| Business-type activities: | | | | |
| Non-depreciable/non-amortizable: | | | | |
| Land and easements | 18,016,126 | 47,638 | - | 18,063,764 |
| Construction in progress | 228,534,517 | 81,200,014 | (24,558,643) | 285,175,888 |
| Total non-depreciable/non-amortizable | 246,550,643 | 81,247,652 | (24,558,643) | 303,239,652 |
| Depreciable/amortizable: | | | | |
| Vehicles and equipment | 15,844,067 | 1,387,594 | (66,694) | 17,164,967 |
| Purchased capacity | 1,124,322,562 | 30,647,350 | (177,000) | 1,154,792,912 |
| Buildings and improvements | 91,782,433 | 68,048 | - | 91,850,481 |
| Infrastructure | 1,419,953,831 | 41,408,593 | - | 1,461,362,424 |
| Total depreciable/amortizable | 2,651,902,893 | 73,511,585 | (243,694) | 2,725,170,784 |
| Less accumulated depreciation/amortization for: | | | | |
| Vehicles and equipment | (11,128,251) | (1,216,551) | 66,694 | (12,278,108) |
| Purchased capacity | (461,537,128) | (30,228,629) | - | (491,765,757) |
| Buildings and improvements | (54,228,906) | (2,237,874) | (29,274) | (56,496,054) |
| Infrastructure | (692,576,194) | (31,946,416) | - | (724,522,610) |
| Total accumulated depreciation/amortization | (1,219,470,479) | (65,629,470) | 37,420 | (1,285,062,529) |
| Total capital assets, being depreciated/amortized, net | 1,432,432,414 | 7,882,115 | (206,274) | 1,440,108,255 |
| Total capital assets, net - Business-type activities | 1,678,983,057 | 89,129,767 | (24,764,917) | 1,743,347,907 |
| Total capital assets, net - Primary government | \$ 4,719,987,980 | 311,790,721 | (169,485,444) | 4,862,293,257 |

BASIC FINANCIAL STATEMENTS

| | Balances June 30, 2020 | Increases | Decreases | Balances June 30, 2021 |
|--|---------------------------|---------------|---------------|---------------------------|
| Component Units | | | | |
| Public Schools | | | | |
| Non-depreciable/non-amortizable: | | | | |
| Land | \$ 46,837,095 | - | - | 46,837,095 |
| Construction in progress | 400,162,834 | 116,161,588 | (195,118,539) | 321,205,883 |
| Software in development | 90,987 | 686,085 | - | 777,072 |
| Total non-depreciable/non-amortizable | 447,090,916 | 116,847,673 | (195,118,539) | 368,820,050 |
| Depreciable/amortizable: | | | | |
| Vehicles and equipment | 358,274,694 | 60,709,940 | (11,876,026) | 407,108,608 |
| Software | 13,260,834 | - | - | 13,260,834 |
| Library collections | 21,368,173 | 2,284,301 | (3,039,506) | 20,612,968 |
| Buildings | 1,279,418,007 | 37,542,482 | - | 1,316,960,489 |
| Improvements | 2,859,205,204 | 187,182,681 | - | 3,046,387,885 |
| Total depreciable/amortizable | 4,531,526,912 | 287,719,404 | (14,915,532) | 4,804,330,784 |
| Less accumulated depreciation/amortization for: | | | | |
| Vehicles and equipment | (249,097,908) | (37,641,831) | 11,562,652 | (275,177,087) |
| Software | (8,347,753) | (725,409) | - | (9,073,162) |
| Library collections | (15,156,291) | (2,080,170) | 3,039,506 | (14,196,955) |
| Buildings | (679,914,604) | (24,322,842) | - | (704,237,446) |
| Improvements | (1,371,680,537) | (109,610,964) | - | (1,481,291,501) |
| Total accumulated depreciation/amortization | (2,324,197,093) | (174,381,216) | 14,602,158 | (2,483,976,151) |
| Total capital assets, being depreciated/amortized, net | 2,207,329,819 | 113,338,188 | (313,374) | 2,320,354,633 |
| Total capital assets, net - Public Schools | 2,654,420,735 | 230,185,861 | (195,431,913) | 2,689,174,683 |
| FCRHA | | | | |
| Non-depreciable/non-amortizable: | | | | |
| Land, as restated | 46,367,105 | - | (1,976,232) | 44,390,873 |
| Construction in progress | 5,755,293 | 758,263 | (2,636,721) | 3,876,835 |
| Total non-depreciable/non-amortizable | 52,122,398 | 758,263 | (4,612,953) | 48,267,708 |
| Depreciable/amortizable: | | | | |
| Vehicles and equipment | 2,016,815 | 5,369,367 | - | 7,386,182 |
| Buildings and improvements | 234,411,934 | 12,290,105 | (11,281,655) | 235,420,384 |
| Total depreciable/amortizable | 236,428,749 | 17,659,472 | (11,281,655) | 242,806,566 |
| Less accumulated depreciation/amortization for: | | | | |
| Vehicles and equipment | (2,074,067) | (28,997) | - | (2,103,064) |
| Buildings and improvements | (150,011,290) | (5,821,448) | 10,039,127 | (145,793,611) |
| Total accumulated depreciation/amortization | (152,085,357) | (5,850,445) | 10,039,127 | (147,896,675) |
| Total capital assets, being depreciated/amortized, net | 84,343,392 | 11,809,027 | (1,242,528) | 94,909,891 |
| Total capital assets, net - FCRHA | 136,465,790 | 12,567,290 | (5,855,481) | 143,177,599 |
| Park Authority | | | | |
| Non-depreciable/non-amortizable: | | | | |
| Land and easements | 391,151,561 | 9,287,641 | (977,803) | 399,461,399 |
| Construction in progress | 16,028,420 | 19,952,220 | (22,769,010) | 13,211,630 |
| Total non-depreciable/non-amortizable | 407,179,981 | 29,239,861 | (23,746,813) | 412,673,029 |
| Depreciable/amortizable: | | | | |
| Vehicles and equipment | 14,167,897 | 346,848 | (451,731) | 14,063,014 |
| Buildings and improvements | 518,423,130 | 22,432,676 | (112,402) | 540,743,404 |
| Total depreciable/amortizable | 532,591,027 | 22,779,524 | (564,133) | 554,806,418 |
| Less accumulated depreciation/amortization for: | | | | |
| Vehicles and equipment | (8,530,101) | (470,213) | 451,731 | (8,548,583) |
| Buildings and improvements | (267,710,194) | (18,102,247) | 93,467 | (285,718,974) |
| Total accumulated depreciation/amortization | (276,240,295) | (18,572,460) | 545,198 | (294,267,557) |
| Total capital assets, being depreciated/amortized, net | 256,350,732 | 4,207,064 | (18,935) | 260,538,861 |
| Total capital assets, net - Park Authority | 663,530,713 | 33,446,925 | (23,765,748) | 673,211,890 |
| EDA | | | | |
| Depreciable/amortizable: | | | | |
| Vehicles and equipment | 19,289 | - | - | 19,289 |
| Buildings and improvements | 1,176,811 | - | - | 1,176,811 |
| Total depreciable/amortizable | 1,196,100 | - | - | 1,196,100 |
| Less accumulated depreciation/amortization for: | | | | |
| Vehicles and equipment | (17,729) | (1,470) | - | (19,199) |
| Buildings and improvements | (922,074) | (109,174) | - | (1,031,248) |
| Total accumulated depreciation/amortization | (939,803) | (110,644) | - | (1,050,447) |
| Total capital assets, net - EDA | 256,297 | (110,644) | - | 145,653 |
| Total capital assets, net - Component units | \$ 3,454,673,535 | 276,089,432 | (225,053,142) | 3,505,709,825 |

Depreciation and amortization expense for the year ended June 30, 2021, 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 | \$ 22,551,791 | - | - |
| Judicial administration | 3,734,054 | - | - |
| Public safety | 10,414,100 | - | - |
| Public works | 60,053,008 | 65,629,470 | - |
| Health and welfare | 3,340,325 | - | - |
| Community development | 17,008,007 | - | - |
| Parks, recreation, and cultural | 8,180,400 | - | - |
| In addition, depreciation on capital assets held by the County's internal service funds is charged to the various functions based on asset usage. | 17,735,447 | - | - |
| Component Units | | | |
| Public Schools | - | - | 174,381,216 |
| FCRHA | - | - | 5,850,445 |
| Park Authority | - | - | 18,572,606 |
| EDA | - | - | 110,644 |
| Total depreciation and amortization expense | \$ 143,017,132 | 65,629,470 | 198,914,911 |

G. RETIREMENT PLANS

The reporting entity administers the following four separate public employee retirement systems that provide pension benefits for various classes of employees. In addition, professional employees of Public Schools participate in a plan sponsored and administered by the Virginia Retirement System (VRS).

1. County Administered Plan Descriptions

Fairfax County Employees' Retirement System

The Fairfax County Employees' Retirement System (ERS) is a legally separate single-employer defined benefit pension plan established under the Code of Virginia, which covers only employees of the reporting entity. The plan covers full-time and certain part-time employees of the reporting entity who are not covered by other plans of the reporting entity or the VRS. This is the only plan that provides pension benefits to both the primary government and component units. The balances have been allocated in the financial statements as follows: County, including business type activities, 68.9 percent, FCPS 25.9 percent, EDA 0.4 percent, FCRHA 1.6 percent, and FCPA 3.2 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. [ERS Report](#)

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. [PORS Report](#)

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. [URS Report](#)

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. [ERFC Report](#)

2. Benefit Provisions and Requirements

Fairfax County Employees' Retirement System

Benefit provisions are established and may be amended by County ordinances. All benefits vest at five years of creditable service. Members who were hired before January 1, 2013 had the option to

elect to join Plan A or Plan B, and members who were hired on or after January 1, 2013 may elect to join Plan C or Plan D. Members who were hired on or after July 1, 2019 are automatically enrolled in Plan E. To be eligible for normal retirement, an individual must meet the following criteria: (a) attain the age of 65 with five years of service, (b) for Plans A and B, attain the age of 50 with age plus years of service being greater than or equal to 80, or (c) for Plans C, D, and E, attain the age of 55 with age plus years of service being greater than or equal to 85. The normal retirement benefit is calculated using average final compensation (i.e., the highest 78 consecutive two week pay periods or the highest 36 consecutive monthly pay periods) and years (or partial years) of creditable service at date of termination. For Plans A, B, C, and D, if normal retirement occurs before Social Security benefits are scheduled to begin, an additional monthly benefit is paid to retirees. Plan E eliminates the pre-Social Security Supplement; however, there is a cost-neutral Early Age Option for employees who retire prior to full retirement age under Social Security. The plan provides that unused sick leave credit may be used in the calculation of average final compensation by projecting the final salary during the unused sick leave period. Those who commenced employment on or after January 1, 2013, may not use more than 2,080 hours of accrued sick leave toward service credit for retirement or entry into the Deferred Retirement Option Program (DROP). The benefit for early retirement is actuarially reduced and payable at early termination.

Effective July 1, 2005, a DROP was established for eligible members of the ERS. Members who are eligible for normal service retirement are eligible to participate in this program. DROP provides the ability for an employee to retire for purposes of the pension plan, while continuing to work and receive a salary for a period of three years. During the DROP period, the pension plan accumulates the accrued monthly benefit into an account balance identified as belonging to the member. The account balance is credited with interest in the amount of 5.0 percent per annum, compounded monthly. The monthly benefit is calculated using service and final compensation as of the date of entry in DROP, with increases equal to the annual COLA adjustment provided for retirees.

Fairfax County Police Officers Retirement System

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

Effective October 1, 2003, a DROP was established for eligible members of the PORS. Members who are eligible for normal service retirement are eligible to participate in this program. DROP provides the ability for an employee to retire for purposes of the pension plan, while continuing to

work and receive a salary for a period of three years. During the DROP period, the pension plan accumulates the accrued monthly benefit into an account balance identified as belonging to the member. The account balance is credited with interest in the amount of 5 percent per annum, compounded monthly. The monthly benefit is calculated using service and final compensation as of the date of entry in DROP, with increases equal to the annual COLA adjustment provided for retirees.

Fairfax County Uniformed Retirement System

Benefit provisions are established and may be amended by County ordinances. All benefits vest at five years of creditable service. Employees hired before July 1, 1981 were enrolled in Plan A. Plan A members were given the opportunity to enroll in Plan B as of July 1, 1981 and to enroll in Plan C as of April 1, 1997. From July 1, 1981 through March 31, 1997, all new hires were enrolled in Plan B. Plan B members were given the opportunity to enroll in Plan D as of April 1, 1997. From April 1, 1997 through December 31, 2012, all new hires were enrolled in Plan D. From January 1, 2013 forward, all new hires are enrolled in Plan E. From July 1, 2019 forward, all new hires are enrolled in Plan F. To be eligible for normal retirement an individual must meet the following criteria: (a) attain the age of 55 with six years of creditable service, or (b) complete 25 years of creditable service. The normal retirement benefit is calculated using average final compensation and years (or partial years) of creditable service at date of termination. Annual cost-of-living adjustments are provided to retirees and beneficiaries equal to the lesser of 4 percent or the percentage increase in the Consumer Price Index for the Washington Consolidated Metropolitan Statistical Area. The plan provides that unused sick leave credit may be used in the calculation of average final compensation by projecting the final salary during the unused sick leave period. Those enrolled in Plan E and Plan F may not use more than 2,080 hours of accrued sick leave toward service credit for retirement or DROP entry. For Plan F, individuals are not eligible for the one-time 3 percent calculated retirement annuity increase from the plan. In addition, Plan F eliminates the pre-Social Security Supplement; however, there is a cost-neutral Early Age Option for employees who retire prior to full retirement age under Social Security. To be eligible for early retirement, employees must have 20 years of creditable service. The benefit for early retirement is actuarially reduced and payable at early termination.

Effective October 1, 2003, a DROP was established for eligible members of the URS. Members who are eligible for normal service retirement are eligible to participate in this program. DROP provides the ability for an employee to retire for purposes of the pension plan, while continuing to work and receive a salary for a period of three years. During the DROP period, the pension plan accumulates the accrued monthly benefit into an account balance identified as belonging to the member. The account balance is credited with interest in the amount of 5 percent per annum, compounded monthly. The monthly benefit is calculated using service and final compensation as of the date of entry in DROP, with increases equal to the annual COLA adjustment provided for retirees.

The Educational Employees' Supplementary Retirement System

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

ERFC and ERFC 2001 provide for a variety of benefit payment types. ERFC's payment types include Service Retirement, Reduced Service, Disability, Death-in-Service, and Deferred Retirement. ERFC 2001's payment types include Service Retirement, Death-in-Service, and Deferred Retirement. ERFC's minimum eligibility requirements for receipt of full benefits range from members attaining the age of 55 with 25 years of service to completing five years of service prior to age 65. The minimum eligibility requirements for full benefits for ERFC 2001 Tier 1 members are age 60 with five years of service or any age with 30 years of service. The minimum eligibility requirements for full benefits for ERFC Tier 2 members are full Social Security age with five years of service or age and service equal 90 (the rule of 90). Annual post-retirement cost-of-living increases are effective each March 31. Participants in their first full year of retirement from ERFC 2001 Tier 1 receive a 1.49 percent increase. Participants who retire on or after January 1 receive no cost-of-living increase that first March. Under ERFC 2001 Tier 2, the first cost-of-living will equal approximately half of the full amount. Thereafter, the full cost-of-living will equal 100 percent of the Consumer Price Index for all Urban Consumers for the Washington, D.C. metropolitan area for the period ending in November of each year, capped at 4 percent. Additional details regarding benefit payment types can be found in the actuarial valuation and the Plan Documents.

3. Funding Policy

Fairfax County Employees' Retirement System

All contribution requirements for ERS are established and may be amended by County ordinances, including member contribution rates. Plan A and Plan C require member contributions of 4.0 percent of compensation up to the maximum Social Security wage base and 5.33 percent of compensation in excess of the wage base. Plan B, Plan D, and Plan E require member contributions of 5.33 percent of compensation.

The County is required to contribute at an actuarially determined rate; the rate for the year ended June 30, 2021, was 28.35 percent of annual covered payroll. The employer contribution made during the measurement period of the liability was \$234,743,643. The 2021 employer contribution totaled \$227,846,281.

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, 2021.

The County is required to contribute at an actuarially determined rate; the rate for the year ended June 30, 2021 was 41.60 percent of annual covered payroll. The employer contribution made for the measurement period of the liability was \$50,781,403. The 2021 employer contribution totaled \$50,348,130.

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, 2021 was 38.84 percent of annual covered payroll. The employer contribution made for the measurement period of the liability was \$69,930,974. The 2021 employer contribution totaled \$69,464,042.

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 2021. Employer contributions to the pension plan were \$104,784,310 and \$104,741,255 for the years ended June 30, 2021 and June 30, 2020, 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, 2019 and an actuarial valuation as of June 30, 2020, using the entry age actuarial cost method, with a measurement date of June 30, 2020. 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 percent - 9.05 percent. 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, 2020 valuation were based on the results of an actuarial experience study performed in 2016. ERFC valuation date June 30, 2020 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 | 6.8% | 16.5% |
| Domestic Small Cap Equity | 6.9% | 6.5% |
| International Equity | 7.4% | 14.0% |
| Emerging International Equity | 8.5% | - |
| Global Real Estate Investment Trusts | 7.3% | 4.0% |
| Real Estate (Core) | 5.8% | 9.0% |
| Core US Fixed Income | 3.0% | 24.0% |
| International Fixed Income | - | 3.0% |
| Emerging Market Debt | 5.6% | - |
| Multi-Asset Class Strategies | 6.3% | 11.0% |
| Hedge Funds | 7.0% | - |
| Absolute Return | - | 3.0% |
| Private Credit | 8.7% | 4.0% |
| Private Equity | 10.2% | 5.0% |

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

| | ERS | PORS |
|--|-------------------------|------------------------|
| Total pension liability | \$ 5,961,066,083 | \$ 1,851,586,671 |
| Pension plan's fiduciary net position | <u>(4,142,063,209)</u> | <u>(1,400,564,931)</u> |
| Net pension liability | <u>\$ 1,819,002,874</u> | <u>\$ 451,021,740</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 69.5% | 75.6% |
| | URS | ERFC |
| Total pension liability | \$ 2,294,056,800 | \$ 3,543,956,246 |
| Pension plan's fiduciary net position | <u>(1,762,102,370)</u> | <u>(2,593,383,175)</u> |
| Net pension liability | <u>\$ 531,954,430</u> | <u>\$ 950,573,071</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 76.8% | 73.2% |

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 6/30/2020 | <u>\$ 13,187,868</u> | <u>9,920,486</u> | <u>3,267,382</u> |
| Changes for year: | | | |
| Service cost | 272,411 | - | 272,411 |
| Interest | 946,549 | - | 946,549 |
| Differences between expected and actual experience | (30,567) | - | (30,567) |
| Benefit payments, including refunds of member contributions | (725,595) | (725,595) | - |
| Contributions - employer | - | 460,196 | (460,196) |
| Contributions - member | - | 112,803 | (112,803) |
| Net investment income | - | 138,399 | (138,399) |
| Administrative expense | - | (8,175) | 8,175 |
| Net changes | <u>462,798</u> | <u>(22,372)</u> | <u>485,170</u> |
| Balances 6/30/2021 | <u>\$ 13,650,666</u> | <u>9,898,114</u> | <u>3,752,552</u> |

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 | \$ 103,313 | 32,944 | 43,435 | 92,719 | 272,411 |
| Interest | 415,149 | 128,461 | 159,360 | 243,579 | 946,549 |
| Differences between expected and actual experience | (5,461) | (5,785) | (6,625) | (12,696) | (30,567) |
| Benefit payments, including refunds of member contributions | (343,616) | (84,449) | (111,543) | (185,987) | (725,595) |
| Net change in total pension liability | 169,385 | 71,171 | 84,627 | 137,615 | 462,798 |
| Total pension liability - 6/30/2020 | 5,791,681 | 1,780,416 | 2,209,430 | 3,406,341 | 13,187,868 |
| Total pension liability - 6/30/2021 | \$ 5,961,066 | 1,851,587 | 2,294,057 | 3,543,956 | 13,650,666 |
| Plan Fiduciary Net Position | | | | | |
| Contributions - employer | \$ 234,743 | 50,781 | 69,931 | 104,741 | 460,196 |
| Contributions - member | 40,327 | 10,570 | 12,810 | 49,096 | 112,803 |
| Net investment income | 111,442 | (59,355) | (22,161) | 108,473 | 138,399 |
| Benefit payments, including refunds of member contributions | (343,616) | (84,449) | (111,543) | (185,987) | (725,595) |
| Administrative expense | (2,471) | (656) | (667) | (4,381) | (8,175) |
| Net change in plan fiduciary net position | 40,425 | (83,109) | (51,630) | 71,942 | (22,372) |
| Plan fiduciary net position - 6/30/2020 | 4,101,638 | 1,483,674 | 1,813,733 | 2,521,441 | 9,920,486 |
| Plan fiduciary net position - 6/30/2021 | \$ 4,142,063 | 1,400,565 | 1,762,103 | 2,593,383 | 9,898,114 |
| Net pension liability - 6/30/2021 | \$ 1,819,003 | 451,022 | 531,954 | 950,573 | 3,752,552 |

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 | \$ 6,668,774,136 | \$ 5,961,066,083 | \$ 5,367,950,742 |
| Plan fiduciary net position | (4,142,063,209) | (4,142,063,209) | (4,142,063,209) |
| Net pension liability | \$ 2,526,710,927 | \$ 1,819,002,874 | \$ 1,225,887,533 |
| Plan fiduciary net position as a percentage of the total pension liability | 62.1% | 69.5% | 77.2% |

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 | \$ 2,107,208,724 | \$ 1,851,586,671 | \$ 1,642,487,091 |
| Plan fiduciary net position | (1,400,564,931) | (1,400,564,931) | (1,400,564,931) |
| Net pension liability | \$ 706,643,793 | \$ 451,021,740 | \$ 241,922,160 |
| Plan fiduciary net position as a percentage of the total pension liability | 66.5% | 75.6% | 85.3% |

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

| | 1% Decrease 6.25% | Current Discount Rate 7.25% | 1% Increase 8.25% |
|--|-----------------------|-----------------------------------|-----------------------|
| Total pension liability | \$ 2,593,681,561 | \$ 2,294,056,800 | \$ 2,046,065,439 |
| Plan fiduciary net position | (1,762,102,370) | (1,762,102,370) | (1,762,102,370) |
| Net pension liability | <u>\$ 831,579,191</u> | <u>\$ 531,954,430</u> | <u>\$ 283,963,069</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 67.9% | 76.8% | 86.1% |

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

| | 1% Decrease 6.25% | Current Discount Rate 7.25% | 1% Increase 8.25% |
|--|-------------------------|-----------------------------------|-----------------------|
| Total pension liability | \$ 3,978,287,451 | \$ 3,543,956,246 | \$ 3,101,620,138 |
| Plan fiduciary net position | (2,593,383,175) | (2,593,383,175) | (2,593,383,175) |
| Net pension liability | <u>\$ 1,384,904,276</u> | <u>\$ 950,573,071</u> | <u>\$ 508,236,963</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 65.2% | 73.2% | 83.6% |

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 | 9,824 | 1,202 | 1,462 | 12,842 |
| Terminated employees entitled to, but not yet receiving, benefits | 2,349 | 70 | 98 | 5,415 |
| DROP participants | 785 | 74 | 128 | N/A |
| Active plan members | 14,204 | 1,353 | 1,941 | 22,360 |
| Total number of plan members | <u>27,162</u> | <u>2,699</u> | <u>3,629</u> | <u>40,617</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 | \$ 49,147,581 | 21,745,391 | \$ 4,537,085 | 20,577,919 |
| Changes of assumptions | 11,428,893 | - | 2,827,257 | - |
| Net difference between projected and actual earnings on pension plan investments | 172,863,321 | - | 148,533,568 | - |
| Contributions subsequent to the measurement date | 227,846,281 | - | 50,348,130 | - |
| Total | \$ 461,286,076 | 21,745,391 | \$ 206,246,040 | 20,577,919 |
| Pension Expense Recognized 2021 | \$ 311,339,079 | | \$ 91,683,409 | |
| Net Pension Liability June 30, 2021 | \$ 1,819,002,874 | | \$ 451,021,740 | |
| | URS | | ERFC | |
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ 4,166,033 | 27,435,164 | \$ 33,994,254 | 14,658,210 |
| Changes of assumptions | 5,851,259 | - | 20,364,115 | - |
| Net difference between projected and actual earnings on pension plan investments | 135,329,221 | - | 64,123,964 | - |
| Contributions subsequent to the measurement date | 69,464,042 | - | 104,784,310 | - |
| Total | \$ 214,810,555 | 27,435,164 | \$ 223,266,643 | 14,658,210 |
| Pension Expense Recognized 2021 | \$ 107,319,013 | | \$ 158,845,068 | |
| Net Pension Liability June 30, 2021 | \$ 531,954,430 | | \$ 950,573,071 | |

Deferred outflows associated with contributions made subsequent to the measurement date will be recognized as a reduction to the net pension liability in 2022. 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 |
|--------------|-----------------------|--------------------|--------------------|--------------------|
| 2022 | \$ 69,301,786 | 30,644,556 | 22,397,948 | 16,276,316 |
| 2023 | 57,502,796 | 37,235,949 | 31,398,281 | 35,387,724 |
| 2024 | 49,302,536 | 37,479,130 | 38,861,353 | 34,430,540 |
| 2025 | 35,587,286 | 30,924,461 | 28,280,346 | 17,796,480 |
| 2026 | - | (964,105) | (2,080,096) | 1,253,108 |
| Thereafter | - | - | (946,483) | (1,320,045) |
| Total | \$ 211,694,404 | 135,319,991 | 117,911,349 | 103,824,123 |

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 | \$ 5,961,066 | 4,105,398 | 1,545,824 | 22,165 | 95,895 | 191,784 |
| Pension plan's fiduciary net position | (4,142,063) | (2,852,647) | (1,074,120) | (15,401) | (66,633) | (133,262) |
| Net pension liability | \$ 1,819,003 | 1,252,751 | 471,704 | 6,764 | 29,262 | 58,522 |
| Deferred outflows: | | | | | | |
| Contributions after measurement date | \$ 227,846 | 158,705 | 57,305 | 960 | 3,739 | 7,137 |
| Investment return | 172,863 | 119,051 | 44,827 | 643 | 2,781 | 5,561 |
| Changes in proportion | 20,797 | 19,648 | - | 94 | 821 | 234 |
| Experience | 49,148 | 33,848 | 12,745 | 183 | 791 | 1,581 |
| Changes of assumptions | 11,429 | 7,871 | 2,964 | 42 | 184 | 368 |
| Total deferred outflows (ERS) | \$ 482,083 | 339,123 | 117,841 | 1,922 | 8,316 | 14,881 |
| Deferred inflows: | | | | | | |
| Experience | \$ 21,745 | 14,976 | 5,639 | 81 | 350 | 699 |
| Changes in proportion | 20,797 | 601 | 14,991 | 1,041 | 1,191 | 2,973 |
| Total deferred inflows (ERS) | \$ 42,542 | 15,577 | 20,630 | 1,122 | 1,541 | 3,672 |
| Pension expense | \$ 311,339 | 220,947 | 75,276 | 902 | 4,965 | 9,249 |

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 percent 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, 2021 was 16.62 percent of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employee during the year, with an additional amount to finance any unfunded accrued liability. Based on the provisions of Section 51.1-145 of the Code, as amended, the contributions were funded at 100.00 percent of the actuarial rate for the year ended June 30, 2021. Employer contributions to the pension plan were \$270,303,058 and \$255,030,396 for the years ended June 30, 2021 and June 30, 2020, respectively.

Actuarial Methods and Assumptions

The total pension liability for VRS was based on an actuarial valuation as of June 30, 2019, 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, 2020. 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, 2019 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, 2021, FCPS reported a liability of \$2,693,015,856 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 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, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, FCPS's proportion was 18.51 percent, as compared to 18.47 percent at June 30, 2019.

For the year ended June 30, 2021, FCPS recognized pension expense of \$315,958,366. 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, 2021, 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 | \$ - | \$ 157,852,241 |
| Net difference between projected and actual earnings on pension plan investments | 204,833,684 | - |
| Change of assumptions | 183,832,106 | - |
| Changes in proportion and differences between contributions and proportionate share of contributions | 37,288,238 | - |
| Contributions subsequent to the measurement date | 270,303,058 | - |
| Total | <u>\$ 696,257,086</u> | <u>\$ 157,852,241</u> |

A total of \$270,303,058 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, 2022. 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: | | |
|---------------------|----|--------------------|
| 2022 | \$ | 16,450,861 |
| 2023 | | 82,316,302 |
| 2024 | | 98,630,012 |
| 2025 | | 73,667,850 |
| 2026 | | (2,963,238) |
| | \$ | <u>268,101,787</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 | % | 4.65 | % | 1.58 | % |
| Fixed Income | 15.00 | | 0.46 | | 0.07 | |
| Credit Strategies | 14.00 | | 5.38 | | 0.75 | |
| Real Assets | 14.00 | | 5.01 | | 0.70 | |
| Private Equity | 14.00 | | 8.34 | | 1.17 | |
| MAPS-Kulti-Asset Public Strategies | 6.00 | | 3.04 | | 0.18 | |
| PIP-Private Investment Partnership | 3.00 | | 6.49 | | 0.19 | |
| Total | <u>100.00</u> | % | | | <u>4.64</u> | % |
| Expected arithmetic nominal return ^(a) | | | | | <u>7.14</u> | % |
| Inflation | | | | | <u>2.50</u> | |

^(a) The above allocation provides a one-year return of 7.14 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, 2020, 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, 2020 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 | \$ 3,951,259,079 | \$ 2,693,015,856 | \$ 1,652,289,648 |

Plan Fiduciary Net Position

Detailed information about the VRS net position is available in the separately issued VRS 2020 Annual Comprehensive Financial Report (ACFR). A copy of the 2020 VRS ACFR may be obtained by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500. It is also available online through the VRS website. [VRS Report](#)

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 \$985,144,935 for fiscal year 2021.

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 2020 | FY 2021 |
|-----------------------------------|----------------|----------------|
| Medical Members | | |
| Number of active members | 13,579 | 15,490 |
| Average age | 44 | 45 |
| Average service | 11 | 11 |
| <u>Number of inactive members</u> | | |
| Retirees and spouses | 5,437 | 5,667 |
| Average age | 67 | 67 |
| Life Insurance Members | | |
| Number of active members | 13,579 | 15,490 |
| Average age | 44 | 45 |
| Average service | 11 | 11 |
| <u>Number of inactive members</u> | | |
| Retirees and spouses | 5,927 | 6,086 |
| Average age | 68 | 69 |

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 2020 and 2021 were \$19.7 million and \$18.1 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, 2020. The components of the net OPEB liability for the County are presented on the following page:

| | Total | Primary Government | EDA | FCRHA | FCPA |
|-------------------------------|----------------|-----------------------|-----------|-------------|--------------|
| Total OPEB Liability | \$ 348,205,749 | 326,616,993 | 940,155 | 5,815,036 | 14,833,565 |
| Plan's Fiduciary Net Position | (330,764,357) | (310,256,966) | (893,064) | (5,523,765) | (14,090,562) |
| Net OPEB Liability | \$ 17,441,392 | 16,360,027 | 47,091 | 291,271 | 743,003 |

Assumptions

For the County, the total OPEB Liability was determined by an actuarial valuation as of July 1, 2019, rolled forward to June 30, 2020, 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 | Pub-2010, "General" classification, Employees & Healthy Annuitant mortality table, projected using scale MP-2019, sex-distinct. Disabled mortality table Pub-2010, "General" classification, Disabled Retirement mortality table, projected using scale MP-2019, sex distinct. |
| 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 6/30/2020 | \$ 470,033 | 324,840 | 145,193 |
| Changes for year: | | | |
| Service cost | 15,608 | - | 15,608 |
| Interest | 33,195 | - | 33,195 |
| Changes in benefit terms | - | - | - |
| Difference between expected and actual experience | (1,518) | - | (1,518) |
| Changes of assumptions | (145,858) | - | (145,858) |
| Benefit payments, including refunds of members | (23,254) | (23,254) | - |
| Contributions - employer | - | 19,677 | (19,677) |
| Net investment income | - | 9,633 | (9,633) |
| Administrative expense | - | (131) | 131 |
| Net changes | (121,827) | 5,925 | (127,752) |
| Balances 6/30/2021 | \$ 348,206 | 330,765 | 17,441 |

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

| | Dollar amounts in (000) | | | | |
|---|-------------------------|-------|---------|---------|-----------|
| | Primary Government | EDA | FRCHA | FCPA | Total |
| Total OPEB Liability | | | | | |
| Service cost | \$ 14,640 | 42 | 261 | 665 | 15,608 |
| Interest | 31,137 | 90 | 554 | 1,414 | 33,195 |
| Difference between expected and actual experience | (1,095) | (4) | (119) | (300) | (1,518) |
| Changes in assumptions | (136,815) | (394) | (2,436) | (6,213) | (145,858) |
| Benefit payments, including refunds of member contributions | (21,812) | (63) | (388) | (991) | (23,254) |
| Net change in total OPEB liability | (113,945) | (329) | (2,128) | (5,425) | (121,827) |
| Total OPEB Liability - 6/30/2020 | 440,562 | 1,269 | 7,943 | 20,259 | 470,033 |
| Total OPEB Liability - 6/30/2021 | \$ 326,617 | 940 | 5,815 | 14,834 | 348,206 |
| Plan Fiduciary Net Position | | | | | |
| Contributions - employer | \$ 18,456 | 53 | 329 | 839 | 19,677 |
| Net investment income | 9,263 | 26 | 96 | 248 | 9,633 |
| Benefit payments, including refunds of member contributions | (21,812) | (63) | (388) | (991) | (23,254) |
| Administrative expense | (123) | - | (2) | (6) | (131) |
| Net change in plan fiduciary net position | 5,784 | 16 | 35 | 90 | 5,925 |
| Plan Fiduciary Net Position - 6/30/2020 | 304,473 | 877 | 5,489 | 14,001 | 324,840 |
| Plan Fiduciary Net Position - 6/30/2021 | \$ 310,257 | 893 | 5,524 | 14,091 | 330,765 |
| Net OPEB Liability - 6/30/2021 | \$ 16,360 | 47 | 291 | 743 | 17,441 |

Sensitivity Analysis

The following represents the County's net OPEB (asset) liability using the 7 percent discount rate, as well as what the (asset) liability would be if the discount rate were decreased or increased by 1 percent.

| | 1% Decrease (6%) | Current Rate (7%) | 1% Increase (8%) |
|-----------------------------|---------------------|----------------------|---------------------|
| Total OPEB Liability | \$ 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) |

| | 1% Decrease (6%) | Current Rate (7%) | 1% Increase (8%) |
|-----------------------------|---------------------|----------------------|---------------------|
| Total OPEB Liability | | | |
| Primary Government | \$ 377,965,201 | 326,616,993 | 285,689,436 |
| EDA | 1,087,960 | 940,155 | 822,347 |
| FRCHA | 6,729,231 | 5,815,036 | 5,086,368 |
| FCPA | 17,165,584 | 14,833,565 | 12,974,808 |
| Total OPEB Liability | \$ 402,947,976 | 348,205,749 | 304,572,959 |

| | 1% Decrease (6%) | Current Rate (7%) | 1% Increase (8%) |
|------------------------------------|---------------------|----------------------|---------------------|
| Plan Fiduciary Net Position | | | |
| Primary Government | \$ (310,256,966) | (310,256,966) | (310,256,966) |
| EDA | (893,064) | (893,064) | (893,064) |
| FRCHA | (5,523,765) | (5,523,765) | (5,523,765) |
| FCPA | (14,090,562) | (14,090,562) | (14,090,562) |
| Total Plan Fiduciary Net Position | \$ (330,764,357) | (330,764,357) | (330,764,357) |

| | 1% Decrease (6%) | Current Rate (7%) | 1% Increase (8%) |
|----------------------------------|---------------------|----------------------|---------------------|
| Net OPEB Liability | | | |
| Primary Government | \$ 67,708,235 | 16,360,027 | (24,567,530) |
| EDA | 194,896 | 47,091 | (70,717) |
| FRCHA | 1,205,466 | 291,271 | (437,397) |
| FCPA | 3,075,022 | 743,003 | (1,115,754) |
| Total Net OPEB (Asset) Liability | \$ 72,183,619 | 17,441,392 | (26,191,398) |

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 (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 |

| | 1% Decrease (Varied decreasing to 3.3%) | Trend Rate (Varied decreasing to 4.3%) | 1% Increase (Varied decreasing to 5.3%) |
|-----------------------------|--|---|--|
| Total OPEB Liability | | | |
| Primary Government | \$ 276,137,319 | 326,616,993 | 392,599,156 |
| EDA | 794,852 | 940,155 | 1,130,083 |
| FCRHA | 4,916,304 | 5,815,036 | 6,989,772 |
| FCPA | 12,540,991 | 14,833,565 | 17,830,196 |
| Total OPEB Liability | \$ 294,389,466 | 348,205,749 | 418,549,207 |

| | 1% Decrease (Varied decreasing to 3.3%) | Trend Rate (Varied decreasing to 4.3%) | 1% Increase (Varied decreasing to 5.3%) |
|------------------------------------|--|---|--|
| Plan Fiduciary Net Position | | | |
| Primary Government | \$ (310,256,966) | (310,256,966) | (310,256,966) |
| EDA | (893,064) | (893,064) | (893,064) |
| FCRHA | (5,523,765) | (5,523,765) | (5,523,765) |
| FCPA | (14,090,562) | (14,090,562) | (14,090,562) |
| Total Plan Fiduciary Net Position | \$ (330,764,357) | (330,764,357) | (330,764,357) |

| | 1% Decrease (Varied decreasing to 3.3%) | Trend Rate (Varied decreasing to 4.3%) | 1% Increase (Varied decreasing to 5.3%) |
|----------------------------------|--|---|--|
| Net OPEB Liability | | | |
| Primary Government | \$ (34,119,647) | 16,360,027 | 82,342,190 |
| EDA | (98,212) | 47,091 | 237,019 |
| FCRHA | (607,461) | 291,271 | 1,466,007 |
| FCPA | (1,549,571) | 743,003 | 3,739,634 |
| Total Net OPEB (Asset) Liability | \$ (36,374,891) | 17,441,392 | 87,784,850 |

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

For the year ended June 30, 2021, the County recognized OPEB expense of \$20,028,043. 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 | \$ 348,206 | 326,617 | 940 | 5,815 | 14,834 |
| Plan's Fiduciary Net Position | (330,765) | (310,257) | (893) | (5,524) | (14,091) |
| Net OPEB Liability | \$ 17,441 | 16,360 | 47 | 291 | 743 |
| Deferred Outflows: | | | | | |
| Experience | \$ 14,921 | 13,996 | 40 | 249 | 636 |
| Assumptions changes | 71,472 | 67,040 | 193 | 1,194 | 3,045 |
| Investment return | 9,771 | 9,166 | 26 | 163 | 416 |
| Contributions after measurement date | 18,072 | 16,962 | 47 | 300 | 763 |
| Change in proportion | 319 | 55 | - | - | 264 |
| Total Deferred Outflows | \$ 114,555 | 107,219 | 306 | 1,906 | 5,124 |
| Deferred Inflows: | | | | | |
| Experience | \$ 7,677 | 7,201 | 21 | 128 | 327 |
| Assumptions changes | 137,596 | 129,065 | 371 | 2,298 | 5,862 |
| Change in proportion | 319 | 13 | 182 | 124 | - |
| Total Deferred Inflows: | \$ 145,592 | 136,279 | 574 | 2,550 | 6,189 |
| OPEB Expense | \$ 20,028 | 18,787 | 54 | 334 | 853 |

Contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2022.

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 | |
|--------------------|------------------------|
| 2022 | \$ (6,294,361) |
| 2023 | (3,582,032) |
| 2024 | (2,281,763) |
| 2025 | (2,860,975) |
| 2026 | (6,551,511) |
| Thereafter | (27,537,161) |
| | <u>\$ (49,107,803)</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, 2021

ASSETS

| | | |
|---|----|-------------|
| Equity in pooled cash and temporary investments | \$ | 2,848,791 |
| Contributions receivable | | 25,034 |
| Accrued interest and dividends receivable | | 17,584 |
| Investments, at fair value: | | |
| Investment in pooled funds | | 421,005,166 |
| Total assets | | 423,896,575 |

DEFERRED OUTFLOWS OF RESOURCES

| | |
|--------------------------------------|---|
| Total deferred outflows of resources | - |
|--------------------------------------|---|

LIABILITIES

| | |
|--|-----|
| Accounts payable and accrued liabilities | 207 |
| Total liabilities | 207 |

DEFERRED INFLOW OF RESOURCES

| | |
|-------------------------------------|---|
| Total deferred inflows of resources | - |
|-------------------------------------|---|

NET POSITION

| | | |
|---|----|-------------|
| Held in trust for pension/OPEB benefits | \$ | 423,896,368 |
|---|----|-------------|

COUNTY OF FAIRFAX, VIRGINIA
Statement of Changes in Plan Net Position
For the fiscal year ended June 30, 2021

ADDITIONS

| | | |
|---|----|-------------|
| Contributions: | | |
| Employer | \$ | 17,974,135 |
| Other | | 97,913 |
| Total contributions | | 18,072,048 |
| Investment income: | | |
| From investment activities: | | |
| Net appreciation in fair value of investments | | 98,714,550 |
| Interest | | 5,872 |
| Total income from investment activities | | 98,720,422 |
| Less investment activities expenses: | | |
| Management fees | | 277,002 |
| Other | | 500 |
| Total investment activities expenses | | 277,502 |
| Net income from investment activities | | 98,442,920 |
| Net investment income | | 98,442,920 |
| Total additions | | 116,514,968 |

DEDUCTIONS

| | |
|-----------------------------|----------------|
| Benefits | 23,252,169 |
| Administrative expenses | 130,788 |
| Total deductions | 23,382,957 |
| Net increase | 93,132,011 |
| Net position, July 1, 2020 | 330,764,357 |
| Net position, June 30, 2021 | \$ 423,896,368 |

Net OPEB Liability for the Plan

The Plan's net OPEB liability was measured as of June 30, 2021. The components of the net OPEB asset for the Plan are as follows:

| | |
|---|------------------------|
| Total OPEB liability | \$ 381,809,735 |
| Plan fiduciary net position (market value of assets) | (423,896,368) |
| Net OPEB asset | <u>\$ (42,086,633)</u> |
| Plan fiduciary net position as a percentage of the OPEB asset | 111.02% |

Assumptions

For the Plan, the total OPEB liability was determined by an actuarial valuation as of July 1, 2019, rolled forward to June 30, 2020 using the following actuarial assumptions:

| | |
|----------------------------|--|
| Actuarial cost method | Entry age normal |
| Asset valuation method | Market value of assets |
| Salary increases | 3.00% |
| Investment rate of return | 7.00%, net of OPEB plan investment expense, including inflation. |
| Retirement age | Varies by age and pension plan. |
| Mortality | Pub-2010, "General" classification, Employees & Healthy Annuitant mortality table, projected using scale MP-2020, sex-distinct. Disabled mortality table Pub-2010, "General" classification, Disabled Retirement mortality table, projected using scale MP-2020, sex distinct. |
| Healthcare cost trend rate | 6.9% - 11.6%, decreasing to 4.5% |

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, 2021 are on the following page:

| Asset Class | Long-Term Expected Real Rate of Return | Target Allocation |
|------------------------------|--|-------------------|
| Domestic Equity (Large Cap) | 6.30% | 27.92% |
| Domestic Equity (Small Cap) | 6.80% | 11.61% |
| International Equity | 7.00% | 13.68% |
| Emerging Markets Equity | 7.50% | 5.59% |
| Long / Short Equity | 6.40% | 5.82% |
| Core US Fixed Income | 2.50% | 4.14% |
| Core Plus US Fixed Income | 2.90% | 14.47% |
| Absolute Return Fixed Income | 2.00% | 3.51% |
| Real Estate | 5.50% | 8.94% |
| Private Equity | 8.70% | 3.66% |
| Cash | 1.90% | 0.66% |

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, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 30.61 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 asset using the 7 percent discount rate, as well as what the (asset) 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 | \$ 444,681,191 | 381,809,735 | 331,761,098 |
| Plan Fiduciary Net Position | (423,896,368) | (423,896,368) | (423,896,368) |
| Net OPEB (Asset) Liability | \$ 20,784,823 | (42,086,633) | (92,135,270) |

The following represents the OPEB plan's net asset calculated using the healthcare trend rates (6.90 percent to 11.60 percent, decreasing to 4.50 percent), as well as the impacts of calculating the rates at one percentage point lower (5.90 percent to 10.60 percent, decreasing to 3.50 percent) or one percentage point higher (7.90 percent to 12.60 percent, decreasing to 5.50 percent):

| Sensitivity of Net OPEB (Asset) Liability to Changes in Healthcare Cost Trend Rates | | | |
|--|--|---|--|
| | 1% Decrease (Varied decreasing to 3.5%) | Trend Rate (Varied decreasing to 4.5%) | 1% Increase (Varied decreasing to 5.5%) |
| Total OPEB Liability | \$ 318,331,466 | 381,809,735 | 463,483,413 |
| Plan Fiduciary Net Position | (423,896,368) | (423,896,368) | (423,896,368) |
| Net OPEB (Asset) Liability | <u>\$ (105,564,902)</u> | <u>(42,086,633)</u> | <u>39,587,045</u> |

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

At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Contributions subsequent to the measurement date | \$ 18,072,048 | - |
| Total | <u>\$ 18,072,048</u> | <u>-</u> |

Contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or addition to the net OPEB asset, as applicable, in the year ending June 30, 2022.

4. Public Schools OPEB Plan

Plan Description

The Fairfax County Public Schools OPEB Trust Fund is a single-employer defined benefit plan administered by the Fairfax County Public Schools (Public Schools). Public Schools' plan provides health benefits to eligible retirees and their spouses. The plan benefits correspond with benefits available to active employees. Benefit provisions are established and may be amended by the School Board. Fiduciary oversight is provided by the members of the Local Finance Board for OPEB. The Plan does not issue a stand-alone financial report.

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

A retiree and/or spouse who is at least 55 of years of age and participates in a Public Schools administered health insurance plan will receive an explicit subsidy ranging from \$15 to \$175 per

month, based on years of service and the retirement plan in which the retiree is covered. In addition, Public Schools provides an implicit subsidy by allowing retirees to participate in the health insurance plans at the group premium rates calculated on the entire universe of active and retired employees. This subsidy occurs because, on an actuarial basis, the current and future claims of the retiree participants are expected to result in higher per person costs to the insurance plans than will be the experience for active employees.

For fiscal year 2021, 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 2020 | FY 2021 |
|-----------------------------------|----------------|----------------|
| Medical Members | | |
| Number of active members | 19,878 | 20,309 |
| Average age | 46 | 46 |
| Average service | 11 | 11 |
| <u>Number of inactive members</u> | | |
| Retirees and spouses | 10,135 | 10,037 |
| Average age | 72 | 72 |
| Life Insurance Members | | |
| Number of active members | 4,457 | 4,705 |
| Average age | 53 | 52 |
| Average service | 11 | 12 |
| <u>Number of inactive members</u> | | |
| Retirees and spouses | 2,844 | 2,546 |
| Average age | 72 | 71 |

Contributions

Contributions to the Public School OPEB Trust Fund are determined and may be amended by the School Board. The contributions are set at a minimum to satisfy the current year's projected pay-as-you-go benefits costs. The School Board may provide additional amounts to prefund future costs. Contributions to the Plan were \$15,348,747 and \$28,875,000 for the years ended June 30, 2021 and June 30, 2020, 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 2021 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, 2021

| | Component Unit - Public Schools OPEB Trust Fund |
|--|---|
| ASSETS | |
| Receivable, accounts | \$ 37,200 |
| Receivable, securities sold | 1,430,616 |
| Investment in pooled funds | 206,944,010 |
| Total assets | 208,411,826 |
| LIABILITIES | |
| Accounts payable and accrued liabilities | 37,200 |
| Total liabilities | 37,200 |
| NET POSITION | |
| Held in trust for OPEB benefits | \$ 208,374,626 |

COUNTY OF FAIRFAX, VIRGINIA
OPEB Trust Fund
Statement of Changes in Net Position
For the fiscal year ended June 30, 2021

| | Component Unit - Public Schools OPEB Trust Fund |
|---|---|
| ADDITIONS | |
| Contributions: | |
| Employer | \$ 15,348,747 |
| Total contributions | 15,348,747 |
| Investment income: | |
| From investment activities: | |
| Net increase in fair value of investments | 47,506,802 |
| Administrative expense | (101,244) |
| Total income from investment activities | 47,405,558 |
| Total additions | 62,754,305 |
| DEDUCTIONS | |
| Benefits payments /refunds | 10,348,747 |
| Total deductions | 10,348,747 |
| Change in net position | 52,405,558 |
| Net position, July 1, 2020 | 155,969,068 |
| Net position, June 30, 2021 | \$ 208,374,626 |

Net OPEB Liability

The Public Schools' net OPEB liability was measured as of June 30, 2021 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 | \$ 221,203,309 |
| Plan fiduciary net position (market value of assets) | (208,374,626) |
| Net OPEB liability | <u>\$ 12,828,683</u> |
| Plan fiduciary net position as a percentage of the OPEB liability | 94.20% |

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, 2021, 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) | 6.3% | 27.9% |
| Domestic Equity (Small Cap) | 6.8% | 11.6% |
| International Equity | 7.0% | 13.7% |
| Emerging Markets Equity | 7.5% | 5.6% |
| Long / Short Equity | 6.4% | 5.8% |
| Core US Fixed Income | 2.5% | 4.1% |
| Core Plus US Fixed Income | 2.9% | 14.5% |
| Absolute Return Fixed Income | 2.0% | 3.5% |
| Real Estate | 5.5% | 8.9% |
| Private Equity | 8.7% | 3.7% |
| Cash | 1.9% | 0.7% |

There are no concentrations in any one organization that represent 5.0 percent or more of the fiduciary net position in the plan. For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 30.09 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 6% | Current Rate 7% | 1% Increase 8% |
|-----------------------------|-------------------|--------------------|-------------------|
| Total OPEB liability | \$ 244,668,612 | 221,203,309 | 201,132,962 |
| Plan fiduciary net position | (208,374,626) | (208,374,626) | (208,374,626) |
| Net OPEB liability | \$ 36,293,986 | 12,828,683 | (7,241,664) |

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 percent), 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 percent) or one percentage point higher (7.69 percent to 10.31 percent, decreasing to 5.50 percent) than the current healthcare trend rates:

| | 1% Decrease (Varied decreasing to 3.5%) | Trend Rate (Varied decreasing to 4.5%) | 1% Increase (Varied decreasing to 5.5%) |
|-----------------------------|--|---|--|
| Total OPEB liability | \$ 212,695,959 | 221,203,309 | 231,341,819 |
| Plan fiduciary net position | (208,374,626) | (208,374,626) | (208,374,626) |
| Net OPEB liability | <u>\$ 4,321,333</u> | <u>12,828,683</u> | <u>22,967,193</u> |

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

For the year ended June 30, 2021, the Public Schools recognized OPEB expense of \$(16,033,255). At June 30, 2021, 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 | \$ 55,844,075 | 19,631,759 |
| Change of assumptions | - | 83,042,891 |
| Net difference between expected and actual earnings on OPEB plan investment | - | 24,831,484 |
| Total | <u>\$ 55,844,075</u> | <u>127,506,134</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 |
|---------------------------|----------------------------|
| 2022 | \$ (24,247,377) |
| 2023 | (23,751,102) |
| 2024 | (21,815,855) |
| 2025 | (4,900,886) |
| 2026 | 4,640,041 |
| Thereafter | (1,586,880) |
| | <u>\$ (71,662,059)</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 6/30/2020 | \$ 220,082 | 155,969 | 64,113 |
| Changes for the year: | | | |
| Service cost | 3,878 | - | 3,878 |
| Interest cost | 15,321 | - | 15,321 |
| Differences between expected and actual experiences | (6,731) | - | (6,731) |
| Changes of assumptions | (999) | - | (999) |
| Benefit payments | (10,349) | (10,349) | - |
| Contributions - employer | - | 15,349 | (15,349) |
| Net investment income | - | 47,507 | (47,507) |
| Administrative expense | - | (101) | 101 |
| Net changes | 1,121 | 52,406 | (51,285) |
| Balances recognized at 6/30/2021 | \$ 221,203 | 208,375 | 12,828 |

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, 2021, the School OPEB Trust Fund had the following investments in the Pooled Trust:

| Fair Value Measurements Using | | | | |
|---|-----------------------|--|-------------------------------------|---------------------------------|
| | | Quoted Prices in Active Markets for Identical Assets | Significant Other Observable Inputs | Significant Unobservable Inputs |
| Investments by Fair Value Level | 6/30/2021 | Level 1 | Level 2 | Level 3 |
| Mutual funds | \$ 127,578,415 | - | - | 127,578,415 |
| Stocks | 79,365,595 | - | - | 79,365,595 |
| Total investment by fair value hierarchy level | \$ 206,944,010 | - | - | 206,944,010 |

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, 2021. 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, 2021, was recent arms-length financing rounds in which the partnership or other partnerships managed by the general partner had participated. As of June 30, 2021, all underlying investments of the fund were valued at cost.

