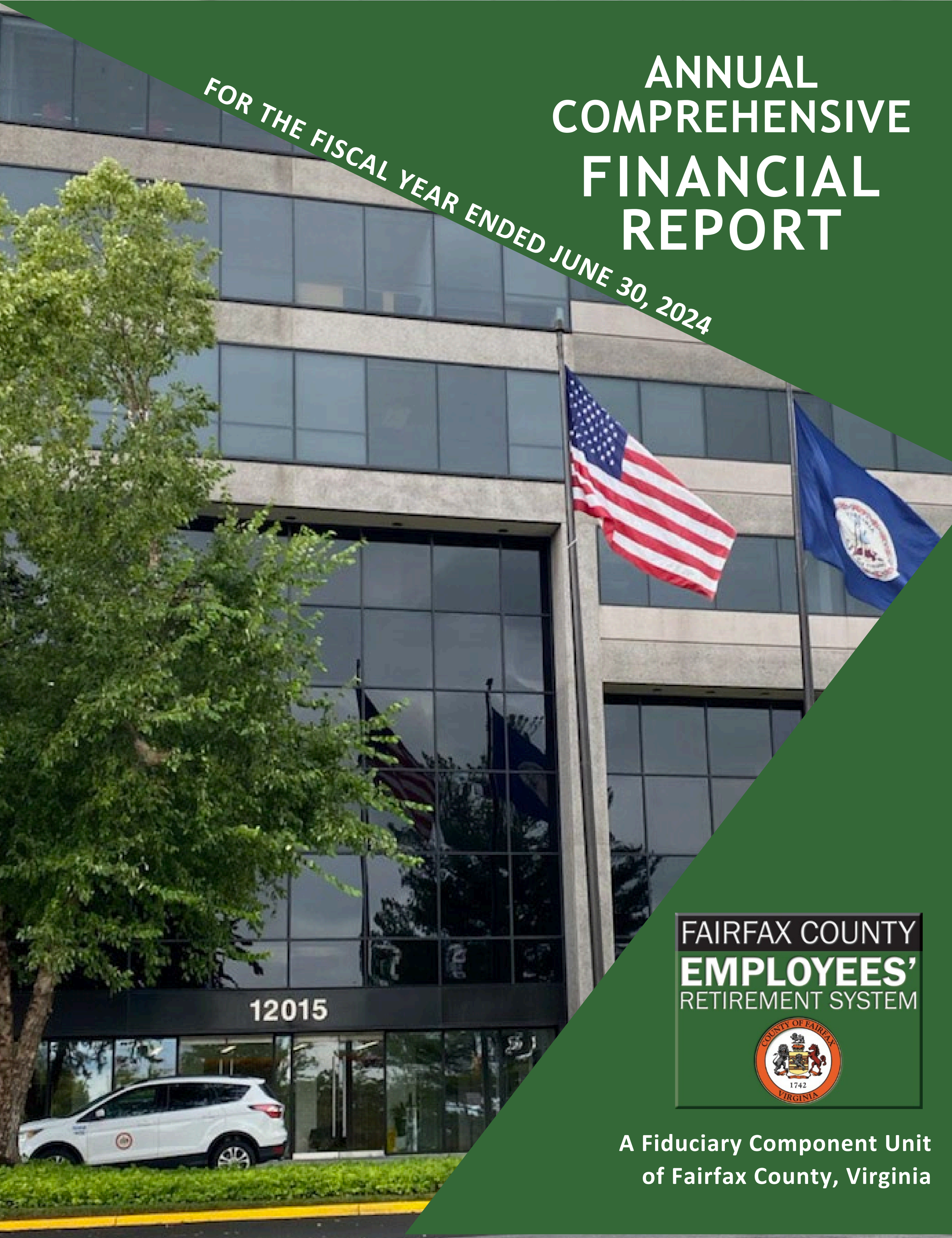
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

ANNUAL COMPREHENSIVE FINANCIAL REPORT



FAIRFAX COUNTY
EMPLOYEES'
RETIREMENT SYSTEM

COUNTY OF FAIRFAX 1742 VIRGINIA

A Fiduciary Component Unit
of Fairfax County, Virginia

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Three systems...

one team.