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

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

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

5. VRS Health Insurance Credit (HIC) OPEB

Plan Description

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

amount set by the Virginia General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

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

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

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

Contributions

The contribution requirement for active employees is governed by Section 51.1-1401(E) of the Code, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required contribution rate for the year ended June 30, 2021, was 1.21 percent of covered employee compensation for employees in the HIC OPEB plan. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. 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 \$19,679,363 and \$19,517,590 for the years ended June 30, 2021 and June 30, 2020, respectively.

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

At June 30, 2021, the Public Schools reported a liability of \$242,022,384 for its proportionate share of the net HIC OPEB liability. The net HIC OPEB liability was measured as of June 30, 2020, 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, 2020, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, Public Schools' proportion was 18.55 percent, as compared to 18.47 percent at June 30, 2019.

For the year ended June 30, 2021, Public Schools recognized HIC OPEB expense of \$20,992,885. 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, 2021, Public Schools reported deferred outflows of resources and deferred inflows of resources related to HIC OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Changes in proportionate share of contributions | \$ 5,081,496 | - |
| Change of assumptions | 4,784,444 | 1,322,342 |
| Difference between expected and actual experience | - | 3,232,106 |
| Net difference between expected and actual earnings on OPEB plan investment | 1,072,548 | - |
| Contributions subsequent to the measurement date | 19,679,363 | - |
| Total | <u>\$ 30,617,851</u> | <u>4,554,448</u> |

A total of \$19,679,363 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, 2022. 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 |
|--------------------|---------------------|
| 2022 | \$ 1,172,817 |
| 2023 | 1,279,128 |
| 2024 | 1,243,506 |
| 2025 | 1,228,829 |
| 2026 | 1,050,346 |
| Thereafter | 409,414 |
| | <u>\$ 6,384,040</u> |

Actuarial Assumptions

The total HIC OPEB liability for VRS was based on an actuarial valuation as of June 30, 2019, 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, 2020.

| | |
|---|----------------|
| 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, 2019 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 % | 4.65 % | 1.58 % |
| Fixed Income | 15.00 | 0.46 | 0.07 |
| Credit Strategies | 14.00 | 5.38 | 0.75 |
| Real Assets | 14.00 | 5.01 | 0.70 |
| Private Equity | 14.00 | 8.34 | 1.17 |
| Multi-Asset Public Strategies | 6.00 | 3.04 | 0.18 |
| Private Investment | 3.00 | 6.49 | 0.19 |
| Total | <u>100.00 %</u> | | <u>4.64 %</u> |
| | | Inflation | <u>2.50</u> |
| | | Expected arithmetic nominal return ^(a) | <u>7.14 %</u> |

^(a) The above allocation provides a one-year return of 7.14 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 VRS, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11 percent, including expected inflation of 2.50 percent. On October 10, 2019, 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. More recent capital market assumptions compiled for the fiscal year 2020 actuarial valuations, provide a median return of 6.81 percent.

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, 2020, 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, 2020 on, school divisions are assumed to contribute 100 percent of the actuarially determined contribution rates. Based on those assumptions, VRS plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

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

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

| | 1% Decrease | Current Discount Rate | 1% Increase |
|---|--------------------|------------------------------|--------------------|
| | 5.75% | 6.75% | 7.75% |
| Public Schools' proportionate share of the VRS net HIC OPEB liability | \$ 270,918,823 | \$ 242,022,384 | \$ 217,462,495 |

OPEB Plan Fiduciary Net Position

Detailed information about the HIC OPEB plan's fiduciary net position is available in the separately issued VRS 2020 Annual Comprehensive Financial Report (ACFR). A copy of the 2020 VRS ACFR may be obtained from the VRS website at [VRS 2020 ACFR](#), or by writing to the VRS Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

6. VRS General Life Insurance (GLI) OPEB

Plan Description

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

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

- Natural Death Benefit - The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled.
- Accidental Death Benefit - The accidental death benefit is double the natural death benefit.

- **Other Benefit Provisions** - In addition to the basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances. These benefits include accidental dismemberment, safety belt, repatriation, felonious assault and accelerated death options.

The benefit amounts provided to members covered under the GLI OPEB plan are subject to a reduction factor. The benefit amount reduces by 25.0 percent on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25.0 percent on each subsequent January 1 until it reaches 25.0 percent of its original value. For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the GLI OPEB plan. The minimum benefit was set at \$8,000 by statute. This amount is increased annually based on the VRS Plan 2 cost-of-living adjustment and is currently \$8,616 effective June 30, 2021.

Contributions

The contribution requirement for active employees is governed by Sections 51.1-506 and 51.1-508 of the Code, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. The total rate for the GLI OPEB plan was 1.34 percent of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80 percent (1.34 x 60 percent) and the employer component was 0.54 percent (1.34 x 40 percent). Employers may elect to pay all or part of the employee contribution, however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2021, was 0.54 percent of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. 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 \$8,855,883 and \$8,503,928 for the years ended June 30, 2021 and June 30, 2020, respectively.

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

At June 30, 2021, Public Schools reported a liability of \$132,610,252 for its proportionate share of the net GLI OPEB liability. The net GLI OPEB liability was measured as of June 30, 2020 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, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, Public Schools' proportion was 7.95 percent as compared to 7.96 percent at June 30, 2019.

For the year ended June 30, 2021, Public Schools recognized GLI OPEB expense of \$5,949,805. 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, 2021, 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 | \$ 2,887,135 | 370,725 |
| Difference between expected and actual experience | 8,505,722 | 1,191,073 |
| Change of assumptions | 6,632,045 | 2,768,969 |
| Net difference between expected and actual earnings on OPEB plan investment | 3,983,484 | - |
| Contributions subsequent to the measurement date | 8,855,883 | - |
| Total | \$ 30,864,269 | 4,330,767 |

A total of \$8,855,883 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, 2022. 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 |
|--------------------|---------------|
| 2022 | \$ 2,890,204 |
| 2023 | 4,015,168 |
| 2024 | 4,819,829 |
| 2025 | 4,713,227 |
| 2025 | 1,172,924 |
| Thereafter | 66,267 |
| | \$ 17,677,619 |

Actuarial Assumptions

The total GLI OPEB liability for VRS was based on an actuarial valuation as of June 30, 2019, 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, 2020.

| | |
|---|----------------|
| 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, 2019 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 % | 4.65 % | 1.58 % |
| Fixed Income | 15.00 | 0.46 | 0.07 |
| Credit Strategies | 14.00 | 5.38 | 0.75 |
| Real Assets | 14.00 | 5.01 | 0.70 |
| Private Equity | 14.00 | 8.34 | 1.17 |
| Multi-Asset Public Strategies | 6.00 | 3.04 | 0.18 |
| Private Investment | 3.00 | 6.49 | 0.19 |
| Total | 100.00 % | | 4.64 % |
| | | Inflation | 2.50 |
| | | Expected arithmetic nominal return ^(a) | 7.14 % |

^(a) The above allocation provides a one-year return of 7.14 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 VRS, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11 percent, including expected inflation of 2.50 percent. On October 10, 2019, 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. More recent capital market assumptions compiled for the fiscal year 2020 actuarial valuations, provide a median return of 6.81 percent.

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, 2020, 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, 2020 on, school divisions are assumed to contribute 100 percent of the actuarially determined contribution rates. Based on those assumptions, VRS plan's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

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

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

| | 1% Decrease 5.75% | Current Discount Rate 6.75% | 1% Increase 7.75% |
|---|----------------------|-----------------------------------|----------------------|
| Public Schools' proportionate share of the VRS net GLI OPEB liability | \$ 174,326,329 | \$ 132,610,252 | \$ 98,732,850 |

OPEB Plan Fiduciary Net Position

Detailed information about the GLI OPEB plan's fiduciary net position is available in the separately issued VRS 2020 Annual Comprehensive Financial Report (ACFR). A copy of the 2020 VRS ACFR may be obtained from the VRS website at [VRS 2020 ACFR](#), 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 computed using a combination of actual claims experience and actuarially determined amounts and include

BASIC FINANCIAL STATEMENTS

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 1.63 and 1.10 percent at June 30, 2021 and 2020, respectively, to reflect anticipated investment income. Changes in the balances of claims liabilities during fiscal years 2021 and 2020 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, 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 |
| Claims incurred | | | | |
| Claims and changes in estimates | 18,837,500 | 173,392,947 | (36,519,681) | 408,926,286 |
| Claims payments | (17,195,500) | (172,006,947) | (9,803,654) | (424,984,417) |
| Liability balances, June 30, 2021 | \$ 69,996,000 | 12,791,000 | 89,849 | 216,869 |

In addition to the self-insurance program, commercial property insurance is carried for buildings and contents plus certain large and costly items, such as fire apparatus and helicopters. Excess liability and workers' compensation insurance policies are maintained for exposures above a \$2,000,000 self-insured retention (SIR) for liability and \$3,000,000 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

resented 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, 2021 (in thousands):

| | Balance June 30, 2020 | Additions | Reductions | Balance June 30, 2021 | Due Within One Year |
|--|--------------------------|------------------|--------------------|--------------------------|---------------------------|
| Primary Government | | | | | |
| Governmental activities: | | | | | |
| General obligation bonds payable: | | | | | |
| Principal amount of bonds payable | \$ 2,259,045 | 548,250 | (451,390) | 2,355,905 | 213,570 |
| Premium on bonds payable | 244,003 | 36,549 | (62,740) | 217,812 | 35,528 |
| Revenue bonds payable: | | | | | |
| Principal amount of bonds payable | 700,005 | 55,650 | (108,440) | 647,215 | 37,430 |
| Premium on bonds payable | 77,323 | 5,682 | (9,633) | 73,372 | 8,727 |
| Discount on bonds payable | (166) | - | 166 | - | - |
| Notes payable | 439,073 | 11,955 | (645) | 450,383 | 645 |
| Compensated absences payable | 150,860 | 78,066 | (67,371) | 161,555 | 74,226 |
| Landfill closure and postclosure obligations | 48,833 | 586 | - | 49,419 | 36 |
| Obligations under capital leases and installment purchases | 7,526 | 1,274 | (5,807) | 2,993 | 1,192 |
| Insurance and benefit claims payable | 79,759 | 192,231 | (189,203) | 82,787 | 26,291 |
| Net pension liability | 1,801,228 | 811,107 | (417,618) | 2,194,717 | - |
| Net OPEB liability | 132,635 | 44,720 | (161,415) | 15,940 | - |
| Other: | | | | | |
| HUD Section 108 loans | 4,013 | - | (459) | 3,554 | 459 |
| Library Exchange | 13,281 | - | (862) | 12,419 | 865 |
| Total governmental activities | 5,957,418 | 1,786,070 | (1,475,417) | 6,268,071 | 398,969 |
| Business-type activities: | | | | | |
| Sewer revenue bonds payable: | | | | | |
| Principal amount of bonds payable | 564,330 | 327,429 | (149,547) | 742,212 | 32,113 |
| Premium on bonds payable | 46,211 | 53,907 | (6,985) | 93,133 | 4,021 |
| Net pension liability | 36,801 | 13,045 | (8,837) | 41,009 | - |
| Net OPEB liability | 3,456 | 1,283 | (4,319) | 420 | - |
| Compensated absences payable | 2,751 | 1,864 | (1,425) | 3,190 | 1,558 |
| Total business-type activities | 653,549 | 397,528 | (171,113) | 879,964 | 37,692 |
| Total long-term liabilities - Primary Government | \$ 6,610,967 | 2,183,598 | (1,646,530) | 7,148,035 | 436,661 |
| Component Units | | | | | |
| Public Schools | | | | | |
| Compensated absences payable | \$ 37,754 | 27,723 | (26,428) | 39,049 | 27,334 |
| Obligations under capital leases and installment purchases | 83,881 | 52,847 | (26,936) | 109,792 | 28,306 |
| Insurance and benefit claims payable | 62,688 | 10,479 | (1,050) | 72,117 | 30,833 |
| Net pension liability | 3,769,694 | 766,244 | (420,645) | 4,115,293 | - |
| Net OPEB liability | 435,475 | 767,020 | (815,034) | 387,461 | - |
| Unearned rent | 4,222 | 3,278 | (3,345) | 4,155 | - |
| Total Public Schools | 4,393,714 | 1,627,591 | (1,293,438) | 4,727,867 | 86,473 |
| FCRHA | | | | | |
| Mortgage revenue bonds payable | 40,765 | - | (21,079) | 19,686 | 715 |
| Mortgage notes payable* | 81,459 | 7,550 | (521) | 88,488 | 26,610 |
| Net pension liability | 26,589 | 8,979 | (6,306) | 29,262 | - |
| Net OPEB liability | 2,454 | 817 | (2,980) | 291 | - |
| Compensated absences payable | 1,332 | 218 | (626) | 924 | 477 |
| Total FCRHA | 152,599 | 17,564 | (31,512) | 138,651 | 27,802 |
| Park Authority | | | | | |
| Revenue bonds payable: | | | | | |
| Principal amount of bonds payable | 775 | - | (775) | - | - |
| Premium on bonds payable | 12 | 14 | (26) | - | - |
| Net pension liability | 57,132 | 16,759 | (15,369) | 58,522 | - |
| Net OPEB liability | 6,258 | 2,084 | (7,599) | 743 | - |
| Loan from Primary Government | 10,185 | - | (586) | 9,599 | 645 |
| Compensated absences payable | 5,629 | 2,095 | (1,949) | 5,775 | 2,308 |
| Total Park Authority | 79,991 | 20,952 | (26,304) | 74,639 | 2,953 |
| EDA | | | | | |
| Compensated absences payable | 462 | 267 | (176) | 553 | 217 |
| Unearned rent | 456 | - | (180) | 276 | 201 |
| Net pension liability | 6,653 | 1,937 | (1,826) | 6,764 | - |
| Net OPEB liability | 392 | 132 | (477) | 47 | - |
| Total EDA | 7,963 | 2,336 | (2,659) | 7,640 | 418 |
| Total long-term liabilities - Component units | \$ 4,634,267 | 1,668,443 | (1,353,913) | 4,948,797 | 117,646 |

*Beginning balance updated for restatement due to reporting entity. See Note N for more information.

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, 2021, the amount of general obligation bonds authorized and unissued is summarized to the right.

The Commonwealth does not impose a legal limit on the amount of general obligation indebtedness that the County can incur or have outstanding. The Board, however, has self-imposed bond limits to provide that the County's net debt may not exceed three percent of the total market value of taxable real and personal property in the

County. In addition, the annual debt service may not exceed ten percent of the annual General Fund disbursements. As a financial guideline, the Board also follows a self-imposed limitation in total general obligation bond sales of \$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, 2021.

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 2021, the County issued \$254,190,000 of Series 2021A General Obligation Public Improvement Bonds with an average interest rate of 2.73 percent. The bonds were issued to finance projects related to school improvements, public safety, park facilities, and other purposes.

| Bond Purpose | Amount (in Thousands) |
|-------------------------------------|-----------------------------|
| School improvements | \$ 511,850 |
| Transportation improvements | 198,240 |
| Parks and park facilities | 170,570 |
| Human Services | 152,600 |
| Public safety facilities | 327,510 |
| Public library facilities | 98,000 |
| Total authorized but unissued bonds | <u>\$ 1,458,770</u> |

In September 2020, the County issued \$294,060,000 of Series 2020B General Obligation Public Improvement Refunding Bonds with an average interest rate of 1.43 percent. The Refunding Bonds were issued to advance refund \$105,720,000 of outstanding Series 2014A bonds, \$68,190,000 of outstanding Series 2015A bonds, and \$73,060,000 of outstanding Series 2016A bonds. Proceeds of \$293,126,253 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 2014A on October 1, 2023, Series 2015A on October 1, 2024, and Series 2016A on April 1, 2026. The County refunded these bonds to reduce its total debt service payments over sixteen years by approximately \$32,436,896 and to obtain an economic gain of approximately \$29,672,183.

Detailed information regarding the general obligation bonds outstanding as of June 30, 2021, 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. Also, in April 2019, the remaining outstanding maturities of the Series 2010 lease revenue bonds were fully redeemed.

In May 2011, the EDA issued \$205,705,000 of transportation district improvement revenue bonds (Silver Line Phase 1 Project) Series 2011 and in September 2012, the EDA issued \$42,390,000 of transportation district improvement revenue bonds (Silver Line Phase 1 Project) Series 2012 to finance a portion of the costs of the construction of the first phase of an extension of the Washington Metropolitan Area Transit Authority's (WMATA) mass transit system in the County. In March 2016, the EDA issued \$173,960,000 to refund a portion of the bonds issued in 2011 and 2012. In December 2019, Fairfax County set aside funds 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 May 2021, Fairfax County partially defeased certain Series 2016 obligations associated with the transportation district improvement revenue bonds (Silver Line Phase 1 Project) with a principal amount of \$11,190,000. In 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 August 2020, the remaining outstanding maturities of the Series 2011 Bonds were fully redeemed.

In May 2012, the EDA issued \$65,965,000 of revenue bonds Series 2012 to finance the improvement of certain properties to be used by the County as mental health facilities and as a neighborhood community center. In August 2017, the EDA issued \$31,150,000 of refunding revenue bonds to advance refund certain outstanding maturities of the Series 2012A facilities revenue bonds.

In 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 December 2020, the CDA issued \$37,765,000 of revenue refunding bonds (Mosaic District Project) Series 2020A to current refund the outstanding maturities of the Series 2011A revenue bonds, which resulted in an aggregate decrease in the overall debt service of \$23,940,499 and an economic gain (the difference between the present values of the old and new debt service payments) of \$17,659,695. In December 2020, the CDA issued \$17,885,000 of revenue refunding bonds (Taxable) Series 2020A-T to current refund the outstanding maturities of the Series 2011A-T revenue bonds, which resulted in an aggregate decrease in the overall debt service of \$9,226,274 and an economic gain of \$6,539,005. These bond refundings resulted in a deferred loss of \$161,042. The 2020 Bonds are limited obligations of the CDA, payable solely from and secured by a pledge of certain County Advanced Revenues and certain Special Assessment Revenues.

In November 2013, the County issued a \$11,085,000 of special subfund revenue bond (the "2013 VRA 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, 2021, 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 August 8, 2012, the Sewer System issued \$90,710,000 of Series 2012 sewer revenue bonds, with an average interest rate 4.53 percent, to fund upgrade costs allocable to the System at certain treatment facilities that are owned by or that provide service to the County, the purchase of additional capacity, and the costs for other system improvements.

On April 16, 2014, the Sewer System issued \$61,755,000 of Series 2014 sewer revenue refunding bonds, with an average interest rate of 4.14 percent, to advance refund \$69,745,000 of the outstanding Series 2004 sewer revenue refunding bonds with an average interest rate of 4.61 percent. Net proceeds of the refunding bond were used mostly to redeem the Series 2004 bonds on July 15, 2014. This refunding resulted in a deferred net loss of \$4,045,945, which is being amortized over 15 years, and an aggregate decrease in the overall debt service of \$15,461,166.

On May 12, 2016, the Sewer System issued \$164,450,000 of Series 2016A sewer revenue bonds, with a weighted average interest rate of 3.92 percent, to advance refund \$123,065,000 of outstanding Series 2009 revenue bonds with an average interest rate of 4.80 percent and \$46,720,000 of outstanding Series 2012 revenue bonds with an average interest rate of 4.67 percent. This refinancing resulted in a deferred net loss of \$12,406,377, which is being amortized over 24 years, and remaining outstanding amounts of \$13,400,000 unrefunded Series 2009 bonds and \$39,545,000 unrefunded Series 2012 bonds. This refunding resulted in an aggregate decrease in the overall debt service of \$35,116,418 and an economic gain (the difference between the present values of the old and new debt service payments) of \$20,440,024.

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

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

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

As of June 30, 2021, the outstanding bonds consist of \$2,055,000 of Series 2012 revenue bonds, \$40,405,000 of Series 2014 revenue refunding bonds, \$160,635,000 of Series 2016A revenue refunding bonds, \$81,640,000 of Series 2017 revenue bonds, \$191,990,000 of Series 2021A revenue bonds, and \$24,210,000 of Series 2021B revenue refunding bonds.

The aforementioned sewer revenue bonds were issued in accordance with the General Bond Resolution adopted by the Board on July 29, 1985 and are payable from and secured by the net revenue generated through the Sewer System's operations. The General Bond Resolution includes a rate covenant under which the Sewer System agrees to charge reasonable rates for the use of services it renders but will adjust the rates from time to time to generate net revenues sufficient to provide an amount equal to 100 percent of its annual principal and interest requirements as well as the Sewer System's annual commitments to fund its proportionate share of other jurisdictions' debt service requirements. Pursuant to the General Bond Resolution, the Sewer System is required to maintain a reserve equal to the lesser of (i) the maximum principal and interest requirements of the outstanding bonds for any year or (ii) 125 percent of the average annual principal and interest for any bond year. In 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 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.

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

The Sewer System's share of UOSA's total outstanding debt as of June 30, 2021 is \$238,023,361 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. In February 2021, the VRA 2001 subordinated sewer revenue bonds reached final maturity.

As of June 30, 2021, the outstanding principal balance for the VRA 2002 subordinated revenue bond is \$3,253,412.

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, 2021 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, 2021, the outstanding principal of the TIFIA Loan was \$447,480,044.

Detailed information regarding the bond anticipation notes and notes payable outstanding as of June 30, 2021 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, 2021, 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) | 4.50-5.25 | 10-28-09 | 10-01-29 | 4,247 | 63,700 | 38,220 | 8,664 | 46,884 |
| Series 2012 B | Refunding | 5.00 | 02-02-12 | 04-01-24 | 9,767-13,142 | 74,759 | 36,021 | 3,435 | 39,456 |
| Series 2013 A | Public Improvement | 5.00 | 01-24-13 | 10-01-22 | 3,925 | 78,535 | 7,850 | 393 | 8,243 |
| Series 2013 B | Refunding | 3.00-4.00 | 01-24-13 | 10-01-25 | 1,242-8,716 | 54,389 | 24,182 | 1,964 | 26,146 |
| Series 2014 A | Public Improvement | 4.00-5.00 | 02-06-14 | 10-01-33 | 6,170 | 123,426 | 30,849 | 3,455 | 34,304 |
| Series 2014 A | Refunding | 4.00-5.00 | 02-06-14 | 10-01-23 | 822-833 | 18,569 | 2,481 | 183 | 2,664 |
| Series 2014 B | Refunding | 3.00-5.00 | 11-04-14 | 10-01-26 | 2,291-15,893 | 70,399 | 53,463 | 7,533 | 60,996 |
| Series 2015 A | Public Improvement | 3.00-5.00 | 03-04-15 | 10-01-34 | 4,300-4,305 | 86,037 | 34,410 | 5,935 | 40,345 |
| Series 2015 B | Refunding | 3.00-5.00 | 03-11-15 | 10-01-26 | 1,824-8,613 | 17,989 | 17,989 | 3,703 | 21,692 |
| Series 2015 C | Refunding | 5.00 | 07-07-15 | 10-01-25 | 2,662-4,422 | 49,077 | 15,182 | 1,729 | 16,911 |
| Series 2016 A | Public Improvement | 3.00-5.00 | 02-09-16 | 10-01-35 | 4,115 | 82,312 | 37,035 | 6,239 | 43,274 |
| Series 2016 A | Refunding | 3.00-5.00 | 02-09-16 | 10-01-30 | 2,242-13,840 | 37,806 | 35,592 | 8,726 | 44,318 |
| Series 2017 A | Public Improvement | 4.00-5.00 | 02-07-17 | 10-01-36 | 4,565-4,570 | 91,395 | 73,115 | 25,246 | 98,361 |
| Series 2018 A | Public Improvement | 4.00-5.00 | 01-24-18 | 10-01-37 | 4,221-4,225 | 84,481 | 71,805 | 26,775 | 98,580 |
| Series 2019 A | Public Improvement | 3.00-5.00 | 02-12-19 | 10-01-38 | 2,920-2,925 | 58,460 | 52,610 | 22,933 | 75,543 |
| Series 2019 B | Refunding | 3.30-5.00 | 02-12-19 | 10-01-32 | 112-4,056 | 17,066 | 16,939 | 5,643 | 22,582 |
| Series 2020 A | Public Improvement | 4.00-5.00 | 02-11-20 | 10-01-39 | 3,515-3,520 | 70,064 | 66,850 | 30,996 | 97,846 |
| Series 2020 A | Refunding | 4.00-5.00 | 02-11-20 | 10-01-31 | 1,333-3,423 | 35,627 | 32,594 | 8,871 | 41,465 |
| Series 2020 B | Refunding | 0.21-1.83 | 09-16-20 | 10-01-35 | 2,047-15,316 | 122,271 | 122,271 | 15,969 | 138,240 |
| Series 2021 A | Public Improvement | 2.00-4.00 | 02-09-21 | 10-01-40 | 4,870-4,875 | 96,850 | 96,850 | 26,938 | 123,788 |
| Total general obligation bonds - General County | | | | | | 1,333,212 | 866,308 | 215,330 | 1,081,638 |
| Schools: | | | | | | | | | |
| Series 2009 E | Public Improvement (BABs) | 4.50-5.25 | 10-28-09 | 10-01-29 | 9,233 | 138,500 | 83,100 | 18,838 | 101,938 |
| Series 2012 B | Refunding | 5.00 | 02-02-12 | 04-01-24 | 14,742-21,058 | 117,591 | 56,809 | 5,368 | 62,177 |
| Series 2013 A | Public Improvement | 5.00 | 01-24-13 | 10-01-22 | 6,390 | 127,800 | 12,780 | 639 | 13,419 |
| Series 2013 B | Refunding | 3.00-4.00 | 01-24-13 | 10-01-25 | 1,518-11,969 | 73,611 | 31,243 | 2,519 | 33,762 |
| Series 2014 A | Public Improvement | 4.00-5.00 | 02-06-14 | 10-01-33 | 7,045 | 140,904 | 35,226 | 3,945 | 39,171 |
| Series 2014 A | Refunding | 4.00-5.00 | 02-06-14 | 10-01-23 | 1,553-1,572 | 33,411 | 4,684 | 344 | 5,028 |
| Series 2014 B | Refunding | 3.00-5.00 | 11-04-14 | 10-01-26 | 6,626-28,423 | 131,791 | 95,377 | 12,568 | 107,945 |
| Series 2015 A | Public Improvement | 3.00-5.00 | 03-04-15 | 10-01-34 | 7,065 | 141,303 | 56,520 | 9,750 | 66,270 |
| Series 2015 B | Refunding | 3.00-5.00 | 03-11-15 | 10-01-26 | 4,736-19,772 | 39,081 | 39,081 | 7,920 | 47,001 |
| Series 2015 C | Refunding | 5.00 | 07-07-15 | 10-01-25 | 3,253-7,468 | 90,438 | 20,628 | 2,167 | 22,795 |
| Series 2016 A | Public Improvement | 3.00-5.00 | 02-09-16 | 10-01-35 | 6,735-6,740 | 134,728 | 60,630 | 10,213 | 70,843 |
| Series 2016 A | Refunding | 3.00-5.00 | 02-09-16 | 10-01-30 | 5,819-27,125 | 81,134 | 75,388 | 18,348 | 93,736 |
| Series 2017 A | Public Improvement | 4.00-5.00 | 02-07-17 | 10-01-36 | 6,845-6,850 | 136,980 | 109,580 | 37,836 | 147,416 |
| Series 2018 A | Public Improvement | 4.00-5.00 | 01-24-18 | 10-01-37 | 6,755-6,760 | 135,160 | 114,880 | 42,841 | 157,721 |
| Series 2019 A | Public Improvement | 3.00-5.00 | 02-12-19 | 10-01-38 | 7,810 | 156,200 | 140,580 | 61,309 | 201,889 |
| Series 2019 B | Refunding | 3.30-5.00 | 02-12-19 | 10-01-32 | 183-6,604 | 27,784 | 27,576 | 9,187 | 36,763 |
| Series 2020 A | Public Improvement | 4.00-5.00 | 02-11-20 | 10-01-39 | 7,210-7,215 | 143,861 | 137,075 | 63,576 | 200,651 |
| Series 2020 A | Refunding | 4.00-5.00 | 02-11-20 | 10-01-31 | 2,427-6,233 | 64,833 | 59,311 | 16,143 | 75,454 |
| Series 2020 B | Refunding | 0.21-1.83 | 09-16-20 | 10-01-35 | 2,863-21,890 | 171,789 | 171,789 | 23,246 | 195,035 |
| Series 2021 A | Public Improvement | 2.00-4.00 | 02-09-21 | 10-01-40 | 6,955-7,915 | 157,340 | 157,340 | 43,765 | 201,105 |
| Total general obligation bonds - Schools | | | | | | 2,244,239 | 1,489,597 | 390,522 | 1,880,119 |
| Total general obligation bonds | | | | | | 3,577,451 | 2,355,905 | 605,852 | 2,961,757 |
| Revenue bonds: | | | | | | | | | |
| EDA revenue bonds: | | | | | | | | | |
| Series 2012 A | Refunding Laurel Hill Project | 3.00-5.00 | 04-17-12 | 06-01-33 | 670-4,205 | 47,745 | 16,580 | 2,663 | 19,243 |
| Series 2012 A | Facilities Revenue Bonds | 4.50 | 05-30-12 | 03-01-42 | 3,105-3,700 | 65,965 | 16,980 | 14,585 | 31,565 |
| Series 2014 A | Public Safety Facility Project | 5.00 | 06-26-14 | 10-01-34 | 7,035-7,040 | 126,690 | 98,540 | 34,484 | 133,024 |
| Series 2014 A | County Facilities Refunding | 5.00 | 06-26-14 | 10-01-34 | 1,765-3,385 | 44,000 | 34,925 | 13,632 | 48,557 |
| Series 2014 B | County Facilities Project | 2.62-4.38 | 06-26-14 | 10-01-33 | 1,275-2,085 | 30,175 | 21,445 | 6,272 | 27,717 |
| Series 2016 | Silver Line Phase 1 Project | 4.00-5.00 | 03-16-16 | 04-01-35 | 7,910-13,380 | 173,960 | 137,750 | 44,329 | 182,079 |
| Series 2017 | Metrorail Parking System Project | 5.00 | 03-08-17 | 04-01-47 | 1,340-4,530 | 69,645 | 68,370 | 55,287 | 123,657 |
| Series 2017A | County Facilities Project | 2.17-3.79 | 08-10-17 | 10-01-37 | 770-1,290 | 19,060 | 16,830 | 5,519 | 22,349 |
| Series 2017B | County Facilities Refunding | 1.63-5.00 | 08-10-17 | 10-01-36 | 1,320-2,755 | 31,150 | 31,150 | 14,037 | 45,187 |
| Series 2019 | Six Public Facilities Refunding | 3.25-4.13 | 04-23-19 | 04-01-32 | 1,175-1,725 | 18,125 | 15,870 | 4,441 | 20,311 |
| Series 2020 | Metrorail Station Parking Refunding | 5.00 | 05-05-20 | 08-01-34 | 3,150-6,035 | 62,285 | 62,285 | 24,310 | 86,595 |

(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 | 2.65-2.75 | 02-08-18 | 10-01-22 | 1,175-2,500 | 11,175 | 3,675 | 82 | 3,757 |
| Series 2009 Wedgewood | 5.00 | 08-13-19 | 10-01-39 | 1,940-4,765 | 61,795 | 59,950 | 32,908 | 92,858 |
| VRA Subfund Revenue bonds: | | | | | | | | |
| Series 2013 C Linconia Project | 4.40-5.13 | 11-20-13 | 10-01-33 | 555 | 11,085 | 7,215 | 2,182 | 9,397 |
| CDA revenue bonds: | | | | | | | | |
| Series 2020 A Tax-Exempt | 4.00 | 12-03-20 | 03-01-36 | 1,550-3,295 | 37,765 | 37,765 | 13,664 | 51,429 |
| Series 2020 A Taxable | 0.90-2.99 | 12-03-20 | 03-01-36 | 965-1,410 | 17,885 | 17,885 | 3,895 | 21,780 |
| Total revenue bonds | | | | | 828,505 | 647,215 | 272,290 | 919,505 |
| Notes payables: | | | | | | | | |
| Salona | 4.14-4.29 | 12-27-05 | 12-31-25 | 645 | 12,900 | 2,903 | 309 | 3,212 |
| TIFIA Loan | 2.73 | 12-17-14 | 04-01-46 | 4,462-8,003 | 403,275 | 447,480 | 3,012 | 450,492 |
| Total notes payables | | | | | 416,175 | 450,383 | 3,321 | 453,704 |
| HUD Section 108 Loans: | | | | | | | | |
| HUD Section 108 loan #8 | 4.97-6.67 | 07-01-01 | 08-01-21 | 115 | 2,300 | 115 | 1 | 116 |
| HUD Section 108 loan #12 | Variable | 02-14-11 | 08-01-30 | 343-344 | 6,535 | 3,439 | 541 | 3,980 |
| Total HUD Section 108 loans | | | | | 8,835 | 3,554 | 542 | 4,096 |
| Total governmental activities | | | | | 4,830,966 | 3,457,057 | 882,005 | 4,339,062 |
| Business-type activities: | | | | | | | | |
| Sewer revenue bonds: | | | | | | | | |
| UOSA Bonds Subordinated | 0.297-5.60 | 12-23-10 | 07-01-52 | 843-23,724 | 277,621 | 238,024 | 58,664 | 296,688 |
| Series 2002 Subordinated | 0.95 | 06-01-02 | 02-01-22 | 3,253 | 50,000 | 3,253 | 24 | 3,277 |
| Series 2012 Revenue | 5.00 | 08-08-12 | 07-15-21 | 2,055 | 90,710 | 2,055 | 51 | 2,106 |
| Series 2014 Refunding | 3.00-5.00 | 04-16-14 | 07-15-28 | 4,255-5,770 | 61,755 | 40,405 | 6,282 | 46,687 |
| Series 2016 Refunding | 3.00-5.00 | 05-12-16 | 07-15-39 | 3,950-12,950 | 164,450 | 160,635 | 64,281 | 224,916 |
| Series 2017 Revenue | 4.00-5.00 | 06-28-17 | 07-15-47 | 1,485-5,375 | 85,785 | 81,640 | 67,075 | 148,715 |
| Series 2021A Revenue | 4.00-5.00 | 06-09-21 | 07-15-51 | 3,130-11,545 | 191,990 | 191,990 | 163,528 | 355,518 |
| Series 2021B Refunding | 3.00-4.00 | 06-09-21 | 07-15-42 | 3,585-4,545 | 24,210 | 24,210 | 16,577 | 40,787 |
| Total business-type activities | | | | | 946,521 | 742,212 | 376,482 | 1,118,694 |
| Total County bond, note, and loan indebtedness | | | | | \$ 5,777,487 | 4,199,269 | 1,258,487 | 5,457,756 |

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, 2021 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 |
| 2022 | \$ 213,570 | 90,345 | 37,430 | 29,668 | 1,104 | 3,229 | 32,113 | 23,452 | 284,217 | 146,694 |
| 2023 | 206,455 | 79,941 | 37,685 | 27,516 | 989 | 179 | 27,738 | 26,369 | 272,867 | 134,005 |
| 2024 | 194,795 | 70,729 | 34,100 | 25,872 | 448,469 | 143 | 31,868 | 25,317 | 709,232 | 122,061 |
| 2025 | 191,600 | 61,608 | 35,345 | 24,276 | 989 | 106 | 33,092 | 24,104 | 261,026 | 110,094 |
| 2026 | 181,240 | 53,778 | 36,620 | 22,622 | 667 | 67 | 41,489 | 22,876 | 260,016 | 99,343 |
| 2027-2031 | 742,935 | 172,539 | 204,215 | 86,149 | 1,719 | 140 | 155,339 | 97,787 | 1,104,208 | 356,615 |
| 2032-2036 | 452,905 | 65,903 | 182,330 | 38,261 | - | - | 123,943 | 73,837 | 759,178 | 178,001 |
| 2037-2041 | 172,405 | 11,009 | 51,650 | 13,364 | - | - | 137,756 | 48,066 | 361,811 | 72,439 |
| 2042-2046 | - | - | 23,310 | 4,336 | - | - | 79,637 | 25,623 | 102,947 | 29,959 |
| 2047-2051 | - | - | 4,530 | 226 | - | - | 66,624 | 8,788 | 71,154 | 9,014 |
| 2052-2056 | - | - | - | - | - | - | 12,613 | 263 | 12,613 | 263 |
| Totals | \$ 2,355,905 | 605,852 | 647,215 | 272,290 | 453,937 | 3,864 | 742,212 | 376,482 | 4,199,269 | 1,258,488 |

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 |
| 2022 | \$ 864,915 |
| 2023 | 868,274 |
| 2024 | 871,646 |
| 2025 | 875,031 |
| 2026 | 878,429 |
| 2027-2031 | 4,443,582 |
| 2032-2035 | 3,617,393 |
| Totals | \$ 12,419,270 |

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 (MVLP), 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 MVLP. 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, 2021, 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 | \$ 2,300 |
| Tax-exempt revenue bonds | Herndon Harbor I - rental property | 6.35 | 08-01-97 | 07-01-27 | 24-30 | 2,875 | 386 |
| Multi-family revenue bonds | Herndon Harbor II - rental property | 4.875-6.0 | 05-01-99 | 05-01-29 | 44-56 | 2,000 | 926 |
| Multi-family revenue bonds | Cedar Ridge Apartments | 5.984 | 03-29-07 | 10-01-48 | 62-115 | 13,200 | 11,525 |
| Multi-family revenue bonds | Olley Glen - senior rental property | average of 5.37% | 08-26-08 | 08-01-51 | 30-355 | 12,220 | 4,549 |
| Total mortgage bonds payable - FCRHA | | | | | | 58,335 | 19,686 |
| 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 | 1,830 |
| | East Market, Fair oaks, Bryson | 6.14 | 12-06-07 | 12-01-22 | 15-22 | 856 | 553 |
| | Stockwell, Northampton, Halstead I & II | 6.11 | 07-24-09 | 07-01-24 | 15-22 | 868 | 610 |
| | Stonegate rental property | 6.16 | 02-08-05 | 01-08-24 | 112 | 1,286 | 314 |
| Sun Trust Bank | First Stop Group Home property | 7.61 | 08-01-06 | 03-01-25 | - | 385 | 126 |
| Virginia Housing Development Authority | | | | | | | |
| Fulton Bank | Morris Glen | 8.50 | 01-01-14 | 04-01-26 | 26 | 322 | 181 |
| 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 | 908 |
| | Castellani Meadows | 4.00 | varies | 04-01-28 | - | 1,920 | 1,227 |
| | Tavener | 7.21 | varies | 01-01-27 | - | 2,042 | 778 |
| | Morris Glen | varies | varies | varies | - | 2,272 | 1,409 |
| | Stonegate | 1.00 | varies | 04-01-24 | - | 1,957 | 271 |
| Total mortgage notes payable - FCRHA | | | | | | 22,235 | 13,919 |
| Total public housing bonds, notes, and loans payable - FCRHA primary government | | | | | | \$ 80,570 | \$ 33,605 |

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, 2021, 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 |
| 2022 | 715,457 | 1,051,197 | 2,047,125 | 180,699 | 2,762,582 | 1,231,896 |
| 2023 | 758,910 | 1,008,891 | 719,077 | 109,964 | 1,477,987 | 1,118,855 |
| 2024 | 803,781 | 964,020 | 730,894 | 82,274 | 1,534,675 | 1,046,294 |
| 2025 | 860,164 | 916,354 | 64,469 | 37,469 | 924,633 | 953,823 |
| 2026 | 908,145 | 865,496 | 1,462,777 | 645,616 | 2,370,922 | 1,511,112 |
| 2027-2031 | 2,704,242 | 3,712,977 | 8,624,508 | 5,335,198 | 11,328,750 | 9,048,175 |
| 2032-2036 | 2,379,842 | 3,128,250 | 270,500 | - | 2,650,342 | 3,128,250 |
| 2037-2041 | 3,164,859 | 2,415,277 | - | - | 3,164,859 | 2,415,277 |
| 2042-2046 | 4,208,611 | 1,464,780 | - | - | 4,208,611 | 1,464,780 |
| 2047-2051 | 3,182,071 | 348,039 | - | - | 3,182,071 | 348,039 |
| Totals | \$ 19,686,082 | 15,875,281 | 13,919,350 | 6,391,220 | 33,605,432 | 22,266,501 |

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 were paid off in October 2020 of fiscal year 2021. As a result of this, the bond covenant which required to keep reserve in the Park Improvement Fund, upon recommendation of the Executive Director, the Park Board approved transfer into Park Revenue and Operating Fund to restore the net negative position caused due to the COVID-19 pandemic.

In June 2003, the Park Authority received a \$15,530,000 loan from the County to fund the development and construction of a public golf course and related structures, facilities, and equipment to be located in the Laurel Hill area of the southern part of the County. As a result of the refunding of the Series 2003 Laurel Hill revenue bonds by the Fairfax County Economic Development Authority in April 2012, the outstanding loan payable amount was reduced to \$13,222,200.

The debt service requirements to maturity for the outstanding bonds and loan at June 30, 2021, are as follows:

| Fiscal Year | Loan from Primary Government | | |
|-------------|------------------------------|---------------------|------------------|
| | Int. Rate | Principal | Interest |
| 2022 | 5.00 % | \$ 645,300 | 337,794 |
| 2023 | 3.00 | 714,100 | 305,529 |
| 2024 | 5.00 | 670,000 | 284,106 |
| 2025 | 3.00 | 740,000 | 250,606 |
| 2026 | 3.00 | 760,000 | 228,406 |
| 2027-2031 | 3.00-4.00 | 4,190,000 | 770,306 |
| 2032-2033 | 4.00 | 1,880,000 | 101,614 |
| Totals | | <u>\$ 9,599,400</u> | <u>2,278,361</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, 2021, approximately \$34.7 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 percent 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, 2021, the cumulative amount of all IRBs outstanding was \$412,390,346.

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, 2021, the total outstanding principal amount of these transportation contract revenue bonds outstanding was \$150,040,000.

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, 2021, \$2.9 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, 2021, the outstanding bonds considered defeased but not yet redeemed are \$350.0 million in general obligation bonds and \$17.5 million in revenue bonds.

In-Substance Defeasance of Debt Using Only Existing Resources:

In FY2021, the County closed on a partially defeased 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:

| | |
|--|---|
| Amount of debt extinguished | \$11,190,000 |
| Amount placed in trust | \$12,998,824 |
| Reason for defeasance | To save \$17.5 million of future debt service payments. |
| Cash flows required to service the defeased debt | \$13,428,000 |

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 \$49.4 million closure and post-closure obligation, as of June 30, 2021, 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, 2021, is \$48.1 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, 2021, are as follows:

| Asset Class | Primary Government - Governmental Activities | Component Unit - Public Schools |
|--------------------------------------|--|------------------------------------|
| Land | \$ - | 6,000,000 |
| Buildings | - | 56,910,185 |
| Improvements | 2,106,288 | - |
| Equipment | 34,107,780 | 118,421,051 |
| Total assets, at cost | 36,214,068 | 181,331,236 |
| Accumulated depreciation | (33,544,775) | (48,924,920) |
| Total assets, net | \$ 2,669,293 | 132,406,316 |
| Fiscal Year | Minimum Obligations | Minimum Obligations |
| 2022 | \$ 1,236,381 | 31,221,348 |
| 2023 | 1,241,700 | 23,943,997 |
| 2024 | 276,722 | 21,521,904 |
| 2025 | 282,257 | 13,627,309 |
| 2026 | 47,197 | 4,230,496 |
| 2027-2031 | - | 17,342,375 |
| 2032-2035 | - | 13,871,875 |
| Total minimum obligations | 3,084,257 | 125,759,304 |
| Portion representing interest | (91,700) | (15,966,999) |
| Present value of minimum obligations | \$ 2,992,557 | 109,792,305 |

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 \$34.9 million and unearned revenue in the amount of \$34.9 million is reported. Minimum lease payments for each of the five succeeding fiscal years are \$1,765,000, \$1,855,000, \$1,955,000, \$2,050,000, and \$2,160,000 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 \$46.9 million for fiscal year 2021 was funded with \$42.0 million of County general obligation bond proceeds and \$4.9 million of County funds. It is anticipated that the County's obligation for fiscal year 2022 will amount to \$47.6 million and be funded with \$41.0 million from County general obligation bond proceeds and \$6.6 million of County funds.

Operating Subsidies

The County and other local jurisdictions contribute annually toward WMATA's deficits resulting from the operation of its rail, bus, and paratransit systems. For fiscal year 2021, the County's obligation of approximately \$152.8 million for operating subsidies was offset by a \$26.3 million credit allocated by WMATA as part of the CARES Act. This resulted in a net obligation of \$126.5 million, which was funded with \$35.4 million of County funds and \$91.1 million from state aid and regional gasoline tax receipts provided through the NVTC. It is anticipated that the County's obligation for fiscal year 2022 will amount to \$152.1 million and be funded with \$117.0 million of state aid and regional gasoline tax receipts provided through the NVTC and \$35.1 million of County funds.

The state aid discussed in both Capital Contributions and Operating subsidies is shown passing through the County and Regional Transportation Projects Fund but is transmitted to NVTC directly from the Commonwealth.

2. Virginia Railway Express (VRE)

The County, as a member of the NVTC and in cooperation with the Potomac and Rappahannock Transportation Commission (PRTC), is a participating jurisdiction in the operation of the VRE commuter rail service. The service primarily consists of rush hour trips originating from Manassas, Virginia and from Fredericksburg, Virginia to Union Station in Washington, DC. There are five stations in Fairfax County.

In October 1989, the Board approved the Commuter Rail Master Agreement and financial plans. These have subsequently been amended to reflect voting criteria for member jurisdictions, new member requirements, and fairness in the subsidy allocation formula which took effect for fiscal year 2008. The Board approved this Amended Master Agreement on September 10, 2007, which required the County to contribute to capital, operating, and debt service costs of the VRE on a pro rata basis according to its share of ridership. The County's fiscal year 2021 contribution to the VRE was \$6.4 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 2021, the County's, Public Schools', and EDA's total expenditures for these operating leases were \$18.4 million, \$3.3 million, and \$0.5 million, respectively. At June 30, 2021, the minimum long-term lease commitments accounted for as operating leases are as follows:

| | Primary Government | Component Units | |
|-------------|-------------------------|-----------------|-----------|
| Fiscal Year | Governmental Activities | Public Schools | EDA |
| 2022 | \$ 16,392,746 | 6,204,729 | 800,462 |
| 2023 | 15,365,698 | 7,084,894 | 274,187 |
| 2024 | 12,558,429 | 6,179,356 | - |
| 2025 | 11,213,033 | 6,400,250 | - |
| 2026 | 5,296,729 | 6,709,251 | - |
| 2027-2031 | 6,717,309 | 7,034,993 | - |
| 2032-2036 | 335,722 | - | - |
| 2037-2041 | 254,915 | - | - |
| 2042-2046 | 310,143 | - | - |
| Total | \$ 68,444,724 | 39,613,473 | 1,074,649 |

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 \$19.7 million for purchased capacity in fiscal year 2021 to fund its share of the construction and land acquisition costs. The Sewer System estimates its share of the remaining construction costs to be \$103.0 million, of which \$20.3 million is expected to be incurred in fiscal year 2022 and the remaining balance over fiscal years 2023 to 2030. In addition, the Sewer System made payments of \$11.3 million to ARE during fiscal year 2021 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 \$10.6 million for purchased capacity during fiscal year 2021 to fund its share of construction costs. The Sewer System estimates its share of the remaining construction costs to be \$232.3 million, of which \$21.7 million is expected to be incurred in fiscal year 2022 and the remaining balance over fiscal years 2023 to 2030. In addition, the Sewer System made payments of \$15.3 million to DC Water during fiscal year 2021 for its share of the Blue Plains Plant's operating costs.

Upper Occoquan Service Authority

As described in Note A, UOSA is a joint venture created under the provisions of the Virginia Water and Waste Authorities Act to be the single regional entity to finance, construct, and operate the regional sewage treatment facility for the upper portion of the Occoquan Watershed. Currently, the Sewer System has a capacity entitlement of 22.1 MGD, which is approximately 41 percent of this facility's total capacity of 54.0 MGD. The governing body of UOSA is an eight member board of directors consisting of two members from each participating jurisdiction, appointed to four year terms.

UOSA's current operating expenses, construction costs, and annual debt service payments are funded by each of the participating jurisdictions based on their allocated capacity, with certain modifications. The Sewer System made contractual service payments to UOSA of \$13.5 million in fiscal year 2021 to pay its share of UOSA's operating costs.

Summarized UOSA financial information as of and for the years ended June 30, 2020 and 2019 (the most recent audited financial information available), is as follows:

| | 2020 | 2019 |
|---------------------------------------|----------------|---------------|
| Total assets | \$ 579,854,777 | 541,889,848 |
| Deferred outflows of resources | 17,674,213 | 18,654,337 |
| Total liabilities | (554,186,450) | (510,699,952) |
| Deferred inflows of resources | (2,274,841) | (2,993,994) |
| Net position | \$ 41,067,699 | 46,850,239 |
| Operating revenues | \$ 30,622,512 | 30,236,345 |
| Operating expenses | (59,493,683) | (57,835,443) |
| Nonoperating revenues, net | 3,787,368 | 4,900,451 |
| Capital contributions | 19,301,263 | 18,696,500 |
| Decrease in net position | \$ (5,782,540) | (4,002,147) |
| Total net position, beginning of year | 46,850,239 | 50,852,386 |
| Total net position, end of year | \$ 41,067,699 | 46,850,239 |

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 \$0.3 million for purchased capacity in fiscal year 2021. The Sewer System estimates its share of the remaining construction costs to be \$15.6 million, of which \$1.6 million is expected to be incurred in fiscal year 2022 and the remaining balance over fiscal years 2023 to 2030. In addition, the Sewer System made payments of \$2.6 million for contractual services to Arlington during fiscal year 2021 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 2021. 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 2022.

5. Long-term Contracts

At June 30, 2021, the Primary Government had contractual commitments of \$169,960,117 in the capital projects funds and \$86,554,531 in the Sewer System for the construction of various sewer

projects. At June 30, 2021, the component units had contractual commitments of \$212,170,954 and \$8,196,664 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 2022 the County implemented the following GASB Standards:

No. 84, Fiduciary Activities

The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

As a result of this change in accounting standard, a prior period adjustment was recorded to report fiduciary net position, as shown below for the County:

| | Statement of Fiduciary Assets and Liabilities June 30, 2020 | Prior Period Adjustment GASB 84 Implementation | Net increase in Fiduciary Net Position | Statement in Fiduciary Net Position July 30, 2021 |
|-------------------|--|---|--|---|
| Total Assets | \$ 2,698,664 | 1,628 | 482,543 | \$ 3,182,835 |
| Total Liabilities | 2,698,664 | (1,857,649) | 400,607 | 1,241,622 |
| | \$ - | 1,859,277 | 81,936 | \$ 1,941,213 |

FCPS previously reported the activity of the Student Activity Fund as a fiduciary fund. Beginning in fiscal year 2021, such activity has been more appropriately reported in the General Fund of the Component Unit. Due to the implementation of this Statement, a prior period adjustment of \$23.0 million was reported, resulting in a restated net position in FCPS's Governmental Activities and the County's Reporting Entity to (\$736.1) million and \$853.1 million, respectively.

No. 98, The Annual Comprehensive Financial Report

This Statement establishes the term annual comprehensive financial report and its acronym ACFR. The new term and acronym replaces instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments.

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

N. RESTATEMENT

Change in Reporting Entity - The FCRHA previously reported Morris Glen L.P. real estate partnership as a discretely presented component unit in which it was the general partner. The FCRHA now controls the entire partnership interest for this partnership and has therefore considered it to be a blended component unit in accordance with GAAP. The partnership has a December 31 year-end, therefore amounts included for the entity are as of and for the calendar year-end that falls within FCRHA's fiscal year ended June 30, 2020. Beginning net position has been restated to adjust net position by the deficit of \$1,099,894 for this partnership.

| | |
|---|------------------------------|
| 2020 FCRHA net position, as previously reported | \$ 159,328,967 |
| Restatement - change in reporting entity | (1,099,894) |
| Restatement - correction of error | 6,852,549 |
| Elimination of FCRHA intercompany receivable | (681,381) |
| Elimination of FCRHA intercompany payable | <u>681,381</u> |
| 2020 FCRHA net position - as restated | <u><u>\$ 165,081,622</u></u> |
| 2020 Component Units net position, as previously reported | \$ (3,351,893) |
| Restatement - change in reporting entit | <u>1,099,894</u> |
| 2020 Component Units net position - as restated | <u><u>\$ (2,251,999)</u></u> |

Correction of an Error - The FCRHA restated beginning net position by \$6,852,549 for the blended component units to correct the basis of accounting treatment of forgivable loans.



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, 2021

| | Budgeted Amounts | | Actual Amounts (Budget Basis) | Variance from Final Budget Positive (Negative) |
|--|------------------|-----------------|----------------------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | \$ 3,919,200,759 | 3,956,920,894 | 3,987,017,016 | 30,096,122 |
| Permits, privilege fees, and regulatory licenses | 49,642,908 | 50,227,871 | 57,076,113 | 6,848,242 |
| Intergovernmental | 352,948,719 | 463,482,704 | 465,276,053 | 1,793,349 |
| Charges for services | 83,119,246 | 32,818,852 | 33,695,016 | 876,164 |
| Fines and forfeitures | 11,795,664 | 5,354,518 | 5,477,214 | 122,696 |
| Revenue from the use of money and property | 24,257,799 | 24,257,799 | 24,776,135 | 518,336 |
| Recovered costs | 16,234,444 | 14,441,507 | 18,312,163 | 3,870,656 |
| Total revenues | 4,457,199,539 | 4,547,504,145 | 4,591,629,710 | 44,125,565 |
| EXPENDITURES | | | | |
| General government administration | 124,977,518 | 131,636,528 | 123,596,105 | 8,040,423 |
| Judicial administration | 42,550,728 | 44,393,223 | 41,126,669 | 3,266,554 |
| Public safety | 535,709,328 | 548,272,058 | 522,006,631 | 26,265,427 |
| Public works | 79,689,075 | 84,167,910 | 76,537,605 | 7,630,305 |
| Health and welfare | 302,024,376 | 303,394,049 | 253,037,903 | 50,356,146 |
| Community development | 74,527,304 | 80,775,907 | 73,989,714 | 6,786,193 |
| Parks, recreation, and cultural | 57,746,666 | 58,621,543 | 54,573,647 | 4,047,896 |
| Nondepartmental | 411,405,158 | 667,944,856 | 510,442,827 | 157,502,029 |
| Total expenditures | 1,628,630,153 | 1,919,206,074 | 1,655,311,101 | 263,894,973 |
| Excess of revenues over expenditures | 2,828,569,386 | 2,628,298,071 | 2,936,318,609 | 308,020,538 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in from other primary government funds | 8,707,781 | 8,707,781 | 8,707,781 | - |
| Transfers out to other primary government funds | (684,982,808) | (741,663,523) | (741,663,523) | - |
| Transfers out to component units | (2,158,308,206) | (2,163,249,143) | (2,163,249,143) | - |
| Total other financing (uses), net | (2,834,583,233) | (2,896,204,885) | (2,896,204,885) | - |
| Net change in fund balance | \$ (6,013,847) | (267,906,814) | 40,113,724 | 308,020,538 |

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)

| ACFR Reporting Year Measurement Date June 30 of prior year | 2021 | 2020 | 2019 |
|---|---------------------|------------------|------------------|
| Total Pension Liability | | | |
| Service cost | \$ 103,313 | 99,759 | 96,662 |
| Interest | 415,149 | 400,860 | 385,505 |
| Changes in benefit terms | - | - | 603 |
| Differences between expected and actual experience | (5,461) | 29,355 | 41,363 |
| Changes of assumptions | - | - | - |
| Benefit payments, including refunds of member contributions | (343,616) | (329,517) | (300,641) |
| Net change in total pension liability | 169,385 | 200,457 | 223,492 |
| Total pension liability - beginning | 5,791,681 | 5,591,224 | 5,367,732 |
| Total pension liability - ending | <u>\$ 5,961,066</u> | <u>5,791,681</u> | <u>5,591,224</u> |
| Plan Fiduciary Net Position | | | |
| Contributions - employer | \$ 234,743 | 210,964 | 188,578 |
| Contributions - member | 40,327 | 37,916 | 36,358 |
| Net investment income | 111,442 | 243,546 | 269,418 |
| Benefit payments, including refunds of member contributions | (343,616) | (329,517) | (300,641) |
| Administrative expense | (2,471) | (2,198) | (2,171) |
| Net change in plan fiduciary net position | 40,425 | 160,711 | 191,542 |
| Plan fiduciary net position - beginning | 4,101,638 | 3,940,927 | 3,749,385 |
| Plan fiduciary net position - ending | <u>\$ 4,142,063</u> | <u>4,101,638</u> | <u>3,940,927</u> |
| Net pension liability - ending | <u>\$ 1,819,003</u> | <u>1,690,043</u> | <u>1,650,297</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 69.49 % | 70.82 % | 70.48 % |
| Covered payroll | \$ 828,020 | 777,319 | 745,664 |
| Net pension liability as a percentage of covered payroll | 219.68 % | 217.42 % | 221.32 % |

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

See accompanying notes to required supplementary information.

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

COUNTY OF FAIRFAX, VIRGINIA

Schedule of Changes in Net Pension Liability and Related Ratios - Police Officers Retirement System

Last Ten Fiscal Years *

(Dollar amounts in thousands)

| ACFR Reporting Year Measurement Date June 30 of prior year | 2021 | 2020 | 2019 |
|---|---------------------|------------------|------------------|
| Total Pension Liability | | | |
| Service cost | \$ 32,944 | 31,993 | 30,744 |
| Interest | 128,461 | 123,663 | 118,405 |
| Differences between expected and actual experience | (5,785) | (7,959) | 1,315 |
| Changes of assumptions | - | - | - |
| Benefit payments, including refunds of member contributions | (84,449) | (80,576) | (77,838) |
| Net change in total pension liability | 71,171 | 67,121 | 72,626 |
| Total pension liability - beginning | 1,780,416 | 1,713,295 | 1,640,669 |
| Total pension liability - ending | <u>\$ 1,851,587</u> | <u>1,780,416</u> | <u>1,713,295</u> |
| Plan Fiduciary Net Position | | | |
| Contributions - employer | \$ 50,781 | 47,183 | 44,505 |
| Contributions - member | 10,570 | 10,177 | 9,896 |
| Net investment income | (59,355) | 71,578 | 94,135 |
| Benefit payments, including refunds of member contributions | (84,449) | (80,576) | (77,838) |
| Administrative expense | (656) | (611) | (619) |
| Net change in plan fiduciary net position | (83,109) | 47,751 | 70,079 |
| Plan fiduciary net position - beginning | 1,483,674 | 1,435,923 | 1,365,844 |
| Plan fiduciary net position - ending | <u>\$ 1,400,565</u> | <u>1,483,674</u> | <u>1,435,923</u> |
| Net pension liability - ending | <u>\$ 451,022</u> | <u>296,742</u> | <u>277,372</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 75.64 % | 83.33 % | 83.81 % |
| Covered payroll | \$ 122,071 | 117,663 | 114,173 |
| Net pension liability as a percentage of covered payroll | 369.48 % | 252.20 % | 242.94 % |

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

See accompanying notes to required supplementary information.

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

COUNTY OF FAIRFAX, VIRGINIA

Schedule of Changes in Net Pension Liability and Related Ratios - Uniformed Retirement System

Last Ten Fiscal Years *

(Dollar amounts in thousands)

| ACFR Reporting Year Measurement Date June 30 of prior year | 2021 | 2020 | 2019 |
|---|---------------------|------------------|------------------|
| Total Pension Liability | | | |
| Service cost | \$ 43,435 | 43,537 | 42,115 |
| Interest | 159,360 | 153,521 | 147,114 |
| Changes in benefit terms | - | - | 956 |
| Differences between expected and actual experience | (6,625) | (7,935) | (1,128) |
| Changes of assumptions | - | - | - |
| Benefit payments, including refunds of member contributions | (111,543) | (105,543) | (96,896) |
| Net change in total pension liability | 84,627 | 83,580 | 92,161 |
| Total pension liability - beginning | 2,209,430 | 2,125,850 | 2,033,689 |
| Total pension liability - ending | <u>\$ 2,294,057</u> | <u>2,209,430</u> | <u>2,125,850</u> |
| Plan Fiduciary Net Position | | | |
| Contributions - employer | \$ 69,931 | 69,246 | 67,895 |
| Contributions - member | 12,810 | 12,605 | 12,262 |
| Net investment income | (22,161) | 78,142 | 131,997 |
| Benefit payments, including refunds of member contributions | (111,543) | (105,543) | (96,896) |
| Administrative expense | (667) | (620) | (618) |
| Net change in plan fiduciary net position | (51,630) | 53,830 | 114,640 |
| Plan fiduciary net position - beginning | 1,813,733 | 1,759,903 | 1,645,263 |
| Plan fiduciary net position - ending | <u>\$ 1,762,103</u> | <u>1,813,733</u> | <u>1,759,903</u> |
| Net pension liability - ending | <u>\$ 531,954</u> | <u>395,697</u> | <u>365,947</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 76.81 % | 82.09 % | 82.79 % |
| Covered payroll | \$ 180,049 | 178,285 | 174,808 |
| Net pension liability as a percentage of covered payroll | 295.45 % | 221.95 % | 209.34 % |

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

See accompanying notes to required supplementary information.

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

COUNTY OF FAIRFAX, VIRGINIA

Schedule of Changes in Net Pension Liability and Related Ratios - Educational Employees Supplementary Retirement System

Last Ten Fiscal Years *

(Dollar amounts in thousands)

| ACFR Reporting Year Measurement Date June 30 of prior year | 2021 | 2020 | 2019 |
|---|---------------------|------------------|------------------|
| Total Pension Liability | | | |
| Service cost | \$ 92,719 | 90,633 | 88,599 |
| Interest | 243,579 | 231,477 | 221,107 |
| Changes in benefit terms | - | - | - |
| Differences between expected and actual experience | (12,696) | 27,727 | 12,141 |
| Changes of assumptions | - | - | - |
| Benefit payments, including refunds of member contributions | (185,986) | (181,932) | (177,720) |
| Net change in total pension liability | 137,616 | 167,905 | 144,127 |
| Total pension liability - beginning | 3,406,341 | 3,238,436 | 3,094,309 |
| Total pension liability - ending | <u>\$ 3,543,957</u> | <u>3,406,341</u> | <u>3,238,436</u> |
| Plan Fiduciary Net Position | | | |
| Contributions - employer | \$ 104,741 | 96,983 | 91,705 |
| Contributions - member | 49,096 | 46,645 | 44,169 |
| Net investment income | 108,472 | 117,728 | 188,145 |
| Benefit payments, including refunds of member contributions | (185,986) | (181,932) | (177,720) |
| Administrative expense | (4,381) | (4,262) | (4,300) |
| Net change in plan fiduciary net position | 71,942 | 75,162 | 141,999 |
| Plan fiduciary net position - beginning | 2,521,442 | 2,446,280 | 2,304,281 |
| Plan fiduciary net position - ending | <u>\$ 2,593,384</u> | <u>2,521,442</u> | <u>2,446,280</u> |
| Net pension liability - ending | <u>\$ 950,573</u> | <u>884,899</u> | <u>792,156</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 73.18 % | 74.02 % | 75.54 % |
| Covered payroll | \$ 1,626,417 | 1,549,248 | 1,469,629 |
| Net pension liability as a percentage of covered payroll | 58.45 % | 57.12 % | 53.90 % |

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

See accompanying notes to required supplementary information.

| 2018 | 2017 | 2016 | 2015 | |
|-----------|-----------|-----------|-----------|--|
| 78,926 | 77,761 | 77,494 | 75,788 | Total Pension Liability |
| 209,516 | 205,720 | 198,939 | 192,724 | Service cost |
| (1,039) | - | - | - | Interest |
| | | | | Changes in benefit terms |
| 19,857 | (11,012) | (17,051) | (19,052) | Differences between expected and actual experience |
| 23,334 | 45,752 | - | - | Changes of assumptions |
| (173,386) | (170,348) | (167,843) | (167,050) | Benefit payments, including refunds of member contributions |
| 157,208 | 147,873 | 91,539 | 82,410 | Net change in total pension liability |
| 2,937,101 | 2,789,228 | 2,697,689 | 2,615,279 | Total pension liability - beginning |
| 3,094,309 | 2,937,101 | 2,789,228 | 2,697,689 | Total pension liability - ending |
| 80,094 | 76,600 | 74,324 | 74,174 | Plan Fiduciary Net Position |
| 43,063 | 41,384 | 39,983 | 40,018 | Contributions - employer |
| 250,982 | (15,767) | 32,085 | 304,641 | Contributions - member |
| | | | | Net investment income |
| (173,386) | (170,348) | (167,843) | (167,050) | Benefit payments, including refunds of member contributions |
| (4,060) | (4,005) | (3,752) | (3,629) | Administrative expense |
| 196,693 | (72,136) | (25,203) | 248,154 | Net change in plan fiduciary net position |
| 2,107,588 | 2,179,724 | 2,204,927 | 1,956,773 | Plan fiduciary net position - beginning |
| 2,304,281 | 2,107,588 | 2,179,724 | 2,204,927 | Plan fiduciary net position - ending |
| 790,028 | 829,513 | 609,504 | 492,762 | Net pension liability - ending |
| 74.47 % | 71.76 % | 78.15 % | 81.73 % | Plan fiduciary net position as a percentage of the total pension liability |
| 1,430,260 | 1,374,735 | 1,366,030 | 1,324,537 | Covered payroll |
| 55.24 % | 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)

| ACFR Reporting Year Measurement Date June 30 of prior year | 2021 | 2020 | 2019 |
|--|---------------------|------------------|------------------|
| Employees' Retirement System: | | | |
| Total pension liability | \$ 5,961,066 | 5,791,681 | 5,591,224 |
| Pension plan's fiduciary net position | 4,142,063 | 4,101,638 | 3,940,927 |
| Net pension liability | \$ 1,819,003 | 1,690,043 | 1,650,297 |
| Plan fiduciary net position as a percentage of the total pension liability | 69.49 % | 70.82 % | 70.48 % |
| Covered payroll | \$ 828,020 | 777,319 | 745,664 |
| Net pension liability as a percentage of covered payroll | 219.68 % | 217.42 % | 221.32 % |
| Police Officers Retirement System: | | | |
| Total pension liability | \$ 1,851,587 | 1,780,416 | 1,713,295 |
| Pension plan's fiduciary net position | 1,400,565 | 1,483,674 | 1,435,923 |
| Net pension liability | \$ 451,022 | 296,742 | 277,372 |
| Plan fiduciary net position as a percentage of the total pension liability | 75.64 % | 83.33 % | 83.81 % |
| Covered payroll | \$ 122,071 | 117,663 | 114,173 |
| Net pension liability as a percentage of covered payroll | 369.48 % | 252.20 % | 242.94 % |
| Uniformed Retirement System: | | | |
| Total pension liability | \$ 2,294,057 | 2,209,430 | 2,125,850 |
| Pension plan's fiduciary net position | 1,762,103 | 1,813,733 | 1,759,903 |
| Net pension liability | \$ 531,954 | 395,697 | 365,947 |
| Plan fiduciary net position as a percentage of the total pension liability | 76.81 % | 82.09 % | 82.79 % |
| Covered payroll | \$ 180,049 | 178,285 | 174,808 |
| Net pension liability as a percentage of covered payroll | 295.45 % | 221.95 % | 209.34 % |
| Educational Employees' Supplementary Retirement System | | | |
| Total pension liability | \$ 3,543,957 | 3,406,341 | 3,238,436 |
| Pension plan's fiduciary net position | 2,593,384 | 2,521,442 | 2,446,280 |
| Net pension liability | \$ 950,573 | 884,899 | 792,156 |
| Plan fiduciary net position as a percentage of the total pension liability | 73.18 % | 74.02 % | 75.54 % |
| Covered payroll | \$ 1,626,417 | 1,549,248 | 1,469,629 |
| Net pension liability as a percentage of covered payroll | 58.45 % | 57.12 % | 53.90 % |

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

See accompanying notes to required supplementary information.

| 2018 | 2017 | 2016 | 2015 | |
|-----------|-----------|-----------|-----------|--|
| 5,367,732 | 5,116,416 | 4,979,660 | 4,807,874 | Employees' Retirement System: |
| 3,749,385 | 3,590,081 | 3,693,357 | 3,766,060 | Total pension liability |
| 1,618,347 | 1,526,335 | 1,286,303 | 1,041,814 | Pension plan's fiduciary net position |
| | | | | Net pension liability |
| 69.85 % | 70.17 % | 74.17 % | 78.33 % | Plan fiduciary net position as a percentage of the total pension liability |
| 730,618 | 708,415 | 686,289 | 671,597 | Covered payroll |
| 221.50 % | 215.46 % | 187.43 % | 155.12 % | Net pension liability as a percentage of covered payroll |
| 1,640,669 | 1,560,516 | 1,510,917 | 1,453,060 | Police Officers Retirement System: |
| 1,365,844 | 1,270,389 | 1,280,915 | 1,260,757 | Total pension liability |
| 274,825 | 290,127 | 230,002 | 192,303 | Pension plan's fiduciary net position |
| | | | | Net pension liability |
| 83.25 % | 81.41 % | 84.78 % | 86.77 % | Plan fiduciary net position as a percentage of the total pension liability |
| 111,291 | 107,022 | 102,844 | 100,912 | Covered payroll |
| 246.94 % | 271.09 % | 223.64 % | 190.57 % | Net pension liability as a percentage of covered payroll |
| 2,033,689 | 1,940,457 | 1,883,675 | 1,781,131 | Uniformed Retirement System: |
| 1,645,263 | 1,498,702 | 1,525,617 | 1,516,720 | Total pension liability |
| 388,426 | 441,755 | 358,058 | 264,411 | Pension plan's fiduciary net position |
| | | | | Net pension liability |
| 80.90 % | 77.23 % | 80.99 % | 85.15 % | Plan fiduciary net position as a percentage of the total pension liability |
| 173,604 | 168,808 | 160,762 | 153,979 | Covered payroll |
| 223.74 % | 261.69 % | 222.73 % | 171.72 % | Net pension liability as a percentage of covered payroll |
| 3,094,309 | 2,937,101 | 2,789,228 | 2,697,689 | Educational Employees' Supplementary Retirement System |
| 2,304,281 | 2,107,588 | 2,179,724 | 2,204,927 | Total pension liability |
| 790,028 | 829,513 | 609,504 | 492,762 | Pension plan's fiduciary net position |
| | | | | Net pension liability |
| 74.47 % | 71.76 % | 78.15 % | 81.73 % | Plan fiduciary net position as a percentage of the total pension liability |
| 1,430,260 | 1,374,735 | 1,366,030 | 1,324,537 | Covered payroll |
| 55.24 % | 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)

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|--------------|-----------|-----------|-----------|-----------|
| Employees' Retirement Systems: | | | | | |
| Actuarial Determined Contribution | \$ 227,846 | 234,744 | 210,964 | 188,578 | 167,312 |
| Contributions in Relations to the | | | | | |
| Actuarial Determined Contribution | 227,846 | 234,744 | 210,964 | 188,578 | 167,312 |
| Contribution (Deficiency) Excess | \$ - | - | - | - | - |
| Covered Payroll | \$ 803,691 | 828,021 | 777,319 | 745,664 | 730,618 |
| Contributions as a Percentage of | | | | | |
| Covered Payroll | 28.35% | 28.35% | 27.14% | 25.29% | 22.90% |
| Police Officers Retirement System: | | | | | |
| Actuarial Determined Contribution | \$ 50,348 | 50,781 | 47,183 | 44,505 | 43,381 |
| Contributions in Relations to the | | | | | |
| Actuarial Determined Contribution | 50,348 | 50,781 | 47,183 | 44,505 | 43,381 |
| Contribution (Deficiency) Excess | \$ - | - | - | - | - |
| Covered Payroll | \$ 121,029 | 122,071 | 117,663 | 114,173 | 111,291 |
| Contributions as a Percentage of | | | | | |
| Covered Payroll | 41.60% | 41.60% | 40.10% | 38.98% | 38.98% |
| Uniformed Retirement System: | | | | | |
| Actuarial Determined Contribution | \$ 69,464 | 69,931 | 69,246 | 67,895 | 67,410 |
| Contributions in Relations to the | | | | | |
| Actuarial Determined Contribution | 69,464 | 69,931 | 69,246 | 67,895 | 67,410 |
| Contribution (Deficiency) Excess | \$ - | - | - | - | - |
| Covered Payroll | \$ 178,847 | 180,049 | 178,285 | 174,853 | 173,604 |
| Contributions as a Percentage of | | | | | |
| Covered Payroll | 38.84% | 38.84% | 38.84% | 38.83% | 38.83% |
| Educational Employees' Supplementary Retirement System: | | | | | |
| Actuarial Determined Contribution | \$ 104,784 | 104,741 | 96,983 | 93,543 | 80,305 |
| Contributions in Relations to the | | | | | |
| Actuarial Determined Contribution | 104,784 | 104,741 | 96,983 | 91,705 | 80,146 |
| Contribution (Deficiency) Excess | \$ - | - | - | (1,838) | (159) |
| Covered Payroll | \$ 1,627,086 | 1,626,417 | 1,549,248 | 1,469,629 | 1,430,260 |
| Contributions as a Percentage of | | | | | |
| Covered Payroll | 6.44% | 6.44% | 6.26% | 6.24% | 5.60% |

See accompanying notes to required supplementary information.

| 2016 | 2015 | 2014 | 2013 | 2012 | |
|-----------|-----------|-----------|-----------|-----------|--|
| 155,780 | 138,493 | 129,618 | 127,448 | 114,683 | Employees' Retirement Systems: |
| 155,780 | 138,493 | 129,618 | 127,448 | 114,683 | Actuarial Determined Contribution |
| - | - | - | - | - | Contributions in Relations to the |
| | | | | | Actuarial Determined Contribution |
| | | | | | Contribution (Deficiency) Excess |
| 708,415 | 686,289 | 671,597 | 669,018 | 666,759 | Covered Payroll |
| 21.99% | 20.18% | 19.30% | 19.05% | 17.20% | Contributions as a Percentage of |
| | | | | | Covered Payroll |
| 40,647 | 37,867 | 34,179 | 34,011 | 31,701 | Police Officers Retirement System: |
| 40,647 | 37,867 | 34,179 | 34,011 | 31,701 | Actuarial Determined Contribution |
| - | - | - | - | - | Contributions in Relations to the |
| | | | | | Actuarial Determined Contribution |
| | | | | | Contribution (Deficiency) Excess |
| 107,022 | 102,844 | 100,912 | 102,598 | 101,280 | Covered Payroll |
| 37.98% | 36.82% | 33.87% | 33.15% | 31.30% | Contributions as a Percentage of |
| | | | | | Covered Payroll |
| 65,548 | 60,929 | 56,095 | 53,722 | 50,351 | Uniformed Retirement System: |
| 65,548 | 60,929 | 56,095 | 53,722 | 50,351 | Actuarial Determined Contribution |
| - | - | - | - | - | Contributions in Relations to the |
| | | | | | Actuarial Determined Contribution |
| | | | | | Contribution (Deficiency) Excess |
| 168,808 | 160,762 | 153,979 | 153,492 | 148,924 | Covered Payroll |
| 38.83% | 37.90% | 36.43% | 35.00% | 33.81% | Contributions as a Percentage of |
| | | | | | Covered Payroll |
| 76,070 | 74,791 | 72,749 | 68,242 | 50,739 | Educational Employees' Supplementary Retirement System: |
| 76,600 | 74,324 | 74,174 | 67,735 | 52,934 | Actuarial Determined Contribution |
| 530 | (467) | 1,425 | (507) | 2,195 | Contributions in Relations to the |
| | | | | | Actuarial Determined Contribution |
| | | | | | Contribution (Deficiency) Excess |
| 1,374,735 | 1,328,420 | 1,324,537 | 1,268,439 | 1,219,683 | Covered Payroll |
| 5.57% | 5.59% | 5.60% | 5.34% | 4.34% | 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 |
|------|---|---|-----------------|--|--|
| 2021 | 18.51% | \$ 2,693,016 | \$ 1,626,469 | 165.57% | 71.47% |
| 2020 | 18.47% | 2,430,715 | 1,549,185 | 156.90% | 73.51% |
| 2019 | 18.19% | 2,139,027 | 1,470,716 | 145.44% | 74.81% |
| 2018 | 18.16% | 2,232,727 | 1,432,051 | 155.91% | 72.92% |
| 2017 | 17.95% | 2,515,447 | 1,368,572 | 183.80% | 68.28% |
| 2016 | 17.89% | 2,251,917 | 1,330,241 | 169.29% | 70.88% |
| 2015 | 18.15% | 2,193,660 | 1,327,488 | 165.25% | 70.88% |

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

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

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

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

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

See accompanying notes to required supplementary information.

COUNTY OF FAIRFAX, VIRGINIA

Schedule of Changes in the Net OPEB Liability and Related Ratios*

Last Ten Fiscal Years **

(Dollar amounts in thousands)

| | Fiscal Year Ending June 30 | | | | |
|---|----------------------------|----------------|----------------|----------------|----------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| Total OPEB Liability | | | | | |
| Service Cost | \$ 11,679 | 15,608 | 13,994 | 9,987 | 7,582 |
| Interest | 24,392 | 33,195 | 28,235 | 22,517 | 23,024 |
| Changes of Benefit Terms | - | - | - | (387) | - |
| Differences Between Expected and Actual Experiences | 21,576 | (1,518) | 17,956 | (10,412) | 3,389 |
| Changes of Assumptions | (791) | (145,858) | 32,078 | 78,188 | (22,671) |
| Benefit Payments | (23,252) | (23,254) | (22,798) | (21,670) | (20,278) |
| Net Change in Total OPEB Liability | 33,604 | (121,827) | 69,465 | 78,223 | (8,954) |
| Total OPEB Liability (Beginning) | 348,206 | 470,033 | 400,568 | 322,345 | 331,299 |
| Total OPEB Liability (Ending) | <u>\$ 381,810</u> | <u>348,206</u> | <u>470,033</u> | <u>400,568</u> | <u>322,345</u> |
| Plan Fiduciary Net Position | | | | | |
| Contributions—Employer | \$ 18,072 | 19,677 | 25,659 | 24,367 | 27,992 |
| Net Investment Income | 98,443 | 9,633 | 13,837 | 26,160 | 30,711 |
| Benefit Payments | (23,252) | (23,254) | (22,827) | (21,670) | (20,278) |
| Administrative Expense | (131) | (131) | (127) | (123) | (118) |
| Net Change in Plan Fiduciary Net Position | 93,132 | 5,925 | 16,542 | 28,734 | 38,307 |
| Plan Fiduciary Net Position (Beginning) | 330,765 | 324,840 | 308,298 | 279,564 | 241,257 |
| Plan Fiduciary Net Position (Ending) | <u>423,897</u> | <u>330,765</u> | <u>324,840</u> | <u>308,298</u> | <u>279,564</u> |
| Net OPEB Liability (Ending) | <u>\$ (42,087)</u> | <u>17,441</u> | <u>145,193</u> | <u>92,270</u> | <u>42,781</u> |
| Net Position as a Percentage of the Total OPEB Liability | 111.02% | 94.99% | 69.11% | 76.96% | 86.73% |
| Covered-Employee Payroll | \$ 1,027,104 | 961,557 | 932,764 | 911,923 | 908,162 |
| Net OPEB Liability as a Percentage of Covered-Employee Payroll | (4.10)% | 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 |
|------|---|--|--|-----------------------------|--|
| 2021 | \$ 18,864 | 18,072 | 792 | 1,027,104 | 1.76% |
| 2020 | 16,220 | 19,677 | (3,457) | 961,557 | 2.05% |
| 2019 | 22,827 | 25,659 | (2,832) | 932,764 | 2.75% |
| 2018 | 21,670 | 24,367 | (2,697) | 911,923 | 2.67% |
| 2017 | 20,278 | 27,992 | (7,714) | 908,162 | 3.08% |

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

See accompanying notes to required supplementary information.

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

| | Annual money-weighted rate of return, net of investment expense |
|------|--|
| 2021 | 30.61% |
| 2020 | 2.55% |
| 2019 | 4.57% |
| 2018 | 9.55% |
| 2017 | 12.85% |

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

See accompanying notes to required supplementary information.

COUNTY OF FAIRFAX, VIRGINIA

Schedule of Changes in the Net OPEB Liability and Related Ratios - Public Schools OPEB Plan

Last Ten Fiscal Years **

(Dollar amounts in thousands)

| ACFR Reporting Year Measurement Date June 30 of prior year | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|-------------------|----------------|-----------------|------------------|----------------|
| Total OPEB Liability | | | | | |
| Service cost | \$ 3,878 | 5,046 | 5,221 | 8,320 | N/A |
| Interest | 15,321 | 12,378 | 17,157 | 29,187 | N/A |
| Changes of benefit terms | - | - | (39,067) | - | N/A |
| Differences between expected and actual experience | (6,731) | 58,670 | (24,768) | 33,884 | N/A |
| Changes of assumptions | (999) | (15,662) | - | (170,068) | N/A |
| Benefit payments, including refunds of member contributions | (10,349) | (23,875) | (29,287) | (54,806) | N/A |
| Net change in total OPEB liability | 1,120 | 36,557 | (70,744) | (153,483) | N/A |
| Total OPEB liability - beginning | 220,083 | 183,526 | 254,270 | 407,753 | N/A |
| Total OPEB liability - ending | \$ 221,203 | 220,083 | 183,526 | 254,270 | 407,753 |
| Plan Fiduciary Net Position | | | | | |
| Contributions - employer | \$ 15,349 | 28,875 | 34,287 | 59,806 | 22,404 |
| Net investment income | 47,507 | 4,561 | 6,423 | 11,565 | 13,289 |
| Benefit payments, including refunds of member contributions | (10,349) | (23,875) | (29,287) | (54,806) | (17,404) |
| Administrative expense | (101) | (101) | (89) | (87) | (84) |
| Net change in plan fiduciary net position | 52,406 | 9,460 | 11,334 | 16,478 | 18,205 |
| Plan fiduciary net position - beginning | 155,969 | 146,509 | 135,175 | 118,697 | 100,492 |
| Plan fiduciary net position - ending | \$ 208,375 | 155,969 | 146,509 | 135,175 | 118,697 |
| Net OPEB liability - ending | \$ 12,828 | 64,114 | 37,017 | 119,095 | 289,056 |
| Plan fiduciary net position as a percentage of the total OPEB liability | 94.20 % | 70.87 % | 79.83 % | 53.16 % | 29.11 % |
| Covered employee payroll | \$ 1,750,085 | 1,699,112 | 1,393,959 | 1,340,335 | 1,256,877 |
| Net OPEB liability as a percentage of covered employee payroll | 0.73 % | 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 |
|------|---|---|--------------------------------|--|--|
| 2021 | 18.55% | \$ 242,022 | \$ 1,626,466 | 14.88% | 9.95% |
| 2020 | 18.47% | 241,787 | 1,549,185 | 15.61% | 8.97% |
| 2019 | 18.18% | 230,889 | 1,470,712 | 15.70% | 8.08% |
| 2018 | 18.15% | 230,217 | 1,432,191 | 16.07% | 7.04% |

* The schedule is intended to show information for 10 years. Fiscal year 2018 is the first year implemented, additional years will be displayed as they become available.

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 |
|------|--|---|--------------------------------|--|--|
| 2021 | 7.95% | \$ 132,610 | \$ 1,635,371 | 8.11% | 52.64% |
| 2020 | 7.96% | 129,575 | 1,560,950 | 8.30% | 52.00% |
| 2019 | 7.79% | 118,262 | 1,480,801 | 7.99% | 51.22% |
| 2018 | 7.80% | 117,380 | 1,438,996 | 8.16% | 48.86% |

* The schedule is intended to show information for 10 years. Fiscal year 2018 is the first year implemented, additional years will be displayed as they become available.

See accompanying notes to required supplementary information.

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

| | Actuarial Determined Contribution | Contributions in Relations to the Actuarial Determined Contribution | Contribution Deficiency (Excess) | Covered Employee Payroll | Contributions as a Percentage of Covered Employee Payroll |
|------|---|--|--|-----------------------------|---|
| 2021 | \$ 10,349 | \$ 15,349 | \$ (5,000) | \$ 1,750,085 | 0.88% |
| 2020 | 23,875 | 28,875 | (5,000) | 1,699,112 | 1.70% |
| 2019 | 29,287 | 34,287 | (5,000) | 1,393,959 | 2.46% |
| 2018 | 54,806 | 59,806 | (5,000) | 1,340,335 | 4.46% |

* The schedule is intended to show information for 10 years. Fiscal year 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 |
|------|---|--|--|-----------------------------|---|
| 2021 | \$ 19,679 | \$ 19,679 | \$ - | \$ 1,626,394 | 1.2% |
| 2020 | 19,518 | 19,518 | - | 1,626,466 | 1.2% |
| 2019 | 18,590 | 18,590 | - | 1,549,185 | 1.2% |
| 2018 | 18,090 | 18,090 | - | 1,470,712 | 1.2% |
| 2017 | 17,616 | 15,897 | 1,719 | 1,432,191 | 1.1% |
| 2016 | 16,152 | 14,510 | 1,642 | 1,368,852 | 1.1% |
| 2015 | 15,700 | 14,103 | 1,597 | 1,330,497 | 1.1% |
| 2014 | 15,535 | 14,738 | 797 | 1,327,753 | 1.1% |
| 2013 | 14,937 | 14,171 | 766 | 1,276,659 | 1.1% |
| 2012 | 13,247 | 7,359 | 5,888 | 1,226,575 | 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 |
|------|---|--|--|-----------------------------|---|
| 2021 | \$ 8,856 | \$ 8,856 | \$ - | \$ 1,639,978 | 0.5% |
| 2020 | 8,504 | 8,504 | - | 1,635,371 | 0.5% |
| 2019 | 8,117 | 8,117 | - | 1,560,950 | 0.5% |
| 2018 | 7,700 | 7,700 | - | 1,480,801 | 0.5% |
| 2017 | 7,483 | 7,483 | - | 1,438,996 | 0.5% |
| 2016 | 7,286 | 6,599 | 687 | 1,374,776 | 0.5% |
| 2015 | 7,073 | 6,405 | 668 | 1,334,442 | 0.5% |
| 2014 | 7,062 | 6,396 | 666 | 1,332,479 | 0.5% |
| 2013 | 6,790 | 6,149 | 641 | 1,281,054 | 0.5% |
| 2012 | 5,443 | 3,463 | 1,980 | 1,236,933 | 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 | |
|---|--------|
| 2021 | 30.09% |
| 2020 | 3.05% |
| 2019 | 4.66% |
| 2018 | 9.50% |
| 2017 | 12.86% |

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

See accompanying notes to required supplementary information.

COUNTY OF FAIRFAX, VIRGINIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

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 custodial fund for budgeting purposes.
- The Information Technology Fund, Consolidated Community Funding Pool Fund, Contributory Fund, the Revenue Stabilization Fund, Northern Virginia Regional Identification System (NOVARIS), and the Economic Opportunity Reserve Fund which are included in the County's General Fund for reporting purposes, are budgeted as separate funds.

The following schedule reconciles the amounts on the Budgetary Comparison Schedule – General Fund (Budget Basis) to the amounts on the Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit A-3):

| | Primary Government General Fund |
|--|------------------------------------|
| Net change in fund balance (Budget basis) | \$ 40,113,724 |
| Timing difference - Goods/Invoice Receipt | 291,163 |
| Basis difference | 20 |
| Basis difference - Appropriated reserve fund balance deferral | 18,738,852 |
| Perspective differences: | |
| The Gift Fund is treated as an custodial fund for budget purposes | (35,441) |
| The Northern Virginia Regional Identification System (NOVARIS) is treated as a separate fund for budget purposes | 18,855 |
| The Revenue Stabilization Fund is treated as a separate fund for budget purposes | 4,652,101 |
| The Economic Opportunity Reserve Fund is treated as separate fund for budget purposes | 15,083,288 |
| The Consolidated Community Funding Pool Fund is treated as a separate fund for budget purposes | (15,361) |
| The Contributory Fund is treated as a separate fund for budget purposes | 6,253 |
| The Information Technology Fund is treated as a separate fund for budget purposes | (2,125,515) |
| Net change in fund balance (GAAP basis) | \$ 76,727,939 |

- Original and final budgeted amounts are shown on the Budgetary Comparison Schedule; amendments were not significant in relation to the original budget.
- 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 | Pub-2010, "General" classification, Employees & Healthy Annuitant mortality table, projected using scale MP-2019, sex-distinct. Disabled mortality table Pub-2010, "General" classification, Disabled Retirement mortality table, projected using scale MP-2019, sex distinct. |
| 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, 2021

| | Budgeted Amounts | | Actual Amounts | Variance from |
|--|------------------|---------------|----------------|--|
| | Original | Final | (Budget Basis) | Final Budget Positive (Negative) |
| REVENUES | | | | |
| Taxes: | | | | |
| Real property | \$ 3,002,075,466 | 3,003,122,258 | 3,006,833,156 | 3,710,898 |
| Personal property | 428,024,388 | 431,128,068 | 431,079,622 | (48,446) |
| Business licenses | 158,072,776 | 171,034,631 | 180,264,237 | 9,229,606 |
| Local sales and use | 232,310,767 | 254,177,089 | 260,955,276 | 6,778,187 |
| Consumers utility | 45,639,081 | 44,940,753 | 44,374,901 | (565,852) |
| Recordation | 23,540,000 | 33,566,485 | 42,977,172 | 9,410,687 |
| Occupancy, tobacco, and other | 29,538,281 | 18,951,610 | 20,532,652 | 1,581,042 |
| Total taxes | 3,919,200,759 | 3,956,920,894 | 3,987,017,016 | 30,096,122 |
| Permits, privilege fees, and regulatory licenses | 49,642,908 | 50,227,871 | 57,076,113 | 6,848,242 |
| Intergovernmental | 352,948,719 | 463,482,704 | 465,276,053 | 1,793,349 |
| Charges for services | 83,119,246 | 32,818,852 | 33,695,016 | 876,164 |
| Fines and forfeitures | 11,795,664 | 5,354,518 | 5,477,214 | 122,696 |
| Revenue from the use of money and property | 24,257,799 | 24,257,799 | 24,776,135 | 518,336 |
| Recovered costs | 16,234,444 | 14,441,507 | 18,312,163 | 3,870,656 |
| Total revenues | 4,457,199,539 | 4,547,504,145 | 4,591,629,710 | 44,125,565 |
| EXPENDITURES | | | | |
| General government administration: | | | | |
| Board of Supervisors | 5,517,094 | 5,570,594 | 5,226,549 | 344,045 |
| Financial and Program Auditor | 413,868 | 415,868 | 251,983 | 163,885 |
| County Executive | 5,817,714 | 7,211,019 | 5,816,147 | 1,394,872 |
| Clerk Services | 1,817,896 | 1,843,855 | 1,752,481 | 91,374 |
| Tax Administration | 27,826,856 | 27,474,366 | 26,295,231 | 1,179,135 |
| Finance | 9,148,571 | 9,238,709 | 8,883,263 | 355,446 |
| Human Resources | 8,164,738 | 8,340,265 | 8,044,365 | 295,900 |
| Procurement and Material Management | 7,568,849 | 8,456,816 | 7,168,511 | 1,288,305 |
| Public Affairs | 1,790,052 | 1,816,085 | 1,683,813 | 132,272 |
| Elections | 4,993,525 | 7,833,789 | 7,159,771 | 674,018 |
| County Attorney | 8,105,981 | 8,722,980 | 7,787,013 | 935,967 |
| Information Technology | 37,498,446 | 38,248,715 | 37,360,416 | 888,299 |
| Management and Budget | 5,516,999 | 5,594,550 | 5,412,327 | 182,223 |
| Civil Service Commission | 468,731 | 471,731 | 390,430 | 81,301 |
| Independent Police Auditor | 328,198 | 397,186 | 363,805 | 33,381 |
| Total general government administration | 124,977,518 | 131,636,528 | 123,596,105 | 8,040,423 |
| Judicial administration: | | | | |
| Circuit Court and Records | 12,482,661 | 12,800,923 | 12,221,075 | 579,848 |
| Commonwealth Attorney | 5,049,457 | 6,319,431 | 5,133,836 | 1,185,595 |
| General District Court | 4,385,501 | 4,547,421 | 3,817,228 | 730,193 |
| Sheriff | 20,633,109 | 20,725,448 | 19,954,530 | 770,918 |
| Total judicial administration | 42,550,728 | 44,393,223 | 41,126,669 | 3,266,554 |
| Public safety: | | | | |
| Cable and Consumer Services | 760,719 | 768,227 | 767,461 | 766 |
| Land Development Services | 13,662,545 | 15,095,069 | 13,755,122 | 1,339,947 |
| Juvenile and Domestic Relations District Court | 25,825,193 | 25,735,637 | 23,999,362 | 1,736,275 |
| Police Department | 214,788,028 | 220,090,480 | 212,516,528 | 7,573,952 |
| Sheriff | 52,193,261 | 52,872,250 | 45,174,539 | 7,697,711 |
| Fire and Rescue | 218,989,964 | 223,413,997 | 217,324,258 | 6,089,739 |
| Emergency Management | 1,947,864 | 2,651,723 | 1,648,173 | 1,003,550 |
| Animal Sheltering | 2,749,929 | 2,807,350 | 2,524,182 | 283,168 |
| Code Compliance | 4,791,825 | 4,837,325 | 4,297,006 | 540,319 |
| Total public safety | \$ 535,709,328 | 548,272,058 | 522,006,631 | 26,265,427 |

continued

EXHIBIT B

| | Budgeted Amounts | | Actual Amounts (Budget Basis) | Variance from Final Budget Positive (Negative) |
|---|------------------|---------------|----------------------------------|---|
| | Original | Final | | |
| Public works: | | | | |
| Facilities Management | \$ 59,385,623 | 62,894,853 | 58,170,422 | 4,724,431 |
| Business Planning and Support | 1,009,322 | 1,057,463 | 722,543 | 334,920 |
| Capital Facilities | 15,345,436 | 15,766,133 | 13,501,009 | 2,265,124 |
| Unclassified Administrative Expenses | 3,948,694 | 4,449,461 | 4,143,631 | 305,830 |
| Total public works | 79,689,075 | 84,167,910 | 76,537,605 | 7,630,305 |
| Health and welfare: | | | | |
| Family Services | 147,721,168 | 146,387,994 | 134,411,533 | 11,976,461 |
| Health Department | 67,715,072 | 67,864,832 | 47,868,459 | 19,996,373 |
| Office of Strategy Management for Health & Human Services | 3,369,767 | 3,219,765 | 2,550,601 | 669,164 |
| Neighborhood and Community Services | 83,218,369 | 85,921,458 | 68,207,310 | 17,714,148 |
| Total health and welfare | 302,024,376 | 303,394,049 | 253,037,903 | 50,356,146 |
| Community development: | | | | |
| Economic Development Authority | 8,841,483 | 8,879,483 | 8,865,843 | 13,640 |
| Economic Initiatives | 1,216,480 | 1,308,980 | 1,053,315 | 255,665 |
| Land Development Services | 15,101,040 | 16,359,514 | 14,976,089 | 1,383,425 |
| Planning and Development | 13,733,875 | 15,202,729 | 12,649,449 | 2,553,280 |
| Housing and Community Development | 24,830,358 | 27,327,884 | 26,374,675 | 953,209 |
| Human Rights and Equity Programs | 1,859,931 | 1,921,562 | 1,466,298 | 455,264 |
| Transportation | 8,944,137 | 9,775,755 | 8,604,045 | 1,171,710 |
| Total community development | 74,527,304 | 80,775,907 | 73,989,714 | 6,786,193 |
| Parks, recreation, and cultural: | | | | |
| Park Authority | 27,452,530 | 28,160,017 | 26,269,050 | 1,890,967 |
| Public Library | 30,294,136 | 30,461,526 | 28,304,597 | 2,156,929 |
| Total parks, recreation, and cultural | 57,746,666 | 58,621,543 | 54,573,647 | 4,047,896 |
| Nondepartmental: | | | | |
| Unclassified Administrative Expenses | 10,038,597 | 273,880,983 | 131,809,837 | 142,071,146 |
| Employee Benefits | 401,366,561 | 394,063,873 | 378,632,990 | 15,430,883 |
| Total nondepartmental | 411,405,158 | 667,944,856 | 510,442,827 | 157,502,029 |
| Total expenditures | 1,628,630,153 | 1,919,206,074 | 1,655,311,101 | 263,894,973 |
| Excess of revenues over expenditures | \$ 2,828,569,386 | 2,628,298,071 | 2,936,318,609 | 308,020,538 |

continued

COUNTY OF FAIRFAX, VIRGINIA
Budgetary Comparison Schedule Detail - General Fund (Budget Basis)
For the fiscal year ended June 30, 2021

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 | \$ 2,411,781 | 2,411,781 | 2,411,781 | - |
| 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 | 8,707,781 | 8,707,781 | 8,707,781 | - |
| 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 | - | (16,144,000) | (16,144,000) | - |
| Fairfax-Falls Church Community Services Board | (147,554,569) | (147,216,019) | (147,216,019) | - |
| Consolidated Community Funding Pool | (12,283,724) | (12,283,724) | (12,283,724) | - |
| Contributory Fund | (14,506,749) | (15,266,749) | (15,266,749) | - |
| E-911 | - | (220,145) | (220,145) | - |
| Alcohol Safety Action Program | (774,807) | (941,493) | (941,493) | - |
| Early Childhood Birth to 5 | (32,564,400) | (32,611,229) | (32,611,229) | - |
| Revenue Stabilization | - | (3,955,212) | (3,955,212) | - |
| Economic Reserve | (8,263,008) | (14,050,131) | (14,050,131) | - |
| Debt Service Fund: | | | | |
| Debt Service Fund | (329,222,805) | (329,222,805) | (329,222,805) | - |
| Capital Projects Funds: | | | | |
| General Construction and Contributions | (16,456,430) | (23,469,189) | (23,469,189) | - |
| Environmental and Energy Program | (916,615) | (9,116,615) | (9,116,615) | - |
| Infrastructure Replacement and Upgrades | - | (12,315,375) | (12,315,375) | - |
| Metro Operations and Construction | (43,950,424) | (43,950,424) | (43,950,424) | - |
| Pedestrian Walkway Improvements | (700,000) | (3,018,555) | (3,018,555) | - |
| Stormwater Management Program | - | - | - | - |
| Internal Service Funds: | | | | |
| County Insurance | (24,291,320) | (24,302,085) | (24,302,085) | - |
| Document Services | (3,941,831) | (3,965,515) | (3,965,515) | - |
| Technology Infrastructure Services | - | (58,132) | (58,132) | - |
| OPEB Trust Fund | (4,490,000) | (4,490,000) | (4,490,000) | - |
| Total transfers out to other Primary Government funds | (684,982,808) | (741,663,523) | (741,663,523) | - |
| To component units: | | | | |
| Public Schools: | | | | |
| School Operation | (2,143,322,211) | (2,143,322,211) | (2,143,322,211) | - |
| School Construction | (13,100,000) | (13,100,000) | (13,100,000) | - |
| FCRHA - Elderly Housing Program | (1,885,995) | (1,893,531) | (1,893,531) | - |
| FCRHA - General Operating | - | (3,226,872) | (3,226,872) | - |
| Park Authority - Park Revenue and Operating | - | (1,706,529) | (1,706,529) | - |
| Total transfers out to component units | (2,158,308,206) | (2,163,249,143) | (2,163,249,143) | - |
| Total transfers out | (2,843,291,014) | (2,904,912,666) | (2,904,912,666) | - |
| Total other financing (uses), net | (2,834,583,233) | (2,896,204,885) | (2,896,204,885) | - |
| Net change in fund balance | \$ (6,013,847) | (267,906,814) | 40,113,724 | 308,020,538 |

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, 2021

| | Budgeted Amounts | | Actual Amounts | Variance from |
|--|------------------|--------------|----------------|--|
| | Original | Final | (Budget Basis) | Final Budget Positive (Negative) |
| EXPENDITURES | | | | |
| Health and welfare | \$ 12,283,724 | 12,681,743 | 12,299,085 | 382,658 |
| Total expenditures | 12,283,724 | 12,681,743 | 12,299,085 | 382,658 |
| Excess (deficiency) of revenues over (under) expenditures | (12,283,724) | (12,681,743) | (12,299,085) | 382,658 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | 12,283,724 | 12,283,724 | 12,283,724 | - |
| Total other financing sources | 12,283,724 | 12,283,724 | 12,283,724 | - |
| Net change in fund balance | \$ - | (398,019) | (15,361) | 382,658 |

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT B-1B

General Fund Group

Budgetary Comparison Schedule - Contributory Fund (Budget Basis)

For the fiscal year ended June 30, 2021

| | Budgeted Amounts | | Actual Amounts | Variance from |
|--|------------------|--------------|----------------|--|
| | Original | Final | (Budget Basis) | Final Budget Positive (Negative) |
| EXPENDITURES | | | | |
| General government administration | \$ 2,471,674 | 2,496,674 | 2,489,711 | 6,963 |
| Public safety | 19,577 | 19,577 | 19,577 | - |
| Health and welfare | 3,618,365 | 3,618,365 | 3,618,364 | 1 |
| Community development | 4,198,272 | 4,198,272 | 4,198,272 | - |
| Parks, recreation, and cultural | 4,073,915 | 4,808,915 | 4,808,915 | - |
| Nondepartmental | 125,657 | 125,657 | 125,657 | - |
| Total expenditures | 14,507,460 | 15,267,460 | 15,260,496 | 6,964 |
| Excess (deficiency) of revenues over (under) expenditures | (14,507,460) | (15,267,460) | (15,260,496) | 6,964 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | 14,506,749 | 15,266,749 | 15,266,749 | - |
| Total other financing sources | 14,506,749 | 15,266,749 | 15,266,749 | - |
| Net change in fund balance | \$ (711) | (711) | 6,253 | 6,964 |

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, 2021

| | 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 | 262 | 56 |
| Recovered costs | 18,593 | 18,593 | 18,593 | - |
| Total revenues | 18,799 | 18,799 | 18,855 | 56 |
| EXPENDITURES | | | | |
| Public safety | 18,799 | 75,602 | - | 75,602 |
| Total expenditures | 18,799 | 75,602 | - | 75,602 |
| Excess (deficiency) of revenues over (under) expenditures | - | (56,803) | 18,855 | 75,658 |
| Net change in fund balance | \$ - | (56,803) | 18,855 | 75,658 |

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, 2021

| | Budgeted Amounts | | Actual Amounts | Variance from |
|--|------------------|--------------|----------------|--|
| | Original | Final | (Budget Basis) | Final Budget Positive (Negative) |
| REVENUES | | | | |
| Intergovernmental | \$ - | 372,247 | 744,494 | 372,247 |
| Charges for Services | - | 135,928 | 2,193,173 | 2,057,245 |
| Revenue from the use of money and property | 250,000 | 50,000 | 110,018 | 60,018 |
| Recovered costs | - | 225,380 | 414,400 | 189,020 |
| Total revenues | 250,000 | 783,555 | 3,462,085 | 2,678,530 |
| EXPENDITURES | | | | |
| General government administration | 250,000 | 58,063,391 | 21,761,263 | 36,302,128 |
| Total expenditures | 250,000 | 58,063,391 | 21,761,263 | 36,302,128 |
| Excess (deficiency) of revenues over (under) expenditures | - | (57,279,836) | (18,299,178) | 38,980,658 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | - | 16,144,000 | 16,144,000 | - |
| Total other financing sources | - | 16,144,000 | 16,144,000 | - |
| Net change in fund balance | \$ - | (41,135,836) | (2,155,178) | 38,980,658 |

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, 2021

| | Budgeted Amounts | | Actual Amounts | Variance from |
|--|------------------|-----------|----------------|--|
| | Original | Final | (Budget Basis) | Final Budget Positive (Negative) |
| REVENUES | | | | |
| Revenue from the use of money and property | \$ - | - | 696,889 | 696,889 |
| Total revenues | - | - | 696,889 | 696,889 |
| Excess of revenues over expenditures | - | - | 696,889 | 696,889 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | - | 3,955,212 | 3,955,212 | - |
| Total other financing sources | - | 3,955,212 | 3,955,212 | - |
| Net change in fund balance | \$ - | 3,955,212 | 4,652,101 | 696,889 |

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, 2021

| | Budgeted Amounts | | Actual Amounts | Variance from |
|---|------------------|--------------|----------------|--|
| | Original | Final | (Budget Basis) | Final Budget Positive (Negative) |
| REVENUES | | | | |
| Revenue from the use of money and property | \$ 150,000 | 150,000 | 107,109 | (42,891) |
| Total revenues | 150,000 | 150,000 | 107,109 | (42,891) |
| EXPENDITURES | | | | |
| Community development | - | 2,108,560 | (926,048) | 3,034,608 |
| Nondepartmental | - | 43,535,655 | - | 43,535,655 |
| Total expenditures | - | 45,644,215 | (926,048) | 46,570,263 |
| Excess (deficiency) of revenues over (under) expenditures | 150,000 | (45,494,215) | 1,033,157 | 46,527,372 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | 8,263,008 | 14,050,131 | 14,050,131 | - |
| Total other financing sources | 8,263,008 | 14,050,131 | 14,050,131 | - |
| Net change in fund balance | \$ 8,413,008 | (31,444,084) | 15,083,288 | 46,527,372 |



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, 2021

EXHIBIT C

| | Special Revenue Funds | Debt Service Funds | Capital Projects Funds | Total Nonmajor Governmental Funds |
|---|-----------------------------|--------------------------|------------------------------|--|
| ASSETS | | | | |
| Equity in pooled cash and temporary investments | \$ 702,046,125 | 2,359,479 | 256,094,131 | 960,499,735 |
| Receivables (net of allowances): | | | | |
| Accounts | 11,785,144 | - | 2,591,531 | 14,376,675 |
| Accrued interest | 1,684,354 | 40 | 5,370,906 | 7,055,300 |
| Loans | 12,956,011 | - | 48,875,310 | 61,831,321 |
| Due from intergovernmental units | 78,729,140 | - | 249,043 | 78,978,183 |
| Loan to component unit | - | 9,599,400 | - | 9,599,400 |
| Lease to component unit | - | 34,925,000 | - | 34,925,000 |
| Prepaid and other assets | 332,994 | - | - | 332,994 |
| Restricted assets: | | | | |
| Equity in pooled cash and temporary investments | 1,289,106 | - | 15,738,889 | 17,027,995 |
| Cash with fiscal agents | 75,453,207 | 4,920,191 | 10,999,518 | 91,372,916 |
| Property held for sale | 1,404,724 | - | - | 1,404,724 |
| Total assets | 885,680,805 | 51,804,110 | 339,919,328 | 1,277,404,243 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Total deferred outflows of resources | - | - | - | - |
| Total assets and deferred outflows of resources | \$ 885,680,805 | 51,804,110 | 339,919,328 | 1,277,404,243 |
| LIABILITIES | | | | |
| Accounts payable and accrued liabilities | \$ 66,766,015 | 296,629 | 12,286,806 | 79,349,450 |
| Accrued salaries and benefits | 18,642,060 | - | 51,706 | 18,693,766 |
| Contract retainages | 3,878,373 | - | 5,788,195 | 9,666,568 |
| Due to intergovernmental units | 8,797,044 | - | - | 8,797,044 |
| Due to component units | - | - | 2,000,914 | 2,000,914 |
| Interfund payables | 834,601 | - | - | 834,601 |
| Unearned revenues | 40,989,382 | 34,925,000 | 24,639,226 | 100,553,608 |
| Performance and other deposits | 682,172 | - | 38,543,408 | 39,225,580 |
| Total liabilities | 140,589,647 | 35,221,629 | 83,310,255 | 259,121,531 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenue | 6,008,139 | - | 5,370,906 | 11,379,045 |
| Total deferred inflows of resources | 6,008,139 | - | 5,370,906 | 11,379,045 |
| Total liabilities and deferred inflows of resources | 146,597,786 | 35,221,629 | 88,681,161 | 270,500,576 |
| FUND BALANCES | | | | |
| Nonspendable: | | | | |
| Prepaid amounts | 332,994 | - | - | 332,994 |
| Total Nonspendable | 332,994 | - | - | 332,994 |
| Restricted for: | | | | |
| Public safety, courts, and judicial | 37,016,436 | - | - | 37,016,436 |
| General public works | 116,443,293 | - | - | 116,443,293 |
| Stormwater management | 90,191,555 | - | - | 90,191,555 |
| Transportation | 356,413,484 | - | - | 356,413,484 |
| Social services, health and welfare | 2,881,495 | - | - | 2,881,495 |
| Housing and community development | 45,013,165 | - | - | 45,013,165 |
| Parks, recreation, and cultural | 14,163,058 | - | - | 14,163,058 |
| Debt service | - | 10,920,181 | - | 10,920,181 |
| Capital projects | - | - | 83,364,946 | 83,364,946 |
| Other purposes | 7,072,814 | - | - | 7,072,814 |
| Total Restricted | 669,195,300 | 10,920,181 | 83,364,946 | 763,480,427 |
| Committed to: | | | | |
| Public safety, courts, and judicial | 2,334,021 | - | - | 2,334,021 |
| Transportation | 26,616,996 | - | - | 26,616,996 |
| Social services, health and welfare | 38,791,924 | - | - | 38,791,924 |
| Housing and community development | 18,529,911 | - | - | 18,529,911 |
| Debt service | - | 5,662,300 | - | 5,662,300 |
| Capital projects | - | - | 167,873,221 | 167,873,221 |
| Total Committed | 86,272,852 | 5,662,300 | 167,873,221 | 259,808,373 |
| Unassigned: | (16,718,127) | - | - | (16,718,127) |
| Total fund balances | 739,083,019 | 16,582,481 | 251,238,167 | 1,006,903,667 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 885,680,805 | 51,804,110 | 339,919,328 | 1,277,404,243 |

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, 2021

| | Special Revenue Funds | Debt Service Funds | Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|-----------------------------|--------------------------|------------------------------|--|
| REVENUES | | | | |
| Taxes | \$ 48,261,767 | - | 13,247,000 | 61,508,767 |
| Permits, privilege fees, and regulatory licenses | 19,574,669 | - | - | 19,574,669 |
| Intergovernmental | 342,119,362 | 3,742,322 | 5,619,949 | 351,481,633 |
| Charges for services | 322,473,459 | - | 1,128,706 | 323,602,165 |
| Fines and forfeitures | 85,183 | - | - | 85,183 |
| Developers' contributions | 980,924 | - | 23,296,614 | 24,277,538 |
| Revenue from the use of money and property | 9,159,202 | 2,173,956 | 1,516,649 | 12,849,807 |
| Recovered costs | 3,300,368 | - | 5,897,559 | 9,197,927 |
| Gifts, donations, and contributions | 2,323,320 | - | - | 2,323,320 |
| Total revenues | 748,278,254 | 5,916,278 | 50,706,477 | 804,901,009 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government administration | 4,864,123 | - | 2,290,781 | 7,154,904 |
| Judicial administration | 997,450 | - | - | 997,450 |
| Public safety | 67,411,943 | - | 279,029 | 67,690,972 |
| Public works | 113,458,394 | - | 60,277 | 113,518,671 |
| Health and welfare | 372,190,829 | - | 3,936,969 | 376,127,798 |
| Community development | 236,456,898 | - | 17,251,316 | 253,708,214 |
| Parks, recreation, and cultural | 10,965,675 | - | 3,282,177 | 14,247,852 |
| Intergovernmental: | | | | |
| Community development | 26,905,471 | - | 82,723,529 | 109,629,000 |
| Parks, recreation, and cultural | - | - | 28,374,025 | 28,374,025 |
| Education - for Public Schools | 2,761,781 | - | 180,000,000 | 182,761,781 |
| Capital outlay: | | | | |
| General government administration | 157,905 | - | 8,566,978 | 8,724,883 |
| Public safety | 3,395,454 | - | 50,391,689 | 53,787,143 |
| Public works | 48,889,534 | - | 9,640,280 | 58,529,814 |
| Health and welfare | 682,219 | - | 16,258,742 | 16,940,961 |
| Community development | 15,588,802 | - | 6,984,545 | 22,573,347 |
| Parks, recreation, and cultural | 2,239,017 | - | 4,440,478 | 6,679,495 |
| Debt service: | | | | |
| Principal retirement | 28,181,444 | 284,505,000 | 4,990,000 | 317,676,444 |
| Interest and other charges | 14,852,577 | 110,733,249 | 3,315,455 | 128,901,281 |
| Total expenditures | 949,999,516 | 395,238,249 | 422,786,270 | 1,768,024,035 |
| Deficiency of revenues under expenditures | (201,721,262) | (389,321,971) | (372,079,793) | (963,123,026) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 273,995,028 | 333,722,458 | 119,889,275 | 727,606,761 |
| Transfers out | (57,750,258) | (12,038,000) | (29,279,789) | (99,068,047) |
| General obligation bonds issued | - | - | 254,190,000 | 254,190,000 |
| Premium on general obligation bonds issued | - | - | 36,549,140 | 36,549,140 |
| General obligation refunding bonds issued | - | 294,060,000 | - | 294,060,000 |
| Lease revenue refunding bonds issued | - | 55,650,000 | - | 55,650,000 |
| Premium on lease revenue refunding bonds issued | - | 5,682,049 | - | 5,682,049 |
| Payments to refunded bonds escrow agent | - | (293,126,253) | - | (293,126,253) |
| Capital leases | 1,274,161 | - | - | 1,274,161 |
| Total other financing sources, net | 217,518,931 | 383,950,254 | 381,348,626 | 982,817,811 |
| Net change in fund balances | 15,797,669 | (5,371,717) | 9,268,833 | 19,694,785 |
| Fund balances, July 1, 2020 | 723,285,350 | 21,954,198 | 241,969,334 | 987,208,882 |
| Fund balances, June 30, 2021 | \$ 739,083,019 | 16,582,481 | 251,238,167 | 1,006,903,667 |



The **Special Revenue Funds** are used to account for the proceeds of specific revenue sources (other than bond proceeds for major capital projects) that are legally restricted to expenditures for specified purposes.