FAIRFAX COUNTY Retirement SYSTEMS EMPLOYEES' POLICE Officers UNIFORMED

A Fiduciary Component Unit of Fairfax County, Virginia

This report was prepared by the financial, administrative and investment staff of the Fairfax County Employees' Retirement System.

Table of Contents

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INTRODUCTORY

INTRODUCTORY

County of Fairfax, Virginia

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

November 19, 2024

Dear Members of the Board of Trustees and Members of the Fairfax County Employees' Retirement System:

I am pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the Fairfax County Employees' Retirement System (System) for the fiscal year ended June 30, 2024. This ACFR is provided as an aid to understanding the structure and evaluating the status of the System. The System's management is responsible for the accuracy of financial information contained herein. The Management's Discussion and Analysis provides further detail to the financial statements.

History

The Fairfax County Supplemental Retirement System was established on July 1, 1955. On February 26, 2001, the name of the System was changed to the Fairfax County Employees' Retirement System. In previous years, Fairfax County Employees' Retirement System reported the plan as a cost-sharing multiple employer defined benefit plan. The System is considered as a single employer public employee retirement system providing defined benefit pension plan coverage to full- time and certain part-time Fairfax County, and its component units, employees who are not covered by the Fairfax County Police Officers Retirement System, the Fairfax County Uniformed Retirement System, the Educational Employees' Supplementary Retirement System of Fairfax County (ERFC) or the Virginia Retirement System (VRS). There were 14,201 active members, 689 in the Deferred Retirement Option Program (DROP), 2,850 terminated vested, and 11,446 retirees participating in the System as of June 30, 2024. For calculations surrounding the Total Pension Liability and its components, Cheiron, the System's actuary, used June 30, 2024, as the measurement date which coincides with the actuarial valuation date.

Provisions

The benefit provisions of the System are established by County Ordinance. The System provides normal service retirement and early service retirement benefits for members who attain age or service requirements. Coverage for service-connected disability benefits is immediate upon membership in the System. Ordinary (non-service-related) disability benefits are provided after the attainment of five years of service. Members are vested after five years of service and are eligible for benefits at the early or

FAIRFAX COUNTY Retirement SYSTEMS
EMPLOYEES' POLICE Officers UNIFORMED

Fairfax County Retirement Systems
12015 Route 50, Suite 350, Fairfax, VA 22033
Phone: 703-279-8200 * 1-800-333-1633 * Fax: 703-273-3185
www.fairfaxcounty.gov/retirement/

normal service retirement date.

Capital Markets and Economic Conditions

In fiscal year 2024, the system returned 10.65%, gross of fees (9.08% net of fees), ranking in the 36th percentile of all public funds in the BNY Mellon Total Public Fund Universe. For the three, five, and ten-year periods (annualized), the system returned gross of fees, 2.14% (0.83% net of fees), ranking in the 71st percentile, 7.41% gross of fees (5.99% net of fees) ranking in the 61st percentile, and 6.01% gross of fees (5.02% net of fees) ranking in the 82nd percentile respectively. Additional details on the markets and the System's investments are provided in the Investment Section.

Internal and Budgetary Controls

The System's management is responsible for the financial information presented in this report in accordance with U.S. Generally Accepted Accounting Principles. Proper internal accounting controls exist to provide reasonable, but not absolute, assurance for both the safekeeping of assets and the fair presentation of the financial statements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

Investment Policies and Strategies

The Board of Trustees (Board) has adopted the Employees' Retirement System Investment Policy Statement. This Statement establishes the investment goals, guidelines, constraints, and performance standards that the Board of Trustees uses when exercising its fiduciary duties to manage the investment assets of the System. The Board operates in conformity with the standard of care required in making investments as stated in the Code of Virginia §51.1-803. Please see Note 3 in the Financial Section of this report for a description of this standard of care and details on the System's investment policies and strategies.