County Transit Systems Fund is used to account for the operation of a bus service, known as the Fairfax Connector, to transport citizens in certain parts of the County to and from WMATA's rail stations and for the County's contributions to the Virginia Railway Express commuter rail service.

Dulles Rail Phase I Transportation Improvement District Fund is used to account for the charges to property owners within the Phase I District to support the debt service payments for bonds issued to fund the County's share of certain transportation improvements in the district.

Dulles Rail Phase II Transportation Improvement District Fund is used to account for the charges to property owners within the Phase II District to support the debt service payments for bonds to be issued. These bonds fund the County's share of certain transportation improvements in the district.

County and Regional Transportation Projects is used to account for the special tax assessed on commercial and industrial real estate in Fairfax County to support opportunities to improve transportation and pedestrian access. The tax revenues support roadway, pedestrian, and transit projects.

Tysons Service District Fund is used to account for the special tax assessed on commercial and residential real estate in Fairfax County Tysons Service District. These revenues provide the district's share of funding for transportation infrastructure improvements in Tysons.

Reston Service District Fund is used to account for the special tax assessed on commercial and residential real estate in Fairfax County Reston Service District. These revenues provide the district's share of funding for transportation infrastructure improvements in Reston.

Metrorail Parking System Pledged Revenue Fund is used to collect and disburse funds related to revenue-generating activities at Metrorail parking facilities owned by and located within the County. These funds will be earned from fees paid at these parking facilities and used to pay operating, maintenance and debt expenses of the facilities.

Federal/State Grant Fund is used to account for the utilization of federal and state funds to assist County citizens.

Cable Communications Fund is used to account for costs associated with monitoring the County's Cable Communications Ordinance and Franchise Agreement as well as providing programming for the County's Governmental Access Channel. Its primary source of revenue is franchise fees.

Early Childhood Birth to 5 Fund is used to account for programs supporting a comprehensive approach to advancing and expanding the County's early childhood system by providing full and equitable access to high quality, affordable, early care and education for young children.

Fairfax-Falls Church Community Services Board Fund is used to account for mental health, intellectual disability, and alcohol and drug services to individuals and families in Fairfax County and the Cities of Fairfax and Falls Church.

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

Mosaic Community Development Authority (CDA) Fund is the main operating fund of the CDA. The CDA was established as a separate corporate entity and all operational aspects are handled by administrators and trustees outside the County. This fund is not an appropriated fund within the operating budget. Thus, there is no budgetary comparison schedule for this fund. The CDA 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, 2021

| | 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 | \$ 38,734,918 | 6,832,987 | 47,616,855 | 171,956,022 | 40,680,531 |
| Receivables (net of allowances): | | | | | |
| Accounts | 354,001 | 79,182 | 47,483 | 563,919 | 49,149 |
| Accrued interest | - | - | - | - | - |
| Loans | - | - | - | - | - |
| Due from intergovernmental units | 3,366,877 | - | - | 17,570,372 | - |
| Prepaid and other assets | - | - | - | - | - |
| Equity in pooled cash and temporary investments | - | - | - | - | - |
| Cash with fiscal agents | - | 32,132,187 | 15,185,680 | 13,301,461 | - |
| Property held for sale | - | - | - | - | - |
| Total assets | 42,455,796 | 39,044,356 | 62,850,018 | 203,391,774 | 40,729,680 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Total deferred outflows of resources | - | - | - | - | - |
| Total assets and deferred outflows of resources | \$ 42,455,796 | 39,044,356 | 62,850,018 | 203,391,774 | 40,729,680 |
| LIABILITIES | | | | | |
| Accounts payable and accrued liabilities | \$ 15,838,800 | 1,895 | 2,543,073 | 3,547,783 | 125,407 |
| Accrued salaries and benefits | - | - | - | 421,674 | - |
| Contract retainages | - | - | - | 511,541 | - |
| Due to intergovernmental units | - | - | - | 8,226,795 | - |
| Interfund payables | - | - | - | - | - |
| Unearned revenues | - | 79,183 | 47,483 | 410,472 | 49,149 |
| Performance and other deposits | - | - | - | - | - |
| Total liabilities | 15,838,800 | 81,078 | 2,590,556 | 13,118,265 | 174,556 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenue | - | - | - | - | - |
| Total deferred inflows of resources | - | - | - | - | - |
| Total liabilities and deferred inflows of resources | 15,838,800 | 81,078 | 2,590,556 | 13,118,265 | 174,556 |
| FUND BALANCES | | | | | |
| Nonspendable: | | | | | |
| Prepaid amounts | - | - | - | - | - |
| Total Nonspendable | - | - | - | - | - |
| Restricted for: | | | | | |
| Public safety, courts, and judicial | - | - | - | - | - |
| General public works | - | - | - | - | - |
| Stormwater management | - | - | - | - | - |
| Transportation | - | 38,963,278 | 60,259,462 | 190,273,509 | 40,555,124 |
| Social services, health and welfare | - | - | - | - | - |
| Housing and community development | - | - | - | - | - |
| Parks, recreation, and cultural | - | - | - | - | - |
| Other purposes | - | - | - | - | - |
| Total Restricted | - | 38,963,278 | 60,259,462 | 190,273,509 | 40,555,124 |
| Committed to: | | | | | |
| Public safety, courts, and judicial | - | - | - | - | - |
| Transportation | 26,616,996 | - | - | - | - |
| Social services, health and welfare | - | - | - | - | - |
| Housing and community development | - | - | - | - | - |
| Total Committed | 26,616,996 | - | - | - | - |
| Unassigned: | - | - | - | - | - |
| Total fund balances | 26,616,996 | 38,963,278 | 60,259,462 | 190,273,509 | 40,555,124 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 42,455,796 | 39,044,356 | 62,850,018 | 203,391,774 | 40,729,680 |

EXHIBIT D

| Reston Service District | Metrorail Parking System Pledged Revenue | Federal/ State Grant | Cable Communications | Early Childhood Birth-5 | |
|-------------------------|--|----------------------|----------------------|-------------------------|---|
| | | | | | ASSETS |
| 7,380,134 | 9,014,899 | 19,268,171 | 9,503,031 | 9,322,735 | Equity in pooled cash and temporary investments |
| 4,942 | 70,715 | 1,717,012 | 1,530,704 | - | Receivables (net of allowances): |
| - | - | - | - | - | Accounts |
| - | - | - | - | - | Accrued interest |
| - | - | 44,392,072 | 1,545,926 | 387 | Loans |
| - | - | - | - | - | Due from intergovernmental units |
| - | - | - | - | - | Prepaid and other assets |
| - | 10,945,422 | - | - | - | Equity in pooled cash and temporary investments |
| - | - | - | - | - | Restricted assets - Cash with fiscal agents |
| - | - | - | - | - | Property held for sale |
| 7,385,076 | 20,031,036 | 65,377,255 | 12,579,661 | 9,323,122 | Total assets |
| | | | | | DEFERRED OUTFLOWS OF RESOURCES |
| - | - | - | - | - | Total deferred outflows of resources |
| 7,385,076 | 20,031,036 | 65,377,255 | 12,579,661 | 9,323,122 | Total assets and deferred outflows of resources |
| | | | | | LIABILITIES |
| 16,724 | 419,302 | 15,749,659 | 448,385 | 1,445,755 | Accounts payable and accrued liabilities |
| - | - | 2,808,631 | 315,451 | 353,932 | Accrued salaries and benefits |
| - | 1,628,017 | 21,211 | - | - | Contract retainages |
| - | - | 570,249 | - | - | Due to intergovernmental units |
| - | - | - | - | - | Interfund payables |
| 4,942 | - | 39,427,747 | - | - | Unearned revenues |
| - | - | - | - | - | Performance and other deposits |
| 21,666 | 2,047,319 | 58,577,497 | 763,836 | 1,799,687 | Total liabilities |
| | | | | | DEFERRED INFLOWS OF RESOURCES |
| - | - | - | 809,349 | - | Unavailable revenue |
| - | - | - | 809,349 | - | Total deferred inflows of resources |
| 21,666 | 2,047,319 | 58,577,497 | 1,573,185 | 1,799,687 | Total liabilities and deferred inflows of resources |
| | | | | | FUND BALANCES |
| - | - | - | - | - | Nonspendable: |
| - | - | - | - | - | Prepaid amounts |
| - | - | - | - | - | Total Nonspendable |
| - | - | 15,192,096 | - | - | Restricted for: |
| - | - | - | - | - | Public safety, courts, and judicial |
| - | - | - | - | - | General public works |
| 7,363,410 | 17,983,717 | 1,014,984 | - | - | Stormwater management |
| - | - | - | - | - | Transportation |
| - | - | 237,991 | - | - | Social services, health and welfare |
| - | - | - | - | - | Housing and community development |
| - | - | 7,072,814 | - | - | Parks, recreation, and cultural |
| 7,363,410 | 17,983,717 | 23,517,885 | - | - | Other purposes |
| - | - | - | - | - | Total Restricted |
| - | - | - | - | - | Committed to: |
| - | - | - | - | - | Public safety, courts, and judicial |
| - | - | - | - | - | Transportation |
| - | - | - | - | - | Social services, health and welfare |
| - | - | - | 11,006,476 | 7,523,435 | Housing and community development |
| - | - | - | 11,006,476 | 7,523,435 | Total Committed |
| - | - | (16,718,127) | - | - | Unassigned: |
| 7,363,410 | 17,983,717 | 6,799,758 | 11,006,476 | 7,523,435 | Total fund balances |
| 7,385,076 | 20,031,036 | 65,377,255 | 12,579,661 | 9,323,122 | Total liabilities, deferred inflows of resources, and fund balances |

continued

COUNTY OF FAIRFAX, VIRGINIA
Special Revenue Funds
Combining Balance Sheet
June 30, 2021

| | Fairfax- Falls Church Community Services Board | Reston Community Center | Mosaic Community Development Authority | McLean Community Center | Burgundy Village Community Center |
|--|--|-------------------------------|---|-------------------------------|--|
| ASSETS | | | | | |
| Equity in pooled cash and temporary investments | \$ 53,462,216 | 8,168,952 | - | 7,015,064 | 244,925 |
| Receivables (net of allowances): | | | | | |
| Accounts | - | 34,509 | - | 53,092 | 720 |
| Accrued interest | - | - | 23 | - | - |
| Loans | - | - | - | - | - |
| Due from intergovernmental units | - | - | - | - | - |
| Prepaid and other assets | 110,513 | 35,298 | - | 52,360 | - |
| Equity in pooled cash and temporary investments | - | - | - | - | - |
| Restricted assets - Cash with fiscal agents | - | - | 2,740,837 | - | - |
| Property held for sale | - | - | - | - | - |
| Total assets | 53,572,729 | 8,238,759 | 2,740,860 | 7,120,516 | 245,645 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Total deferred outflows of resources | - | - | - | - | - |
| Total assets and deferred outflows of resources | \$ 53,572,729 | 8,238,759 | 2,740,860 | 7,120,516 | 245,645 |
| LIABILITIES | | | | | |
| Accounts payable and accrued liabilities | \$ 5,955,237 | 109,342 | 31,294 | 113,555 | 125 |
| Accrued salaries and benefits | 8,820,409 | 358,936 | - | 232,550 | 192 |
| Contract retainages | - | 143,566 | - | - | - |
| Due to intergovernmental units | - | - | - | - | - |
| Interfund payables | 1,182 | - | - | - | - |
| Unearned revenues | - | 149,608 | - | 242,010 | 720 |
| Performance and other deposits | - | 3,600 | - | - | - |
| Total liabilities | 14,776,828 | 765,052 | 31,294 | 588,115 | 1,037 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenue | - | - | - | - | - |
| Total deferred inflows of resources | - | - | - | - | - |
| Total liabilities and deferred inflows of resources | 14,776,828 | 765,052 | 31,294 | 588,115 | 1,037 |
| FUND BALANCES | | | | | |
| Nonspendable: | | | | | |
| Prepaid amounts | 110,513 | 35,298 | - | 52,360 | - |
| Total Nonspendable | 110,513 | 35,298 | - | 52,360 | - |
| Restricted for: | | | | | |
| Public safety, courts, and judicial | - | - | - | - | - |
| General public works | - | - | - | - | - |
| Stormwater management | - | - | - | - | - |
| Transportation | - | - | - | - | - |
| Social services, health and welfare | - | - | - | - | - |
| Housing and community development | - | - | 2,709,566 | - | - |
| Parks, recreation, and cultural | - | 7,438,409 | - | 6,480,041 | 244,608 |
| Other purposes | - | - | - | - | - |
| Total Restricted | - | 7,438,409 | 2,709,566 | 6,480,041 | 244,608 |
| Committed to: | | | | | |
| Public safety, courts, and judicial | - | - | - | - | - |
| Transportation | - | - | - | - | - |
| Social services, health and welfare | 38,685,388 | - | - | - | - |
| Housing and community development | - | - | - | - | - |
| Total Committed | 38,685,388 | - | - | - | - |
| Unassigned: | | | | | |
| Total fund balances | 38,795,901 | 7,473,707 | 2,709,566 | 6,532,401 | 244,608 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 53,572,729 | 8,238,759 | 2,740,860 | 7,120,516 | 245,645 |

EXHIBIT D

| E-911 | Integrated Pest Management Program | Stormwater Services | Leaf Collection | Refuse Collection and Recycling Operations | |
|------------|---|------------------------|--------------------|---|---|
| | | | | | ASSETS |
| 22,484,764 | 5,273,397 | 100,539,469 | 5,311,512 | 4,660,179 | Equity in pooled cash and temporary investments |
| - | 12,969 | 407,707 | 13,395 | 158,413 | Receivables (net of allowances): |
| - | - | - | - | - | Accounts |
| - | - | - | - | - | Accrued interest |
| 7,747,027 | - | 1,876,476 | - | 15,330 | Loans |
| - | - | 134,823 | - | - | Due from intergovernmental units |
| - | - | - | - | - | Prepaid and other assets |
| - | - | - | - | - | Equity in pooled cash and temporary investments |
| - | - | - | - | - | Cash with fiscal agents |
| - | - | - | - | - | Property held for sale |
| 30,231,791 | 5,286,366 | 102,958,475 | 5,324,907 | 4,833,922 | Total assets |
| | | | | | DEFERRED OUTFLOWS OF RESOURCES |
| - | - | - | - | - | Total deferred outflows of resources |
| 30,231,791 | 5,286,366 | 102,958,475 | 5,324,907 | 4,833,922 | Total assets and deferred outflows of resources |
| | | | | | LIABILITIES |
| 608,931 | 36,284 | 9,317,161 | 16,795 | 562,676 | Accounts payable and accrued liabilities |
| 1,947,226 | 82,155 | 1,397,212 | - | 571,275 | Accrued salaries and benefits |
| - | - | 941,598 | - | - | Contract retainages |
| - | - | - | - | - | Due to intergovernmental units |
| - | - | - | - | - | Interfund payables |
| - | 12,933 | 407,554 | 13,390 | 144,191 | Unearned revenues |
| - | - | 568,572 | - | 60,000 | Performance and other deposits |
| 2,556,157 | 131,372 | 12,632,097 | 30,185 | 1,338,142 | Total liabilities |
| | | | | | DEFERRED INFLOWS OF RESOURCES |
| 3,517,273 | - | - | - | - | Unavailable revenue |
| 3,517,273 | - | - | - | - | Total deferred inflows of resources |
| 6,073,430 | 131,372 | 12,632,097 | 30,185 | 1,338,142 | Total liabilities and deferred inflows of resources |
| | | | | | FUND BALANCES |
| - | - | 134,823 | - | - | Nonspendable: |
| - | - | 134,823 | - | - | Prepaid amounts |
| | | | | | Total Nonspendable |
| 21,824,340 | - | - | - | - | Restricted for: |
| - | - | - | 5,294,722 | 3,495,780 | Public safety, courts, and judicial |
| - | - | 90,191,555 | - | - | General public works |
| - | - | - | - | - | Stormwater management |
| - | 2,881,495 | - | - | - | Transportation |
| - | 2,273,499 | - | - | - | Social services, health and welfare |
| - | - | - | - | - | Housing and community development |
| - | - | - | - | - | Parks, recreation, and cultural |
| - | - | - | - | - | Other purposes |
| 21,824,340 | 5,154,994 | 90,191,555 | 5,294,722 | 3,495,780 | Total Restricted |
| 2,334,021 | - | - | - | - | Committed to: |
| - | - | - | - | - | Public safety, courts, and judicial |
| - | - | - | - | - | Transportation |
| - | - | - | - | - | Social services, health and welfare |
| 2,334,021 | - | - | - | - | Housing and community development |
| - | - | - | - | - | Total Committed |
| 24,158,361 | 5,154,994 | 90,326,378 | 5,294,722 | 3,495,780 | Unassigned: |
| 30,231,791 | 5,286,366 | 102,958,475 | 5,324,907 | 4,833,922 | Total fund balances |
| | | | | | Total liabilities, deferred inflows of resources, and fund balances |

continued

COUNTY OF FAIRFAX, VIRGINIA
Special Revenue Funds
Combining Balance Sheet
June 30, 2021

| | Refuse Disposal | I-95 Refuse Disposal | Community Development Block Grant | Housing Trust |
|---|--------------------|----------------------------|--|------------------|
| ASSETS | | | | |
| Equity in pooled cash and temporary investments | \$ 67,738,257 | 42,849,645 | 698,696 | 23,079,311 |
| Receivables (net of allowances): | | | | |
| Accounts | 6,089,565 | 559,378 | - | 33,000 |
| Accrued interest | - | - | - | 1,684,331 |
| Loans | - | - | 738,581 | 11,184,319 |
| Due from intergovernmental units | 98,184 | - | 1,315,330 | - |
| Prepaid and other assets | - | - | - | - |
| Equity in pooled cash and temporary investments | - | - | - | 1,289,106 |
| Cash with fiscal agents | - | - | - | 1,147,620 |
| Property held for sale | - | - | - | 1,404,724 |
| Total assets | 73,926,006 | 43,409,023 | 2,752,607 | 39,822,411 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Total deferred outflows of resources | - | - | - | - |
| Total assets and deferred outflows of resources | \$ 73,926,006 | 43,409,023 | 2,752,607 | 39,822,411 |
| LIABILITIES | | | | |
| Accounts payable and accrued liabilities | \$ 7,741,684 | 677,485 | 979,406 | 470,193 |
| Accrued salaries and benefits | 871,732 | 255,834 | 83,907 | - |
| Contract retainages | 81,169 | 4,334 | 507,661 | 39,276 |
| Due to intergovernmental units | - | - | - | - |
| Interfund payables | - | - | - | - |
| Unearned revenues | - | - | - | - |
| Performance and other deposits | 50,000 | - | - | - |
| Total liabilities | 8,744,585 | 937,653 | 1,570,974 | 509,469 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenue | - | - | - | 1,681,517 |
| Total deferred inflows of resources | - | - | - | 1,681,517 |
| Total liabilities and deferred inflows of resources | 8,744,585 | 937,653 | 1,570,974 | 2,190,986 |
| FUND BALANCES | | | | |
| Nonspendable: | | | | |
| Prepaid amounts | - | - | - | - |
| Total Nonspendable | - | - | - | - |
| Restricted for: | | | | |
| Public safety, courts, and judicial | - | - | - | - |
| General public works | 65,181,421 | 42,471,370 | - | - |
| Stormwater management | - | - | - | - |
| Transportation | - | - | - | - |
| Social services, health and welfare | - | - | - | - |
| Housing and community development | - | - | 1,181,633 | 37,631,425 |
| Parks, recreation, and cultural | - | - | - | - |
| Other purposes | - | - | - | - |
| Total Restricted | 65,181,421 | 42,471,370 | 1,181,633 | 37,631,425 |
| Committed to: | | | | |
| Public safety, courts, and judicial | - | - | - | - |
| Transportation | - | - | - | - |
| Social services, health and welfare | - | - | - | - |
| Housing and community development | - | - | - | - |
| Total Committed | - | - | - | - |
| Unassigned: | - | - | - | - |
| Total fund balances | 65,181,421 | 42,471,370 | 1,181,633 | 37,631,425 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 73,926,006 | 43,409,023 | 2,752,607 | 39,822,411 |

EXHIBIT D
 concluded

| HOME Investment Partnerships Grant | Alcohol Safety Action Program | Total Special Revenue Funds | |
|---|--|--------------------------------------|---|
| | | | ASSETS |
| - | 209,455 | 702,046,125 | Equity in pooled cash and temporary investments |
| - | 5,289 | 11,785,144 | Receivables (net of allowances): |
| - | - | 1,684,354 | Accounts |
| 1,033,111 | - | 12,956,011 | Accrued interest |
| 801,159 | - | 78,729,140 | Loans |
| - | - | 332,994 | Due from intergovernmental units |
| - | - | 1,289,106 | Prepaid and other assets |
| - | - | 75,453,207 | Equity in pooled cash and temporary investments |
| - | - | 1,404,724 | Cash with fiscal agents |
| 1,834,270 | 214,744 | 885,680,805 | Property held for sale |
| | | | Total assets |
| | | | DEFERRED OUTFLOWS OF RESOURCES |
| - | - | - | Total deferred outflows of resources |
| 1,834,270 | 214,744 | 885,680,805 | Total assets and deferred outflows of resources |
| | | | LIABILITIES |
| 2,069 | 6,995 | 66,766,015 | Accounts payable and accrued liabilities |
| 19,731 | 101,213 | 18,642,060 | Accrued salaries and benefits |
| - | - | 3,878,373 | Contract retainages |
| - | - | 8,797,044 | Due to intergovernmental unit: |
| 833,419 | - | 834,601 | Interfund payables |
| - | - | 40,989,382 | Unearned revenues |
| - | - | 682,172 | Performance and other deposits |
| 855,219 | 108,208 | 140,589,647 | Total liabilities |
| | | | DEFERRED INFLOWS OF RESOURCES |
| - | - | 6,008,139 | Unavailable revenue |
| - | - | 6,008,139 | Total deferred inflows of resources |
| 855,219 | 108,208 | 146,597,786 | Total liabilities and deferred inflows of resources |
| | | | FUND BALANCES |
| | | | Nonspendable: |
| - | - | 332,994 | Prepaid amounts |
| - | - | 332,994 | Total Nonspendable |
| | | | Restricted for: |
| - | - | 37,016,436 | Public safety, courts, and judicial |
| - | - | 116,443,293 | General public works |
| - | - | 90,191,555 | Stormwater management |
| - | - | 356,413,484 | Transportation |
| - | - | 2,881,495 | Social services, health and welfare |
| 979,051 | - | 45,013,165 | Housing and community development |
| - | - | 14,163,058 | Parks, recreation, and cultural |
| - | - | 7,072,814 | Other purposes |
| 979,051 | - | 669,195,300 | Total Restricted |
| | | | Committed to: |
| - | - | 2,334,021 | Public safety, courts, and judicial |
| - | - | 26,616,996 | Transportation |
| - | 106,536 | 38,791,924 | Social services, health and welfare |
| - | - | 18,529,911 | Housing and community development |
| - | 106,536 | 86,272,852 | Total Committed |
| - | - | (16,718,127) | Unassigned: |
| 979,051 | 106,536 | 739,083,019 | Total fund balances |
| 1,834,270 | 214,744 | 885,680,805 | 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, 2021

| | 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 | 37,934,991 | - | - | 67,041,926 | - |
| Charges for services | 2,860,625 | 16,018,557 | 20,627,295 | 64,056,367 | 8,896,284 |
| Fines and forfeitures | - | - | - | - | - |
| Developers' contributions | - | - | - | - | - |
| Revenue from the use of money and property | 957,035 | 138,574 | 153,772 | 311,580 | 92,669 |
| Recovered costs | 141 | - | - | 9,421 | - |
| Gifts, donations, and contributions | - | - | - | 86,667 | - |
| Total revenues | 41,752,792 | 16,157,131 | 20,781,067 | 131,505,961 | 8,988,953 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government administration | - | - | - | - | - |
| Judicial administration | - | - | - | - | - |
| Public safety | - | - | - | - | - |
| Public works | - | - | - | - | - |
| Health and welfare | - | - | - | - | - |
| Community development | 97,035,285 | - | 29,231,743 | 51,230,240 | 202,621 |
| Parks, recreation, and cultural | - | - | - | - | - |
| Intergovernmental: | | | | | |
| Community development | 6,536,469 | - | - | 18,869,002 | - |
| Education - for Public Schools | - | - | - | - | - |
| Capital outlay: | | | | | |
| General government administration | - | - | - | - | - |
| Public safety | - | - | - | - | - |
| Public works | - | - | - | - | - |
| Health and welfare | - | - | - | - | - |
| Community development | 5,365,595 | - | - | 2,859,709 | - |
| Parks, recreation, and cultural | - | - | - | - | - |
| Debt service: | | | | | |
| Principal retirement | - | 18,715,000 | - | - | - |
| Interest and other charges | - | 8,741,424 | - | - | - |
| Total expenditures | 108,937,349 | 27,456,424 | 29,231,743 | 72,958,951 | 202,621 |
| Excess (deficiency) of revenues over (under) expenditures | (67,184,557) | (11,299,293) | (8,450,676) | 58,547,010 | 8,786,332 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 82,217,390 | - | - | - | - |
| Transfers out | - | - | - | (40,636,481) | - |
| Capital leases | - | - | - | - | - |
| Total other financing sources (uses), net | 82,217,390 | - | - | (40,636,481) | - |
| Net change in fund balances | 15,032,833 | (11,299,293) | (8,450,676) | 17,910,529 | 8,786,332 |
| Fund balances, July 1, 2020 | 11,584,163 | 50,262,571 | 68,710,138 | 172,362,980 | 31,768,792 |
| Fund balances, June 30, 2021 | \$ 26,616,996 | 38,963,278 | 60,259,462 | 190,273,509 | 40,555,124 |

EXHIBIT D-1

| Reston Service District | Metrorail Parking system Pledged Revenue | Federal/ State Grant | Cable Communications | Early Childhood Birth to 5 | |
|-------------------------------|--|----------------------------|-------------------------|-------------------------------|---|
| - | - | - | - | - | REVENUES |
| - | - | - | - | - | - Taxes |
| - | - | - | 19,532,995 | 11,174 | Permits, privilege fees, and regulatory licenses |
| 2,304,554 | 373,818 | 190,885,099 | - | 4,870 | Intergovernmental |
| - | - | 3,675,111 | 15 | - | Charges for services |
| - | - | - | - | 842 | Fines and forfeitures |
| - | - | - | - | - | Developers' contributions |
| 16,041 | 3,051,427 | 21,526 | - | - | Revenue from the use of money and property |
| - | - | 1,567,692 | - | 7,740 | Recovered costs |
| - | - | 2,236,653 | - | - | Gifts, donations, and contributions |
| 2,320,595 | 3,425,245 | 198,386,081 | 19,533,010 | 24,626 | Total revenues |
| | | | | | EXPENDITURES |
| | | | | | Current: |
| - | - | 1,676,078 | 3,188,045 | - | - General government administration |
| - | - | 997,450 | - | - | - Judicial administration |
| - | - | 21,781,088 | 1,068,901 | - | - Public safety |
| - | - | 1,516,868 | - | - | - Public works |
| - | - | 174,578,990 | - | 25,112,420 | - Health and welfare |
| 52,688 | 1,788,199 | 22,917,691 | 4,816,317 | - | - Community development |
| - | - | 72,344 | - | - | - Parks, recreation, and cultural |
| - | - | - | - | - | Intergovernmental: |
| - | - | - | - | - | - Community development |
| - | - | - | 2,761,781 | - | - Education - for Public Schools |
| - | - | - | 157,905 | - | Capital outlay: |
| - | - | 2,057,354 | - | - | - General government administration |
| - | - | - | - | - | - Public safety |
| - | - | - | - | - | - Public works |
| - | - | 588,089 | - | - | - Health and welfare |
| - | 818,371 | 3,924,567 | 202,121 | - | - Community development |
| - | - | - | - | - | - Parks, recreation, and cultural |
| - | 5,295,000 | 43,429 | - | - | Debt service: |
| - | 5,883,835 | 1,452 | - | - | - Principal retirement |
| - | - | - | - | - | - Interest and other charges |
| 52,688 | 13,785,405 | 230,155,400 | 12,195,070 | 25,112,420 | Total expenditures |
| 2,267,907 | (10,360,160) | (31,769,319) | 7,337,940 | (25,087,794) | Excess (deficiency) of revenues over (under) expenditures |
| | | | | | OTHER FINANCING SOURCES (USES) |
| - | 2,206,000 | 4,432,654 | - | 32,611,229 | Transfers in |
| - | - | - | (7,125,883) | - | Transfers out |
| - | - | - | - | - | Capital leases |
| - | 2,206,000 | 4,432,654 | (7,125,883) | 32,611,229 | Total other financing sources (uses), net |
| 2,267,907 | (8,154,160) | (27,336,665) | 212,057 | 7,523,435 | Net change in fund balances |
| 5,095,503 | 26,137,877 | 34,136,423 | 10,794,419 | - | Fund balances, July 1, 2020 |
| 7,363,410 | 17,983,717 | 6,799,758 | 11,006,476 | 7,523,435 | Fund balances, June 30, 2021 |

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, 2021

| | Fairfax- Falls Church Community Services Board | Reston Community Center | Mosaic Community Development Authority | McLean Community Center | Burgundy Village Community Center |
|---|--|-------------------------------|---|-------------------------------|--|
| REVENUES | | | | | |
| Taxes | \$ - | - | 2,832,300 | - | - |
| Permits, privilege fees, and regulatory licenses | - | - | - | - | - |
| Intergovernmental | 16,166,066 | - | - | - | - |
| Charges for services | 21,158,240 | 9,014,309 | - | 5,245,452 | 32,830 |
| Fines and forfeitures | 5,831 | - | - | - | - |
| Developers' contributions | - | - | - | - | - |
| Revenue from the use of money and property | 125,100 | 157,396 | 902 | 33,510 | 9,974 |
| Recovered costs | - | - | - | - | - |
| Gifts, donations, and contributions | - | - | - | - | - |
| Total revenues | 37,455,237 | 9,171,705 | 2,833,202 | 5,278,962 | 42,804 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government administration | - | - | - | - | - |
| Judicial administration | - | - | - | - | - |
| Public safety | - | - | - | - | - |
| Public works | - | - | - | - | - |
| Health and welfare | 170,421,383 | - | - | - | - |
| Community development | - | - | 52,324 | - | - |
| Parks, recreation, and cultural | - | 6,616,280 | - | 4,269,544 | 7,507 |
| Intergovernmental: | | | | | |
| Community development | - | - | - | - | - |
| Education - for Public Schools | - | - | - | - | - |
| Capital outlay: | | | | | |
| General government administration | - | - | - | - | - |
| Public safety | - | - | - | - | - |
| Public works | - | - | - | - | - |
| Health and welfare | 94,130 | - | - | - | - |
| Community development | - | - | - | - | - |
| Parks, recreation, and cultural | - | 1,701,616 | - | 537,401 | - |
| Debt service: | | | | | |
| Principal retirement | - | 228,913 | - | - | - |
| Interest and other charges | - | 28,267 | - | - | - |
| Total expenditures | 170,515,513 | 8,575,076 | 52,324 | 4,806,945 | 7,507 |
| Excess (deficiency) of revenues over (under) expenditures | (133,060,276) | 596,629 | 2,780,878 | 472,017 | 35,297 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 147,216,019 | - | - | - | - |
| Transfers out | (1,500,000) | - | (5,861,894) | - | - |
| Capital leases | - | 1,274,161 | - | - | - |
| Total other financing sources (uses), net | 145,716,019 | 1,274,161 | (5,861,894) | - | - |
| Net change in fund balances | 12,655,743 | 1,870,790 | (3,081,016) | 472,017 | 35,297 |
| Fund balances, July 1, 2020 | 26,140,158 | 5,602,917 | 5,790,582 | 6,060,384 | 209,311 |
| Fund balances, June 30, 2021 | \$ 38,795,901 | 7,473,707 | 2,709,566 | 6,532,401 | 244,608 |

EXHIBIT D-1

| E-911 | Integrated Pest Management Program | Stormwater Services | Leaf Collection | Refuse Collection and Recycling Operations | |
|------------|---|------------------------|--------------------|---|---|
| 45,429,467 | - | - | - | - | REVENUES |
| - | - | 30,500 | - | - | - Taxes |
| 4,669,326 | - | 1,876,476 | - | 121,052 | - Permits, privilege fees, and regulatory licenses |
| 3,590 | 2,617,743 | 85,394,760 | 2,189,885 | 18,019,956 | - Intergovernmental |
| - | - | - | - | - | - Charges for services |
| - | - | 248,441 | - | - | - Fines and forfeitures |
| 44,604 | 12,976 | 14,132 | 14,839 | 328,561 | - Developers' contributions |
| 169,097 | - | 870 | - | 35,743 | - Revenue from the use of money and property |
| - | - | - | - | - | - Recovered costs |
| 50,316,084 | 2,630,719 | 87,565,179 | 2,204,724 | 18,505,312 | - Gifts, donations, and contributions |
| | | | | | Total revenues |
| | | | | | EXPENDITURES |
| - | - | - | - | - | Current: |
| - | - | - | - | - | - General government administration |
| 44,561,882 | - | - | - | - | - Judicial administration |
| - | - | 33,933,490 | 2,004,246 | 17,708,135 | - Public safety |
| - | 466,071 | - | - | - | - Public works |
| - | 1,071,013 | - | - | - | - Health and welfare |
| - | - | - | - | - | - Community development |
| - | - | - | - | - | - Parks, recreation, and cultural |
| - | - | - | - | - | Intergovernmental: |
| - | - | - | - | - | - Community development |
| - | - | - | - | - | - Education - for Public Schools |
| - | - | - | - | - | Capital outlay: |
| 1,338,100 | - | - | - | - | - General government administration |
| - | - | 40,664,617 | 12,986 | 1,624,773 | - Public safety |
| - | - | - | - | - | - Public works |
| - | - | - | - | - | - Health and welfare |
| - | - | - | - | - | - Community development |
| - | - | - | - | - | - Parks, recreation, and cultural |
| 3,440,102 | - | - | - | - | Debt service: |
| 85,315 | - | - | - | - | - Principal retirement |
| 49,425,399 | 1,537,084 | 74,598,107 | 2,017,232 | 19,332,908 | - Interest and other charges |
| | | | | | Total expenditures |
| 890,685 | 1,093,635 | 12,967,072 | 187,492 | (827,596) | Excess (deficiency) of revenues over (under) expenditures |
| | | | | | OTHER FINANCING SOURCES (USES) |
| 220,145 | - | - | - | - | - Transfers in |
| - | (141,000) | (1,125,000) | (54,000) | (494,000) | - Transfers out |
| - | - | - | - | - | - Capital leases |
| 220,145 | (141,000) | (1,125,000) | (54,000) | (494,000) | Total other financing sources (uses), net |
| 1,110,830 | 952,635 | 11,842,072 | 133,492 | (1,321,596) | Net change in fund balances |
| 23,047,531 | 4,202,359 | 78,484,306 | 5,161,230 | 4,817,376 | Fund balances, July 1, 2020 |
| 24,158,361 | 5,154,994 | 90,326,378 | 5,294,722 | 3,495,780 | Fund balances, June 30, 2021 |

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, 2021

| | Refuse Disposal | I-95 Refuse Disposal | Community Development Block Grant | Housing Trust | HOME Investment Partnerships Grant |
|---|--------------------|----------------------------|--|------------------|---|
| REVENUES | | | | | |
| Taxes | \$ - | - | - | - | - |
| Permits, privilege fees, and regulatory licenses | - | - | - | - | - |
| Intergovernmental | - | - | 12,645,443 | 7,169,815 | 3,604,087 |
| Charges for services | 49,245,415 | 9,904,975 | - | - | - |
| Fines and forfeitures | 78,510 | - | - | - | - |
| Developers' contributions | - | - | - | 732,483 | - |
| Revenue from the use of money and property | 1,115,828 | 321,359 | 283,833 | 1,930,958 | 21,209 |
| Recovered costs | 9,664 | - | - | 1,500,000 | - |
| Gifts, donations, and contributions | - | - | - | - | - |
| Total revenues | 50,449,417 | 10,226,334 | 12,929,276 | 11,333,256 | 3,625,296 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government administration | - | - | - | - | - |
| Judicial administration | - | - | - | - | - |
| Public safety | - | - | - | - | - |
| Public works | 52,148,165 | 6,147,490 | - | - | - |
| Health and welfare | - | - | - | - | - |
| Community development | - | - | 22,806,365 | 1,814,256 | 3,438,156 |
| Parks, recreation, and cultural | - | - | - | - | - |
| Intergovernmental: | | | | | |
| Community development | - | - | - | 1,500,000 | - |
| Education - for Public Schools | - | - | - | - | - |
| Capital outlay: | | | | | |
| General government administration | - | - | - | - | - |
| Public safety | - | - | - | - | - |
| Public works | 4,237,372 | 2,349,786 | - | - | - |
| Health and welfare | - | - | - | - | - |
| Community development | - | - | 195,439 | 2,223,000 | - |
| Parks, recreation, and cultural | - | - | - | - | - |
| Debt service: | | | | | |
| Principal retirement | - | - | 459,000 | - | - |
| Interest and other charges | - | - | 112,284 | - | - |
| Total expenditures | 56,385,537 | 8,497,276 | 23,573,088 | 5,537,256 | 3,438,156 |
| Excess (deficiency) of revenues over (under) expenditures | (5,936,120) | 1,729,058 | (10,643,812) | 5,796,000 | 187,140 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | - | - | - | 4,150,098 | - |
| Transfers out | (626,000) | (186,000) | - | - | - |
| Capital leases | - | - | - | - | - |
| Total other financing sources (uses), net | (626,000) | (186,000) | - | 4,150,098 | - |
| Net change in fund balances | (6,562,120) | 1,543,058 | (10,643,812) | 9,946,098 | 187,140 |
| Fund balances, July 1, 2020 | 71,743,541 | 40,928,312 | 11,825,445 | 27,685,327 | 791,911 |
| Fund balances, June 30, 2021 | \$ 65,181,421 | 42,471,370 | 1,181,633 | 37,631,425 | 979,051 |

EXHIBIT D-1

concluded

| Alcohol Safety Action Program | Total Special Revenue Funds | |
|--|--------------------------------------|---|
| REVENUES | | |
| - | 48,261,767 | Taxes |
| - | 19,574,669 | Permits, privilege fees, and regulatory licenses |
| 211 | 342,119,362 | Intergovernmental |
| 833,678 | 322,473,459 | Charges for services |
| - | 85,183 | Fines and forfeitures |
| - | 980,924 | Developers' contributions |
| 1,397 | 9,159,202 | Revenue from the use of money and property |
| - | 3,300,368 | Recovered costs |
| - | 2,323,320 | Gifts, donations, and contributions |
| 835,286 | 748,278,254 | Total revenues |
| EXPENDITURES | | |
| Current: | | |
| - | 4,864,123 | General government administration |
| - | 997,450 | Judicial administration |
| 72 | 67,411,943 | Public safety |
| - | 113,458,394 | Public works |
| 1,611,965 | 372,190,829 | Health and welfare |
| - | 236,456,898 | Community development |
| - | 10,965,675 | Parks, recreation, and cultural |
| Intergovernmental: | | |
| - | 26,905,471 | Community development |
| - | 2,761,781 | Education - for Public Schools |
| Capital outlay: | | |
| - | 157,905 | General government administration |
| - | 3,395,454 | Public safety |
| - | 48,889,534 | Public works |
| - | 682,219 | Health and welfare |
| - | 15,588,802 | Community development |
| - | 2,239,017 | Parks, recreation, and cultural |
| Debt service: | | |
| - | 28,181,444 | Principal retirement |
| - | 14,852,577 | Interest and other charges |
| 1,612,037 | 949,999,516 | Total expenditures |
| (776,751) | (201,721,262) | Excess (deficiency) of revenues over (under) expenditures |
| OTHER FINANCING SOURCES (USES) | | |
| 941,493 | 273,995,028 | Transfers in |
| - | (57,750,258) | Transfers out |
| - | 1,274,161 | Capital leases |
| 941,493 | 217,518,931 | Total other financing sources (uses), net |
| 164,742 | 15,797,669 | Net change in fund balances |
| (58,206) | 723,285,350 | Fund balances, July 1, 2020 |
| 106,536 | 739,083,019 | Fund balances, June 30, 2021 |

COUNTY OF FAIRFAX, VIRGINIA
Special Revenue Fund
Budgetary Comparison Schedule - County Transit Systems Fund (Budget Basis)
For the fiscal year ended June 30, 2021

EXHIBIT D-2A

| | Budgeted Amounts | | Actual Amounts (Budget Basis) | Variance from Final Budget Positive (Negative) |
|--|------------------|--------------|----------------------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental | \$ 17,071,034 | 44,701,090 | 37,934,991 | (6,766,099) |
| Charges for services | 7,950,000 | 3,375,000 | 1,570,653 | (1,804,347) |
| Revenue from the use of money and property | 756,750 | 756,750 | 957,035 | 200,285 |
| Recovered costs | - | - | 141 | 141 |
| Total revenues | 25,777,784 | 48,832,840 | 40,462,820 | (8,370,020) |
| EXPENDITURES | | | | |
| Community development | 107,995,174 | 122,868,886 | 107,649,141 | 15,219,745 |
| Total expenditures | 107,995,174 | 122,868,886 | 107,649,141 | 15,219,745 |
| Excess (deficiency) of revenues over (under) expenditures | (82,217,390) | (74,036,046) | (67,186,321) | 6,849,725 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | 82,217,390 | 82,217,390 | 82,217,390 | - |
| Total other financing sources | 82,217,390 | 82,217,390 | 82,217,390 | - |
| Net change in fund balance | \$ - | 8,181,344 | 15,031,069 | 6,849,725 |

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, 2021

EXHIBIT D-2B

| | Budgeted Amounts | | Actual Amounts (Budget Basis) | Variance from Final Budget Positive (Negative) |
|--|------------------|--------------|----------------------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Charges for services | \$ 16,149,387 | 16,149,387 | 16,018,557 | (130,830) |
| Revenue from the use of money and property | - | - | 138,574 | 138,574 |
| Total revenues | 16,149,387 | 16,149,387 | 16,157,131 | 7,744 |
| EXPENDITURES | | | | |
| Debt service: | | | | |
| Principal retirement | 7,525,000 | 20,525,000 | 18,715,000 | 1,810,000 |
| Interest and other charges: | | | | |
| Interest | 6,932,600 | 6,932,600 | 8,741,424 | (1,808,824) |
| Total expenditures | 14,457,600 | 27,457,600 | 27,456,424 | 1,176 |
| Excess (deficiency) of revenues over (under) expenditures | 1,691,787 | (11,308,213) | (11,299,293) | 8,920 |
| Net change in fund balance | \$ 1,691,787 | (11,308,213) | (11,299,293) | 8,920 |

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, 2021

| | Budgeted Amounts | | Actual Amounts | Variance from |
|--|------------------|--------------|----------------|--|
| | Original | Final | (Budget Basis) | Final Budget Positive (Negative) |
| REVENUES | | | | |
| Charges for services | \$ 20,484,176 | 20,484,176 | 20,627,295 | 143,119 |
| Revenue from the use of money and property | - | - | 153,772 | 153,772 |
| Total revenues | 20,484,176 | 20,484,176 | 20,781,067 | 296,891 |
| EXPENDITURES | | | | |
| Community development | - | 42,044,976 | 29,231,743 | 12,813,233 |
| Debt service: | | | | |
| Bond issuance costs and other | 500,000 | 500,000 | - | 500,000 |
| Total expenditures | 500,000 | 42,544,976 | 29,231,743 | 13,313,233 |
| Excess (deficiency) of revenues over (under) expenditures | 19,984,176 | (22,060,800) | (8,450,676) | 13,610,124 |
| Net change in fund balance | \$ 19,984,176 | (22,060,800) | (8,450,676) | 13,610,124 |

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, 2021

| | Budgeted Amounts | | Actual Amounts | Variance from |
|--|------------------|---------------|----------------|--|
| | Original | Final | (Budget Basis) | Final Budget Positive (Negative) |
| REVENUES | | | | |
| Intergovernmental | \$ 35,340,938 | 98,763,367 | 49,652,959 | (49,110,408) |
| Charges for services | 61,201,872 | 61,201,872 | 64,056,367 | 2,854,495 |
| Revenue from the use of money and property | - | - | 330,843 | 330,843 |
| Recovered costs | - | - | 9,421 | 9,421 |
| Gifts, donations, and contributions | 130,000 | 130,000 | 86,666 | (43,334) |
| Total revenues | 96,672,810 | 160,095,239 | 114,136,256 | (45,958,983) |
| EXPENDITURES | | | | |
| Community development | 58,242,329 | 382,007,664 | 53,767,237 | 328,240,427 |
| Total expenditures | 58,242,329 | 382,007,664 | 53,767,237 | 328,240,427 |
| Excess (deficiency) of revenues over (under) expenditures | 38,430,481 | (221,912,425) | 60,369,019 | 282,281,444 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (38,430,481) | (40,636,481) | (40,636,481) | - |
| Revenue bonds issued | - | 100,000,000 | - | (100,000,000) |
| Total other financing sources (uses), net | (38,430,481) | 59,363,519 | (40,636,481) | (100,000,000) |
| Net change in fund balance | \$ - | (162,548,906) | 19,732,538 | 182,281,444 |

COUNTY OF FAIRFAX, VIRGINIA

Special Revenue Fund

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

For the fiscal year ended June 30, 2021

EXHIBIT D-2E

| | Budgeted Amounts | | Actual Amounts | Variance from |
|--|------------------|-------------|----------------|---------------|
| | Original | Final | (Budget Basis) | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| REVENUES | | | | |
| Charges for services | \$ 8,999,317 | 8,999,317 | 8,896,284 | (103,033) |
| Revenue from the use of money and property | - | - | 92,669 | 92,669 |
| Total revenues | 8,999,317 | 8,999,317 | 8,988,953 | (10,364) |
| EXPENDITURES | | | | |
| Community development | - | 10,902,868 | 202,621 | 10,700,247 |
| Total expenditures | - | 10,902,868 | 202,621 | 10,700,247 |
| Excess (deficiency) of revenues over | | | | |
| (under) expenditures | 8,999,317 | (1,903,551) | 8,786,332 | 10,689,883 |
| Net change in fund balance | \$ 8,999,317 | (1,903,551) | 8,786,332 | 10,689,883 |

COUNTY OF FAIRFAX, VIRGINIA

Special Revenue Fund

Budgetary Comparison Schedule - Reston Service District (Budget Basis)

For the fiscal year ended June 30, 2021

EXHIBIT D-2F

| | Budgeted Amounts | | Actual Amounts | Variance from |
|--|------------------|-----------|----------------|---------------|
| | Original | Final | (Budget Basis) | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| REVENUES | | | | |
| Charges for services | \$ 2,308,810 | 2,308,810 | 2,304,554 | (4,256) |
| Revenue from the use of money and property | - | - | 16,041 | 16,041 |
| Total revenues | 2,308,810 | 2,308,810 | 2,320,595 | 11,785 |
| EXPENDITURES | | | | |
| Community development | - | 915,248 | 52,688 | 862,560 |
| Total expenditures | - | 915,248 | 52,688 | 862,560 |
| Excess (deficiency) of revenues over | | | | |
| (under) expenditures | 2,308,810 | 1,393,562 | 2,267,907 | 874,345 |
| Net change in fund balance | \$ 2,308,810 | 1,393,562 | 2,267,907 | 874,345 |

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, 2021

| | Budgeted Amounts | | Actual Amounts | Variance from |
|---|------------------|--------------|----------------|---------------|
| | Original | Final | (Budget Basis) | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| REVENUES | | | | |
| Charges for services | \$ 4,704,319 | 150,000 | 373,818 | 223,818 |
| Revenue from the use of money and property | 6,500,000 | 3,050,000 | 3,051,427 | 1,427 |
| Total revenues | 11,204,319 | 3,200,000 | 3,425,245 | 225,245 |
| EXPENDITURES | | | | |
| Community development | 3,295,000 | 5,774,804 | 3,003,668 | 2,771,136 |
| Debt service: | | | | |
| Principal retirement | 5,295,000 | 5,259,256 | 5,295,000 | (35,744) |
| Interest and other charges: | | | | |
| Interest | 6,849,113 | 5,919,857 | 5,883,835 | 36,022 |
| Total expenditures | 15,439,113 | 16,953,917 | 14,182,503 | 2,771,414 |
| Excess (deficiency) of revenues over (under) expenditures | (4,234,794) | (13,753,917) | (10,757,258) | 2,996,659 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | - | 2,206,000 | 2,206,000 | - |
| Total other financing sources | - | 2,206,000 | 2,206,000 | - |
| Net change in fund balance | \$ (4,234,794) | (11,547,917) | (8,551,258) | 2,996,659 |

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, 2021

| | Budgeted Amounts | | Actual Amounts | Variance from |
|---|------------------|--------------|----------------|---------------|
| | Original | Final | (Budget Basis) | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| REVENUES | | | | |
| Intergovernmental | \$ 115,420,883 | 496,240,941 | 226,761,398 | (269,479,543) |
| Charges for services | - | - | 3,675,111 | 3,675,111 |
| Revenue from the use of money and property | - | - | 21,526 | 21,526 |
| Recovered costs | - | 17,395,698 | 1,567,692 | (15,828,006) |
| Gifts, donations, and contributions | - | 926,195 | 2,236,653 | 1,310,458 |
| Total revenues | 115,420,883 | 514,562,834 | 234,262,380 | (280,300,454) |
| EXPENDITURES | | | | |
| General government administration | 119,853,537 | 313,094,066 | 5,058,995 | 308,035,071 |
| Judicial administration | - | 386,173 | 1,121,984 | (735,811) |
| Public safety | - | 16,352,592 | 24,047,112 | (7,694,520) |
| Public works | - | - | 1,516,868 | (1,516,868) |
| Health and welfare | - | 48,612,202 | 172,391,077 | (123,778,875) |
| Community development | - | 173,943,973 | 26,842,258 | 147,101,715 |
| Parks, recreation, and cultural | - | 638 | 72,344 | (71,706) |
| Total expenditures | 119,853,537 | 552,389,644 | 231,050,638 | 321,339,006 |
| Excess (deficiency) of revenues over (under) expenditures | (4,432,654) | (37,826,810) | 3,211,742 | 41,038,552 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | 4,432,654 | 14,675,987 | 4,432,654 | (10,243,333) |
| Total other financing sources | 4,432,654 | 14,675,987 | 4,432,654 | (10,243,333) |
| Net change in fund balance | \$ - | (23,150,823) | 7,644,396 | 30,795,219 |

COUNTY OF FAIRFAX, VIRGINIA

Special Revenue Fund

Budgetary Comparison Schedule - Cable Communications Fund (Budget Basis)

For the fiscal year ended June 30, 2021

EXHIBIT D-2I

| | Budgeted Amounts | | Actual Amounts | Variance from |
|--|------------------|-------------|----------------|--|
| | Original | Final | (Budget Basis) | Final Budget Positive (Negative) |
| REVENUES | | | | |
| Permits, privilege fees, and regulatory licenses | \$ 20,215,042 | 20,215,042 | 19,532,995 | (682,047) |
| Charges for services | - | - | 15 | 15 |
| Total revenues | 20,215,042 | 20,215,042 | 19,533,010 | (682,032) |
| EXPENDITURES | | | | |
| Community development | 10,113,722 | 18,986,762 | 9,433,289 | 9,553,473 |
| Total expenditures | 10,113,722 | 18,986,762 | 9,433,289 | 9,553,473 |
| Excess of revenues over expenditures | 10,101,320 | 1,228,280 | 10,099,721 | 8,871,441 |
| OTHER FINANCING USES | | | | |
| Transfers out | (7,125,883) | (7,125,883) | (7,125,883) | - |
| Transfers out to component units | (2,761,781) | (2,761,781) | (2,761,781) | - |
| Total other financing uses | (9,887,664) | (9,887,664) | (9,887,664) | - |
| Net change in fund balance | \$ 213,656 | (8,659,384) | 212,057 | 8,871,441 |

COUNTY OF FAIRFAX, VIRGINIA

Special Revenue Fund

Budgetary Comparison Schedule - Early Childhood Birth to 5 Fund (Budget Basis)

For the fiscal year ended June 30, 2021

EXHIBIT D-2J

| | Budgeted Amounts | | Actual Amounts | Variance from |
|---|------------------|--------------|----------------|--|
| | Original | Final | (Budget Basis) | Final Budget Positive (Negative) |
| REVENUES | | | | |
| Permits, privilege fees, and regulatory licenses | \$ 15,353 | 15,353 | 11,174 | (4,179) |
| Intergovernmental | 44,689 | 44,689 | 4,870 | (39,819) |
| Fines and forfeitures | - | - | 842 | 842 |
| Recovered costs | 155,918 | 155,918 | 7,740 | (148,178) |
| Total revenues | 215,960 | 215,960 | 24,626 | (191,334) |
| EXPENDITURES | | | | |
| Health and welfare | 32,780,360 | 32,827,189 | 25,112,420 | 7,714,769 |
| Total expenditures | 32,780,360 | 32,827,189 | 25,112,420 | 7,714,769 |
| Excess (deficiency) of revenues over (under) expenditures | (32,564,400) | (32,611,229) | (25,087,794) | 7,523,435 |
| OTHER FINANCING USES | | | | |
| Transfers in | 32,564,400 | 32,611,229 | 32,611,229 | - |
| Total other financing uses | 32,564,400 | 32,611,229 | 32,611,229 | - |
| Net change in fund balance | \$ - | - | 7,523,435 | 7,523,435 |

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2K

Special Revenue Fund

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

For the fiscal year ended June 30, 2021

| | Budgeted Amounts | | Actual Amounts | Variance from |
|--|------------------|---------------|----------------|--|
| | Original | Final | (Budget Basis) | Final Budget Positive (Negative) |
| REVENUES | | | | |
| Intergovernmental | \$ 14,959,425 | 14,959,425 | 16,166,066 | 1,206,641 |
| Charges for services | 20,333,676 | 20,333,676 | 21,158,240 | 824,564 |
| Fines and forfeitures | 14,100 | 14,100 | 5,831 | (8,269) |
| Revenue from the use of money and property | - | - | 125,100 | 125,100 |
| Total revenues | 35,307,201 | 35,307,201 | 37,455,237 | 2,148,036 |
| EXPENDITURES | | | | |
| Health and welfare | 182,861,770 | 188,436,413 | 170,513,493 | 17,922,920 |
| Total expenditures | 182,861,770 | 188,436,413 | 170,513,493 | 17,922,920 |
| Excess (deficiency) of revenues over (under) expenditures | (147,554,569) | (153,129,212) | (133,058,256) | 20,070,956 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | 147,554,569 | 147,216,019 | 147,216,019 | - |
| Transfers out | - | (1,500,000) | (1,500,000) | - |
| Total other financing sources | 147,554,569 | 145,716,019 | 145,716,019 | - |
| Net change in fund balance | \$ - | (7,413,193) | 12,657,763 | 20,070,956 |

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2L

Special Revenue Fund

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

For the fiscal year ended June 30, 2021

| | Budgeted Amounts | | Actual Amounts | Variance from |
|--|------------------|-------------|----------------|--|
| | Original | Final | (Budget Basis) | Final Budget Positive (Negative) |
| REVENUES | | | | |
| Charges for services | \$ 9,510,445 | 9,510,445 | 9,014,308 | (496,137) |
| Revenue from the use of money and property | 293,086 | 293,086 | 157,396 | (135,690) |
| Total revenues | 9,803,531 | 9,803,531 | 9,171,704 | (631,827) |
| EXPENDITURES | | | | |
| Parks, recreation, and cultural | 9,584,898 | 11,391,235 | 7,300,914 | 4,090,321 |
| Total expenditures | 9,584,898 | 11,391,235 | 7,300,914 | 4,090,321 |
| Excess (deficiency) of revenues over (under) expenditures | 218,633 | (1,587,704) | 1,870,790 | 3,458,494 |
| Net change in fund balance | \$ 218,633 | (1,587,704) | 1,870,790 | 3,458,494 |

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2M

Special Revenue Fund

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

For the fiscal year ended June 30, 2021

| | Budgeted Amounts | | Actual Amounts | Variance from |
|--|------------------|-----------|----------------|--|
| | Original | Final | (Budget Basis) | Final Budget Positive (Negative) |
| REVENUES | | | | |
| Charges for services | \$ 6,035,824 | 6,035,824 | 5,245,452 | (790,372) |
| Revenue from the use of money and property | 153,460 | 153,460 | 33,510 | (119,950) |
| Total revenues | 6,189,284 | 6,189,284 | 5,278,962 | (910,322) |
| EXPENDITURES | | | | |
| Parks, recreation, and cultural | 6,081,083 | 7,078,257 | 4,806,945 | 2,271,312 |
| Total expenditures | 6,081,083 | 7,078,257 | 4,806,945 | 2,271,312 |
| Excess (deficiency) of revenues over (under) expenditures | 108,201 | (888,973) | 472,017 | 1,360,990 |
| Net change in fund balance | \$ 108,201 | (888,973) | 472,017 | 1,360,990 |

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2N

Special Revenue Fund

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

For the fiscal year ended June 30, 2021

| | Budgeted Amounts | | Actual Amounts | Variance from |
|--|------------------|----------|----------------|--|
| | Original | Final | (Budget Basis) | Final Budget Positive (Negative) |
| REVENUES | | | | |
| Charges for services | \$ 34,415 | 34,415 | 32,830 | (1,585) |
| Revenue from the use of money and property | 46,138 | 11,450 | 9,974 | (1,476) |
| Total revenues | 80,553 | 45,865 | 42,804 | (3,061) |
| EXPENDITURES | | | | |
| Parks, recreation, and cultural | 46,596 | 137,878 | 7,507 | 130,371 |
| Total expenditures | 46,596 | 137,878 | 7,507 | 130,371 |
| Excess (deficiency) of revenues over (under) expenditures | 33,957 | (92,013) | 35,297 | 127,310 |
| Net change in fund balance | \$ 33,957 | (92,013) | 35,297 | 127,310 |

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2o

Special Revenue Fund

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

For the fiscal year ended June 30, 2021

| | Budgeted Amounts | | Actual Amounts (Budget Basis) | Variance from Final Budget Positive (Negative) |
|--|------------------|--------------|----------------------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Local sales and use taxes | \$ 46,986,272 | 46,986,272 | 45,429,467 | (1,556,805) |
| Intergovernmental | 3,396,251 | 3,396,251 | 4,669,326 | 1,273,075 |
| Charges for Services | - | - | 3,590 | 3,590 |
| Revenue from the use of money and property | 10,000 | 10,000 | 44,604 | 34,604 |
| Recovered costs | 150,000 | 150,000 | 169,097 | 19,097 |
| Total revenues | 50,542,523 | 50,542,523 | 50,316,084 | (226,439) |
| EXPENDITURES | | | | |
| Public safety | 52,585,811 | 67,375,308 | 49,425,400 | 17,949,908 |
| Total expenditures | 52,585,811 | 67,375,308 | 49,425,400 | 17,949,908 |
| Excess (deficiency) of revenues over (under) expenditures | (2,043,288) | (16,832,785) | 890,684 | 17,723,469 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | - | 220,145 | 220,145 | - |
| Total other financing sources | - | 220,145 | 220,145 | - |
| Net change in fund balance | \$ (2,043,288) | (16,612,640) | 1,110,829 | 17,723,469 |

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2p

Special Revenue Fund

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

For the fiscal year ended June 30, 2021

| | Budgeted Amounts | | Actual Amounts (Budget Basis) | Variance from Final Budget Positive (Negative) |
|--|------------------|-------------|----------------------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Charges for services | \$ 2,639,992 | 2,639,992 | 2,617,743 | (22,249) |
| Revenue from the use of money and property | 7,691 | 7,691 | 12,976 | 5,285 |
| Total revenues | 2,647,683 | 2,647,683 | 2,630,719 | (16,964) |
| EXPENDITURES | | | | |
| Health and welfare | 1,870,460 | 1,901,889 | 466,071 | 1,435,818 |
| Community development | 1,443,795 | 1,618,739 | 1,071,013 | 547,726 |
| Total expenditures | 3,314,255 | 3,520,628 | 1,537,084 | 1,983,544 |
| Excess (deficiency) of revenues over (under) expenditures | (666,572) | (872,945) | 1,093,635 | 1,966,580 |
| 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 | \$ (807,572) | (1,013,945) | 952,635 | 1,966,580 |

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2Q

Special Revenue Fund

Budgetary Comparison Schedule - Stormwater Services Fund (Budget Basis)

For the fiscal year ended June 30, 2021

| | Budgeted Amounts | | Actual Amounts | Variance from |
|--|------------------|---------------|----------------|--|
| | Original | Final | (Budget Basis) | Final Budget Positive (Negative) |
| REVENUES | | | | |
| Permits, privilege fees, and regulatory licenses | \$ - | - | 30,500 | 30,500 |
| Intergovernmental | - | 5,554,269 | 1,876,476 | (3,677,793) |
| Charges for services | 85,089,976 | 85,089,976 | 85,394,760 | 304,784 |
| Developers' contributions | - | - | 248,441 | 248,441 |
| Revenue from the use of money and property | - | - | 14,132 | 14,132 |
| Recovered costs | - | - | 870 | 870 |
| Total revenues | 85,089,976 | 90,644,245 | 87,565,179 | (3,079,066) |
| EXPENDITURES | | | | |
| Public works | 83,964,976 | 255,914,463 | 74,598,089 | 181,316,374 |
| Total expenditures | 83,964,976 | 255,914,463 | 74,598,089 | 181,316,374 |
| Excess (deficiency) of revenues over (under) expenditures | 1,125,000 | (165,270,218) | 12,967,090 | 178,237,308 |
| OTHER FINANCING SOURCES (USES) | | | | |
| General obligation bonds issued | - | 88,000,000 | - | (88,000,000) |
| Transfers out | (1,125,000) | (1,125,000) | (1,125,000) | - |
| Total other financing sources (uses), net | (1,125,000) | 86,875,000 | (1,125,000) | (88,000,000) |
| Net change in fund balance | \$ - | (78,395,218) | 11,842,090 | 90,237,308 |

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2R

Special Revenue Fund

Budgetary Comparison Schedule - Leaf Collection Fund (Budget Basis)

For the fiscal year ended June 30, 2021

| | Budgeted Amounts | | Actual Amounts | Variance from |
|--|------------------|-----------|----------------|--|
| | Original | Final | (Budget Basis) | Final Budget Positive (Negative) |
| REVENUES | | | | |
| Charges for services | \$ 2,122,947 | 2,122,947 | 2,189,885 | 66,938 |
| Revenue from the use of money and property | 68,304 | 68,304 | 14,839 | (53,465) |
| Total revenues | 2,191,251 | 2,191,251 | 2,204,724 | 13,473 |
| EXPENDITURES | | | | |
| Public works | 2,372,031 | 2,405,565 | 2,017,232 | 388,333 |
| Total expenditures | 2,372,031 | 2,405,565 | 2,017,232 | 388,333 |
| Excess (deficiency) of revenues over (under) expenditures | (180,780) | (214,314) | 187,492 | 401,806 |
| OTHER FINANCING USES | | | | |
| Transfers out | (54,000) | (54,000) | (54,000) | - |
| Total other financing uses | (54,000) | (54,000) | (54,000) | - |
| Net change in fund balance | \$ (234,780) | (268,314) | 133,492 | 401,806 |

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2s

Special Revenue Fund

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

For the fiscal year ended June 30, 2021

| | Budgeted Amounts | | Actual Amounts | Variance from |
|--|------------------|-------------|----------------|--|
| | Original | Final | (Budget Basis) | Final Budget Positive (Negative) |
| REVENUES | | | | |
| Intergovernmental | \$ 125,288 | 125,288 | 121,052 | (4,236) |
| Charges for services | 17,950,016 | 17,950,016 | 18,019,956 | 69,940 |
| Revenue from the use of money and property | 246,500 | 246,500 | 328,561 | 82,061 |
| Recovered costs | 29,873 | 29,873 | 35,743 | 5,870 |
| Total revenues | 18,351,677 | 18,351,677 | 18,505,312 | 153,635 |
| EXPENDITURES | | | | |
| Public works | 20,442,823 | 21,700,522 | 19,332,908 | 2,367,614 |
| Total expenditures | 20,442,823 | 21,700,522 | 19,332,908 | 2,367,614 |
| Excess (deficiency) of revenues over (under) expenditures | (2,091,146) | (3,348,845) | (827,596) | 2,521,249 |
| 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 | \$ (2,585,146) | (3,842,845) | (1,321,596) | 2,521,249 |

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2t

Special Revenue Fund

Budgetary Comparison Schedule - Refuse Disposal Fund (Budget Basis)

For the fiscal year ended June 30, 2021

| | Budgeted Amounts | | Actual Amounts | Variance from |
|--|------------------|-------------|----------------|--|
| | Original | Final | (Budget Basis) | Final Budget Positive (Negative) |
| REVENUES | | | | |
| Permits, privilege fees, and regulatory licenses | \$ 82,320 | 82,320 | - | (82,320) |
| Charges for services | 54,101,318 | 54,101,318 | 49,245,415 | (4,855,903) |
| Revenue from the use of money and property | 1,653,100 | 1,653,100 | 1,115,828 | (537,272) |
| Recovered costs | - | - | 9,664 | 9,664 |
| Fines and forfeitures | - | - | 78,510 | 78,510 |
| Total revenues | 55,836,738 | 55,836,738 | 50,449,417 | (5,387,321) |
| EXPENDITURES | | | | |
| Public works | 56,527,725 | 63,430,485 | 56,385,537 | 7,044,948 |
| Total expenditures | 56,527,725 | 63,430,485 | 56,385,537 | 7,044,948 |
| Excess (deficiency) of revenues over (under) expenditures | (690,987) | (7,593,747) | (5,936,120) | 1,657,627 |
| 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 | \$ (1,316,987) | (8,219,747) | (6,562,120) | 1,657,627 |

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2u

Special Revenue Fund

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

For the fiscal year ended June 30, 2021

| | Budgeted Amounts | | Actual Amounts | Variance from |
|--|------------------|-------------|----------------|--|
| | Original | Final | (Budget Basis) | Final Budget Positive (Negative) |
| REVENUES | | | | |
| Charges for services | \$ 9,861,250 | 9,861,250 | 9,904,975 | 43,725 |
| Revenue from the use of money and property | 641,000 | 641,000 | 321,359 | (319,641) |
| Total revenues | 10,502,250 | 10,502,250 | 10,226,334 | (275,916) |
| EXPENDITURES | | | | |
| Public works | 11,277,195 | 19,325,318 | 8,490,865 | 10,834,453 |
| Total expenditures | 11,277,195 | 19,325,318 | 8,490,865 | 10,834,453 |
| Excess (deficiency) of revenues over (under) expenditures | (774,945) | (8,823,068) | 1,735,469 | 10,558,537 |
| 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 | \$ (960,945) | (9,009,068) | 1,549,469 | 10,558,537 |

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2v

Special Revenue Fund

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

For the fiscal year ended June 30, 2021

| | Budgeted Amounts | | Actual Amounts | Variance from |
|--|------------------|--------------|----------------|--|
| | Original | Final | (Budget Basis) | Final Budget Positive (Negative) |
| REVENUES | | | | |
| Intergovernmental | \$ - | 22,473,908 | 12,645,443 | (9,828,465) |
| Charges for services | - | 2,813 | - | (2,813) |
| Revenue from the use of money and property | 5,609,339 | - | 389,580 | 389,580 |
| Total revenues | 5,609,339 | 22,476,721 | 13,035,023 | (9,441,698) |
| EXPENDITURES | | | | |
| Community development | 5,038,055 | 32,874,230 | 23,001,804 | 9,872,426 |
| Debt service: | | | | |
| Principal retirement | 459,000 | 459,000 | 459,000 | - |
| Interest and other charges: | | | | |
| Interest | 112,284 | 112,284 | 112,284 | - |
| Total expenditures | 5,609,339 | 33,445,514 | 23,573,088 | 9,872,426 |
| Excess (deficiency) of revenues over (under) expenditures | - | (10,968,793) | (10,538,065) | 430,728 |
| Net change in fund balance | \$ - | (10,968,793) | (10,538,065) | 430,728 |

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2w

Special Revenue Fund

Budgetary Comparison Schedule - Housing Trust Fund (Budget Basis)

For the fiscal year ended June 30, 2021

| | Budgeted Amounts | | Actual Amounts | Variance from |
|---|------------------|--------------|----------------|---------------|
| | Original | Final | (Budget Basis) | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| REVENUES | | | | |
| Developers' contributions | \$ - | - | 732,483 | 732,483 |
| Revenue from the use of money and property | 150,000 | 150,000 | 59,638 | (90,362) |
| Other Revenue | 3,511,782 | 3,511,782 | 4,887,388 | 1,375,606 |
| Total revenues | 3,661,782 | 3,661,782 | 5,679,509 | 2,017,727 |
| EXPENDITURES | | | | |
| Community development | 3,661,782 | 25,217,181 | 6,354,210 | 18,862,971 |
| Total expenditures | 3,661,782 | 25,217,181 | 6,354,210 | 18,862,971 |
| Excess (deficiency) of revenues over (under) expenditures | - | (21,555,399) | (674,701) | 20,880,698 |
| OTHER FINANCING SOURCES | | | | |
| Transfers out | - | (1,500,000) | (1,500,000) | - |
| Total other financing sources | - | (1,500,000) | (1,500,000) | - |
| Net change in fund balance | \$ - | (23,055,399) | (2,174,701) | 20,880,698 |

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2x

Special Revenue Fund

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

For the fiscal year ended June 30, 2021

| | Budgeted Amounts | | Actual Amounts | Variance from |
|---|------------------|-----------|----------------|---------------|
| | Original | Final | (Budget Basis) | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| REVENUES | | | | |
| Intergovernmental | \$ - | 4,949,448 | 3,604,087 | (1,345,361) |
| Revenue from the use of money and property | 1,940,695 | 1,440,079 | 48,546 | (1,391,533) |
| Total revenues | 1,940,695 | 6,389,527 | 3,652,633 | (2,736,894) |
| EXPENDITURES | | | | |
| Community development | 1,940,695 | 6,080,769 | 3,438,156 | 2,642,613 |
| Total expenditures | 1,940,695 | 6,080,769 | 3,438,156 | 2,642,613 |
| Excess (deficiency) of revenues over (under) expenditures | - | 308,758 | 214,477 | (94,281) |
| Net change in fund balance | \$ - | 308,758 | 214,477 | (94,281) |



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, 2021

EXHIBIT E

| | Debt Service | Mosaic Community Development Authority | Total Debt Service Funds |
|--|---------------|---|-----------------------------|
| ASSETS | | | |
| Equity in pooled cash and temporary investments | \$ 2,359,479 | - | 2,359,479 |
| Accrued interest | - | 40 | 40 |
| Loan to component unit | 9,599,400 | - | 9,599,400 |
| Lease to component unit | 34,925,000 | - | 34,925,000 |
| Restricted assets: | | | |
| Restricted assets - Cash with fiscal agents | 50 | 4,920,141 | 4,920,191 |
| Investments | | | |
| Total assets | 46,883,929 | 4,920,181 | 51,804,110 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Total deferred outflows of resources | - | - | - |
| Total assets and deferred outflows of resources | \$ 46,883,929 | 4,920,181 | 51,804,110 |
| LIABILITIES | | | |
| Liabilities: | | | |
| Accounts payable and accrued liabilities | \$ 296,629 | - | 296,629 |
| Unearned revenues | 34,925,000 | - | 34,925,000 |
| Total liabilities | 35,221,629 | - | 35,221,629 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Total deferred inflows of resources | - | - | - |
| Total liabilities and deferred inflows of resources | 35,221,629 | - | 35,221,629 |
| FUND BALANCES | | | |
| Restricted for: | | | |
| Debt service | 6,000,000 | 4,920,181 | 10,920,181 |
| Total Restricted | 6,000,000 | 4,920,181 | 10,920,181 |
| Committed to: | | | |
| Debt service | 5,662,300 | - | 5,662,300 |
| Total Committed | 5,662,300 | - | 5,662,300 |
| Total fund balance | 11,662,300 | 4,920,181 | 16,582,481 |
| Total liabilities, deferred inflows of resources, and fund balance | \$ 46,883,929 | 4,920,181 | 51,804,110 |

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, 2021

| | Debt Service | Mosaic Community Development Authority | Total Debt Service Funds |
|--|---------------|---|-----------------------------------|
| REVENUES | | | |
| Intergovernmental | \$ 3,742,322 | - | 3,742,322 |
| Revenue from the use of money and property | 2,164,178 | 9,778 | 2,173,956 |
| Total revenues | 5,906,500 | 9,778 | 5,916,278 |
| EXPENDITURES | | | |
| Principal retirement: | | | |
| County | 86,769,000 | 62,155,000 | 148,924,000 |
| Schools | 135,581,000 | - | 135,581,000 |
| Interest: | | | |
| County | 42,740,270 | 4,314,600 | 47,054,870 |
| Schools | 60,311,856 | - | 60,311,856 |
| Other charges: | | | |
| Bond issuance costs and other | 2,425,396 | 908,527 | 3,333,923 |
| Arbitrage rebate payments | 32,600 | - | 32,600 |
| Total expenditures | 327,860,122 | 67,378,127 | 395,238,249 |
| Deficiency of revenues under expenditures | (321,953,622) | (67,368,349) | (389,321,971) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in from: | | | |
| General Fund | 329,222,805 | - | 329,222,805 |
| Special revenue funds | - | 3,760,513 | 3,760,513 |
| Capital projects funds | 739,140 | - | 739,140 |
| Transfers out | (12,038,000) | - | (12,038,000) |
| General obligation refunding bonds issued | 294,060,000 | - | 294,060,000 |
| Revenue refunding bonds issued | - | 55,650,000 | 55,650,000 |
| Premium on revenue refunding bonds issued | - | 5,682,049 | 5,682,049 |
| General obligation payments to refunded bonds escrow agent | (293,126,253) | - | (293,126,253) |
| Total other financing sources | 318,857,692 | 65,092,562 | 383,950,254 |
| Net change in fund balance | (3,095,930) | (2,275,787) | (5,371,717) |
| Fund balances, July 1, 2020 | 14,758,230 | 7,195,968 | 21,954,198 |
| Fund balances, June 30, 2021 | \$ 11,662,300 | 4,920,181 | 16,582,481 |

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, 2021

| | Budgeted Amounts | | Actual Amounts (Budget Basis) | Variance from Final Budget Positive (Negative) |
|--|------------------|---------------|----------------------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental | \$ 2,528,000 | 2,528,000 | 2,065,965 | (462,035) |
| Total revenues | 2,528,000 | 2,528,000 | 2,065,965 | (462,035) |
| EXPENDITURES | | | | |
| Principal retirement: | | | | |
| County | 84,681,300 | 87,069,000 | 86,769,000 | 300,000 |
| Schools | 130,298,700 | 135,581,000 | 135,581,000 | - |
| Interest: | | | | |
| County | 49,179,952 | 43,304,376 | 42,740,269 | 564,107 |
| Schools | 70,517,008 | 60,708,014 | 60,311,856 | 396,158 |
| Bond issuance costs and other | 2,000,000 | 1,999,135 | 1,703,565 | 295,570 |
| Total expenditures | 336,676,960 | 328,661,525 | 327,105,690 | 1,555,835 |
| Excess (deficiency) of revenues over (under) expenditures | (334,148,960) | (326,133,525) | (325,039,725) | 1,093,800 |
| OTHER FINANCING SOURCES (USES) | | | | |
| General obligation bonds issued | 500,000 | 500,000 | 918,534 | 418,534 |
| Transfers in from: | | | | |
| General Fund | 329,222,805 | 329,222,805 | 329,222,805 | - |
| Other funds | 4,426,155 | 4,426,155 | 4,426,155 | - |
| Transfers out | - | (12,038,000) | (12,038,000) | - |
| Total other financing sources, net | 334,148,960 | 322,110,960 | 322,529,494 | 418,534 |
| Net change in fund balance, net | \$ - | (4,022,565) | (2,510,231) | 1,512,334 |



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. This fund was closed at the end of FY 2021.

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

Environmental and Energy Program Fund is used to account for the funding of projects that supports the County's environmental initiatives and energy strategies. Projects are funded mostly by the General Fund.

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. This fund was closed at the end of FY 2021.

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, 2021

| | Contributed Roadway Improvement | Library Construction | County Construction | Capital Renewal Construction |
|---|---------------------------------------|-------------------------|------------------------|------------------------------------|
| ASSETS | | | | |
| Equity in pooled cash and temporary investments | \$ 85,519,892 | 2,918,703 | 36,695,657 | 44,932,114 |
| Receivables: | | | | |
| Accounts | - | - | 151,851 | - |
| Accrued interest | - | - | - | - |
| Loans | - | - | - | - |
| Due from intergovernmental units | - | - | 231,527 | - |
| Restricted assets: | | | | |
| Equity in pooled cash and temporary investments | - | 6,360,695 | - | - |
| Cash with fiscal agents | - | - | 1,424,916 | - |
| Total assets | 85,519,892 | 9,279,398 | 38,503,951 | 44,932,114 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Total deferred outflows of resources | - | - | - | - |
| Total assets and deferred outflows of resources | \$ 85,519,892 | 9,279,398 | 38,503,951 | 44,932,114 |
| LIABILITIES | | | | |
| Liabilities: | | | | |
| Accounts payable and accrued liabilities | \$ 44,736 | 446,536 | 4,204,270 | 1,227,252 |
| Accrued salaries and benefits | - | - | 35,037 | - |
| Contract retainages | - | 120,252 | 963,309 | - |
| Due to component units | - | - | 1,939,888 | - |
| Unearned revenues | - | - | 24,639,226 | - |
| Performance and other deposits | 37,134,502 | - | 1,219,059 | - |
| Total liabilities | 37,179,238 | 566,788 | 33,000,789 | 1,227,252 |
| DEFERRED INFLOW OF RESOURCES | | | | |
| Unavailable revenue | - | - | - | - |
| Total deferred inflows of resources | - | - | - | - |
| Total liabilities and deferred inflows of resources | 37,179,238 | 566,788 | 33,000,789 | 1,227,252 |
| FUND BALANCES | | | | |
| Nonspendable: | | | | |
| Total Nonspendable | - | - | - | - |
| Restricted for: | | | | |
| Capital projects | 48,340,654 | 8,712,610 | - | - |
| Total Restricted | 48,340,654 | 8,712,610 | - | - |
| Committed to: | | | | |
| Capital projects | - | - | 5,503,162 | 43,704,862 |
| Total Committed | - | - | 5,503,162 | 43,704,862 |
| Total fund balances | 48,340,654 | 8,712,610 | 5,503,162 | 43,704,862 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 85,519,892 | 9,279,398 | 38,503,951 | 44,932,114 |

EXHIBIT F

| Transportation Improvements | Pedestrian Walkway Improvements | Metro Operations and Construction | |
|--------------------------------|---------------------------------------|--|---|
| | | | ASSETS |
| - | 4,093,401 | - | Equity in pooled cash and temporary investments |
| 2,439,680 | - | - | Receivables: |
| - | - | - | Accounts |
| - | - | - | Accrued interest |
| - | 17,516 | - | Loans |
| 6,897,107 | - | 1,018,329 | Due from intergovernmental units |
| - | - | - | Restricted assets: |
| 9,336,787 | 4,110,917 | 1,018,329 | Equity in pooled cash and temporary investments |
| | | | Cash with fiscal agents |
| | | | Total assets |
| | | | DEFERRED OUTFLOWS OF RESOURCES |
| - | - | - | Total deferred outflows of resources |
| 9,336,787 | 4,110,917 | 1,018,329 | Total assets and deferred outflows of resources |
| | | | LIABILITIES |
| 1,056,061 | 275,982 | - | Liabilities: |
| - | 16,669 | - | Accounts payable and accrued liabilities |
| 741,812 | 24,655 | - | Accrued salaries and benefits |
| - | - | - | Contract retainages |
| - | - | - | Due to component units |
| - | - | - | Unearned revenues |
| - | 128,722 | - | Performance and other deposits |
| 1,797,873 | 446,028 | - | Total liabilities |
| | | | DEFERRED INFLOW OF RESOURCES |
| - | - | - | Unavailable revenue |
| - | - | - | Total deferred inflows of resources |
| 1,797,873 | 446,028 | - | Total liabilities and deferred inflows of resources |
| | | | FUND BALANCES |
| - | - | - | Nonspendable: |
| | | | Total Nonspendable |
| 7,538,914 | - | 1,018,329 | Restricted for: |
| 7,538,914 | - | 1,018,329 | Capital projects |
| | | | Total Restricted |
| - | 3,664,889 | - | Committed to: |
| - | 3,664,889 | - | Capital projects |
| 7,538,914 | 3,664,889 | 1,018,329 | Total Committed |
| | | | Total fund balances |
| 9,336,787 | 4,110,917 | 1,018,329 | Total liabilities, deferred inflows of resources, and fund balances |

continued

COUNTY OF FAIRFAX, VIRGINIA
Capital Projects Funds
Combining Balance Sheet
June 30, 2021

| | Public Safety Construction | Pro Rata Drainage Construction | Environmental and Energy Program |
|---|----------------------------------|--------------------------------------|--|
| ASSETS | | | |
| Equity in pooled cash and temporary investments | \$ 9,750,000 | 5,772,444 | 12,602,452 |
| Receivables: | | | |
| Accounts | - | - | - |
| Accrued interest | - | - | - |
| Loans | - | - | - |
| Due from intergovernmental units | - | - | - |
| Restricted assets: | | | |
| Equity in pooled cash and temporary investments | 1,462,758 | - | - |
| Cash with fiscal agents | 9,574,602 | - | - |
| Total assets | 20,787,360 | 5,772,444 | 12,602,452 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Total deferred outflows of resources | - | - | - |
| Total assets and deferred outflows of resources | \$ 20,787,360 | 5,772,444 | 12,602,452 |
| LIABILITIES | | | |
| Liabilities: | | | |
| Accounts payable and accrued liabilities | \$ 4,824,769 | - | 125,349 |
| Accrued salaries and benefits | - | - | - |
| Contract retainages | 3,919,471 | - | - |
| Due to component units | - | - | 61,026 |
| Unearned revenues | - | - | - |
| Performance and other deposits | - | 61,125 | - |
| Total liabilities | 8,744,240 | 61,125 | 186,375 |
| DEFERRED INFLOW OF RESOURCES | | | |
| Unavailable revenue | - | - | - |
| Total deferred inflows of resources | - | - | - |
| Total liabilities and deferred inflows of resources | 8,744,240 | 61,125 | 186,375 |
| FUND BALANCES | | | |
| Nonspendable: | | | |
| Total Nonspendable | - | - | - |
| Restricted for: | | | |
| Capital projects | 12,043,120 | 5,711,319 | - |
| Total Restricted | 12,043,120 | 5,711,319 | - |
| Committed to: | | | |
| Capital projects | - | - | 12,416,077 |
| Total Committed | - | - | 12,416,077 |
| Total fund balances | 12,043,120 | 5,711,319 | 12,416,077 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 20,787,360 | 5,772,444 | 12,602,452 |

EXHIBIT F

concluded

| The Penny for Affordable Housing | Total Capital Projects Funds | |
|---|---------------------------------------|---|
| | | ASSETS |
| 53,809,468 | 256,094,131 | Equity in pooled cash and temporary investments |
| - | 2,591,531 | Receivables: |
| 5,370,906 | 5,370,906 | Accounts |
| 48,875,310 | 48,875,310 | Accrued interest |
| - | 249,043 | Loans |
| - | 15,738,889 | Due from intergovernmental units |
| - | 10,999,518 | Restricted assets: |
| 108,055,684 | 339,919,328 | Equity in pooled cash and temporary investments |
| | | Cash with fiscal agents |
| | | Total assets |
| | | DEFERRED OUTFLOWS OF RESOURCES |
| - | - | Total deferred outflows of resources |
| 108,055,684 | 339,919,328 | Total assets and deferred outflows of resources |
| | | LIABILITIES AND FUND BALANCES |
| | | Liabilities: |
| 81,851 | 12,286,806 | Accounts payable and accrued liabilities |
| - | 51,706 | Accrued salaries and benefits |
| 18,696 | 5,788,195 | Contract retainages |
| - | 2,000,914 | Due to component units |
| - | 24,639,226 | Unearned revenues |
| - | 38,543,408 | Performance and other deposits |
| 100,547 | 83,310,255 | Total liabilities |
| | | DEFERRED INFLOW OF RESOURCES |
| 5,370,906 | 5,370,906 | Unavailable revenue |
| 5,370,906 | 5,370,906 | Total deferred inflows of resources |
| 5,471,453 | 88,681,161 | Total liabilities and deferred inflows of resources |
| | | FUND BALANCES |
| | | Nonspendable: |
| - | - | Total Nonspendable |
| | | Restricted for: |
| - | 83,364,946 | Capital projects |
| - | 83,364,946 | Total Restricted |
| | | Committed to: |
| 102,584,231 | 167,873,221 | Capital projects |
| 102,584,231 | 167,873,221 | Total Committed |
| 102,584,231 | 251,238,167 | Total fund balances |
| 108,055,684 | 339,919,328 | Total liabilities, deferred inflows of resources, and fund balances |

COUNTY OF FAIRFAX, VIRGINIA

Capital Projects Funds

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

For the fiscal year ended June 30, 2021

| | Contributed Roadway Improvement | Library Construction | County Construction | Capital Renewal Construction |
|--|---------------------------------------|-------------------------|------------------------|------------------------------------|
| REVENUES | | | | |
| Taxes | \$ - | - | - | - |
| Intergovernmental | - | - | - | 419,949 |
| Charges for services | - | - | 1,128,706 | - |
| Developers' contributions | 10,738,041 | - | 100,300 | - |
| Revenue from the use of money and property | 259,556 | - | 399,117 | - |
| Recovered costs | - | - | 775,620 | - |
| Total revenues | 10,997,597 | - | 2,403,743 | 419,949 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government administration | - | - | 951,574 | 986,587 |
| Public safety | - | - | - | - |
| Public works | - | - | 60,277 | - |
| Health and welfare | - | - | 3,936,969 | - |
| Community development | 957,296 | - | 3,575,817 | - |
| Parks, recreation, and cultural | - | 28,512 | 3,253,665 | - |
| Intergovernmental: | | | | |
| Community development | - | - | - | - |
| Parks, recreation, and cultural | - | - | 27,345,731 | - |
| Education - for Public Schools | - | - | 180,000,000 | - |
| Capital outlay: | | | | |
| General government administration | - | - | 1,205,702 | 7,222,083 |
| Public safety | - | - | 2,026,460 | - |
| Public works | - | - | 856,102 | - |
| Health and welfare | - | - | 16,258,742 | - |
| Community development | 2,003,664 | - | 2,591,700 | - |
| Parks, recreation, and cultural | - | 3,607,818 | 832,660 | - |
| Debt service: | | | | |
| Principal retirement | - | - | 645,000 | - |
| Interest and other charges | - | - | 142,642 | - |
| Total expenditures | 2,960,960 | 3,636,330 | 243,683,041 | 8,208,670 |
| Excess (Deficiency of) revenues over (under) expenditures | 8,036,637 | (3,636,330) | (241,279,298) | (7,788,721) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | 25,719,833 | 17,597,375 |
| Transfers out | (181,732) | - | (13,327,431) | (6,723,312) |
| General obligation bonds issued | - | 2,000,000 | 177,190,000 | - |
| Premium on general obligation bonds issued | - | - | 24,549,140 | - |
| Total other financing sources (uses), net | (181,732) | 2,000,000 | 214,131,542 | 10,874,063 |
| Net change in fund balances | 7,854,905 | (1,636,330) | (27,147,756) | 3,085,342 |
| Fund balances, July 1, 2020 | 40,485,749 | 10,348,940 | 32,650,918 | 40,619,520 |
| Fund balances, June 30, 2021 | \$ 48,340,654 | 8,712,610 | 5,503,162 | 43,704,862 |

EXHIBIT F-1

| Transportation Improvements | Pedestrian Walkway Improvements | Metro Operations and Construction | |
|---------------------------------------|---------------------------------------|--|--|
| REVENUES | | | |
| - | - | - | - Taxes |
| - | - | - | - Intergovernmental |
| - | - | - | - Charges for services |
| - | - | - | - Developers' contributions |
| - | - | - | - Revenue from the use of money and property |
| 2,437,344 | - | - | - Recovered costs |
| 2,437,344 | - | - | Total revenues |
| EXPENDITURES | | | |
| Current: | | | |
| - | - | - | - General government administration |
| - | - | - | - Public safety |
| - | - | - | - Public works |
| - | - | - | - Health and welfare |
| 10,065,329 | 1,125,928 | - | - Community development |
| - | - | - | - Parks, recreation, and cultural |
| - | - | 82,239,462 | Intergovernmental: |
| - | - | - | - Community development |
| - | - | - | - Parks, recreation, and cultural |
| - | - | - | - Education - for Public Schools |
| Capital outlay: | | | |
| - | - | - | - General government administration |
| - | - | - | - Public safety |
| 5,092,069 | - | - | - Public works |
| - | - | - | - Health and welfare |
| 226,244 | 1,279,250 | - | - Community development |
| - | - | - | - Parks, recreation, and cultural |
| Debt service: | | | |
| - | - | - | - Principal retirement |
| - | - | - | - Interest and other charges |
| 15,383,642 | 2,405,178 | 82,239,462 | Total expenditures |
| (12,946,298) | (2,405,178) | (82,239,462) | Deficiency of revenues under expenditures |
| OTHER FINANCING SOURCES (USES) | | | |
| - | 4,018,555 | 44,132,156 | Transfers in |
| - | - | (3,153,437) | Transfers out |
| 15,000,000 | - | 36,000,000 | General obligation bonds issued |
| - | - | 6,000,000 | Premium on general obligation bonds issued |
| 15,000,000 | 4,018,555 | 82,978,719 | Total other financing sources (uses), net |
| 2,053,702 | 1,613,377 | 739,257 | Net change in fund balances |
| 5,485,212 | 2,051,512 | 279,072 | Fund balances, July 1, 2020 |
| 7,538,914 | 3,664,889 | 1,018,329 | Fund balances, June 30, 2021 |

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, 2021

| | Public Safety Construction | Commercial Revitalization Program | Pro Rata Drainage Construction | Environmental and Energy Program |
|--|----------------------------------|---|--------------------------------------|--|
| REVENUES | | | | |
| Taxes | \$ - | - | - | - |
| Intergovernmental | - | - | - | - |
| Charges for services | - | - | - | - |
| Developers' contributions | 12,458,273 | - | - | - |
| Revenue from the use of money and property | 57,375 | - | - | - |
| Recovered costs | - | - | 2,655,358 | 29,237 |
| Total revenues | 12,515,648 | - | 2,655,358 | 29,237 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government administration | - | - | - | 352,620 |
| Public safety | 279,029 | - | - | - |
| Public works | - | - | - | - |
| Health and welfare | - | - | - | - |
| Community development | - | - | - | - |
| Parks, recreation, and cultural | - | - | - | - |
| Intergovernmental: | | | | |
| Community development | - | - | - | - |
| Parks, recreation, and cultural | - | - | - | 1,028,294 |
| Education - for Public Schools | - | - | - | - |
| Capital outlay: | | | | |
| General government administration | - | - | - | 139,193 |
| Public safety | 48,365,229 | - | - | - |
| Public works | - | - | 170,837 | 3,521,272 |
| Health and welfare | - | - | - | - |
| Community development | - | - | - | - |
| Parks, recreation, and cultural | - | - | - | - |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and other charges | - | - | - | - |
| Total expenditures | 48,644,258 | - | 170,837 | 5,041,379 |
| Excess (Deficiency of) revenues over (under) expenditures | (36,128,610) | - | 2,484,521 | (5,012,142) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 10,000,000 | - | - | 17,428,219 |
| Transfers out | - | (750,642) | - | - |
| General obligation bonds issued | 24,000,000 | - | - | - |
| Premium on general obligation bonds issued | 6,000,000 | - | - | - |
| Total other financing sources (uses), net | 40,000,000 | (750,642) | - | 17,428,219 |
| Net change in fund balances | 3,871,390 | (750,642) | 2,484,521 | 12,416,077 |
| Fund balances, July 1, 2020 | 8,171,730 | 750,642 | 3,226,798 | - |
| Fund balances, June 30, 2021 | \$ 12,043,120 | - | 5,711,319 | 12,416,077 |

EXHIBIT F-1

concluded

| Housing Assistance Program | The Penny for Affordable Housing | Total Capital Projects Funds | |
|---|----------------------------------|------------------------------|--|
| REVENUES | | | |
| - | 13,247,000 | 13,247,000 | Taxes |
| - | 5,200,000 | 5,619,949 | Intergovernmental |
| - | - | 1,128,706 | Charges for services |
| - | - | 23,296,614 | Developers' contributions |
| - | 800,601 | 1,516,649 | Revenue from the use of money and property |
| - | - | 5,897,559 | Recovered costs |
| - | 19,247,601 | 50,706,477 | Total revenues |
| EXPENDITURES | | | |
| Current: | | | |
| - | - | 2,290,781 | General government administration |
| - | - | 279,029 | Public safety |
| - | - | 60,277 | Public works |
| - | - | 3,936,969 | Health and welfare |
| - | 1,526,946 | 17,251,316 | Community development |
| - | - | 3,282,177 | Parks, recreation, and cultural |
| Intergovernmental: | | | |
| - | 484,067 | 82,723,529 | Community development |
| - | - | 28,374,025 | Parks, recreation, and cultural |
| - | - | 180,000,000 | Education - for Public Schools |
| Capital outlay: | | | |
| - | - | 8,566,978 | General government administration |
| - | - | 50,391,689 | Public safety |
| - | - | 9,640,280 | Public works |
| - | - | 16,258,742 | Health and welfare |
| - | 883,687 | 6,984,545 | Community development |
| - | - | 4,440,478 | Parks, recreation, and cultural |
| Debt service: | | | |
| - | 4,345,000 | 4,990,000 | Principal retirement |
| - | 3,172,813 | 3,315,455 | Interest and other charges |
| - | 10,412,513 | 422,786,270 | Total expenditures |
| Excess (Deficiency of) revenues over (under) expenditures | | | |
| - | 8,835,088 | (372,079,793) | |
| OTHER FINANCING SOURCES (USES) | | | |
| - | 993,137 | 119,889,275 | Transfers in |
| (5,143,235) | - | (29,279,789) | Transfers out |
| - | - | 254,190,000 | General obligation bonds issued |
| - | - | 36,549,140 | Premium on general obligation bonds issued |
| (5,143,235) | 993,137 | 381,348,626 | Total other financing sources (uses), net |
| (5,143,235) | 9,828,225 | 9,268,833 | Net change in fund balances |
| 5,143,235 | 92,756,006 | 241,969,334 | Fund balances, July 1, 2020 |
| - | 102,584,231 | 251,238,167 | Fund balances, June 30, 2021 |



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, 2021

| | Vehicle Services | Self- Insurance | Document Services |
|---|---------------------|--------------------|----------------------|
| ASSETS | | | |
| Current assets: | | | |
| Equity in pooled cash and temporary investments | \$ 64,852,231 | 104,513,018 | 1,598,097 |
| Accounts receivable | 280 | - | 1,574 |
| Due from intergovernmental units | 2,352 | - | - |
| Interfund receivables | - | - | - |
| Inventories of supplies | 3,265,136 | - | - |
| Total unrestricted current assets | 68,119,999 | 104,513,018 | 1,599,671 |
| Total current assets | 68,119,999 | 104,513,018 | 1,599,671 |
| Long-term assets: | | | |
| Capital assets: | | | |
| Non-depreciable/non-amortizable: | | | |
| Land | 1,938,688 | - | - |
| Construction in progress | 14,975,236 | - | - |
| Equipment under construction | 3,904,397 | - | - |
| Depreciable: | | | |
| Vehicles and equipment | 163,067,081 | - | 5,118,502 |
| Software | - | - | - |
| Buildings and improvements | 20,855,984 | - | - |
| Infrastructure | 4,597,790 | - | - |
| Accumulated depreciation | (127,229,972) | - | (5,024,700) |
| Accumulated amortization | - | - | - |
| Total capital assets, net | 82,109,204 | - | 93,802 |
| Total assets | 150,229,203 | 104,513,018 | 1,693,473 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Total deferred outflows of resources | - | - | - |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable and accrued liabilities | 2,268,516 | 153,322 | 315,372 |
| Accrued salaries and benefits | 1,622,165 | 88,590 | 141,684 |
| Compensated absences payable | 1,093,764 | 47,808 | 93,633 |
| Insurance and benefit claims payable | - | 13,500,000 | - |
| Total current liabilities | 4,984,445 | 13,789,720 | 550,689 |
| Long-term liabilities: | | | |
| Compensated absences payable | 1,422,449 | 93,399 | 80,356 |
| Insurance and benefit claims payable | - | 56,496,000 | - |
| Total long-term liabilities | 1,422,449 | 56,589,399 | 80,356 |
| Total liabilities | 6,406,894 | 70,379,119 | 631,045 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Total deferred inflows of resources | - | - | - |
| NET POSITION | | | |
| Net investment in capital assets | 82,109,204 | - | 93,802 |
| Unrestricted | 61,713,105 | 34,133,899 | 968,626 |
| Net position | \$ 143,822,309 | 34,133,899 | 1,062,428 |

EXHIBIT G

| Technology Infrastructure Services | Health Benefits | Total Internal Service Funds | |
|--|--------------------|---------------------------------------|---|
| | | | ASSETS |
| | | | Current assets: |
| 14,876,529 | 86,115,708 | 271,955,583 | Equity in pooled cash and temporary investments |
| 2,808 | - | 4,662 | Accounts receivable |
| - | - | 2,352 | Due from intergovernmental units |
| - | 1,577,996 | 1,577,996 | Interfund receivables |
| - | - | 3,265,136 | Inventories of supplies |
| 14,879,337 | 87,693,704 | 276,805,729 | Total unrestricted current assets |
| 14,879,337 | 87,693,704 | 276,805,729 | Total current assets |
| | | | Long-term assets: |
| | | | Capital assets: |
| | | | Non-depreciable/non-amortizable: |
| - | - | 1,938,688 | Land |
| - | - | 14,975,236 | Construction in progress |
| 61,293 | - | 3,965,690 | Equipment under construction |
| | | | Depreciable: |
| 35,007,208 | 55,909 | 203,248,700 | Equipment |
| 2,200,587 | - | 2,200,587 | Software |
| 1,086,205 | 273,548 | 22,215,737 | Buildings and improvements |
| - | - | 4,597,790 | Infrastructure |
| (26,934,979) | (104,977) | (159,294,628) | Accumulated depreciation |
| (1,711,319) | - | (1,711,319) | Accumulated amortization |
| 9,708,995 | 224,480 | 92,136,481 | Total capital assets, net |
| 24,588,332 | 87,918,184 | 368,942,210 | Total assets |
| | | | DEFERRED OUTFLOWS OF RESOURCES |
| - | - | - | Total deferred outflows of resources |
| | | | LIABILITIES |
| | | | Current liabilities: |
| 2,169,321 | 4,322,533 | 9,229,064 | Accounts payable and accrued liabilities |
| 532,464 | 27,694 | 2,412,597 | Accrued salaries and benefits |
| 444,518 | - | 1,679,723 | Compensated absences payable |
| - | 12,791,000 | 26,291,000 | Insurance and benefit claims payable |
| 3,146,303 | 17,141,227 | 39,612,384 | Total current liabilities |
| | | | Long-term liabilities: |
| 596,596 | - | 2,192,800 | Compensated absences payable |
| - | - | 56,496,000 | Insurance and benefit claims payable |
| 596,596 | - | 58,688,800 | Total long-term liabilities |
| 3,742,899 | 17,141,227 | 98,301,184 | Total liabilities |
| | | | DEFERRED INFLOWS OF RESOURCES |
| - | - | - | Total deferred inflows of resources |
| | | | NET POSITION |
| 9,708,995 | 224,480 | 92,136,481 | Net investment in capital assets |
| 11,136,438 | 70,552,477 | 178,504,545 | Unrestricted |
| 20,845,433 | 70,776,957 | 270,641,026 | 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, 2021

| | Vehicle Services | Self- Insurance | Document Services |
|--|---------------------|--------------------|----------------------|
| OPERATING REVENUES: | | | |
| Charges for services | \$ 66,942,434 | 24,953,799 | 5,257,657 |
| Recovered costs | 86,554 | - | - |
| Total operating revenues | 67,028,988 | 24,953,799 | 5,257,657 |
| OPERATING EXPENSES: | | | |
| Personnel services | 22,783,148 | 1,354,325 | 2,050,373 |
| Materials and supplies | 36,285 | 191,051 | 2,901,799 |
| Equipment operation and maintenance | 21,014,714 | 173,556 | 1,330,463 |
| Risk financing and benefit payments | - | 22,452,267 | - |
| Depreciation | 13,712,686 | - | 1,067,006 |
| Professional consultant and contractual services | 4,092,808 | 201,824 | 1,925,359 |
| Other | 44,097 | 64,121 | 41,046 |
| Total operating expenses | 61,683,738 | 24,437,144 | 9,316,046 |
| Operating income (loss) | 5,345,250 | 516,655 | (4,058,389) |
| NONOPERATING REVENUES (EXPENSES): | | | |
| Interest revenue | - | 278,278 | - |
| Interest expense | - | - | (60,241) |
| Gain (loss) on disposal of capital assets | 507,442 | - | - |
| Total nonoperating revenues (expenses), net | 507,442 | 278,278 | (60,241) |
| Income (loss) before transfers and contributions | 5,852,692 | 794,933 | (4,118,630) |
| Capital contributions | - | - | - |
| Transfers in | - | 6,756,000 | 3,965,515 |
| Change in net position | 5,852,692 | 7,550,933 | (153,115) |
| Net position, July 1, 2020 | 137,969,617 | 26,582,966 | 1,215,543 |
| Net position, June 30, 2021 | \$ 143,822,309 | 34,133,899 | 1,062,428 |

EXHIBIT G-1

| Technology Infrastructure Services | Health Benefits | Total Internal Service Funds | |
|--|--------------------|---------------------------------------|--|
| OPERATING REVENUES: | | | |
| 42,477,299 | 169,472,260 | 309,103,449 | Charges for services |
| - | - | 86,554 | Recovered costs |
| 42,477,299 | 169,472,260 | 309,190,003 | Total operating revenues |
| OPERATING EXPENSES: | | | |
| 7,669,131 | - | 33,856,977 | Personnel services |
| 180,454 | 16,041 | 3,325,630 | Materials and supplies |
| 5,038,894 | 41,496 | 27,599,123 | Equipment operation and maintenance |
| - | 166,616,240 | 189,068,507 | Risk financing and benefit payments |
| 2,938,664 | 17,091 | 17,735,447 | Depreciation |
| 27,010,185 | 35,843 | 33,266,019 | Professional consultant and contractual services |
| 95,005 | 11,758,721 | 12,002,990 | Other |
| 42,932,333 | 178,485,432 | 316,854,693 | Total operating expenses |
| (455,034) | (9,013,172) | (7,664,690) | Operating income (loss) |
| NONOPERATING REVENUES (EXPENSES): | | | |
| - | 240,698 | 518,976 | Interest revenue |
| - | - | (60,241) | Interest expense |
| (33,757) | - | 473,685 | Gain (loss) on disposal of capital assets |
| (33,757) | 240,698 | 932,420 | Total nonoperating revenues (expenses), net |
| (488,791) | (8,772,474) | (6,732,270) | Income (loss) before transfers and contributions |
| 51,270 | - | 51,270 | Capital contributions |
| 4,772,234 | - | 15,493,749 | Transfers in |
| 4,334,713 | (8,772,474) | 8,812,749 | Change in net position |
| 16,510,720 | 79,549,431 | 261,828,277 | Net position, July 1, 2020 |
| 20,845,433 | 70,776,957 | 270,641,026 | Net position, June 30, 2021 |

COUNTY OF FAIRFAX, VIRGINIA
Internal Service Funds
Combining Statement of Cash Flows
For the fiscal year ended June 30, 2021

| | Vehicle Services | Self- Insurance | Document Services |
|--|---------------------|--------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from interfund services provided | \$ 67,047,914 | 24,953,799 | 5,256,709 |
| Payments to suppliers and contractors | (21,132,391) | - | (6,199,515) |
| Payments to employees | (22,628,791) | (1,314,240) | (2,031,041) |
| Claims and benefits paid | - | (20,764,864) | - |
| Payments for interfund services used | (3,726,424) | (630,552) | - |
| Net cash provided by (used in) operating activities | 19,560,308 | 2,244,143 | (2,973,847) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| Transfers from other funds | - | 6,756,000 | 3,965,515 |
| Net cash provided by noncapital financing activities | - | 6,756,000 | 3,965,515 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Proceeds from sale of capital assets | 530,680 | - | - |
| Purchase of capital assets | (13,879,971) | - | - |
| Principal payments on obligations under capital leases | - | - | (1,199,341) |
| Interest payments on obligations under capital leases | - | - | (60,241) |
| Net cash used in capital and related financing activities | (13,349,291) | - | (1,259,582) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest received | - | 278,278 | - |
| Net cash provided by investing activities | - | 278,278 | - |
| Net increase (decrease) in cash and cash equivalents | 6,211,017 | 9,278,421 | (267,914) |
| Cash and cash equivalents, July 1, 2020 | 58,641,214 | 95,234,597 | 1,866,011 |
| Cash and cash equivalents, June 30, 2021 | \$ 64,852,231 | 104,513,018 | 1,598,097 |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | | |
| Operating income (loss) | \$ 5,345,250 | 516,655 | (4,058,389) |
| Adjustments to reconcile operating income (loss) by operating activities: | | | |
| Depreciation and amortization | 13,712,686 | - | 1,067,006 |
| Change in assets and liabilities: | | | |
| Decrease (Increase) in accounts receivable | 21,093 | - | (1,574) |
| Decrease (Increase) in intergovernmental receivables | (2,167) | - | 626 |
| Decrease in interfund receivables | - | - | - |
| Decrease in inventories of supplies | 277,328 | - | - |
| Increase (Decrease) in accounts payable and accrued liabilities | 51,761 | 1,687,403 | (848) |
| Increase (Decrease) in accrued salaries and benefits | 154,357 | 40,085 | 19,332 |
| Increase in due to intergovernmental units | - | - | - |
| Total adjustments to operating income | 14,215,058 | 1,727,488 | 1,084,542 |
| Net cash provided by (used in) operating activities | \$ 19,560,308 | 2,244,143 | (2,973,847) |
| Noncash capital and financing activities: | | | |
| Gain (Loss) on disposal of capital assets | \$ 507,442 | - | - |

EXHIBIT G-2

| Technology Infrastructure Services | Health Benefits | Total Internal Service Funds | |
|--|--------------------|---------------------------------------|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| 42,474,491 | 169,485,596 | 309,218,509 | Receipts from interfund services provided |
| (31,859,245) | (4,647,776) | (63,839,654) | Payments to suppliers and contractors |
| (7,782,337) | - | (33,755,682) | Payments to employees |
| - | (175,517,647) | (196,282,511) | Claims and benefits paid |
| - | - | (4,356,976) | Payments for interfund services used |
| 2,832,909 | (10,679,827) | 10,983,686 | Net cash provided by (used in) operating activities |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| 4,772,234 | - | 15,493,749 | Transfers from other funds |
| 4,772,234 | - | 15,493,749 | Net cash provided by noncapital financing activities |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| - | - | 530,680 | Proceeds from sale of capital assets |
| (3,881,424) | (6,783) | (17,768,178) | Purchase of capital assets |
| - | - | (1,199,341) | Principal payments on obligations under capital leases |
| - | - | (60,241) | Interest payments on obligations under capital leases |
| (3,881,424) | (6,783) | (18,497,080) | Net cash used in capital and related financing activities |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| - | 240,698 | 518,976 | Interest received |
| - | 240,698 | 518,976 | Net cash provided by investing activities |
| 3,723,719 | (10,445,912) | 8,499,331 | Net increase (decrease) in cash and cash equivalents |
| 11,152,810 | 96,561,620 | 263,456,252 | Cash and cash equivalents, July 1, 2020 |
| 14,876,529 | 86,115,708 | 271,955,583 | Cash and cash equivalents, June 30, 2021 |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | | |
| (455,034) | (9,013,172) | (7,664,690) | Operating income (loss) |
| Adjustments to reconcile operating income (loss) by operating activities: | | | |
| 2,938,664 | 17,091 | 17,735,447 | Depreciation and amortization |
| Change in assets and liabilities: | | | |
| (2,808) | - | 16,711 | Decrease (Increase) in accounts receivable |
| - | - | (1,541) | Decrease (Increase) in intergovernmental receivables |
| - | 13,336 | 13,336 | Decrease in interfund receivables |
| - | - | 277,328 | Decrease in inventories of supplies |
| 465,293 | (1,702,188) | 500,694 | Increase (Decrease) in accounts payable and accrued liabilities |
| (113,206) | 5,106 | 105,674 | Increase (Decrease) in accrued salaries and benefits |
| - | - | 727 | Increase in due to intergovernmental units |
| 3,287,943 | (1,666,655) | 18,648,376 | Total adjustments to operating income |
| 2,832,909 | (10,679,827) | 10,983,686 | Net cash provided by (used in) operating activities |
| Noncash capital and financing activities: | | | |
| (33,757) | - | 473,685 | Gain (Loss) on disposal of capital assets |

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

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

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

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

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

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

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

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

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

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

Police Evidence Fund is a custodial fund used to account for the collection and distribution of seized assets.

COUNTY OF FAIRFAX, VIRGINIA
Trust Funds
Combining Statement of Fiduciary Net Position
June 30, 2021

| | Uniformed Retirement | Employees' Retirement | Police Officers Retirement |
|--|-------------------------|--------------------------|-------------------------------|
| ASSETS | | | |
| Equity in pooled cash and temporary investments | \$ 2,151,890 | 7,304,747 | 1,912,618 |
| Cash collateral for securities lending | 19,283,770 | 130,882,230 | 13,523,487 |
| Contributions receivable | 5,270,870 | 13,805,422 | 3,993,883 |
| Accrued interest and dividends receivable | 3,103,469 | 10,374,834 | 2,621,930 |
| Receivable from sale of pension investments | 2,078,729 | 152,889,828 | 3,607,754 |
| Buildings and improvements | 3,949 | 18,430 | 3,949 |
| Vehicles and Equipment | 4,711 | 21,987 | 4,712 |
| Investments: | | | |
| U.S. Government securities | 65,457,530 | 214,000,466 | 78,964,276 |
| Asset-backed securities | 105,861,291 | 117,362,797 | 43,380,369 |
| Corporate and other bonds | 113,880,957 | 407,979,746 | 82,378,203 |
| Common and preferred stock | 387,526,678 | 1,130,853,306 | 208,305,541 |
| Short-term investments | 182,195,144 | 205,607,282 | 65,667,361 |
| Investment in pooled funds | 1,308,801,657 | 3,041,360,995 | 1,328,431,453 |
| Total assets | 2,195,620,645 | 5,432,462,070 | 1,832,795,536 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Total deferred outflows of resources | - | - | - |
| LIABILITIES | | | |
| Accounts payable and accrued liabilities | 5,226,984 | 11,984,068 | 4,640,126 |
| Payable for purchase of pension investments | 6,004,679 | 142,991,611 | 6,362,722 |
| Liabilities for collateral received under securities lending agreements | 19,283,770 | 130,882,230 | 13,523,487 |
| Compensated absences, short term | 28,036 | 89,052 | 21,620 |
| Long-term liabilities: | | | |
| Compensated absences, long-term | 51,621 | 282,683 | 58,038 |
| Total liabilities | 30,595,090 | 286,229,644 | 24,605,993 |
| DEFERRED INFLOW OF RESOURCES | | | |
| Total deferred inflows of resources | - | - | - |
| NET POSITION | | | |
| Net position restricted for OPEB benefits | - | - | - |
| Net position restricted for pension benefits | 2,165,025,555 | 5,146,232,426 | 1,808,189,543 |
| Total Net position | \$ 2,165,025,555 | 5,146,232,426 | 1,808,189,543 |

EXHIBIT H

| Total Pension Trust Funds | OPEB Trust Fund | Total Trust Funds | |
|---------------------------------|--------------------|----------------------|--|
| 11,369,255 | 2,848,791 | 14,218,046 | ASSETS |
| 163,689,487 | - | 163,689,487 | Equity in pooled cash and temporary investments |
| 23,070,175 | 25,034 | 23,095,209 | Cash collateral for securities lending |
| 16,100,233 | 17,584 | 16,117,817 | Contributions receivable |
| 158,576,311 | - | 158,576,311 | Accrued interest and dividends receivable |
| 26,328 | - | 26,328 | Receivable from sale of pension investments |
| 31,410 | - | 31,410 | Buildings and improvements |
| | | | Equipment |
| | | | Investments: |
| 358,422,272 | - | 358,422,272 | U.S. Government securities |
| 266,604,457 | - | 266,604,457 | Asset-backed securities |
| 604,238,906 | - | 604,238,906 | Corporate and other bonds |
| 1,726,685,525 | - | 1,726,685,525 | Common and preferred stock |
| 453,469,787 | - | 453,469,787 | Short-term investments |
| 5,678,594,105 | 421,005,166 | 6,099,599,271 | Investment in pooled funds |
| 9,460,878,251 | 423,896,575 | 9,884,774,826 | Total assets |
| - | - | - | DEFERRED OUTFLOWS OF RESOURCES |
| | | | Total deferred outflows of resources |
| 21,851,178 | 207 | 21,851,385 | LIABILITIES |
| 155,359,012 | - | 155,359,012 | Accounts payable and accrued liabilities |
| | | | Payable for purchase of pension investments |
| 163,689,487 | - | 163,689,487 | Liabilities for collateral received under securities |
| 138,708 | - | 138,708 | lending agreements |
| | | | Compensated absences, short term |
| 392,342 | - | 392,342 | Long-term liabilities: |
| 341,430,727 | 207 | 341,430,934 | Compensated absences, long-term |
| | | | Total liabilities |
| - | - | - | DEFERRED INFLOW OF RESOURCES |
| | | | Total deferred inflows of resources |
| - | 423,896,368 | 423,896,368 | NET POSITION |
| 9,119,447,524 | - | 9,119,447,524 | Net position restricted for OPEB benefits |
| 9,119,447,524 | 423,896,368 | 9,543,343,892 | Net position restricted for pension benefits |
| | | | Total Net position |

COUNTY OF FAIRFAX, VIRGINIA

Trust Funds

Combining Statement of Changes in Fiduciary Net Position

For the fiscal year ended June 30, 2021

| | Uniformed Retirement | Employees' Retirement | Police Officers Retirement |
|---|-------------------------|--------------------------|-------------------------------|
| ADDITIONS | | | |
| Contributions: | | | |
| Employer | \$ 69,464,042 | 227,846,281 | 50,348,130 |
| Plan members | 12,980,620 | 39,914,839 | 14,687,984 |
| Other | - | - | - |
| Total contributions | 82,444,662 | 267,761,120 | 65,036,114 |
| Investment income: | | | |
| From investment activities: | | | |
| Net appreciation in fair value of investments | 440,845,024 | 1,088,170,955 | 439,194,912 |
| Interest | 9,898,772 | 41,753,907 | 9,861,961 |
| Dividends | 12,835,266 | 18,436,766 | 3,421,776 |
| Total income from investment activities | 463,579,062 | 1,148,361,628 | 452,478,649 |
| Less investment activities expenses: | | | |
| Management fees | 21,991,473 | 51,435,671 | 18,946,038 |
| Other | 1,407,498 | 1,944,271 | 765,781 |
| Total investment activities expenses | 23,398,971 | 53,379,942 | 19,711,819 |
| Net income from investment activities | 440,180,091 | 1,094,981,686 | 432,766,830 |
| From securities lending activities: | | | |
| Securities lending income | 250,822 | 1,811,472 | 103,641 |
| Less securities lending expenses: | | | |
| Management fees | 83,680 | 533,475 | 35,989 |
| Total securities lending activities expenses | 83,680 | 533,475 | 35,989 |
| Net income from securities lending activities | 167,142 | 1,277,997 | 67,652 |
| Net investment income | 440,347,233 | 1,096,259,683 | 432,834,482 |
| Total additions | 522,791,895 | 1,364,020,803 | 497,870,596 |
| DEDUCTIONS | | | |
| Benefits payments | 118,290,494 | 353,630,536 | 88,691,929 |
| Refunds of contributions | 899,880 | 3,701,609 | 888,427 |
| Administrative expenses | 678,336 | 2,519,441 | 665,628 |
| Total deductions | 119,868,710 | 359,851,586 | 90,245,984 |
| Net increase (decrease) in fiduciary net position | 402,923,185 | 1,004,169,217 | 407,624,612 |
| Net position, July 1, 2020 | 1,762,102,370 | 4,142,063,209 | 1,400,564,931 |
| Net position, June 30, 2021 | \$ 2,165,025,555 | 5,146,232,426 | 1,808,189,543 |

EXHIBIT H-1

| Total Pension Trust Funds | OPEB Trust Fund | Total Trust Funds | |
|---------------------------------|--------------------|----------------------|---|
| 347,658,453 | 17,974,135 | 365,632,588 | ADDITIONS |
| 67,583,443 | - | 67,583,443 | Contributions: |
| - | 97,913 | 97,913 | Employer |
| 415,241,896 | 18,072,048 | 433,313,944 | Plan members |
| | | | Other |
| | | | Total contributions |
| | | | Investment income: |
| | | | From investment activities: |
| 1,968,210,891 | 98,714,550 | 2,066,925,441 | Net appreciation in fair value |
| 61,514,640 | 5,872 | 61,520,512 | of investments |
| 34,693,808 | - | 34,693,808 | Interest |
| 2,064,419,339 | 98,720,422 | 2,163,139,761 | Dividends |
| | | | Total income from investment activities |
| 92,373,182 | 277,002 | 92,650,184 | Less investment activities expenses: |
| 4,117,550 | 500 | 4,118,050 | Management fees |
| 96,490,732 | 277,502 | 96,768,234 | Other |
| 1,967,928,607 | 98,442,920 | 2,066,371,527 | Total investment activities expenses |
| | | | Net income from investment activities |
| 2,165,935 | - | 2,165,935 | From securities lending activities: |
| | | | Securities lending income |
| 653,144 | - | 653,144 | Less securities lending expenses: |
| 653,144 | - | 653,144 | Management fees |
| 1,512,791 | - | 1,512,791 | Total securities lending activities expenses |
| 1,969,441,398 | 98,442,920 | 2,067,884,318 | Net income from securities lending activities |
| 2,384,683,294 | 116,514,968 | 2,501,198,262 | Net investment income |
| | | | Total additions |
| | | | DEDUCTIONS |
| 560,612,959 | 23,252,169 | 583,865,128 | Benefits payments |
| 5,489,916 | - | 5,489,916 | Refunds of contributions |
| 3,863,405 | 130,788 | 3,994,193 | Administrative expenses |
| 569,966,280 | 23,382,957 | 593,349,237 | Total deductions |
| 1,814,717,014 | 93,132,011 | 1,907,849,025 | Net increase (decrease) in fiduciary net position |
| 7,304,730,510 | 330,764,357 | 7,635,494,867 | Net position, July 1, 2020 |
| 9,119,447,524 | 423,896,368 | 9,543,343,892 | Net position, June 30, 2021 |

COUNTY OF FAIRFAX, VIRGINIA
Custodial Funds
Combining Statement of Fiduciary Net Position
June 30, 2021

| | Sanitary Reimbursement | Special Welfare | State Taxes | Route 28 |
|---|---------------------------|--------------------|-------------|----------|
| ASSETS | | | | |
| Equity in pooled cash and temporary investments | \$ 1,726,413 | 609,486 | 279,187 | 1,028 |
| Accounts receivable | - | - | - | 170,704 |
| Total assets | 1,726,413 | 609,486 | 279,187 | 171,732 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Total deferred outflows of resources | - | - | - | - |
| LIABILITIES | | | | |
| Accounts payable and accrued liabilities | - | - | - | 103 |
| Due to intergovernmental units | - | - | 279,187 | 170,704 |
| Performance and other deposits | 790,526 | - | - | - |
| Total liabilities | 790,526 | - | 279,187 | 170,807 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Total deferred inflows of resources | - | - | - | - |
| NET POSITION | | | | |
| Net position restricted for individuals, organizations, and other governments | \$ 935,887 | 609,486 | - | 925 |

EXHIBIT H-2

| Lake Barcroft | Friends of Library | Toll Road Violations Penalties | Police Evidence Fund | Total Custodial Funds | |
|---------------|--------------------|--------------------------------|----------------------|-----------------------|---|
| | | | | | ASSETS |
| - | 4,248 | 838 | 389,829 | 3,011,029 | Equity in pooled cash and temporary investments |
| 1,102 | - | - | - | 171,806 | Accounts receivable |
| 1,102 | 4,248 | 838 | 389,829 | 3,182,835 | Total assets |
| | | | | | DEFERRED OUTFLOWS OF RESOURCES |
| - | - | - | - | - | Total deferred outflows of resources |
| | | | | | LIABILITIES |
| - | - | - | - | 103 | Accounts payable and accrued liabilities |
| 1,102 | - | - | - | 450,993 | Due to intergovernmental units |
| - | - | - | - | 790,526 | Performance and other deposits |
| 1,102 | - | - | - | 1,241,622 | Total liabilities |
| | | | | | DEFERRED INFLOWS OF RESOURCES |
| - | - | - | - | - | Total deferred inflows of resources |
| | | | | | NET POSITION |
| - | 4,248 | 838 | 389,829 | 1,941,213 | Net position restricted for individuals, organizations, and other governments |

COUNTY OF FAIRFAX, VIRGINIA
Custodial Funds
Combining Statement of Changes in Fiduciary Net Position
For the fiscal year ended June 30, 2021

| | Sanitary Reimbursement | Special Welfare | State Taxes | Route 28 |
|--|---------------------------|--------------------|-------------|------------|
| ADDITIONS | | | | |
| Investment income: | | | | |
| From investment activities: | | | | |
| Interest | \$ 4,629 | 1,567 | - | 2,839 |
| Total income from investment activities | 4,629 | 1,567 | - | 2,839 |
| Less investment activities expenses: | | | | |
| Management fees | 298 | 101 | - | 189 |
| Total investment activities expenses | 298 | 101 | - | 189 |
| Net income from investment activities | 4,331 | 1,466 | - | 2,650 |
| Collections: | | | | |
| Taxes and fees for other governments | - | - | 4,449,179 | 11,803,959 |
| Intergovernmental for individuals | - | 446,424 | - | - |
| Penalty for other governments and organizations | - | - | - | - |
| Other for organizations and individuals | - | 45,253 | - | - |
| Total collections | - | 491,677 | 4,449,179 | 11,803,959 |
| Total additions | 4,331 | 493,143 | 4,449,179 | 11,806,609 |
| DEDUCTIONS | | | | |
| Administrative expenses | - | - | 72,765 | - |
| Payments: | | | | |
| Taxes and fees to other governments | - | - | 4,652,142 | 11,805,684 |
| Intergovernmental collections to individuals | - | 530,056 | - | - |
| Penalties to other governments and organizations | - | - | - | - |
| Other collections to organizations and individuals | - | 4,575 | - | - |
| Total payments | - | 534,631 | 4,652,142 | 11,805,684 |
| Total deductions | - | 534,631 | 4,724,907 | 11,805,684 |
| Net increase (decrease) in fiduciary net position | 4,331 | (41,488) | (275,728) | 925 |
| Net position, July 1, 2020 | - | - | - | - |
| Prior period adjustment | 931,556 | 650,974 | 275,728 | - |
| Net position, June 30, 2021 | \$ 935,887 | 609,486 | - | 925 |

EXHIBIT H-3

| Lake Barcroft | Friends of Library | Toll Road Violations Penalties | Police Evidence Fund | Total Custodial Funds | |
|---------------|--------------------|--------------------------------|----------------------|-----------------------|--|
| | | | | | ADDITIONS |
| | | | | | Investment income: |
| | | | | | From investment activities: |
| - | - | - | - | 9,035 | Interest |
| - | - | - | - | 9,035 | Total income from investment activities |
| | | | | | Less investment activities expenses: |
| - | - | - | - | 588 | Management fees |
| - | - | - | - | 588 | Total investment activities expenses |
| - | - | - | - | 8,447 | Net income from investment activities |
| | | | | | Collections: |
| 1,267,805 | - | - | - | 17,520,943 | Taxes and fees for other governments |
| - | - | - | - | 446,424 | Intergovernmental for individuals |
| - | - | 927,395 | - | 927,395 | Penalty for other governments and organizations |
| - | 31,314 | - | 1,196,701 | 1,273,268 | Other for organizations and individuals |
| 1,267,805 | 31,314 | 927,395 | 1,196,701 | 20,168,030 | Total collections |
| 1,267,805 | 31,314 | 927,395 | 1,196,701 | 20,176,477 | Total additions |
| | | | | | DEDUCTIONS |
| - | - | - | - | 72,765 | Administrative expenses |
| | | | | | Payments: |
| 1,267,805 | - | - | - | 17,725,631 | Taxes and fees to other governments |
| - | - | - | - | 530,056 | Intergovernmental collections to individuals |
| - | - | 927,489 | - | 927,489 | Penalties to other governments and organizations |
| - | 27,153 | - | 806,872 | 838,600 | Other collections to organizations and individuals |
| 1,267,805 | 27,153 | 927,489 | 806,872 | 20,021,776 | Total payments |
| 1,267,805 | 27,153 | 927,489 | 806,872 | 20,094,541 | Total deductions |
| - | 4,161 | (94) | 389,829 | 81,936 | Net increase (decrease) in fiduciary net position |
| - | - | - | - | - | Net position, July 1, 2020 |
| - | 87 | 932 | - | 1,859,277 | Prior period adjustment |
| - | 4,248 | 838 | 389,829 | 1,941,213 | Net position, June 30, 2021 |

Fairfax County Public Schools (Public Schools) is responsible for elementary and secondary education within the County. The School Board is elected by County voters. Public Schools is fiscally dependent on the County in that its operations are funded primarily by payments from the County's General Fund and the County issues general obligation debt to fund Public Schools capital projects.

General Fund is used to account for expenditures to operate, maintain, and support Public Schools' programs. Its primary sources of revenues are Federal and State aid and payments from the County's General Fund.

Capital Projects Fund is used to account for the renovation, expansion, and new construction of school facilities as authorized by voter referendum and for other capital expenditures. Projects are funded primarily by proceeds from the sale of County general obligation bonds.

Food and Nutrition Services Fund is a special revenue fund used to account for the provision of student breakfasts, snacks, and lunches. Primary sources of revenues are Federal and State aid and receipts from food sales.

Grants and Self-Supporting Programs Fund is a special revenue fund used to account for federal, state, non-profit, and private industry grants that support the Instructional Services, Student Services, Special Education, and Information Technology programs.

Adult and Community Education Fund is a special revenue fund used to account for programs pertaining to basic skills education, high school completion, English as a second language, apprenticeship and occupation skills instruction, family literacy, driver education, SAT preparation, and business contracts.

Health Benefits Trust Fund is an internal service fund used to account for the provision of a comprehensive health insurance benefits program to Public Schools' employees.

Insurance Fund is an internal service fund that is used to account for the Public Schools' casualty liability obligations, including the provision of workers' compensation benefits in the form of medical and disability payments to Public Schools' employees who sustain occupational injuries.

Pension Trust Fund is used to account for the Educational Employees' Supplementary Retirement System, which provides pension benefits for Public Schools' employees.

OPEB Trust Fund is used to account for a single-employer other postemployment defined benefit plan.

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Public Schools
Balance Sheet - Governmental Funds
June 30, 2021

| | | | Nonmajor Governmental | |
|---|-----------------------|-----------------------|-----------------------------|-------------------------------------|
| | | | Special Revenue | |
| | General Fund | Capital Projects Fund | Food and Nutrition Services | Grants and Self-Supporting Programs |
| ASSETS | | | | |
| Equity in pooled cash and temporary investments | \$ 317,414,736 | 280,741 | 5,648,228 | 18,294,817 |
| Cash with fiscal agents | 90,475 | - | - | - |
| Receivables: | | | | |
| Accounts | 570,529 | - | 158,269 | 28,955 |
| Accrued interest | - | - | 11,332 | - |
| Due from intergovernmental units | 48,153,582 | - | 4,151,021 | 15,488,327 |
| Due from Primary Government | 121,630 | - | 114,212 | - |
| Interfund receivables | 300,000 | - | - | - |
| Inventories of supplies | - | - | 1,399,420 | - |
| Prepaid and other assets | 54,167 | - | - | - |
| Restricted assets - investments | - | 121,248,325 | - | - |
| Total assets | 366,705,119 | 121,529,066 | 11,482,482 | 33,812,099 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Total deferred outflows of resources | - | - | - | - |
| Total assets and deferred outflows of resources | \$ 366,705,119 | 121,529,066 | 11,482,482 | 33,812,099 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable and accrued liabilities | \$ 14,053,724 | 21,758,486 | 430,033 | 75,724 |
| Accrued salaries and benefits | 91,642,809 | 13,482 | 1,673,444 | 70,499 |
| Contract retainages | - | 15,037,923 | - | - |
| Interfund payables | - | - | - | - |
| Due to intergovernmental units | 1,917,045 | - | - | - |
| Due to component unit - Primary Government | - | - | - | 196,515 |
| Unearned revenues | 37,292 | - | 3,151,617 | 1,962,216 |
| Performance and other deposits | - | 17,116,723 | - | - |
| Total liabilities | 107,650,870 | 53,926,614 | 5,255,094 | 2,304,954 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Total deferred inflows of resources | - | - | - | - |
| Total liabilities and deferred inflows of resources | 107,650,870 | 53,926,614 | 5,255,094 | 2,304,954 |
| FUND BALANCES | | | | |
| Nonspendable | 54,167 | - | 1,399,420 | - |
| Restricted | - | 67,602,452 | 4,827,968 | 31,507,145 |
| Committed | 39,930,286 | - | - | - |
| Assigned | 215,665,132 | - | - | - |
| Unassigned | 3,404,664 | - | - | - |
| Total fund balances | 259,054,249 | 67,602,452 | 6,227,388 | 31,507,145 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 366,705,119 | 121,529,066 | 11,482,482 | 33,812,099 |
| Reconciliation of the Balance Sheet to the Statement of Net Position | | | | |
| Fund balances - Total governmental funds | | | | \$ 363,833,358 |
| Amounts reported for governmental activities in the Statement of Net Position are different because: | | | | |
| Capital assets used in governmental fund activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$5,159,112,928 and accumulated depreciation/amortization is \$2,474,902,989. | | | | 2,684,209,939 |
| 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 \$117,326,195, and the net OPEB liability is \$387,461,319. The deferred inflow related to OPEB liability is \$136,391,349. | | | | (406,526,473) |
| 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 \$14,037,906 and accumulated amortization is \$9,073,162. | | | | 4,964,744 |
| 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. | | | | 126,445,706 |
| 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. | | | | (38,742,140) |
| Capital leases are not due and payable in the current periods and, therefore, are not reported in the funds. | | | | (109,792,305) |
| Accrued interest on long-term debt | | | | (980,521) |
| Accrued rent | | | | (4,154,666) |
| Revisions of capital lease agreement resulting in a reduction of capital lease obligation are reported as deferred inflows in the Statement of Net Position. | | | | (3,044,188) |
| 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 \$1,037,364,843, and the net pension liability is \$4,115,292,995. The deferred inflow related to pension liability is \$193,140,228. | | | | (3,271,068,381) |
| Net position of governmental activities | | | | <u>\$ (654,854,927)</u> |

EXHIBIT I

| Funds | | | |
|-------------------------------------|--------------------------------|--|--|
| Funds | | | |
| Adult and Community Education | Total Governmental Funds | | |
| | | ASSETS | |
| 87,777 | 341,726,299 | Equity in pooled cash and temporary investments | |
| - | 90,475 | Cash with fiscal agents | |
| | | Receivables: | |
| 4,031 | 761,784 | Accounts | |
| 1,206 | 12,538 | Accrued interest | |
| 779,775 | 68,572,705 | Due from intergovernmental units | |
| - | 235,842 | Due from Primary Government | |
| - | 300,000 | Interfund receivables | |
| - | 1,399,420 | Inventories of supplies | |
| 34,739 | 88,906 | Prepaid and other assets | |
| - | 121,248,325 | Restricted assets - investments | |
| 907,528 | 534,436,294 | Total assets | |
| | | DEFERRED OUTFLOWS OF RESOURCES | |
| - | - | Total deferred outflows of resources | |
| 907,528 | 534,436,294 | Total assets and deferred outflows of resources | |
| | | LIABILITIES AND FUND BALANCES | |
| | | Liabilities: | |
| 206,561 | 36,524,528 | Accounts payable and accrued liabilities | |
| 514,474 | 93,914,708 | Accrued salaries and benefits | |
| - | 15,037,923 | Contract retainages | |
| 300,000 | 300,000 | Interfund payables | |
| - | 1,917,045 | Due to intergovernmental units | |
| - | 196,515 | Due to component unit - Primary Government | |
| 444,369 | 5,595,494 | Unearned revenues | |
| - | 17,116,723 | Performance and other deposits | |
| 1,465,404 | 170,602,936 | Total liabilities | |
| | | DEFERRED INFLOWS OF RESOURCES | |
| - | - | Total deferred inflows of resources | |
| 1,465,404 | 170,602,936 | Total liabilities and deferred inflows of resources | |
| | | FUND BALANCES | |
| 34,739 | 1,488,326 | Nonspendable | |
| - | 103,937,565 | Restricted | |
| - | 39,930,286 | Committed | |
| - | 215,665,132 | Assigned | |
| (592,615) | 2,812,049 | Unassigned | |
| (557,876) | 363,833,358 | Total fund balances | |
| 907,528 | 534,436,294 | 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, 2021

| | | Nonmajor | |
|--|------------------|-----------------------------|-----------------------------------|
| | General Fund | Capital Projects Fund | Food and Nutrition Services |
| REVENUES | | | |
| Intergovernmental | \$ 3,019,343,647 | 194,286,862 | 54,579,493 |
| Charges for services | 9,786,748 | - | 1,327,645 |
| Revenue from the use of money and property | 1,328,493 | - | 8,811 |
| Recovered costs | 47,656,514 | - | - |
| Other | 16,534,240 | 1,584,801 | 1,351,916 |
| Total revenues | 3,094,649,642 | 195,871,663 | 57,267,865 |
| EXPENDITURES | | | |
| Current: | | | |
| Education | 2,918,381,277 | 16,884,770 | 67,173,607 |
| Capital outlay | 62,858,918 | 144,171,701 | 25,187 |
| Debt service: | | | |
| Principal retirement | 26,913,526 | - | 16,715 |
| Interest and other charges | 3,392,510 | - | 3,942 |
| Total expenditures | 3,011,546,231 | 161,056,471 | 67,219,451 |
| Excess (deficiency) of revenues over (under) expenditures | 83,103,411 | 34,815,192 | (9,951,586) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | - | 13,078,444 | 9,648,031 |
| Transfers out | (44,299,257) | - | - |
| Capital leases and installment purchases | 52,794,524 | - | 25,187 |
| Total other financing sources (uses), net | 8,495,267 | 13,078,444 | 9,673,218 |
| Net change in fund balances | 91,598,678 | 47,893,636 | (278,368) |
| Fund balances, July 1, 2020 | 144,487,946 | 19,708,816 | 6,569,746 |
| Prior period adjustments | 22,967,625 | - | - |
| Decrease in reserve for inventories of supplies | - | - | (63,990) |
| Fund balances, June 30, 2021 | \$ 259,054,249 | 67,602,452 | 6,227,388 |

EXHIBIT I-1

| Governmental Special Revenue | Funds Funds | | |
|---|-------------------------------------|--------------------------------|--|
| Grants and Self-Supporting Programs | Adult and Community Education | Total Governmental Funds | |
| 46,862,198 | 1,910,786 | 3,316,982,986 | REVENUES |
| 2,089,899 | 2,375,948 | 15,580,240 | Intergovernmental |
| 41,705 | 12,251 | 1,391,260 | Charges for services |
| - | - | 47,656,514 | Revenue from the use of money and property |
| 1,035,648 | 1,049 | 20,507,654 | Recovered costs |
| 50,029,450 | 4,300,034 | 3,402,118,654 | Other |
| | | | Total revenues |
| | | | EXPENDITURES |
| 62,976,443 | 5,832,485 | 3,071,248,582 | Current: |
| 25,312 | 11,273 | 207,092,391 | Education |
| | | | Capital outlay |
| 3,024 | 2,586 | 26,935,851 | Debt service: |
| 896 | 258 | 3,397,606 | Principal retirement |
| 63,005,675 | 5,846,602 | 3,308,674,430 | Interest and other charges |
| | | | Total expenditures |
| (12,976,225) | (1,546,568) | 93,444,224 | Excess (deficiency) of revenues over (under) expenditures |
| | | | OTHER FINANCING SOURCES (USES) |
| 20,371,245 | 1,201,537 | 44,299,257 | Transfers in |
| - | - | (44,299,257) | Transfers out |
| 16,313 | 11,273 | 52,847,297 | Capital leases and installment purchases |
| 20,387,558 | 1,212,810 | 52,847,297 | Total other financing sources (uses), net |
| 7,411,333 | (333,758) | 146,291,521 | Net change in fund balances |
| 24,095,812 | (224,118) | 194,638,202 | Fund balances, July 1, 2020 |
| - | - | 22,967,625 | Prior period adjustments |
| - | - | (63,990) | Decrease in reserve for inventories of supplies |
| 31,507,145 | (557,876) | 363,833,358 | Fund balances, June 30, 2021 |

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, 2021

EXHIBIT I-1
concluded

Net change in fund balances - Total governmental funds \$ 146,291,521

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 | \$ 207,092,391 | |
| Less depreciation/amortization expense | <u>(174,381,216)</u> | 32,711,175 |

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. 2,340,137

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. (297,363)

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. 26,935,851

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. (1,287,748)

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. 21,671,492

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. (431,203)

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 installment purchases. (52,847,297)

Rent abatement charges reduce deferred rent in government-wide statements, but do not use current resources so are not reported in governmental funds. 67,647

Inventory changes impact net position in government-wide statements, but are recorded as expenditures when purchase in governmental fund statements. (63,990)

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. (127,008,084)

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. 32,994,465

Change in net position of governmental activities \$ 81,306,353

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT I-2

Fairfax County Public Schools

Budgetary Comparison Schedule - General Fund (Budget Basis)

For the fiscal year ended June 30, 2021

| | Budgeted Amounts | | Actual Amounts | Variance from |
|--|------------------|-----------------|-----------------|--|
| | Original | Final | (Budget Basis) | Final Budget Positive (Negative) |
| REVENUES | | | | |
| Intergovernmental | \$ 839,444,663 | 874,130,216 | 875,146,436 | 1,016,220 |
| Charges for services | 14,768,297 | 14,768,297 | 9,786,748 | (4,981,549) |
| Revenue from the use of money and property | 3,686,259 | 3,686,259 | 1,328,493 | (2,357,766) |
| Recovered costs | 49,573,557 | 49,573,557 | 47,656,514 | (1,917,043) |
| Other | 8,996,134 | 8,996,134 | 3,914,342 | (5,081,792) |
| Total revenues | 916,468,910 | 951,154,463 | 937,832,533 | (13,321,930) |
| EXPENDITURES | | | | |
| Education | 3,057,621,695 | 3,166,442,898 | 2,942,528,053 | 223,914,845 |
| Total expenditures | 3,057,621,695 | 3,166,442,898 | 2,942,528,053 | 223,914,845 |
| Excess (deficiency) of revenues over (under) expenditures | (2,141,152,785) | (2,215,288,435) | (2,004,695,520) | 210,592,915 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 2,144,197,211 | 2,144,197,211 | 2,144,197,211 | - |
| Transfers out | (34,067,094) | (47,772,632) | (47,772,632) | - |
| Total other financing sources, net | 2,110,130,117 | 2,096,424,579 | 2,096,424,579 | - |
| Net change in fund balance | \$ (31,022,668) | (118,863,856) | 91,729,059 | 210,592,915 |

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT I-3A

Fairfax County Public Schools

Budgetary Comparison Schedule - Food and Nutrition Services Fund (Budget Basis)

For the fiscal year ended June 30, 2021

| | Budgeted Amounts | | Actual Amounts | Variance from |
|--|------------------|--------------|----------------|--|
| | Original | Final | (Budget Basis) | Final Budget Positive (Negative) |
| REVENUES | | | | |
| Intergovernmental | \$ 42,775,597 | 51,547,475 | 54,579,493 | 3,032,018 |
| Charges for services | 40,915,946 | 1,244,550 | 1,327,645 | 83,095 |
| Revenue from the use of money and property | 171,277 | 171,277 | 8,811 | (162,466) |
| Other | 5,000 | 205,000 | 1,351,916 | 1,146,916 |
| Total revenues | 83,867,820 | 53,168,302 | 57,267,865 | 4,099,563 |
| EXPENDITURES | | | | |
| Education | 101,777,879 | 69,386,079 | 67,194,264 | 2,191,815 |
| Total expenditures | 101,777,879 | 69,386,079 | 67,194,264 | 2,191,815 |
| Excess (deficiency) of revenues over (under) expenditures | (17,910,059) | (16,217,777) | (9,926,399) | 6,291,378 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in from primary government | - | 9,648,031 | 9,648,031 | - |
| Total other financing sources | - | 9,648,031 | 9,648,031 | - |
| Net change in fund balance | \$ (17,910,059) | (6,569,746) | (278,368) | 6,291,378 |

COUNTY OF FAIRFAX, VIRGINIA

Fairfax County Public Schools

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

For the fiscal year ended June 30, 2021

EXHIBIT I-3B

| | Budgeted Amounts | | Actual Amounts | Variance from |
|--|------------------|--------------|----------------|--|
| | Original | Final | (Budget Basis) | Final Budget Positive (Negative) |
| REVENUES | | | | |
| Intergovernmental | \$ 52,165,749 | 74,705,390 | 44,975,417 | (29,729,973) |
| Charges for services | 3,308,550 | 3,308,550 | 2,089,899 | (1,218,651) |
| Revenue from the use of money and property | 40,000 | 40,000 | 41,705 | 1,705 |
| Other | 380,107 | 1,332,950 | 1,035,648 | (297,302) |
| Total revenues | 55,894,406 | 79,386,890 | 48,142,669 | (31,244,221) |
| EXPENDITURES | | | | |
| Education | 82,346,696 | 125,740,730 | 62,989,362 | 62,751,368 |
| Total expenditures | 82,346,696 | 125,740,730 | 62,989,362 | 62,751,368 |
| Excess (deficiency) of revenues over (under) expenditures | (26,452,290) | (46,353,840) | (14,846,693) | 31,507,147 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in from other governmental funds | 20,371,245 | 20,371,245 | 20,371,245 | - |
| Transfers in from Primary Government | 2,260,414 | 1,886,781 | 1,886,781 | - |
| Total other financing sources | 22,631,659 | 22,258,026 | 22,258,026 | - |
| Net change in fund balance | \$ (3,820,631) | (24,095,814) | 7,411,333 | 31,507,147 |

COUNTY OF FAIRFAX, VIRGINIA

Fairfax County Public Schools

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

For the fiscal year ended June 30, 2021

EXHIBIT I-3C

| | Budgeted Amounts | | Actual Amounts | Variance from |
|--|------------------|-----------|----------------|--|
| | Original | Final | (Budget Basis) | Final Budget Positive (Negative) |
| REVENUES | | | | |
| Intergovernmental | \$ 1,752,023 | 2,188,460 | 1,910,786 | (277,674) |
| Charges for services | 4,033,603 | 4,033,603 | 2,375,948 | (1,657,655) |
| Revenue from the use of money and property | 37,736 | 37,736 | 12,251 | (25,485) |
| Other | 65,035 | 65,035 | 1,049 | (63,986) |
| Total revenues | 5,888,397 | 6,324,834 | 4,300,034 | (2,024,800) |
| EXPENDITURES | | | | |
| Education | 6,978,319 | 7,302,254 | 5,835,329 | 1,466,925 |
| Total expenditures | 6,978,319 | 7,302,254 | 5,835,329 | 1,466,925 |
| Excess (deficiency) of revenues over (under) expenditures | (1,089,922) | (977,420) | (1,535,295) | (557,875) |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | 975,000 | 1,201,537 | 1,201,537 | - |
| Total other financing sources | 975,000 | 1,201,537 | 1,201,537 | - |
| Net change in fund balance | \$ (114,922) | 224,117 | (333,758) | (557,875) |

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Public Schools
Combining Statement of Net Position - Internal Service Funds
June 30, 2021

EXHIBIT I-4

| | Health Benefits Trust | Insurance | Total Internal Service Funds |
|---|--------------------------|------------|---------------------------------|
| ASSETS | | | |
| Current assets: | | | |
| Equity in pooled cash and temporary investments | \$ 155,338,416 | 53,150,302 | 208,488,718 |
| Cash in escrow | - | 138,038 | 138,038 |
| Accounts receivable | 14,636,061 | - | 14,636,061 |
| Total assets | 169,974,477 | 53,288,340 | 223,262,817 |
| DEFERRED OUTFLOW OF RESOURCES | | | |
| Total deferred outflows of resources | - | - | - |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable and accrued liabilities | \$ 11,273,796 | 320,373 | 11,594,169 |
| Compensated absences payable | 151,808 | 62,894 | 214,702 |
| Insurance and benefit claims payable | 20,786,000 | 10,047,347 | 30,833,347 |
| Unearned revenue | 12,799,489 | - | 12,799,489 |
| Total current liabilities | 45,011,093 | 10,430,614 | 55,441,707 |
| Long-term liabilities: | | | |
| Compensated absences payable | 65,061 | 26,955 | 92,016 |
| Insurance and benefit claims payable | 1,094,000 | 40,189,388 | 41,283,388 |
| Total long-term liabilities | 1,159,061 | 40,216,343 | 41,375,404 |
| Total liabilities | 46,170,154 | 50,646,957 | 96,817,111 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Total deferred inflows of resources | - | - | - |
| NET POSITION | | | |
| Unrestricted | 123,804,323 | 2,641,383 | 126,445,706 |
| Net position | \$ 123,804,323 | 2,641,383 | 126,445,706 |

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, 2021

| | Health Benefits Trust | Insurance | Total Internal Service Funds |
|--|--------------------------|------------|---------------------------------|
| OPERATING REVENUES: | | | |
| Charges for services | \$ 468,343,051 | 15,606,931 | 483,949,982 |
| Total operating revenues | 468,343,051 | 15,606,931 | 483,949,982 |
| OPERATING EXPENSES: | | | |
| Personnel services | 3,273,614 | 1,191,239 | 4,464,853 |
| Claims and benefit payments | 430,569,980 | 13,653,787 | 444,223,767 |
| Professional consultant and contractual services | 12,602,355 | 1,119,991 | 13,722,346 |
| Other | 27,730 | 325,154 | 352,884 |
| Total operating expenses | 446,473,679 | 16,290,171 | 462,763,850 |
| Operating gain / (loss) | 21,869,372 | (683,240) | 21,186,132 |
| NONOPERATING REVENUES: | | | |
| Interest revenue | 485,360 | - | 485,360 |
| Total nonoperating revenues | 485,360 | - | 485,360 |
| Change in net position | 22,354,732 | (683,240) | 21,671,492 |
| Net position, July 1, 2020 | 101,449,591 | 3,324,623 | 104,774,214 |
| Net position, June 30, 2021 | \$ 123,804,323 | 2,641,383 | 126,445,706 |

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Public Schools
Combining Statement of Cash Flows - Internal Service Funds
For the fiscal year ended June 30, 2021

EXHIBIT I-6

| | Health Benefits Trust | Insurance | Total Internal Service Funds |
|--|--------------------------|-------------|---------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from interfund services provided | \$ 464,099,079 | 15,606,931 | 479,706,010 |
| Payments to employees | (3,273,614) | (1,191,239) | (4,464,853) |
| Claims and benefits paid | (424,984,417) | (9,803,654) | (434,788,071) |
| Payments for professional services | (11,108,518) | (1,101,198) | (12,209,716) |
| Payments for other operating expenses | (27,730) | (325,154) | (352,884) |
| Net cash provided by operating activities | 24,704,800 | 3,185,686 | 27,890,486 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest received | 485,360 | - | 485,360 |
| Net cash provided by investing activities | 485,360 | - | 485,360 |
| Net increase in cash and cash equivalents | 25,190,160 | 3,185,686 | 28,375,846 |
| Cash and cash equivalents, July 1, 2020 | 130,148,256 | 50,102,654 | 180,250,910 |
| Cash and cash equivalents, June 30, 2021 | 155,338,416 | 53,288,340 | 208,626,756 |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | | |
| Operating gain (loss) | 21,869,372 | (683,240) | 21,186,132 |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | | |
| Change in assets and liabilities: | | | |
| Increase in accounts receivable | (4,603,309) | - | (4,603,309) |
| Increase in accounts payable and accrued liabilities | 1,493,837 | 18,793 | 1,512,630 |
| Increase in actuarial claims payable | 5,605,000 | 3,823,551 | 9,428,551 |
| Increase (decrease) in compensated absences | (19,437) | 26,582 | 7,145 |
| Increase in unearned revenues | 359,337 | - | 359,337 |
| Total adjustments to operating loss | 2,835,428 | 3,868,926 | 6,704,354 |
| Net cash provided by operating activities | \$ 24,704,800 | 3,185,686 | 27,890,486 |

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Public Schools
Fiduciary Funds
Statement of Fiduciary Net Position - Trust Funds
June 30, 2021

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 | \$ 554,641 | - | 554,641 |
| Cash with fiscal agents | 489,213 | - | 489,213 |
| Cash collateral for securities lending | 147,105,099 | - | 147,105,099 |
| Short-term investments | 82,434,178 | - | 82,434,178 |
| Accounts receivable | 2,589 | 37,200 | 39,789 |
| Accrued interest and dividends receivable | 5,873,379 | - | 5,873,379 |
| Receivable from sale of pension investments | 36,302,369 | 1,430,616 | 37,732,985 |
| Investments: | | | |
| Commingled funds | 1,121,919,693 | - | 1,121,919,693 |
| U.S. government obligations | 134,299,276 | - | 134,299,276 |
| Asset and mortgage-backed securities | 131,235,280 | - | 131,235,280 |
| Corporate and international bonds | 344,900,532 | - | 344,900,532 |
| Convertible and preferred securities | 10,733,586 | - | 10,733,586 |
| Stocks | 567,415,582 | - | 567,415,582 |
| Municipal bonds | 629,074 | - | 629,074 |
| Real estate | 156,132,124 | - | 156,132,124 |
| Multi asset class solutions | 306,184,789 | - | 306,184,789 |
| Hedge funds | 187,556,946 | - | 187,556,946 |
| Private equity | 210,360,927 | - | 210,360,927 |
| Private debt | 28,307,673 | - | 28,307,673 |
| Infrastructure | 229,486 | - | 229,486 |
| Investment in pooled funds | - | 206,944,010 | 206,944,010 |
| Equipment, net of depreciation | 40,854 | - | 40,854 |
| Total assets | 3,472,707,290 | 208,411,826 | 3,681,119,116 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Total deferred outflows of resources | - | - | - |
| LIABILITIES | | | |
| Accounts payable and accrued liabilities | \$ 2,339,106 | 37,200 | 2,376,306 |
| Payable for purchase of pension investments | 51,085,575 | - | 51,085,575 |
| Liabilities for collateral received under securities lending agreements | 147,105,099 | - | 147,105,099 |
| Capital leases | 26,426 | - | 26,426 |
| Total liabilities | 200,556,206 | 37,200 | 200,593,406 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Total deferred inflows of resources | - | - | - |
| NET POSITION | | | |
| Held in trust for pension/OPEB benefits | \$ 3,272,151,084 | 208,374,626 | 3,480,525,710 |

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT I-8

Fairfax County Public Schools

Statement of Changes in Fiduciary Net Position - Trust Funds

For the fiscal year ended June 30, 2021

| | Pension Trust Fund - Educational Employees' Supplementary Retirement System | OPEB Trust Fund | Total Pension and OPEB Trust Funds |
|---|--|-----------------|---------------------------------------|
| ADDITIONS | | | |
| Contributions: | | | |
| Employer | \$ 104,784,310 | 15,348,747 | 120,133,057 |
| Plan members | 48,934,340 | - | 48,934,340 |
| Total contributions | 153,718,650 | 15,348,747 | 169,067,397 |
| Investment income: | | | |
| From investment activities: | | | |
| Net appreciation in fair value of investments | 698,406,122 | 47,506,730 | 745,912,852 |
| Interest and dividends | 31,046,491 | 72 | 31,046,563 |
| Total gain from investment activities | 729,452,613 | 47,506,802 | 776,959,415 |
| Less investment activities expenses: | | | |
| Management fees | 7,330,144 | 100,744 | 7,430,888 |
| Other | 1,743,666 | 500 | 1,744,166 |
| Total investment activities expenses | 9,073,810 | 101,244 | 9,175,054 |
| Net gain from investment activities | 720,378,803 | 47,405,558 | 767,784,361 |
| From securities lending activities: | | | |
| Securities lending income | 504,955 | - | 504,955 |
| Less securities lending expenses: | | | |
| Management fees | (145,078) | - | (145,078) |
| Total securities lending activities expenses | (145,078) | - | (145,078) |
| Net income from securities lending activities | 359,877 | - | 359,877 |
| Net investment gain | 720,738,680 | 47,405,558 | 768,144,238 |
| Total additions | 874,457,330 | 62,754,305 | 937,211,635 |
| DEDUCTIONS | | | |
| Benefits payments | 187,660,019 | 10,348,747 | 198,008,766 |
| Refunds of contributions | 3,605,963 | - | 3,605,963 |
| Administrative expenses | 4,423,439 | - | 4,423,439 |
| Total deductions | 195,689,421 | 10,348,747 | 206,038,168 |
| Change in net position | 678,767,909 | 52,405,558 | 731,173,467 |
| Net position, July 1, 2020 | 2,593,383,175 | 155,969,068 | 2,749,352,243 |
| Net position, June 30, 2021 | \$ 3,272,151,084 | 208,374,626 | 3,480,525,710 |



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, 2021

EXHIBIT J

| | Housing Authority | Component Units | Total Entity |
|--|----------------------|--------------------|---------------|
| ASSETS | | | |
| Current assets: | | | |
| Equity in pooled cash and temporary investments | \$ 24,333,274 | - | 24,333,274 |
| Cash in bank | 34,091,793 | 7,041,352 | 41,133,145 |
| Investments | 2,205,000 | - | 2,205,000 |
| Receivables (net of allowances): | | | |
| Accounts | 5,314,675 | 109,223 | 5,423,898 |
| Accrued interest | 151,743 | - | 151,743 |
| Notes | 239,901 | - | 239,901 |
| Prepaid and other assets | 387,098 | 114,942 | 502,040 |
| Restricted assets: | | | |
| Cash reserves | 15,909,635 | - | 15,909,635 |
| Performance and other deposits | 8,721,783 | 386,760 | 9,108,543 |
| Investments | 1,212,739 | - | 1,212,739 |
| Total current assets | 92,567,641 | 7,652,277 | 100,219,918 |
| Long-term assets: | | | |
| Restricted assets: | | | |
| Cash reserves | 25,015,133 | 29,928,348 | 54,943,481 |
| Total restricted assets | 25,015,133 | 29,928,348 | 54,943,481 |
| Capital assets: | | | |
| Non-depreciable/non-amortizable: | | | |
| Land | 36,886,081 | 7,504,792 | 44,390,873 |
| Construction in progress | 3,876,835 | - | 3,876,835 |
| Depreciable/amortizable: | | | |
| Vehicles and equipment | 1,180,607 | 6,205,575 | 7,386,182 |
| Buildings and improvements | 181,559,343 | 53,861,041 | 235,420,384 |
| Accumulated depreciation | (132,581,600) | (15,315,075) | (147,896,675) |
| Total capital assets, net | 90,921,266 | 52,256,333 | 143,177,599 |
| Other long-term assets: | | | |
| Notes receivable | 28,150,084 | - | 28,150,084 |
| Prepaid and other assets | 2,722,883 | 100,991 | 2,823,874 |
| Total other long-term assets | 30,872,967 | 100,991 | 30,973,958 |
| Total long-term assets | 146,809,366 | 82,285,672 | 229,095,038 |
| Total assets | 239,377,007 | 89,937,949 | 329,314,956 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred outflow for pensions | 8,315,152 | - | 8,315,152 |
| Deferred outflow for OPEB | 1,905,940 | - | 1,905,940 |
| Total deferred outflows of resources | 10,221,092 | - | 10,221,092 |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable and accrued liabilities | \$ 3,387,627 | 2,040,809 | 5,428,436 |
| Accrued salaries and benefits | 1,003,133 | - | 1,003,133 |
| Due to FCRHA | - | 1,682,405 | 1,682,405 |
| Unearned revenues | 781,354 | 174,239 | 955,593 |
| Performance and other deposits | 1,835,276 | 291,663 | 2,126,939 |
| Loans, notes and bonds payable, net of deferred financing fees | 2,762,582 | 24,563,045 | 27,325,627 |
| Compensated absences payable | 469,185 | 7,747 | 476,932 |
| Total current liabilities | 10,239,157 | 28,759,908 | 38,999,065 |
| Long-term liabilities: | | | |
| Loans, notes and bonds payable, net of deferred financing fees | 30,787,088 | 50,060,939 | 80,848,027 |
| Compensated absences payable | 417,797 | 29,662 | 447,459 |
| Net OPEB liability | 291,271 | - | 291,271 |
| Net pension liability | 29,262,385 | - | 29,262,385 |
| Other accrued long-term interest | 5,653,399 | 8,976,546 | 14,629,945 |
| Total long-term liabilities | 66,411,940 | 59,067,147 | 125,479,087 |
| Total liabilities | 76,651,097 | 87,827,055 | 164,478,152 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred inflow for pension | 1,541,237 | - | 1,541,237 |
| Deferred inflow for OPEB | 2,550,290 | - | 2,550,290 |
| Total deferred inflows of resources | 4,091,527 | - | 4,091,527 |
| NET POSITION | | | |
| Net investment in capital assets | 74,757,675 | 1,794,996 | 76,552,671 |
| Restricted | 41,715,134 | 5,860,798 | 47,575,932 |
| Unrestricted | 52,382,666 | (5,544,900) | 46,837,766 |
| Net Position | \$ 168,855,475 | 2,110,894 | 170,966,369 |

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, 2021

| | Housing Authority | Component Units | Total Entity |
|--|----------------------|--------------------|--------------|
| OPERATING REVENUES: | | | |
| Dwelling rentals | \$ 31,318,992 | 3,775,471 | 35,094,463 |
| Other | 5,491,853 | 857,725 | 6,349,578 |
| Total operating revenues | 36,810,845 | 4,633,196 | 41,444,041 |
| OPERATING EXPENSES: | | | |
| Personnel services | 18,611,642 | 1,095,130 | 19,706,772 |
| Materials and supplies | 7,987,237 | 1,519,424 | 9,506,661 |
| Repairs and maintenance | 7,405,269 | 1,154,485 | 8,559,754 |
| Housing assistance payments | 60,203,283 | - | 60,203,283 |
| Depreciation and amortization | 4,269,489 | 1,593,858 | 5,863,347 |
| Contractual services | 375,342 | 67,758 | 443,100 |
| Utilities | 5,248,253 | 655,486 | 5,903,739 |
| Total operating expenses | 104,100,515 | 6,086,141 | 110,186,656 |
| Operating loss | (67,289,670) | (1,452,945) | (68,742,615) |
| NONOPERATING REVENUES (EXPENSES): | | | |
| Intergovernmental revenue | 82,395,260 | 2,220,009 | 84,615,269 |
| Owner Distribution | (296,502) | - | (296,502) |
| Interest revenue | 308,333 | 632,185 | 940,518 |
| Interest expense | (1,045,450) | (3,336,200) | (4,381,650) |
| Other nonoperating revenue | - | 6,299,844 | 6,299,844 |
| Loss on sale | (1,257,693) | - | (1,257,693) |
| Contribution from County | 4,079,176 | - | 4,079,176 |
| Contribution to County | (13,119,601) | - | (13,119,601) |
| Total nonoperating revenues, net | 71,063,523 | 5,815,838 | 76,879,361 |
| Change in net position | 3,773,853 | 4,362,893 | 8,136,746 |
| Net Position, July 1, 2020 | 159,328,967 | (3,351,893) | 155,977,074 |
| Prior period adjustment | 5,752,655 | 1,099,894 | 6,852,549 |
| Net position, July 1, 2020 as restated | 165,081,622 | (2,251,999) | 162,829,623 |
| Net Position, June 30, 2021 | \$ 168,855,475 | 2,110,894 | 170,966,369 |

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Redevelopment and Housing Authority
Statement of Cash Flows
For the fiscal year ended June 30, 2021

EXHIBIT J-2

| | Housing Authority | Component Units | Total Entity |
|---|----------------------|--------------------|-----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Rental receipts | \$ 28,170,009 | 3,821,535 | 31,991,544 |
| Other operating cash receipts | 5,494,071 | 857,725 | 6,351,796 |
| Payments to employees for services | (17,771,083) | (1,057,721) | (18,828,804) |
| Payments made for housing assistance | (60,203,283) | - | (60,203,283) |
| Payments to suppliers for goods and services | (20,991,671) | (169,454) | (21,161,125) |
| Net cash provided by (used) in operating activities | (65,301,957) | 3,452,085 | (61,849,872) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| Owner Distribution | (296,502) | - | (296,502) |
| Contribution from FCRHA | - | 6,299,844 | 6,299,844 |
| Intergovernmental revenue received | 83,126,559 | 2,220,009 | 85,346,568 |
| Contribution to County | (5,432,175) | - | (5,432,175) |
| Net cash provided by noncapital financing activities | 77,397,882 | 8,519,853 | 85,917,735 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Purchase of capital assets | (1,971,226) | (13,799,507) | (15,770,733) |
| Proceeds from issuance of debt | - | 7,550,000 | 7,550,000 |
| Interest payments | (519,038) | (2,042,524) | (2,561,562) |
| Debt principal payments | (21,403,338) | (457,792) | (21,861,130) |
| Net cash used in capital and related financing activities | (23,893,602) | (8,749,823) | (32,643,425) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Receipt of loan and advance repayments | (1,443,271) | - | (1,443,271) |
| Disbursement of loans and advances receivable | 27,261,174 | - | 27,261,174 |
| Maturity of investments | 472,077 | - | 472,077 |
| Acquisition of investments | 1,470,000 | - | 1,470,000 |
| Interest received | 308,320 | 632,185 | 940,505 |
| Net cash provided by investing activities | 28,068,300 | 632,185 | 28,700,485 |
| Net increase in cash and cash equivalents | 16,270,623 | 3,854,300 | 20,124,923 |
| Cash and cash equivalents, July 1, 2020, as restated | 91,800,995 | 33,502,160 | 125,303,155 |
| Cash and cash equivalents, June 30, 2021 | \$ 108,071,618 | 37,356,460 | 145,428,078 |
| Reconciliation of operating loss to net cash provided by (used in) operating activities: | | | |
| Operating income loss | \$ (67,289,670) | (1,452,945) | (68,742,615) |
| Adjustments to reconcile operating loss to net cash provided by (used in) operating activities: | | | |
| Depreciation and amortization | 4,269,489 | 1,593,858 | 5,863,347 |
| Provision for doubtful accounts | 2,780 | - | 2,780 |
| Change in assets and liabilities: | | | |
| Accounts receivable | (2,586,615) | 6,901 | (2,579,714) |
| Prepaid items and other assets | (321,610) | (63,905) | (385,515) |
| Net Pension Liability and related outflows/inflows | 1,224,601 | - | 1,224,601 |
| Increase in accounts payable and accrued liabilities | (7,586) | 1,042,262 | 1,034,676 |
| Net OPEB liability and related outflows/inflows | 36,325 | - | 36,325 |
| Performance and other deposits | (45,301) | 22,896 | (22,405) |
| Due to FCRHA | - | 2,263,855 | 2,263,855 |
| Unearned revenues | (584,370) | 39,163 | (545,207) |
| Total adjustments to operating income | 1,987,713 | 4,905,030 | 6,892,743 |
| Net cash provided by (used in) operating activities | \$ (65,301,957) | 3,452,085 | (61,849,872) |
| Noncash investing, capital, and financing activities: | | | |
| Contributions from County, net | \$ (11,989,913) | - | (11,989,913) |
| Loss on sale of assets | (1,257,693) | - | (1,257,693) |
| Amortization of debt issuance costs | 8,482 | 252,924 | 261,406 |

The **Fairfax County Park Authority** (Park Authority) was created by the Board of Supervisors of the County on December 6, 1950, to maintain and operate the public parks and recreational facilities located in the County. The Board appoints the Park Authority's Board members, and a substantial portion of the cost of the Park Authority's operations is funded by the County.

General Fund (Financed from County General Fund) is used to account for the operations of the park facilities that are funded by the County.

Park Revenue Fund is a special revenue fund used to account for the operations of the park facilities that are funded from park operating revenues.

Financed from County Construction Fund is a capital projects fund used to account for specific maintenance projects for park facilities that are funded by the County's Construction Fund.

Financed from County Environmental and Energy Program Fund is a capital projects fund that supports projects that advance the County's Environmental Vision and Operational Energy Strategy.

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.

Financed from County Federal-State Grant Fund is a special revenue fund used to account for the utilization of federal and state funds to assist County citizens.

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.

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Park Authority
Balance Sheet
June 30, 2021

| | | <u>Major Governmental Capital</u> | |
|--|---|---|--|
| | 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 | \$ - | 9,229,050 | - |
| Receivables: | | | |
| Accounts | - | 40,160 | - |
| Due from primary government | 2,738,559 | - | 1,939,888 |
| Due from intergovernmental units | - | 1,134 | - |
| Prepaid and other asset | 120,478 | 146,513 | 29,430 |
| Restricted assets: | | | |
| Equity in pooled cash and temporary investments | - | - | - |
| Total assets | <u>2,859,037</u> | <u>9,416,857</u> | <u>1,969,318</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Total deferred outflows of resources | - | - | - |
| Total assets and deferred outflows of resources | \$ 2,859,037 | 9,416,857 | 1,969,318 |
| LIABILITIES | | | |
| Accounts payable and accrued liabilities | \$ 578,061 | 1,962,115 | 1,966,303 |
| Accrued salaries and benefits | 2,090,663 | 2,257,208 | - |
| Due to primary government | 132,629 | 2,673 | - |
| Contract retainages | - | - | 3,015 |
| Unearned revenues | 57,684 | 11,878,114 | - |
| Performance and other deposits | - | 50,190 | - |
| Total liabilities | <u>2,859,037</u> | <u>16,150,300</u> | <u>1,969,318</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Total deferred inflows of resources | - | - | - |
| Total liabilities and deferred inflows of resources | 2,859,037 | 16,150,300 | 1,969,318 |
| FUND BALANCES | | | |
| Nonspendable: | | | |
| Prepaid | 120,478 | - | 29,430 |
| Inventory | - | 146,513 | - |
| E.C.Lawrence Trust | - | - | - |
| Restricted for: | | | |
| Capital projects | - | - | - |
| Repair and replacement | - | - | - |
| Committed to: | | | |
| Other capital projects | - | - | - |
| Unassigned | (120,478) | (6,879,956) | (29,430) |
| Total fund balances | <u>-</u> | <u>(6,733,443)</u> | <u>-</u> |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 2,859,037 | 9,416,857 | 1,969,318 |

Reconciliation of the Balance Sheet to the Statement of Net Position

| | | |
|--|-----------------|-----------------------|
| Fund balances - Total governmental funds | | \$ 37,978,323 |
| 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 \$967,479,447 and the accumulated depreciation is \$294,267,557. | | 673,211,890 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds: | | |
| Compensated absences payable | \$ (5,774,638) | |
| Loan from Primary Government | (9,599,400) | |
| Accrued interest payable | <u>(22,795)</u> | (15,396,833) |
| 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 \$14,881,081, and the net pension liability is \$58,522,476. The deferred inflow related to pension is \$3,672,733. The deferred outflow related to OPEB is \$5,123,272, and the net OPEB liability is \$743,003. The deferred inflow related to OPEB is \$6,188,594. | | <u>(49,122,453)</u> |
| Net position of governmental activities | | <u>\$ 646,670,927</u> |

EXHIBIT K

| Funds | | | | |
|--|--|-----------------------------|--------------------------------|---|
| Projects Funds | | | | |
| Financed from County Environmental and Energy Program Fund | Park Construction Bond (Financed from County Construction Fund) | Park Capital Improvement | Total Governmental Funds | |
| - | - | 29,500,091 | 38,729,141 | ASSETS |
| - | - | - | 40,160 | Equity in pooled cash and temporary investments |
| 61,026 | - | - | 4,739,473 | Receivables: |
| - | 184,300 | - | 185,434 | Accounts |
| 21,564 | 2,290 | 3,808 | 324,083 | Due from primary government |
| - | 15,063,526 | 2,207,926 | 17,271,452 | Due from intergovernmental units |
| 82,590 | 15,250,116 | 31,711,825 | 61,289,743 | Prepaid and other asset |
| | | | | Restricted assets: |
| | | | | Equity in pooled cash and temporary investments |
| | | | | Total assets |
| - | - | - | - | DEFERRED OUTFLOWS OF RESOURCES |
| | | | | Total deferred outflows of resources |
| 82,590 | 15,250,116 | 31,711,825 | 61,289,743 | Total assets and deferred outflows of resources |
| | | | | LIABILITIES |
| 82,590 | 659,488 | 251,549 | 5,500,106 | Accounts payable and accrued liabilities |
| - | - | - | 4,347,871 | Accrued salaries and benefits |
| - | - | - | 135,302 | Due to primary government |
| - | 193,383 | 8,200 | 204,598 | Contract retainages |
| - | - | 373,496 | 12,309,294 | Unearned revenues |
| - | - | 764,059 | 814,249 | Performance and other deposits |
| 82,590 | 852,871 | 1,397,304 | 23,311,420 | Total liabilities |
| - | - | - | - | DEFERRED INFLOWS OF RESOURCES |
| | | | | Total deferred inflows of resources |
| 82,590 | 852,871 | 1,397,304 | 23,311,420 | Total liabilities and deferred inflows of resources |
| | | | | FUND BALANCES |
| 21,564 | 2,290 | 3,808 | 177,570 | Nonspendable: |
| - | - | - | 146,513 | Prepaid |
| - | - | 1,507,926 | 1,507,926 | Inventory |
| | | | | E.C.Lawrence Trust |
| - | 14,397,245 | 19,906,123 | 34,303,368 | Restricted for: |
| - | - | 700,000 | 700,000 | Capital projects |
| | | | | Repair and replacement |
| - | - | 8,196,664 | 8,196,664 | Committed to: |
| (21,564) | (2,290) | - | (7,053,718) | Other capital projects |
| - | 14,397,245 | 30,314,521 | 37,978,323 | Unassigned |
| 82,590 | 15,250,116 | 31,711,825 | 61,289,743 | 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, 2021

| | | Major Governmental | | |
|--|---|---|--|---|
| | | Special Revenue Funds | | Capital |
| | General Fund (Financed from County General Fund) | Special Revenue Fund - Park Revenue | Financed from County Federal-State Grant Fund | Financed from County Construction Fund |
| REVENUES | | | | |
| Intergovernmental | \$ 36,203,094 | 1,706,529 | 71,706 | 12,345,731 |
| Charges for services | 253,354 | 28,131,171 | - | - |
| Developers' contributions | - | - | - | - |
| Revenue from the use of money and property | 9,504 | 2,575,994 | - | 208,165 |
| Gifts, donations, and contributions | - | - | - | - |
| Other | - | 358,256 | - | - |
| Total revenues | 36,465,952 | 32,771,950 | 71,706 | 12,553,896 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Parks, recreation, and cultural | 36,287,378 | 33,592,302 | 71,706 | 6,905,400 |
| Intergovernmental | - | 820,000 | - | - |
| Capital outlay | 178,574 | - | - | 5,648,496 |
| Debt service: | | | | |
| Principal retirement | - | 1,360,700 | - | - |
| Interest and other charges | - | 385,764 | - | - |
| Total expenditures | 36,465,952 | 36,158,766 | 71,706 | 12,553,896 |
| Excess (deficiency) of revenues over (under) expenditures | - | (3,386,816) | - | - |
| OTHER FINANCING SOURCES (USES) | | | | |
| Total other financing sources (uses), net | - | - | - | - |
| Net change in fund balances | - | (3,386,816) | - | - |
| Fund balances, July 1, 2020 | - | (3,325,398) | - | - |
| Decrease in reserve for inventories | - | (21,229) | - | - |
| Fund balances, June 30, 2021 | \$ - | (6,733,443) | - | - |

EXHIBIT K-1

| Funds | | | | |
|--|--|-----------------------------|--------------------------------|--|
| Projects Funds | | | | |
| Financed from County Environmental and Energy Program Fund | Financed from County Park Construction Bond | Park Capital Improvement | Total Governmental Funds | |
| 1,028,294 | 15,188,237 | 1,532,296 | 68,075,887 | REVENUES |
| - | - | - | 28,384,525 | Intergovernmental |
| - | - | 7,917,693 | 7,917,693 | Charges for services |
| - | - | 2,407,209 | 5,200,872 | Developers' contributions |
| - | - | 648,993 | 648,993 | Revenue from the use of money and property |
| - | - | - | 358,256 | Gifts, donations and contributions |
| 1,028,294 | 15,188,237 | 12,506,191 | 110,586,226 | Other |
| | | | | Total revenues |
| | | | | EXPENDITURES |
| | | | | Current: |
| 376,107 | 292,866 | 1,105,692 | 78,631,451 | Parks, recreation, and cultural |
| - | - | - | 820,000 | Intergovernmental |
| 652,187 | 16,144,878 | 3,121,228 | 25,745,363 | Capital outlay |
| | | | | Debt service: |
| - | - | - | 1,360,700 | Principal retirement |
| - | - | - | 385,764 | Interest and other charges |
| 1,028,294 | 16,437,744 | 4,226,920 | 106,943,278 | Total expenditures |
| | | | | Excess (deficiency) of revenues over |
| - | (1,249,507) | 8,279,271 | 3,642,948 | (under) expenditures |
| | | | | OTHER FINANCING SOURCES (USES) |
| - | - | - | - | Total other financing sources (uses), net |
| - | (1,249,507) | 8,279,271 | 3,642,948 | Net change in fund balances |
| - | 15,646,752 | 22,035,250 | 34,356,604 | Fund balances, July 1, 2020 |
| - | - | - | (21,229) | Decrease in reserve for inventories |
| - | 14,397,245 | 30,314,521 | 37,978,323 | Fund balances, June 30, 2021 |

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, 2021****EXHIBIT K-1**

concluded

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities

| | |
|--|--------------|
| Net change in fund balances - Total governmental funds | \$ 3,642,948 |
|--|--------------|

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 | \$ 25,745,363 | |
| Depreciation expense | <u>(18,572,606)</u> | 7,172,757 |

| | |
|---|-----------|
| 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. | 3,505,012 |
|---|-----------|

| | |
|---|-----------|
| 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. | (996,594) |
|---|-----------|

| | |
|----------------------------------|----------|
| Decrease in fund balance reserve | (21,229) |
|----------------------------------|----------|

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 | 1,360,700 |
|---------------------------------------|-----------|

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 | (145,356) |
|----------------------|-----------|

Pension liability does not require the use of current financial resources and, therefore, is not reported in governmental funds:

| | |
|--------------------------------------|-------------|
| Pension expense | (2,111,936) |
| Other postemployment benefit expense | (90,556) |

| | |
|---|----------------------|
| Change in net position of governmental activities | <u>\$ 12,315,746</u> |
|---|----------------------|

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, 2021

| | Budgeted Amounts | | Actual Amounts | Variance from |
|--|------------------|------------|----------------|--|
| | Original | Final | (Budget Basis) | Final Budget Positive (Negative) |
| REVENUES | | | | |
| Intergovernmental | \$ 26,769,895 | 28,160,017 | 26,006,192 | (2,153,825) |
| Charges for services | 682,635 | 682,635 | 253,353 | (429,282) |
| Revenue from the use of money and property | - | - | 9,504 | 9,504 |
| Total revenues | 27,452,530 | 28,842,652 | 26,269,049 | (2,573,603) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Parks, recreation, and cultural | 27,452,530 | 28,156,517 | 26,269,049 | 1,887,468 |
| Total expenditures | 27,452,530 | 28,156,517 | 26,269,049 | 1,887,468 |
| Net change in fund balance | \$ - | 686,135 | - | (686,135) |

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, 2021

| | Budgeted Amounts | | Actual Amounts | Variance from |
|--|------------------|------------|----------------|--|
| | Original | Final | (Budget Basis) | Final Budget Positive (Negative) |
| REVENUES | | | | |
| Charges for services | \$ 45,554,134 | 46,217,814 | 32,076,690 | (14,141,124) |
| Revenue from the use of money and property | 2,668,938 | 2,668,938 | 2,482,866 | (186,072) |
| Gifts, donations, and contributions | 241,574 | 241,574 | 358,256 | 116,682 |
| Other | 264,395 | 264,395 | 93,128 | (171,267) |
| Total revenues | 48,729,041 | 49,392,721 | 35,010,940 | (14,381,781) |
| EXPENDITURES | | | | |
| Parks, recreation, and cultural | 47,134,162 | 47,614,833 | 36,158,766 | 11,456,067 |
| Total expenditures | 47,134,162 | 47,614,833 | 36,158,766 | 11,456,067 |
| Excess of revenues over expenditures | 1,594,879 | 1,777,888 | (1,147,826) | (2,925,714) |
| OTHER FINANCING USES | | | | |
| Transfers in from primary government | - | 1,706,529 | 1,706,529 | - |
| Total other financing uses | - | 1,706,529 | 1,706,529 | - |
| Net change in fund balance | \$ 1,594,879 | 3,484,417 | 558,703 | (2,925,714) |

The **Fairfax County Economic Development Authority (EDA)** provides direct assistance to firms which intend to establish their operations within the County. The EDA's mission is to attract businesses to Fairfax County and to work with the existing businesses to retain them as they expand and create new jobs. The EDA is an independent authority, legally authorized by an enactment of the Virginia General Assembly and formally created by resolution of the County Board of Supervisors, which appoints the seven members of EDA's Commission and also appropriates funds annually for operating expenditures incurred in carrying out EDA's mission.

Governmental Funds is used to account for the operations of the EDA financed from the County Fund, all of which are funded through the County. It also includes cash incentives awarded to businesses relocating or expanding business operations in Fairfax County, and funded by the Commonwealth's Development Opportunity Fund (COF) grant program.

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Economic Development Authority
Balance Sheet
June 30, 2021

EXHIBIT L

| | Governmental Funds |
|---|-----------------------|
| ASSETS | |
| Restricted cash and cash equivalents | \$ 4,000,000 |
| Due from primary government | 470,300 |
| Total assets | <u>4,470,300</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Total deferred outflows of resources | <u>-</u> |
| Total assets and deferred outflows of resources | <u>\$ 4,470,300</u> |
| LIABILITIES | |
| Accounts payable and accrued liabilities | \$ 108,651 |
| Accrued salaries and benefits | 361,649 |
| Unearned revenue | 4,000,000 |
| Total liabilities | <u>4,470,300</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Total deferred inflows of resources | <u>-</u> |
| Total liabilities and deferred inflows of resources | <u>4,470,300</u> |
| FUND BALANCE | |
| Unassigned | <u>-</u> |
| Total liabilities, deferred inflows of resources and fund balance | <u>\$ 4,470,300</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 \$1,050,447. | 145,653 |
| Long-term liabilities, including compensated absences payable of \$552,762 and unearned rent of \$275,823, are not due and payable in the current period and, therefore, are not reported in the governmental funds. | (828,585) |
| 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 \$1,922,067 and the net pension liability is \$6,763,774. The deferred inflow related to pensions is \$1,121,229. | (5,962,936) |
| 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 \$306,630 and the net OPEB liability is \$47,091. The deferred inflow related to OPEB is \$574,403. | <u>(314,864)</u> |
| Net position of governmental activities | <u>\$ (6,960,732)</u> |

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT L-1

Fairfax County Economic Development Authority

Statement of Revenues, Expenditures, and Changes in Fund Balance

For the fiscal year ended June 30, 2021

| | Governmental Funds |
|--------------------------------------|-----------------------|
| REVENUES | |
| Intergovernmental | \$ 63,822,216 |
| Total revenues | <u>63,822,216</u> |
| EXPENDITURES | |
| Current: | |
| Community development | 63,822,216 |
| Total expenditures | <u>63,822,216</u> |
| Excess of revenues over expenditures | - |
| Fund balance, July 1, 2020 | - |
| Fund balance, June 30, 2021 | <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 | \$ (110,644) | |
| Increase in liability for compensated absences | (91,157) | |
| Unearned rent | 179,906 | |
| Pension expense | 57,650 | |
| Other postemployment benefit expense | <u>(7,090)</u> | <u>28,665</u> |
| Change in net position of governmental activities | | <u>\$ 28,665</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, 2021

| | Budgeted Amounts | | Actual Amounts | Variance from |
|----------------------------|------------------|-----------|----------------|--|
| | Original | Final | (Budget Basis) | Final Budget Positive (Negative) |
| REVENUES | | | | |
| Intergovernmental | \$ 8,841,483 | 8,879,483 | 8,865,843 | (13,640) |
| Total revenues | 8,841,483 | 8,879,483 | 8,865,843 | (13,640) |
| EXPENDITURES | | | | |
| Community development | 8,841,483 | 8,879,483 | 8,865,843 | 13,640 |
| Total expenditures | 8,841,483 | 8,879,483 | 8,865,843 | 13,640 |
| 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 | | | | |
|--|------------------|-----------------|-----------------|-----------------|---------------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 ⁽⁴⁾ |
| <i>Governmental activities:</i> | | | | | |
| Net investment in capital assets | \$ 2,347,835,603 | 2,265,813,475 | 2,213,668,557 | 2,070,863,206 | 2,001,991,926 |
| Restricted | 355,681,686 | 382,010,214 | 475,424,529 | 456,321,016 | 388,129,831 |
| Unrestricted (deficit) ⁽¹⁾ | (3,143,115,712) | (3,108,132,334) | (3,038,583,029) | (3,045,029,065) | (2,881,760,586) |
| Net position, governmental activities | \$ (439,598,423) | (460,308,645) | (349,489,943) | (517,844,843) | (491,638,829) |
| <i>Business-type activities:</i> | | | | | |
| Net investment in capital assets | \$ 1,207,780,108 | 1,112,420,058 | 1,065,086,054 | 1,038,360,082 | 1,003,960,254 |
| Restricted | 17,941,505 | 20,281,937 | 19,398,343 | 18,178,132 | 14,185,711 |
| Unrestricted | 98,648,390 | 133,460,268 | 119,690,633 | 99,372,962 | 90,123,639 |
| Net position, business-type activities | \$ 1,324,370,003 | 1,266,162,263 | 1,204,175,030 | 1,155,911,176 | 1,108,269,604 |
| <i>Total Primary government:</i> | | | | | |
| Net investment in capital assets | \$ 3,555,615,711 | 3,378,233,533 | 3,278,754,611 | 3,109,223,288 | 3,005,952,180 |
| Restricted | 373,623,191 | 402,292,151 | 494,822,872 | 474,499,148 | 402,315,542 |
| Unrestricted (deficit) | (3,044,467,322) | (2,974,672,066) | (2,918,892,396) | (2,945,656,103) | (2,791,636,947) |
| Net position, Primary Government | \$ 884,771,580 | 805,853,618 | 854,685,087 | 638,066,333 | 616,630,775 |

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 | | | | |
|------------------|---------------|---------------|---------------|---------------|
| 2021 | 2020 | 2019 | 2018 | 2017 |
| \$ 1,782,043,298 | 1,741,833,436 | 1,715,069,054 | 1,726,348,892 | 1,715,069,179 |

- (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 | | | | | |
|-----------------|-----------------|---------------------|-----------------|---------------------|--|
| 2016 | 2015 | 2014 ⁽³⁾ | 2013 | 2012 ⁽²⁾ | |
| | | | | | <i>Governmental activities:</i> |
| 1,913,173,352 | 1,875,208,103 | 1,861,776,623 | 1,736,906,426 | 1,695,143,766 | Net investment in capital assets |
| 355,513,953 | 318,966,582 | 286,196,280 | 214,950,085 | 226,409,285 | Restricted |
| (2,732,479,263) | (2,802,308,892) | (2,960,996,275) | (1,657,422,986) | (1,581,687,019) | Unrestricted (deficit) ⁽¹⁾ |
| (463,791,958) | (608,134,207) | (813,023,372) | 294,433,525 | 339,866,032 | Net position, governmental activities |
| | | | | | <i>Business-type activities:</i> |
| 940,641,576 | 892,414,328 | 843,276,715 | 778,825,722 | 769,135,097 | Net investment in capital assets |
| 73,853,503 | 66,038,662 | 43,116,468 | 44,113,954 | 51,055,374 | Restricted |
| 38,417,623 | 66,651,531 | 100,358,086 | 147,119,567 | 116,578,189 | Unrestricted |
| 1,052,912,702 | 1,025,104,521 | 986,751,269 | 970,059,243 | 936,768,660 | Net position, business-type activities |
| | | | | | <i>Total Primary government:</i> |
| 2,853,814,928 | 2,767,622,431 | 2,705,053,338 | 2,515,732,148 | 2,464,278,863 | Net investment in capital assets |
| 429,367,456 | 385,005,244 | 329,312,748 | 259,064,039 | 277,464,659 | Restricted |
| (2,694,061,640) | (2,735,657,361) | (2,860,638,189) | (1,510,303,419) | (1,465,108,830) | Unrestricted |
| 589,120,744 | 416,970,314 | 173,727,897 | 1,264,492,768 | 1,276,634,692 | Net position, Primary Government |

| Fiscal Year | | | | |
|---------------|---------------|---------------|---------------|---------------|
| 2016 | 2015 | 2014 | 2013 | 2012 |
| 1,674,949,073 | 1,616,079,489 | 1,625,585,624 | 1,596,333,283 | 1,453,383,980 |

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

| | Fiscal Year | | | | |
|--|--------------------|-----------------|-----------------|-----------------|-----------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| Expenses | | | | | |
| <i>Governmental activities:</i> | | | | | |
| General government administration | \$ 258,112,138 | 258,330,991 | 200,274,042 | 190,974,147 | 199,163,586 |
| Judicial administration | 71,191,932 | 76,694,008 | 65,346,777 | 64,060,042 | 62,157,826 |
| Public safety | 882,293,607 | 879,159,005 | 780,408,993 | 783,282,501 | 743,811,404 |
| Public works | 282,251,099 | 274,427,262 | 251,705,576 | 255,772,468 | 220,029,595 |
| Health and welfare | 797,755,569 | 721,920,761 | 660,919,624 | 641,619,815 | 621,738,349 |
| Community development | 569,687,675 | 550,075,342 | 442,747,859 | 553,891,606 | 449,963,548 |
| Parks, recreation, and cultural | 133,178,188 | 143,686,850 | 133,504,969 | 132,413,348 | 124,438,465 |
| Education - for Public Schools | 2,339,297,904 | 2,332,366,853 | 2,251,573,120 | 2,139,229,138 | 2,085,926,217 |
| Interest on long-term debt | 99,955,370 | 103,197,911 | 114,012,753 | 113,312,939 | 108,077,416 |
| Total expenses, governmental activities | 5,433,723,482 | 5,339,858,983 | 4,900,493,713 | 4,874,556,004 | 4,615,306,406 |
| <i>Business-type activities:</i> | | | | | |
| Public works - Sewer | \$ 195,221,272 | 193,400,681 | 188,706,778 | 188,232,208 | 177,630,559 |
| Total expenses, business-type activities | 195,221,272 | 193,400,681 | 188,706,778 | 188,232,208 | 177,630,559 |
| Total expenses, Primary Government | 5,628,944,754 | 5,533,259,664 | 5,089,200,491 | 5,062,788,212 | 4,792,936,965 |
| Program Revenues | | | | | |
| <i>Governmental activities:</i> | | | | | |
| <i>Charges for services:</i> | | | | | |
| Public safety | \$ 73,317,201 | 69,427,621 | 73,816,732 | 74,116,426 | 70,562,165 |
| Public works | 176,467,547 | 173,483,022 | 170,109,205 | 158,834,077 | 129,171,598 |
| Health and welfare | 42,688,380 | 74,148,243 | 86,877,525 | 77,063,723 | 80,070,825 |
| Other activities | 332,441,013 | 360,181,203 | 375,485,955 | 345,815,823 | 335,242,533 |
| Operating grants and contributions | 504,962,481 | 346,819,376 | 274,272,173 | 273,051,191 | 264,019,862 |
| Capital grants and contributions | 64,416,721 | 40,729,751 | 45,889,290 | 49,319,980 | 22,209,405 |
| Total program revenues, governmental activities | 1,194,293,343 | 1,064,789,216 | 1,026,450,880 | 978,201,220 | 901,276,388 |
| <i>Business-type activities:</i> | | | | | |
| <i>Charges for services:</i> | | | | | |
| Public works - Sewer | \$ 251,162,619 | 240,034,485 | 232,435,065 | 225,733,347 | 220,959,308 |
| Capital grants and contributions | 1,475,624 | 2,595,202 | 859,618 | 7,614,925 | 12,513,674 |
| Total program revenues, business-type activities | 252,638,243 | 242,629,687 | 233,294,683 | 233,348,272 | 233,472,982 |
| Total program revenues, Primary Government | 1,446,931,586 | 1,307,418,903 | 1,259,745,563 | 1,211,549,492 | 1,134,749,370 |
| Net (Expense) Revenue | | | | | |
| Governmental activities | (4,239,430,139) | (4,275,069,767) | (3,874,042,833) | (3,896,354,784) | (3,714,030,018) |
| Business-type activities | 57,416,971 | 49,229,006 | 44,587,905 | 45,116,064 | 55,842,423 |
| Total Primary Government | \$ (4,182,013,168) | (4,225,840,761) | (3,829,454,928) | (3,851,238,720) | (3,658,187,595) |

| Fiscal Year | | | | | |
|-----------------|-----------------|-----------------|-----------------|----------------------------|--|
| 2016 | 2015 | 2014 | 2013 | 2012 | |
| | | | | | Expenses |
| | | | | | <i>Governmental activities:</i> |
| 188,767,791 | 183,647,484 | 201,180,941 | 201,445,282 | 201,444,643 ⁽³⁾ | General government administration |
| 58,125,849 | 55,830,358 | 54,913,419 | 46,336,343 | 54,731,149 | Judicial administration |
| 702,043,058 | 670,432,665 | 695,690,761 | 658,186,021 | 621,850,677 | Public safety |
| 204,873,695 | 204,114,861 | 195,014,404 | 185,250,816 | 176,714,926 | Public works |
| 589,307,995 | 557,312,024 | 551,586,755 | 542,052,102 | 562,237,332 | Health and welfare |
| 373,621,317 | 352,960,858 | 352,759,047 | 387,551,012 | 393,528,633 | Community development |
| 112,957,367 | 112,338,852 | 107,762,594 | 112,057,718 | 114,767,984 | Parks, recreation, and cultural |
| 1,998,723,980 | 1,936,673,334 | 1,883,055,936 | 1,843,611,090 | 1,769,700,781 | Education - for Public Schools |
| 94,644,722 | 101,276,354 | 109,563,020 | 117,251,705 | 112,604,312 | Interest on long-term debt |
| 4,323,065,774 | 4,174,586,790 | 4,151,526,877 | 4,093,742,089 | 4,007,580,437 | Total expenses, governmental activities |
| | | | | | <i>Business-type activities:</i> |
| 183,076,813 | 174,932,128 | 174,845,675 | 169,212,487 | 163,955,907 ⁽³⁾ | Public works - Sewer |
| 183,076,813 | 174,932,128 | 174,845,675 | 169,212,487 | 163,955,907 | Total expenses, business-type activities |
| 4,506,142,587 | 4,349,518,918 | 4,326,372,552 | 4,262,954,576 | 4,171,536,344 | Total expenses, Primary Government |
| | | | | | Program Revenues |
| | | | | | <i>Governmental activities:</i> |
| | | | | | Charges for services: |
| 70,934,542 | 71,729,966 | 58,202,390 | 58,883,550 | 62,860,108 | Public safety |
| 139,528,323 | 141,711,640 | 131,355,271 | 117,037,898 | 110,804,240 | Public works |
| 69,250,901 | 70,951,265 | 69,351,107 | 64,938,672 | 68,152,942 | Health and welfare |
| 301,673,838 | 309,689,155 | 334,124,545 | 287,013,174 | 191,091,722 | Other activities |
| 250,208,494 | 243,282,980 | 222,115,446 | 239,536,892 | 256,182,164 | Operating grants and contributions |
| 29,020,526 | 34,407,375 | 22,578,476 | 22,312,264 | 29,696,488 | Capital grants and contributions |
| 860,616,624 | 871,772,381 | 837,727,235 | 789,722,450 | 718,787,664 | Total program revenues, governmental activities |
| | | | | | <i>Business-type activities:</i> |
| | | | | | Charges for services: |
| 205,115,248 | 209,227,867 | 212,175,672 | 194,030,949 | 188,917,214 | Public works - Sewer |
| 4,598,439 | 3,277,159 | 4,074,576 | 7,062,744 | 13,974,206 | Capital grants and contributions |
| 209,713,687 | 212,505,026 | 216,250,248 | 201,093,693 | 202,891,420 | Total program revenues, business-type activities |
| 1,070,330,311 | 1,084,277,407 | 1,053,977,483 | 990,816,143 | 921,679,084 | Total program revenues, Primary Government |
| | | | | | Net (Expense) Revenue |
| (3,462,449,150) | (3,302,814,409) | (3,313,799,642) | (3,304,019,639) | (3,288,792,773) | Governmental activities |
| 26,636,874 | 37,572,898 | 41,404,573 | 31,881,206 | 38,935,513 | Business-type activities |
| (3,435,812,276) | (3,265,241,511) | (3,272,395,069) | (3,272,138,433) | (3,249,857,260) | Total Primary Government |

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

| | Fiscal Year | | | | |
|--|------------------|--------------------------|---------------|---------------|---------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| General Revenues and Other Changes in Net Position | | | | | |
| <i>Governmental activities:</i> | | | | | |
| Taxes: | | | | | |
| Real property | \$ 3,008,700,940 | 2,897,823,200 | 2,796,625,634 | 2,652,298,780 | 2,601,473,140 |
| Personal property | 432,944,446 | 443,280,543 | 421,706,327 | 412,251,446 | 403,229,884 |
| Business licenses | 180,132,797 | 180,120,661 | 170,065,024 | 167,766,061 | 160,711,944 |
| Local sales and use | 263,801,220 | 249,560,545 | 252,284,959 | 252,019,165 | 246,876,636 |
| Consumers utility | 104,787,720 | 110,508,254 | 107,307,687 | 104,785,290 | 104,327,491 |
| Recordation | 42,977,172 | 31,251,909 | 23,536,391 | 24,623,858 | 25,401,332 |
| Occupancy, tobacco, and other | 20,532,652 | 28,604,036 | 35,898,475 | 35,969,332 | 36,206,695 |
| Unrestricted grants and contributions | 211,422,769 | 211,426,887 | 211,431,885 | 211,426,419 | 211,464,000 |
| Revenue from the use of money | (5,159,355) | 11,675,030 | 23,541,351 | 9,008,419 | 6,653,142 |
| Special item | - | - | - | - | - |
| Total general revenues and other changes in net position, governmental activities | 4,260,140,361 | 4,164,251,065 | 4,042,397,733 | 3,870,148,770 | 3,796,344,264 |
| <i>Business-type activities:</i> | | | | | |
| Revenue from the use of money | \$ 790,769 | 2,859,826 | 3,675,949 | 2,525,508 | 1,022,586 |
| Special item | - | 9,898,401 ⁽²⁾ | - | - | - |
| Total general revenues and other changes in net position, business-type activities | 790,769 | 12,758,227 | 3,675,949 | 2,525,508 | 1,022,586 |
| Total general revenues and other changes in net position, Primary Government | 4,260,931,130 | 4,177,009,292 | 4,046,073,682 | 3,872,674,278 | 3,797,366,850 |
| Change in Net Position | | | | | |
| Governmental activities | 20,710,222 | (110,818,702) | 168,354,900 | (26,206,014) | 82,314,246 |
| Business-type activities | 58,207,740 | 61,987,233 | 48,263,854 | 47,641,572 | 56,865,009 |
| Total Primary Government | \$ 78,917,962 | (48,831,469) | 216,618,754 | 21,435,558 | 139,179,255 |

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 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 special item - Gain from sale of purchase capacity - of \$9,898,401 was recognized.

⁽³⁾ Fiscal Year 2012 expenses restated due to the implementation of GASB statement 65.

| Fiscal Year | | | | | |
|---------------|---------------|---------------|--------------------------|--------------------------|--|
| 2016 | 2015 | 2014 | 2013 | 2012 | |
| | | | | | General Revenues and Other Changes in Net Position |
| | | | | | <i>Governmental activities:</i> |
| | | | | | Taxes: |
| 2,437,535,377 | 2,356,421,557 | 2,215,898,422 | 2,123,759,406 | 2,057,935,398 | Real property |
| 380,123,202 | 368,390,092 | 362,772,805 | 353,275,799 | 316,966,006 | Personal property |
| 158,380,380 | 154,681,661 | 158,619,113 | 158,768,484 | 155,480,677 | Business licenses |
| 249,278,074 | 247,734,220 | 261,193,846 | 265,029,666 | 257,770,918 | Local sales and use |
| 102,181,691 | 100,484,941 | 74,633,997 | 73,450,331 | 65,254,197 | Consumers utility |
| 23,808,125 | 23,898,873 | 19,968,520 | 28,281,179 | 26,223,747 | Recordation |
| 34,115,345 | 33,775,982 | 31,296,981 | 32,694,178 | 33,360,801 | Occupancy, tobacco, and other |
| 211,423,471 | 211,423,648 | 230,920,811 | 209,291,717 | 218,287,716 | Unrestricted grants and contributions |
| 9,945,734 | 10,892,600 | 8,577,857 | 9,836,372 | 14,807,663 | Revenue from the use of money |
| - | - | - | 4,200,000 ⁽¹⁾ | 3,499,567 ⁽¹⁾ | Special item |
| 3,606,791,399 | 3,507,703,574 | 3,363,882,352 | 3,258,587,132 | 3,149,586,690 | Total general revenues and other changes in net position, governmental activities |
| | | | | | <i>Business-type activities:</i> |
| 1,171,307 | 780,354 | 484,332 | 1,409,377 | 521,755 | Revenue from the use of money |
| - | - | - | - | - | Special item |
| 1,171,307 | 780,354 | 484,332 | 1,409,377 | 521,755 | Total general revenues and other changes in net position, business-type activities |
| 3,607,962,706 | 3,508,483,928 | 3,364,366,684 | 3,259,996,509 | 3,150,108,445 | Total general revenues and other changes in net position, Primary Government |
| | | | | | Change in Net Position |
| 144,342,249 | 204,889,165 | 50,082,710 | (45,432,507) | (139,206,083) | Governmental activities |
| 27,808,181 | 38,353,252 | 41,888,905 | 33,290,583 | 39,457,268 | Business-type activities |
| 172,150,430 | 243,242,417 | 91,971,615 | (12,141,924) | (99,748,815) | Total Primary Government |

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

| | Fiscal Year | | | | |
|--------------------------------------|-------------------------|--------------------|----------------------|----------------------|----------------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| <i>General Fund:</i> | | | | | |
| Nonspendable | \$ 1,702,289 | 1,796,346 | 3,204,829 | 1,996,914 | 2,122,029 |
| Committed | 500,612,871 | 479,328,679 | 450,390,936 | 381,006,291 | 318,449,966 |
| Assigned | 36,762,530 | 41,102,387 | 27,852,920 | 29,257,275 | 29,810,689 |
| Unassigned | 145,469,633 | 85,591,972 | 53,361,158 | 66,563,791 | 71,072,769 |
| Total general fund | <u>\$ 684,547,323</u> | <u>607,819,384</u> | <u>534,809,843</u> | <u>478,824,271</u> | <u>421,455,453</u> |
| <i>All Other Governmental Funds:</i> | | | | | |
| Nonspendable | \$ 332,994 | 271,039 | 316,588 | 292,733 | 502,104 |
| Restricted | 763,480,427 | 755,102,339 | 887,566,576 | 869,259,392 | 875,478,273 |
| Committed | 259,808,373 | 231,835,504 | 247,760,895 | 237,969,839 | 217,556,600 |
| Unassigned | (16,718,127) | - | - | - | - |
| Total all other governmental funds | <u>\$ 1,006,903,667</u> | <u>987,208,882</u> | <u>1,135,644,059</u> | <u>1,107,521,964</u> | <u>1,093,536,977</u> |

Source: Fairfax County Department of Finance

| Fiscal Year | | | | | |
|---------------|-------------|-------------|--------------|-------------|--------------------------------------|
| 2016 | 2015 | 2014 | 2013 | 2012 | |
| | | | | | <i>General Fund:</i> |
| 514,559 | 880,201 | 614,966 | 727,441 | 1,129,586 | Nonspendable |
| 271,363,898 | 237,696,440 | 220,628,054 | 216,879,261 | 213,718,785 | Committed |
| 31,420,067 | 33,264,339 | 29,406,539 | 34,841,916 | 29,080,155 | Assigned |
| 38,093,937 | 54,080,837 | 52,154,540 | 76,819,631 | 109,742,640 | Unassigned |
| 341,392,461 | 325,921,817 | 302,804,099 | 329,268,249 | 353,671,166 | Total general fund |
| | | | | | <i>All Other Governmental Funds:</i> |
| 369,676 | 385,364 | 457,598 | 748,799 | 48,513,721 | Nonspendable |
| 822,378,966 | 806,622,981 | 779,237,002 | 565,814,956 | 569,803,909 | Restricted |
| 179,787,832 | 161,136,329 | 151,287,756 | 162,348,750 | 155,083,147 | Committed |
| (20,854) | - | - | (13,108,305) | (2,604,408) | Unassigned |
| 1,002,515,620 | 968,144,674 | 930,982,356 | 715,804,200 | 770,796,369 | Total all other governmental funds |

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

| | Fiscal Year | | | | |
|---|------------------|---------------|---------------|---------------|---------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| Revenues | | | | | |
| Taxes | \$ 4,048,525,783 | 3,940,896,963 | 3,809,188,577 | 3,649,017,783 | 3,576,143,127 |
| Permits, privilege fees, and regulatory licenses | 76,665,984 | 76,492,974 | 79,009,171 | 77,285,673 | 78,789,135 |
| Intergovernmental | 843,948,812 | 655,986,487 | 589,878,410 | 591,245,422 | 588,060,996 |
| Charges for services | 361,333,426 | 401,274,199 | 409,528,868 | 381,639,549 | 373,123,236 |
| Fines and forfeitures | 6,379,279 | 12,375,980 | 15,301,279 | 15,349,405 | 16,172,236 |
| Revenue from the use of money and property | 38,624,526 | 88,199,662 | 100,602,318 | 64,497,904 | 45,195,094 |
| Recovered costs | 17,700,423 | 14,104,830 | 15,771,173 | 18,643,367 | 14,851,978 |
| Contributions and other | 27,213,405 | 11,712,204 | 18,498,183 | 8,795,789 | 2,822,015 |
| Total revenues | 5,420,391,638 | 5,201,043,299 | 5,037,777,979 | 4,806,474,892 | 4,695,157,817 |
| Expenditures | | | | | |
| Current: | | | | | |
| General government administration | 211,763,383 | 199,349,480 | 169,486,397 | 156,249,168 | 160,694,938 |
| Judicial administration | 62,253,981 | 63,247,888 | 61,590,923 | 58,752,207 | 57,242,859 |
| Public safety | 802,618,717 | 799,071,319 | 775,354,938 | 747,806,458 | 737,122,371 |
| Public works | 207,017,475 | 200,931,845 | 197,579,765 | 197,520,108 | 212,209,456 |
| Health and welfare | 754,667,957 | 685,228,743 | 659,194,791 | 629,650,541 | 614,513,160 |
| Community development | 342,620,638 | 369,540,318 | 293,591,266 | 288,415,827 | 243,788,329 |
| Parks, recreation, and cultural | 52,281,283 | 55,921,968 | 57,199,029 | 55,055,417 | 52,985,491 |
| Intergovernmental: ⁽¹⁾ | | | | | |
| Community development | 176,821,619 | 138,534,100 | 170,104,337 | 216,205,206 | 190,913,914 |
| Parks, recreation, and cultural | 66,283,648 | 74,448,119 | 69,637,352 | 68,701,097 | 63,077,723 |
| Education | 2,339,297,904 | 2,332,366,853 | 2,251,573,120 | 2,139,229,138 | 2,085,926,217 |
| Capital outlay | 199,624,409 | 207,717,122 | 166,061,186 | 185,888,125 | 176,169,811 |
| Debt service: | | | | | |
| Principal retirement | 318,572,023 | 538,875,357 | 287,193,768 | 257,426,810 | 225,198,620 |
| Interest and other charges | 128,931,225 | 140,850,323 | 137,922,641 | 141,690,140 | 134,359,311 |
| Total expenditures | 5,662,754,262 | 5,806,083,435 | 5,296,489,513 | 5,142,590,242 | 4,954,202,200 |
| Deficiency of revenues under expenditures | (242,362,624) | (605,040,136) | (258,711,534) | (336,115,350) | (259,044,383) |
| Other Financing Sources (Uses) | | | | | |
| Transfers in | 734,745,924 | 675,792,885 | 673,647,732 | 696,481,666 | 610,776,813 |
| Transfers out | (750,239,673) | (689,273,514) | (685,341,165) | (703,429,940) | (618,264,035) |
| Bonds issued | 290,739,140 | 344,836,070 | 248,084,893 | 283,089,727 | 339,653,241 |
| Refunding bonds issued | 355,392,049 | 198,259,059 | 75,964,692 | 37,408,232 | - |
| Payments to escrow agent | (293,126,253) | - | (44,553,144) | (37,063,950) | - |
| Capital leases, installment purchases, and other | 1,274,161 | - | 75,016,193 | 130,983,420 | 97,962,713 |
| Total other financing sources, net | 338,785,348 | 529,614,500 | 342,819,201 | 407,469,155 | 430,128,732 |
| Special Item | | | | | |
| Net change in fund balances | \$ 96,422,724 | (75,425,636) | 84,107,667 | 71,353,805 | 171,084,349 |
| Debt service as a percentage of noncapital expenditures | 8.2% | 12.1% | 8.3% | 8.1% | 7.5% |

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 | | | | | |
|---------------|---------------|---------------|---------------|---------------|---|
| 2016 | 2015 | 2014 | 2013 | 2012 | |
| | | | | | Revenues |
| 3,384,696,039 | 3,289,084,031 | 3,119,946,744 | 3,036,288,822 | 2,907,905,803 | Taxes |
| 74,165,960 | 71,026,501 | 63,886,989 | 62,411,104 | 59,935,796 | Permits, privilege fees, and regulatory licenses |
| 565,562,122 | 559,309,630 | 609,843,183 | 554,886,927 | 500,063,928 | Intergovernmental |
| 367,293,019 | 387,763,613 | 351,597,808 | 337,660,061 | 323,151,828 | Charges for services |
| 14,675,893 | 16,437,938 | 16,817,313 | 16,842,952 | 17,230,369 | Fines and forfeitures |
| 39,360,901 | 31,080,667 | 31,544,136 | 34,239,413 | 38,113,332 | Revenue from the use of money and property |
| 15,369,266 | 20,109,855 | 16,141,935 | 14,076,599 | 20,294,568 | Recovered costs |
| 8,571,664 | 12,221,739 | 3,408,767 | 2,337,036 | 4,353,629 | Contributions and other |
| 4,469,694,864 | 4,387,033,974 | 4,213,186,875 | 4,058,742,914 | 3,871,049,253 | Total revenues |
| | | | | | Expenditures |
| | | | | | Current: |
| 165,144,963 | 163,023,642 | 164,384,546 | 172,947,861 | 142,882,772 | General government administration |
| 55,337,889 | 53,183,629 | 50,760,212 | 45,751,873 | 50,071,223 | Judicial administration |
| 711,044,003 | 699,203,895 | 690,063,408 | 639,655,183 | 594,264,731 | Public safety |
| 188,198,288 | 199,205,144 | 202,904,525 | 198,203,970 | 194,764,262 | Public works |
| 598,715,227 | 568,675,553 | 553,250,576 | 542,814,370 | 557,655,637 | Health and welfare |
| 226,958,426 | 230,287,575 | 193,976,264 | 192,000,269 | 185,214,980 | Community development |
| 52,721,664 | 50,642,925 | 51,709,656 | 54,270,433 | 51,248,180 | Parks, recreation, and cultural |
| | | | | | Intergovernmental: ⁽¹⁾ |
| 134,236,475 | 111,031,149 | 146,812,410 | 178,024,166 | 195,414,873 | Community development |
| 56,967,246 | 57,848,921 | 52,381,153 | 52,494,525 | 56,373,285 | Parks, recreation, and cultural |
| 1,998,723,980 | 1,936,673,334 | 1,878,460,936 | 1,843,611,090 | 1,769,700,781 | Education |
| 179,067,050 | 160,667,922 | 224,900,077 | 173,558,840 | 215,858,520 | Capital outlay |
| | | | | | Debt service: |
| 386,099,648 | 280,109,469 | 204,975,519 | 234,615,416 | 199,199,649 | Principal retirement |
| 156,503,054 | 137,140,834 | 132,973,357 | 127,353,770 | 122,995,432 | Interest and other charges |
| 4,909,717,913 | 4,647,693,992 | 4,547,552,639 | 4,455,301,766 | 4,335,644,325 | Total expenditures |
| (440,023,049) | (260,660,018) | (334,365,764) | (396,558,852) | (464,595,072) | Deficiency of revenues under expenditures |
| | | | | | Other Financing Sources (Uses) |
| 587,755,580 | 555,297,170 | 581,375,596 | 525,335,599 | 547,558,731 | Transfers in |
| (594,655,237) | (581,266,174) | (587,133,301) | (536,354,136) | (551,771,067) | Transfers out |
| 450,743,979 | 257,188,745 | 480,886,115 | 298,776,517 | 434,761,982 | Bonds issued |
| 297,981,112 | 311,478,707 | 108,080,978 | 171,151,301 | 297,015,139 | Refunding bonds issued |
| (338,948,636) | (270,710,041) | (107,703,910) | (145,945,515) | (295,465,222) | Payments to escrow agent |
| 86,987,841 | 48,951,647 | 47,574,292 | - | - | Capital leases, installment purchases, and other |
| 489,864,639 | 320,940,054 | 523,079,770 | 312,963,766 | 432,099,563 | Total other financing sources, net |
| - | - | - | 4,200,000 | 3,499,567 | Special Item |
| 49,841,590 | 60,280,036 | 188,714,006 | (79,395,086) | (28,995,942) | Net change in fund balances |
| 11.5% | 9.3% | 7.8% | 8.5% | 7.8% | Debt service as a percentage of noncapital expenditures |

2.0 - Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the County's ability to generate its own-source revenues. There are four tables presented in this section.

COUNTY OF FAIRFAX, VA

**TABLE 2.1 - Assessed Value and Actual Value of Taxable Real Property ⁽¹⁾
Last Ten Fiscal Years**

| Fiscal Year | Residential (000s) | Commercial (000s) | Public Service Corporations (000s) | Total Taxable Assessed Value (000s) | Tax-Exempt (000s) | Total Direct Tax Rate ⁽²⁾ |
|-------------|-----------------------|----------------------|--|---|----------------------|---|
| 2021 | \$ 193,599,518 | 71,194,127 | 1,146,136 | 265,939,781 | 19,624,810 | 1.150 |
| 2020 | 187,371,027 | 67,820,928 | 1,088,148 | 256,280,103 | 18,948,829 | 1.150 |
| 2019 | 181,857,973 | 64,476,359 | 977,297 | 247,311,629 | 18,276,651 | 1.150 |
| 2018 | 177,009,973 | 60,781,189 | 969,415 | 238,760,577 | 17,878,071 | 1.130 |
| 2017 | 175,187,489 | 58,185,653 | 899,206 | 234,272,348 | 17,485,097 | 1.130 |
| 2016 | 171,409,697 | 55,199,289 | 892,919 | 227,501,905 | 16,791,394 | 1.090 |
| 2015 | 164,977,246 | 54,044,028 | 863,583 | 219,884,857 | 16,421,055 | 1.090 |
| 2014 | 154,104,662 | 52,968,482 | 876,142 | 207,949,286 | 15,866,827 | 1.085 |
| 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 |

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 |
| 2021 | \$ 1.150 | 0.265 | 0.2250 |
| 2020 | 1.150 | 0.265 | 0.2250 |
| 2019 | 1.150 | 0.265 | 0.2250 |
| 2018 | 1.130 | 0.265 | 0.2250 |
| 2017 | 1.130 | 0.265 | 0.2250 |
| 2016 | 1.090 | 0.265 | 0.2250 |
| 2015 | 1.090 | 0.265 | 0.2288 |
| 2014 | 1.085 | 0.265 | 0.2288 |
| 2013 | 1.075 | 0.265 | 0.2421 |
| 2012 | 1.070 | 0.270 | 0.2420 |

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 2021 | | | |
|------------------|-------------------------------------|---------------------------------------|---|
| Rank | Taxpayer | Taxable Assessed Value ⁽¹⁾ | Pct. of Total Taxable Assessed Value ⁽²⁾ |
| 1 | Tysons Corner Property Holdings LLC | \$ 1,743,486,950 | 0.66 % |
| 2 | Capital One Bank | 838,869,160 | 0.32 |
| 3 | PR Springfield Town Center LLC | 480,692,130 | 0.18 |
| 4 | Fairfax Company of Virginia LLC | 430,538,000 | 0.16 |
| 5 | PS Business Parks LP | 427,402,530 | 0.16 |
| 6 | Reston Town Center Property LLC | 425,968,780 | 0.16 |
| 7 | Washington Gas Light Co | 400,179,089 | 0.15 |
| 8 | Camden Summit Partnership LP | 383,359,160 | 0.14 |
| 9 | Tysons Galleria LLC | 378,044,450 | 0.14 |
| 10 | Exxon Mobile Foundation | 373,021,100 | 0.14 |
| Totals | | \$ 5,881,561,349 | 2.21 % |

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 2021 is \$264,793,644,730. Assessment excludes Public Service Corporations.
Total taxable assessed value for fiscal year 2012 is \$193,918,874,000. 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 | | |
| 2021 | \$ 3,022,677,499 | 3,012,104,497 | 99.65 % | - | 3,022,677,499 |
| 2020 | 2,911,713,956 | 2,903,982,237 | 99.73 | (1,104,417) | 2,910,609,539 |
| 2019 | 2,810,924,242 | 2,803,550,146 | 99.74 | (1,636,251) | 2,809,287,991 |
| 2018 | 2,665,889,198 | 2,657,434,969 | 99.68 | (1,484,526) | 2,664,404,672 |
| 2017 | 2,614,861,824 | 2,607,565,912 | 99.72 | (1,644,801) | 2,613,217,023 |
| 2016 | 2,450,462,549 | 2,443,167,137 | 99.70 | (1,518,985) | 2,448,943,564 |
| 2015 | 2,367,484,875 | 2,360,588,850 | 99.71 | (1,611,634) | 2,365,873,241 |
| 2014 | 2,226,943,153 | 2,220,155,139 | 99.70 | (1,498,067) | 2,225,445,086 |
| 2013 | 2,132,072,324 | 2,124,865,909 | 99.66 | (1,803,587) | 2,130,268,737 |
| 2012 | 2,055,354,905 | 2,048,202,774 | 99.65 | (1,449,752) | 2,053,905,153 |

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. FY2021, taxes are levied for calendar year 2020.

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

| Fiscal Year 2012 | | | |
|------------------|-------------------------------------|--|--|
| Rank | Taxpayer | Taxable Assessed Value ⁽¹⁾ | Pct. of Total Taxable Assessed Value ⁽²⁾ |
| 1 | Tysons Corner Property Holdings LLC | \$ 976,928,710 | 0.50 % |
| 2 | CESC Skyline LLC | 567,399,410 | 0.29 |
| 3 | Fairfax Company of Virginia LLC | 330,603,500 | 0.17 |
| 4 | Federal Home Loan Mortgage Corp | 327,747,110 | 0.17 |
| 5 | Summit Properties Partnership LP | 273,016,670 | 0.14 |
| 6 | Brandywine Acquisition Partners LP | 267,481,930 | 0.14 |
| 7 | Reston Town Center Property LLC | 266,485,030 | 0.14 |
| 8 | Washington Gas Light Co | 253,337,717 | 0.13 |
| 9 | Campus Point Realty Corp | 239,798,250 | 0.12 |
| 10 | SRI Seven Fair Lakes LLC | 238,281,740 | 0.12 |
| Totals | | <u>\$ 3,741,080,067</u> | <u>1.92 %</u> |

| Collections in Subsequent Years | Total Collections to Date | |
|---------------------------------------|---------------------------|---|
| | Amount | Pct. of Adjusted Levy ⁽³⁾ |
| - | 3,012,104,497 | 99.65 % |
| 4,350,030 | 2,908,332,267 | 99.92 |
| 4,909,048 | 2,808,459,194 | 99.97 |
| 6,528,485 | 2,663,963,454 | 99.98 |
| 5,506,544 | 2,613,072,456 | 99.99 |
| 5,668,993 | 2,448,836,130 | 100.00 |
| 5,232,710 | 2,365,821,560 | 100.00 |
| 5,244,082 | 2,225,399,221 | 100.00 |
| 5,357,570 | 2,130,223,479 | 100.00 |
| 5,679,047 | 2,053,881,821 | 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) | | |
| 2021 | \$ 2,573,717 | 362,750 | 357,837 | 450,383 | 2,993 |
| 2020 | 2,503,048 | 392,665 | 384,497 | 439,073 | 7,526 |
| 2019 | 2,480,827 | 429,761 | 409,108 | 430,071 | 13,134 |
| 2018 | 2,474,659 | 444,433 | 443,757 | 352,861 | 18,535 |
| 2017 | 2,450,071 | 458,552 | 445,445 | 236,239 | 21,504 |
| 2016 | 2,404,587 | 391,517 | 470,579 | 145,996 | 25,938 |
| 2015 | 2,367,801 | 406,207 | 495,338 | 75,736 | 23,218 |
| 2014 | 2,311,626 | 413,632 | 520,906 | 53,883 | 24,323 |
| 2013 | 2,226,884 | 420,949 | 348,712 | 32,713 | 3,478 |
| 2012 | 2,017,435 | - | 716,700 | 35,433 | 11,234 |

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 year 2012, the revenue-backed and lease revenue bonds were consolidated in lease revenue bonds. The outstanding debt for revenue-backed bonds in fiscal year is \$364,595. The two types of bonds are reported separately starting in fiscal year 2013.

| HUD Section 108 Loan (000s) | Business-type Activities ⁽¹⁾ Revenue Bonds (000s) | Total Primary Government (000s) | Pct. of Personal Income ⁽³⁾ | Debt Per Capita ⁽⁴⁾ |
|-----------------------------------|---|---------------------------------------|--|-----------------------------------|
| 3,554 | 835,345 | 4,586,579 | 4.544 % | 3,914 |
| 4,013 | 610,541 | 4,341,363 | 4.513 | 3,720 |
| 7,385 | 620,111 | 4,390,397 | 4.859 | 3,808 |
| 8,088 | 649,572 | 4,391,905 | 5.058 | 3,843 |
| 8,783 | 676,804 | 4,297,398 | 5.037 | 3,778 |
| 9,471 | 600,266 | 4,048,354 | 4.960 | 3,559 |
| 10,152 | 619,150 | 3,997,602 | 4.936 | 3,535 |
| 10,826 | 644,967 | 3,980,163 | 4.915 | 3,519 |
| 11,493 | 666,477 | 3,710,706 | 5.168 | 3,558 |
| 12,155 | 552,254 | 3,345,211 | 4.627 | 3,104 |

COUNTY OF FAIRFAX, VA
**TABLE 3.2 - Ratios of General Bonded Debt Outstanding
 Last Ten Fiscal Years**

| Fiscal Year | General Bonded Debt Outstanding ⁽¹⁾ | | | Pct. of Actual Taxable Value of Real Property ⁽³⁾ | Debt Per Capita ⁽⁴⁾ |
|-------------|--|---|-----------------|---|-----------------------------------|
| | General Obligation Bonds (000s) | Lease Revenue Bonds ⁽²⁾⁽⁵⁾ (000s) | Total (000s) | | |
| 2021 | \$ 2,573,717 | 357,837 | 2,931,554 | 1.10 % | 2,502 |
| 2020 | 2,503,048 | 384,497 | 2,887,545 | 1.13 | 2,474 |
| 2019 | 2,480,827 | 409,108 | 2,889,935 | 1.17 | 2,507 |
| 2018 | 2,474,659 | 443,757 | 2,918,416 | 1.22 | 2,554 |
| 2017 | 2,450,071 | 445,445 | 2,895,516 | 1.24 | 2,543 |
| 2016 | 2,404,587 | 470,579 | 2,875,166 | 1.26 | 2,517 |
| 2015 | 2,367,801 | 495,338 | 2,863,139 | 1.30 | 2,517 |
| 2014 | 2,311,626 | 520,906 | 2,832,532 | 1.36 | 2,505 |
| 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 |

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 actual taxable value of real property data. The percentage is calculated using values for each fiscal year for which levied.

⁽⁴⁾ See Table 4.1 for population data. The ratio is calculated using population data for the prior calendar year.

⁽⁵⁾ In fiscal year 2012, the revenue-backed and lease revenue bonds were consolidated in lease revenue bonds. The outstanding debt for revenue-backed bonds in fiscal year is \$364,595. 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, 2021

| | Debt Outstanding (000s) | Percentage Applicable ⁽²⁾ | Share of Overlapping Debt (000s) ⁽¹⁾ |
|---|-------------------------------|---|---|
| <i>Overlapping debt:</i> | | | |
| Town of Herndon | | | |
| General obligation bonds | \$ 21,945 | 100.0 % | \$ 21,945 |
| Total overlapping debt, Town of Herndon | | | 21,945 |
| Town of Vienna | | | |
| General obligation bonds | 56,971 | 100.0 | 56,971 |
| Total overlapping debt, Town of Vienna | | | 56,971 |
| Total overlapping debt | | | 78,916 |
| <i>County direct debt:</i> ⁽³⁾ | | | |
| General obligation bonds | | | 2,573,717 |
| Revenue-Backed bonds | | | 362,750 |
| Lease Revenue bonds | | | 357,837 |
| Notes | | | 450,383 |
| Capital leases | | | 2,993 |
| HUD Section 108 loans | | | 3,554 |
| Total direct debt | | | 3,751,234 |
| Total direct and overlapping debt | | | \$ 3,830,150 |

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) | | | | |
|---|--------------------|-----------|-----------|-----------|-----------|
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| (a) Debt limit ⁽²⁾ | \$ 8,518,781 | 8,244,479 | 7,955,879 | 7,687,822 | 7,551,723 |
| Total debt applicable to limit ⁽³⁾ | 2,931,554 | 2,887,545 | 2,889,935 | 2,918,416 | 2,895,516 |
| Self-imposed debt margin | \$ 5,587,227 | 5,356,934 | 5,065,944 | 4,769,406 | 4,656,207 |
| Total debt applicable to limit as a percentage of debt limit | 34.41% | 35.02% | 36.32% | 37.96% | 38.34% |
| Total debt applicable to limit as a percentage of assessed value | 1.03% | 1.05% | 1.09% | 1.14% | 1.15% |

Debt Margin Calculation for Fiscal Year 2021:

| | |
|--|----------------|
| Assessed value ⁽²⁾ | \$ 283,959,357 |
| Debt limit (3% of assessed value) | 8,518,781 |
| Debt applicable to limit: ⁽³⁾ | |
| General obligation bonds ⁽¹⁾ | 2,573,716 |
| Lease Revenue bonds ⁽¹⁾ | 357,838 |
| Total debt applicable to limit | 2,931,554 |
| Self-imposed debt margin | \$ 5,587,227 |

| | Fiscal Year (000s) | | | | |
|---|--------------------|---------|---------|---------|---------|
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| (b) Debt service limit | \$ 454,590 | 444,986 | 430,048 | 411,255 | 400,584 |
| Total debt service requirements applicable to limit ⁽⁴⁾ | 325,402 | 332,257 | 345,310 | 337,077 | 313,389 |
| Self-imposed debt service margin | \$ 129,188 | 112,729 | 84,738 | 74,178 | 87,195 |
| Total debt service requirements applicable to limit as a percentage of the debt service limit | 71.58% | 74.67% | 80.30% | 81.96% | 78.23% |
| Total debt service requirements applicable to limit as a percentage of annual General Fund expenditures and transfers out | 7.16% | 7.47% | 8.03% | 8.20% | 7.82% |

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) | | | | | |
|--------------------|-----------|-----------|-----------|-----------|--|
| 2016 | 2015 | 2014 | 2013 | 2012 | |
| 7,331,913 | 7,092,110 | 6,731,089 | 6,513,757 | 6,320,578 | Debt limit ⁽²⁾ |
| 2,875,166 | 2,863,139 | 2,832,532 | 2,575,596 | 2,734,135 | Total debt applicable to limit ⁽³⁾ |
| 4,456,747 | 4,228,971 | 3,898,557 | 3,938,161 | 3,586,443 | Self-imposed debt margin |
| 39.21% | 40.37% | 42.08% | 39.54% | 43.26% | Total debt applicable to limit as a percentage of debt limit |
| 1.18% | 1.19% | 1.26% | 1.19% | 1.30% | Total debt applicable to limit as a percentage of assessed value |

| Fiscal Year (000s) | | | | | |
|--------------------|---------|---------|---------|---------|---|
| 2016 | 2015 | 2014 | 2013 | 2012 | |
| 386,066 | 372,962 | 363,784 | 353,329 | 341,854 | Debt service limit |
| 323,859 | 313,969 | 295,451 | 289,714 | 288,302 | Total debt service requirements applicable to limit ⁽⁴⁾ |
| 62,207 | 58,993 | 68,333 | 63,615 | 53,552 | Self-imposed debt service margin |
| 83.89% | 84.18% | 81.22% | 82.00% | 84.33% | Total debt service requirements applicable to limit as a percentage of the debt service limit |
| 8.39% | 8.42% | 8.12% | 8.20% | 8.43% | 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 | (000s) | | | Principal | Interest | Total | |
| | (000s) | | (000s) | (000s) | (000s) | (000s) | (000s) | |
| 2021 | \$ | 251,953 | 109,195 | 142,758 | 29,088 | 20,886 | 49,974 | 2.86 % |
| 2020 | | 242,894 | 107,460 | 135,434 | 27,475 | 22,214 | 49,689 | 2.73 |
| 2019 | | 236,111 | 101,359 | 134,752 | 26,898 | 23,131 | 50,029 | 2.69 |
| 2018 | | 228,259 | 100,996 | 127,263 | 21,192 | 22,152 | 43,344 | 2.94 |
| 2017 | | 221,982 | 94,166 | 127,816 | 23,953 | 19,178 | 43,131 | 2.96 |
| 2016 | | 206,287 | 92,453 | 113,834 | 23,070 | 24,046 | 47,116 | 2.42 |
| 2015 | | 210,057 | 92,312 | 117,745 | 22,429 | 24,335 | 46,764 | 2.52 |
| 2014 | | 212,782 | 91,111 | 121,671 | 20,872 | 27,125 | 47,997 | 2.53 |
| 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 |

Source: Fairfax County Department of Finance

Notes:

- (1) Gross revenues include all revenues, except the amortization of deferred gain on bond refundings and gains on disposals of capital assets.
- (2) Operating expenses do not include depreciation and amortization.
- (3) See Note J in the Notes to the Financial Statements for detailed information regarding the sewer revenue bonds issued by the Integrated Sewer System and Note K for the System's share of the revenue bonds issued by the Upper Occoquan Service Authority.

4.0 - Demographic and economic information is intended to assist users in understanding the socioeconomic environment within which a government operates and to provide information that facilitates comparisons of financial statement information over time and among governments. There are two tables presented in this section.

COUNTY OF FAIRFAX, VA

**TABLE 4.1 - Demographic and Economic Statistics
Last Ten Calendar Years**

| Calendar Year | Population ⁽¹⁾ | Personal Income ⁽²⁾ (000s) | Per Capita Personal Income ⁽²⁾ | Median Age ⁽³⁾ (yrs) | Pct. of People ≥ 25 Years Old with a Bachelor's Degree ⁽³⁾ | Public School Enrollment ⁽⁴⁾ | Unemployment Rate ⁽⁵⁾ |
|------------------|---------------------------|---|---|---------------------------------------|--|--|-------------------------------------|
| 2020 | 1,171,848 | 100,944,159 | 86,141 | 38.4 | 61.6 % | 188,355 | 5.6 % |
| 2019 | 1,166,965 | 96,205,762 | 82,441 | 38.4 | 61.1 | 187,474 | 2.3 |
| 2018 | 1,152,873 | 90,357,574 | 78,376 | 37.9 | 60.7 | 188,403 | 2.4 |
| 2017 | 1,142,888 | 86,834,344 | 75,978 | 38.1 | 60.3 | 187,484 | 3.0 |
| 2016 | 1,138,652 | 85,311,224 | 74,923 | 38.0 | 59.9 | 185,979 | 3.2 |
| 2015 | 1,142,234 | 85,675,546 | 75,007 | 37.7 | 59.2 | 185,914 | 3.1 |
| 2014 | 1,137,538 | 81,620,627 | 71,752 | 37.6 | 58.6 | 183,895 | 3.5 |
| 2013 | 1,130,924 | 80,982,075 | 71,607 | 37.3 | 58.2 | 181,259 | 3.7 |
| 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 |

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 2020 is estimated using percent change in per capita personal income from 2019.

(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 Fairfax County Department of Management and Budget's Economic Analysis.

COUNTY OF FAIRFAX, VA
TABLE 4.2 - Principal Employers
Current Year and Nine Years Ago

| Employer | Fiscal Year 2021 ⁽¹⁾ | | | Fiscal Year 2012 ⁽¹⁾ | | | |
|---|---------------------------------|------|--|------------------------------------|------|--|---|
| | Number of Employees | Rank | Pct. of Total County Employment ⁽³⁾ | Number of Employees ⁽²⁾ | Rank | Pct. of Total County Employment ⁽³⁾ | |
| Federal Government | 26,543 | 1 | 4.30 % | 23,361 | 2 | 4.02 | % |
| Fairfax County Public Schools | 25,389 | 2 | 4.12 | 23,534 | 1 | 4.05 | |
| Fairfax County Government | 12,128 | 3 | 1.97 | 12,070 | 3 | 2.08 | |
| Inova Health System | 10,000-12,000 | 4 | 1.78 | 7,000-10,000 | 5 | 1.46 | |
| George Mason University | 5,000-9,999 | 5 | 1.22 | 4,000-6,999 | 7 | 0.95 | |
| Booz-Allen Hamilton | 5,000-9,999 | 6 | 1.22 | 7,000-10,000 | 4 | 1.46 | |
| Amazon | 5,000-9,999 | 7 | 1.22 | | | | |
| Federal Home Loan Mortgage | 5,000-9,999 | 8 | 1.22 | 4,000-6,999 | 8 | 0.95 | |
| Science Applications International Corporation ⁽⁴⁾ | 5,000-9,999 | 9 | 1.22 | 4,000-6,999 | 6 | 0.95 | |
| Capital One | 5,000-9,999 | 10 | 1.22 | | | | |
| Northrup Grumman | | | | 4,000-6,999 | 9 | 0.95 | |
| Mitre | | | | 1,000-3,999 | 10 | 0.43 | |
| | | | <u>19.49</u> % | | | <u>17.30</u> % | |

Notes:

- (1) Employment information for fiscal year 2021, 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 2012 is as was presented 2012 Fairfax County ACFR.
- (2) Employment estimates for separate facilities of the same firm have been combined to create company totals. Employment ranges for the private sector are given to ensure confidentiality.
- (3) Percentages are based on the midpoint of the employment range. Average total County employment for fiscal year 2021 is estimated at 616,633 based on Virginia Employment Commission (VEC). Average total County employment for fiscal year 2012 was estimated at 581,547.
- (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 | | | | |
|---|--|-----------------|-----------------|-----------------|-----------------|
| | 2021 | 2020* | 2019* | 2018* | 2017 |
| Primary Government: | | | | | |
| General government administration | 1,206.0 | 1,237.0 | 1,227.0 | 1,201.0 | 1,190.0 |
| Judicial administration | 383.0 | 378.0 | 360.0 | 362.0 | 377.0 |
| Public safety | 4,349.0 | 4,429.0 | 4,437.0 | 4,367.0 | 4,385.0 |
| Public works | 1,074.0 | 1,063.0 | 1,043.0 | 1,066.0 | 1,069.0 |
| Health and welfare | 3,729.0 | 3,510.0 | 3,550.0 | 3,526.0 | 3,366.0 |
| Community development | 516.0 | 531.0 | 514.0 | 543.0 | 524.0 |
| Parks, recreation, and cultural | 297.0 | 470.0 | 307.0 | 307.0 | 470.0 |
| Total | 11,554.0 | 11,618.0 | 11,438.0 | 11,372.0 | 11,381.0 |
| Component Units: | | | | | |
| <i>Public Schools:</i> | | | | | |
| Education | 25,389.0 | 25,041.0 | 24,936.0 | 24,715.0 | 24,688.0 |
| <i>Redevelopment and Housing Authority:</i> | | | | | |
| Community development | 160.0 | 189.0 | 172.0 | 187.0 | 196.0 |
| <i>Park Authority:</i> | | | | | |
| Parks, recreation, and cultural | 414.0 | 417.0 | 424.0 | 437.0 | 447.0 |

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 |
|--|----------|----------|----------|----------|---|
| 2016 | 2015 | 2014 | 2013 | 2012 | |
| | | | | | <u>Primary Government:</u> |
| 2,259.0 | 2,258.0 | 2,251.0 | 2,254.0 | 2,257.0 | General government administration |
| 398.0 | 394.0 | 391.0 | 392.0 | 390.0 | Judicial administration |
| 4,398.0 | 4,390.0 | 4,318.0 | 4,330.0 | 4,335.0 | Public safety |
| 551.0 | 538.0 | 520.0 | 511.0 | 481.0 | Public works |
| 3,464.0 | 3,475.0 | 3,490.0 | 3,571.0 | 3,571.0 | Health and welfare |
| 529.0 | 516.0 | 513.0 | 481.0 | 491.0 | Community development |
| 736.0 | 755.0 | 757.0 | 763.0 | 753.0 | Parks, recreation, and cultural |
| 12,335.0 | 12,326.0 | 12,240.0 | 12,302.0 | 12,278.0 | Total |
| | | | | | <u>Component Units:</u> |
| | | | | | <i>Public Schools:</i> |
| 24,581.0 | 24,181.0 | 24,590.0 | 24,232.0 | 23,534.0 | Education |
| | | | | | <i>Redevelopment and Housing Authority:</i> |
| 226.0 | 233.0 | 233.0 | 230.0 | 230.0 | Community development |
| | | | | | <i>Park Authority:</i> |
| 582.0 | 595.0 | 600.0 | 598.0 | 605.0 | Parks, recreation, and cultural |

COUNTY OF FAIRFAX, VA
TABLE 5.2 - Operating Indicators by Function
Last Ten Fiscal Years

| Function/Program | Fiscal Year | | | | |
|--|-------------|------------|------------|------------|------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| Primary Government: | | | | | |
| <i>General government administration:</i> | | | | | |
| Real property parcels assessed | 363,157 | 349,958 | 360,579 | 360,954 | 360,617 |
| Personal property vehicles assessed | 954,075 | 993,452 | 994,469 | 994,746 | 986,610 |
| Businesses licensed | 47,392 | 48,561 | 49,071 | 49,071 | 49,408 |
| Best qualified job applicants forwarded to departments | 14,972 | 15,687 | 17,307 | 15,544 | 16,806 |
| <i>Judicial administration:</i> | | | | | |
| Cases filed in General District Court | 118,662 | 255,752 | 315,048 | 297,213 | 302,665 |
| Booking transactions | 19,445 | 28,042 | 34,599 | 36,435 | 36,820 |
| General District Court probation program new adult enrollment | 730 | 651 | 1,036 | 1,290 | 1,091 |
| <i>Public safety:</i> | | | | | |
| Police: | | | | | |
| Recruits graduating | | | | | |
| Criminal Justice Academy ⁽³⁾ | 67 | 67 | 54 | 72 | 72 |
| Total cases assigned ⁽⁴⁾ | 2,478 | 2,625 | 2,854 | 4,181 | 30 |
| Total cases cleared ⁽⁴⁾ | 1,930 | 1,354 | 1,940 | 3,545 | 2,329 |
| Parking tickets issued | 24,874 | 43,276 | 52,783 | 52,111 | 46,886 |
| Sheriff: | | | | | |
| Court cases heard annually | 137,042 | 249,063 | 436,666 | 474,377 | 499,583 |
| Average daily Adult Detention Center inmate population | 588 | 689 | 964 | 994 | 1,029 |
| Fire and rescue: | | | | | |
| Fire investigations conducted | 205 | 291 | 287 | 264 | 335 |
| Fire inspection activities conducted | 37,445 | 23,936 | 20,206 | 16,659 | 19,981 |
| EMS incidents | 74,103 | 75,055 | 76,877 | 75,123 | 75,019 |
| Animals impounded | 2,856 | 3,858 | 4,467 | 4,416 | 4,311 |
| <i>Public works:</i> | | | | | |
| Gross square feet of facilities maintained | 11,842,769 | 11,764,583 | 11,764,583 | 11,105,648 | 10,838,046 |
| Tons of County waste disposed | 723,078 | 694,634 | 753,625 | 731,706 | 735,287 |
| Total tons recycled | 466,793 | 422,286 | 494,553 | 494,734 | 611,171 |
| Total average daily wastewater flow treated (million gallons) | 100.7 | 95.4 | 112.4 | 95.8 | 90.5 |
| <i>Health and welfare:</i> | | | | | |
| Persons served through Community Services Board programs: ⁽¹⁾ | | | | | |
| Mental Health Services | 6,181 | 6,932 | 7,348 | 6,803 | 6,748 |
| Substance Abuse Services | 1,005 | 1,529 | 1,568 | 1,523 | 1,600 |
| Developmental Services | 2,330 | 2,479 | 2,348 | 2,231 | 2,104 |
| Infant Toddler Connection | 3,800 | 3,660 | 4,132 | 3,889 | 3,642 |
| Emergency and Ancillary Services | 17,874 | 17,707 | 18,770 | 17,749 | 16,587 |
| Home and Congregate Meals for Older Adults ⁽⁵⁾ | 583,743 | 539,776 | 504,447 | 512,881 | 519,959 |
| Food Stamp applications (SNAP) | 23,605 | 21,568 | 17,924 | 19,576 | 21,260 |
| Medicaid/FAMIS Applications | 45,166 | 48,516 | 43,719 | 32,544 | 35,061 |
| Child immunization vaccines given at clinics | 11,317 | 30,642 | 31,816 | 28,277 | 37,659 |

| Fiscal Year | | | | | Function/Program |
|--|------------|-----------|-----------|-----------|---|
| 2016 | 2015 | 2014 | 2013 | 2012 | |
| Primary Government: | | | | | |
| General government administration: | | | | | |
| 360,495 | 359,265 | 359,099 | 358,555 | 358,489 | Real property parcels assessed |
| 980,114 | 979,836 | 979,424 | 970,361 | 963,595 | Personal property vehicles assessed |
| 49,309 | 49,063 | 48,202 | 47,454 | 46,919 | Businesses licensed |
| 17,177 | 17,374 | 15,577 | 21,828 | 22,466 | Best qualified job applicants forwarded to departments |
| Judicial administration: | | | | | |
| 310,879 | 316,727 | 313,055 | 310,883 | 313,369 | Cases filed in General District Court |
| 37,537 | 40,248 | 43,543 | 43,857 | 42,290 | Booking transactions |
| 1,127 | 1,168 | 1,252 | 1,286 | 755 | General District Court probation program new adult enrollment |
| Public safety: | | | | | |
| Police: | | | | | |
| | | | | | Recruits graduating |
| 104 | 72 | 49 | 31 | 28 | Criminal Justice Academy ⁽³⁾ |
| 6,725 | 9,166 | 11,559 | 12,686 | 12,549 | Total cases assigned ⁽⁴⁾ |
| 2,141 | 3,590 | 4,742 | 5,722 | 5,234 | Total cases cleared ⁽⁴⁾ |
| 45,775 | 48,645 | 59,097 | 52,182 | 58,550 | Parking tickets issued |
| Sheriff: | | | | | |
| 451,837 | 420,081 | 510,857 | 490,492 | 478,726 | Court cases heard annually |
| 1,038 | 1,062 | 1,228 | 1,220 | 1,257 | Average daily Adult Detention Center inmate population |
| Fire and rescue: | | | | | |
| 350 | 386 | 283 | 329 | 260 | Fire investigations conducted |
| 20,520 | 20,943 | 21,920 | 18,024 | 17,917 | Fire inspection activities conducted |
| 72,037 | 69,486 | 66,550 | 67,243 | 67,073 | EMS incidents |
| 4,354 | 4,553 | 4,090 | 3,228 | 4,323 | Animals impounded |
| Public works: | | | | | |
| 10,799,658 | 10,652,102 | 8,590,360 | 8,688,860 | 8,613,111 | Gross square feet of facilities maintained |
| 727,734 | 709,936 | 700,170 | 724,606 | 796,472 | Tons of County waste disposed |
| 520,628 | 484,783 | 518,575 | 647,456 | 571,116 | Total tons recycled |
| 96.2 | 102.9 | 104.2 | 98 | 102.7 | Total average daily wastewater flow treated (million gallons) |
| Health and welfare: | | | | | |
| Persons served through Community Services Board programs: ⁽¹⁾ | | | | | |
| 6,884 | 7,082 | 6,619 | 6,874 | 6,736 | Intellectual Disability Services (IDS) |
| 1,658 | 2,406 | 2,602 | 2,944 | 3,281 | Alcohol and drug services |
| 1,969 | 1,901 | 1,910 | 1,645 | 2,087 | Intellectual disability |
| 3,559 | 3,372 | 3,164 | 2,975 | 2,803 | Infant Toddler Connection |
| 15,154 | 14,245 | 13,442 | 13,248 | 11,549 | Emergency and Ancillary Services |
| 468,022 | 433,170 | 443,865 | 451,945 | 479,555 | Home and Congregate Meals for Older Adults ⁽⁵⁾ |
| 18,469 | 18,466 | 17,416 | 18,725 | 17,604 | Food Stamp applications (SNAP) |
| 39,361 | 31,609 | 17,472 | 22,161 | 20,544 | Medicaid/FAMIS applications |
| 31,559 | 34,417 | 30,590 | 27,849 | 29,365 | 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 | | | | |
|---|-------------|-----------|------------|------------|------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| <i>Community development:</i> | | | | | |
| Building inspections | 180,492 | 181,749 | 168,008 | 159,090 | 158,289 |
| Building permits issued | 71,429 | 64,464 | 66,421 | 63,224 | 59,814 |
| Zoning permits processed | 21,001 | 16,011 | 17,275 | 19,459 | 19,990 |
| Fairfax Connector bus passengers | 4,566,013 | 6,783,112 | 8,334,616 | 8,312,983 | 8,631,906 |
| <i>Parks, recreation, and cultural:</i> | | | | | |
| Senior Center attendance | 41,294 | 269,535 | 380,355 | 361,908 | 361,270 |
| Teen Center attendance | 1,044 | 64,992 | 67,104 | 70,486 | 74,401 |
| Community Center attendance | 21,780 | 301,374 | 349,204 | 330,152 | 327,950 |
| Library visits | 1,197,867 | 3,143,196 | 4,578,666 | 4,532,886 | 4,633,327 |
| Circulation of all library materials | 10,091,979 | 8,916,842 | 10,968,477 | 11,175,980 | 11,405,157 |
| <u>Component Units:</u> | | | | | |
| <i>Public Schools:</i> | | | | | |
| Combined SAT scores ⁽⁶⁾ | 1,201 | 1,211 | 1,218 | 1,213 | 1,187 |
| Number of lunches served daily | 17,273 | 81,137 | 80,473 | 80,374 | 80,660 |
| Number of breakfasts served daily | 16,271 | 29,099 | 29,506 | 26,591 | 22,261 |
| Student enrollment | 179,748 | 188,355 | 187,474 | 188,403 | 187,484 |
| Special education enrollment | 26,468 | 27,644 | 27,107 | 25,779 | 25,697 |
| ESOL enrollment | 33,325 | 36,325 | 35,541 | 27,572 | 27,896 |
| <i>Redevelopment and Housing Authority:</i> | | | | | |
| Residents housed through subsidized rental programs: | | | | | |
| Federal Public Housing ⁽⁷⁾ | - | - | - | - | 2,651 |
| Federal Housing Choice Vouchers ⁽⁷⁾ | 12,723 | 12,241 | 12,809 | 12,380 | 9,541 |
| County Rental Program-multifamily and seniors | 5,199 | 6,665 | 6,110 | 6,198 | 5,789 |
| Homes sold in First-Time Homebuyer Program | 47 | 43 | 31 | 27 | 10 |
| <i>Park Authority:</i> | | | | | |
| REC Center attendance | 563,593 | 1,307,811 | 1,646,581 | 1,756,187 | 1,837,807 |
| Golf course rounds | 347,965 | 231,054 | 226,602 | 235,287 | 259,094 |
| Visits to natural, cultural, historic and interpretive sites ⁽²⁾ | 1,207,791 | 1,125,462 | 1,609,067 | 1,798,157 | 1,997,855 |
| Class, camp, and program participation | 89,085 | 241,627 | 270,003 | 170,206 | 176,561 |

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 |
|--|------------|------------|------------|------------|---|
| 2016 | 2015 | 2014 | 2013 | 2012 | |
| Community development: | | | | | |
| 153,055 | 156,331 | 148,587 | 150,877 | 136,532 | Building inspections |
| 57,972 | 59,471 | 59,956 | 59,714 | 54,138 | Building permits issued |
| 21,513 | 19,223 | 19,163 | 17,982 | 15,000 | Zoning permits processed |
| 8,984,180 | 9,764,166 | 10,655,021 | 10,650,401 | 10,895,833 | Fairfax Connector bus passengers |
| Parks, recreation, and cultural: | | | | | |
| 302,637 | 296,883 | 277,342 | 284,392 | 260,943 | Senior Center attendance |
| 81,975 | 94,142 | 92,895 | 84,180 | 97,913 | Teen Center attendance |
| 330,782 | 308,143 | 269,279 | 264,144 | 224,163 | Community Center attendance |
| 4,727,927 | 4,814,043 | 4,990,860 | 5,221,226 | 5,246,854 | Library visits |
| 12,042,565 | 12,095,926 | 12,881,013 | 13,091,690 | 13,034,816 | Circulation of all library materials |
| Component Units: | | | | | |
| Public Schools: | | | | | |
| 1,672 | 1,669 | 1,668 | 1,663 | 1,659 | Combined SAT scores ⁽⁶⁾ |
| 82,168 | 81,526 | 83,355 | 85,006 | 86,703 | Number of lunches served daily |
| 20,102 | 19,193 | 19,090 | 17,171 | 15,400 | Number of breakfasts served daily |
| 185,979 | 185,914 | 183,895 | 181,259 | 177,918 | Student enrollment |
| 25,740 | 25,490 | 25,358 | 25,114 | 24,807 | Special education enrollment |
| 31,120 | 31,104 | 31,204 | 28,090 | 27,944 | ESOL enrollment |
| Redevelopment and Housing Authority: | | | | | |
| Residents housed through subsidized rental programs: | | | | | |
| 2,762 | 2,637 | 2,701 | 2,789 | 2,818 | Federal Public Housing ⁽⁷⁾ |
| 9,917 | 9,327 | 9,530 | 9,636 | 9,317 | Federal Housing Choice Vouchers ⁽⁷⁾ |
| 6,034 | 6,223 | 6,202 | 6,224 | 6,166 | County Rental Program-multifamily and seniors |
| 18 | 15 | 27 | 42 | 32 | Homes sold in First-Time Homebuyer Program |
| Park Authority: | | | | | |
| 1,851,595 | 1,817,882 | 1,796,905 | 1,919,684 | 2,006,294 | REC Center attendance |
| 268,801 | 259,313 | 268,151 | 276,759 | 294,828 | Golf course rounds |
| 1,813,942 | 1,601,690 | 1,324,432 | 791,038 | 881,510 | Visits to natural, cultural, historic and interpretive sites ⁽²⁾ |
| 175,701 | 179,575 | 178,861 | 180,336 | 176,240 | 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 | | | | |
|--|-------------|-----------|-----------|-----------|-----------|
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| <u>Primary Government:</u> | | | | | |
| <i>General government administration:</i> | | | | | |
| Government office buildings (square feet) | 2,018,300 | 2,018,300 | 2,028,977 | 2,017,255 | 1,739,631 |
| Vehicle maintenance facilities | 3 | 3 | 3 | 3 | 3 |
| <i>Judicial administration:</i> | | | | | |
| Correctional facilities (inmate capacity) | 1,260 | 1,260 | 1,260 | 1,260 | 1,260 |
| Courtrooms | 44 | 44 | 44 | 44 | 44 |
| <i>Public safety:</i> | | | | | |
| Police: | | | | | |
| Stations | 8 | 8 | 8 | 8 | 8 |
| Vehicles | 1,493 | 1,495 | 1,476 | 1,467 | 1,456 |
| Helicopters | 2 | 2 | 2 | 2 | 2 |
| Criminal justice academy (trainee capacity) | 240 | 240 | 240 | 240 | 240 |
| Fire and rescue: | | | | | |
| County-operated fire and rescue stations | 32 | 31 | 30 | 30 | 30 |
| Volunteer fire and rescue stations | 7 | 7 | 8 | 8 | 8 |
| Combination stations | 2 | 2 | 2 | 2 | 4 |
| Vehicles | 506 | 505 | 505 | 505 | 502 |
| Boats | 1 | 1 | 1 | 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 | 3,250 | 3,243 | 3,249 | 3,247 | 3,242 |
| Sewer pumping stations | 63 | 63 | 63 | 63 | 61 |
| Refuse collection, recycling, and disposal vehicles | 250 | 223 | 229 | 229 | 229 |
| Miles of stormwater drainage lines | 1,516 | 1,561 | 1,679 | 1,668 | 1,662 |
| Stormwater retention ponds | 1,471 | 1,509 | 1,497 | 1,471 | 1,456 |
| Landfills and transfer stations | 3 | 3 | 3 | 3 | 3 |
| <i>Health and welfare:</i> | | | | | |
| Health-related clinics | 5 | 5 | 5 | 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 | 438 | 473 | 463 | 421 | 534 |
| Transit centers and park & ride lots | 54 | 55 | 55 | 46 | 46 |
| Fairfax Connector buses | 334 | 325 | 313 | 309 | 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) | 732 | 727 | 716 | 711 | 694 |

| Fiscal Year | | | | | Function/Program |
|---|-----------|-----------|-----------|-----------|--|
| 2016 | 2015 | 2014 | 2013 | 2012 | |
| <u>Primary Government:</u> | | | | | |
| <i>General government administration:</i> | | | | | |
| 2,706,311 | 3,191,961 | 3,763,174 | 3,621,104 | 3,605,182 | Government office buildings (square feet) |
| 3 | 3 | 3 | 3 | 4 | Vehicle maintenance facilities |
| <i>Judicial administration:</i> | | | | | |
| 1,371 | 1,260 | 1,157 | 1,220 | 1,257 | Correctional facilities (inmate capacity) |
| 44 | 44 | 44 | 44 | 44 | Courtrooms |
| <i>Public safety:</i> | | | | | |
| Police: | | | | | |
| 8 | 8 | 8 | 8 | 8 | Stations |
| 1,441 | 1,498 | 1,491 | 1,486 | 1,263 | Vehicles |
| 2 | 2 | 2 | 2 | 2 | Helicopters |
| 240 | 240 | 240 | 240 | 240 | Criminal justice academy (trainee capacity) |
| Fire and rescue: | | | | | |
| 30 | 30 | 29 | 29 | 28 | County-operated fire and rescue stations |
| 8 | 8 | 9 | 9 | 9 | Volunteer fire and rescue stations |
| 4 | 4 | 4 | 4 | 4 | Combination stations |
| 502 | 502 | 502 | 502 | 495 | Vehicles |
| 2 | 2 | 2 | 2 | 4 | Boats |
| 186 | 186 | 186 | 186 | 186 | Training facilities (trainee capacity) |
| 153 | 153 | 153 | 137 | 158 | Animal shelters (animal capacity) |
| <i>Public works:</i> | | | | | |
| 3,430 | 3,425 | 3,420 | 3,412 | 3,398 | Miles of sanitary sewer lines |
| 59 | 59 | 59 | 59 | 65 | Sewer pumping stations |
| 229 | 239 | 244 | 263 | 264 | Refuse collection, recycling, and disposal vehicles |
| 1,653 | 1,641 | 1,633 | 1,621 | 1,607 | Miles of stormwater drainage lines |
| 1,440 | 1,425 | 1,414 | 1,396 | 1,373 | Stormwater retention ponds |
| 3 | 3 | 3 | 3 | 3 | Landfills and transfer stations |
| <i>Health and welfare:</i> | | | | | |
| 8 | 8 | 8 | 8 | 8 | Health-related clinics |
| 6 | 6 | 6 | 6 | 6 | Shelters |
| 7 | 7 | 10 | 10 | 10 | Community Services Board centers |
| <i>Community development:</i> | | | | | |
| 8 | 7 | 7 | 7 | 7 | Community centers |
| 563 | 557 | 410 | 375 | 350 | Bus shelters |
| 43 | 47 | 36 | 36 | 38 | Transit centers and park & ride lots |
| 302 | 284 | 278 | 278 | 254 | Fairfax Connector buses |
| <i>Parks, recreation, and cultural:</i> | | | | | |
| 23 | 23 | 23 | 23 | 23 | Libraries |
| 1 | 1 | 1 | 1 | 2 | Community centers |
| 689 | 677 | 664 | 656 | 649 | 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 | | | | |
|---|-------------|--------|--------|--------|--------|
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| Component Units: | | | | | |
| <i>Public Schools:</i> | | | | | |
| Elementary schools | 142 | 141 | 141 | 141 | 141 |
| Middle schools | 23 | 23 | 23 | 23 | 23 |
| High/secondary schools | 25 | 25 | 25 | 25 | 25 |
| Special education centers | 7 | 7 | 7 | 7 | 7 |
| Alternative high schools | 2 | 2 | 2 | 2 | 2 |
| <i>Redevelopment and Housing Authority:</i> | | | | | |
| Housing units owned under programs: | | | | | |
| Federal Public Housing | 1,065 | 1,065 | 1,065 | 1,065 | 1,065 |
| County Rental Program | 1,501 | 1,509 | 1,547 | 1,478 | 1,471 |
| Senior Housing Program | 476 | 476 | 476 | 476 | 476 |
| Partnership Program | 760 | 760 | 760 | 699 | 695 |
| <i>Park Authority:</i> | | | | | |
| Acres of park land | 23,632 | 23,595 | 23,550 | 23,513 | 23,418 |
| Athletic fields | 260 | 266 | 266 | 262 | 263 |
| Trail miles | 334 | 334 | 332 | 327 | 326 |
| Play areas and tot lots | 228 | 238 | 206 | 209 | 210 |
| Tennis courts | 252 | 258 | 257 | 254 | 254 |
| Multi-use courts | 133 | 128 | 124 | 131 | 120 |
| Recreational centers | 9 | 9 | 9 | 9 | 9 |
| Golf courses | 9 | 9 | 9 | 9 | 9 |
| Historic sites ⁽¹⁾ | 121 | 83 | 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

Notes:

⁽¹⁾ The difference in Historic Sites is due to the number of curator houses added to sites.

| Fiscal Year | | | | | Function/Program |
|---|--------|--------|--------|--------|---------------------------|
| 2016 | 2015 | 2014 | 2013 | 2012 | |
| <u>Component Units:</u> | | | | | |
| <i>Public Schools:</i> | | | | | |
| 139 | 139 | 139 | 139 | 138 | Elementary schools |
| 23 | 23 | 23 | 23 | 22 | Middle schools |
| 25 | 25 | 25 | 25 | 25 | High/secondary schools |
| 7 | 7 | 7 | 7 | 7 | Special education centers |
| 2 | 2 | 2 | 2 | 2 | Alternative high schools |
| <i>Redevelopment and Housing Authority:</i> | | | | | |
| Housing units owned under programs: | | | | | |
| 1,065 | 1,065 | 1,065 | 1,065 | 1,065 | Federal Public Housing |
| 1,467 | 1,458 | 1,456 | 1,420 | 1,420 | County Rental Program |
| 476 | 494 | 494 | 494 | 494 | Senior Housing Program |
| 690 | 779 | 779 | 779 | 779 | Partnership Program |
| <i>Park Authority:</i> | | | | | |
| 23,372 | 23,346 | 23,310 | 23,265 | 23,196 | Acres of park land |
| 268 | 268 | 272 | 272 | 274 | Athletic fields |
| 324 | 324 | 324 | 320 | 320 | Trail miles |
| 212 | 210 | 209 | 205 | 205 | Play areas and tot lots |
| 254 | 254 | 252 | 252 | 227 | Tennis courts |
| 124 | 124 | 124 | 124 | 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 2021 Annual Comprehensive Financial Report
was prepared by:**

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