The Board receives quarterly reporting from staff to ensure compliance with its stated objectives and policy. Staff also monitors the performance of the System and its investment managers and updates the Board monthly throughout the year. Rate of return information included in the Investment Section is calculated using a time-weighted rate of return and is prepared internally by County staff using data from the System and its investment managers.

Securities of the System, except for the pooled funds and the County's pooled cash and temporary investments, are held in safekeeping, on the System's behalf, by BNY Mellon Asset Servicing as agent. The BNY Mellon Financial Corporation, the parent company, carries Financial Institution bond insurance coverage including a Computer Crime Policy. An additional Excess Securities policy covers all risk of physical loss to securities.

Funded Status

An actuarial valuation of the System to determine funding requirements is performed annually. The System's funding policy provides for periodic employer contributions at actuarially determined rates, which are calculated as a percentage of covered payroll, and are adjusted as necessary to accumulate sufficient assets to meet the costs of benefit payments when due. As of the latest annual valuation, performed as of June 30, 2024, the ratio of the market value of assets to total pension liabilities for benefits increased from 66.90 percent to 67.71 percent. The actuarial section contains further information on the results of the June 30 2024, valuation.

Based on the June 30, 2022, actuarial valuation, the employer contribution rate for 2024 following the adopted corridor-based funding policy increased to 30.07 percent of payroll from 28.88 percent in 2023. Working in concert with the County's Chief Financial Officer, the System's actuary (Cheiron) and other County staff, efforts continue to improve the funded status of the Plan. The assumptions used by the actuary to determine the County's contributions are very conservative and include the following components:

-The outstanding unfunded liability at the time that the County's funding policy was changed in 2015 is being amortized over a closed 15-year period, with that portion of the overall unfunded liability set to be paid off in FY 2034.

-Increases in unfunded liabilities identified in each year's actuarial valuation are amortized in closed 15-year periods.

-Any changes to benefit provisions that would increase the unfunded liability must be fully funded up front in the year adopted.

-The County will not reduce its contribution rate until the system attains full funding.

As of the latest actuarial valuation dated June 30, 2024, and based on current actuarial assumptions, the Employees' Retirement System is projected to achieve full funding by FY 2036.

Major Initiatives

During FY 2024, the Investment Team's staffing was enhanced through the creation of two new positions, one for a Senior Investment Officer and the other for a Senior Investment Analyst. These new staff members will provide additional analytical support to the Employees' Retirement System's Chief Investment Officer (CIOs), as well as to the CIOs of the other two systems.

Related to this new staffing, the Investment Team has developed significantly improved investment reports for the Board of Trustees that will aid the Board in its oversight of the system's investments.

Finally, several organizational changes were made to improve the level of support staff provides to the Board of Trustees, to ensure that Board members have what they need to perform their role as fiduciaries.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to The Fairfax County Employees' Retirement System for its ACFR for the fiscal year ended June 30, 2023. This was the fourteenth consecutive year that the System has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. 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.

Fairfax County Retirement Systems received the Public Pension Standards Award for Funding and Administration for the fiscal year ended June 30, 2024, from the Public Pension Coordinating Council (PPCC), in recognition of meeting the professional standards for plan funding as set forth in the Public Pensions Standards. The PPCC is a confederation of the National Association of the State Retirement Administrators, the National Conference on Public Employee Retirement Systems and the National Council on Teacher Retirement.

Other Information

Independent Audit and Actuarial Certifications

Cherry Bekaert LLP performed an annual audit of the financial statements of the System to obtain reasonable assurance about whether the financial statements are free from material misstatements, whether due to fraud or error. Additionally, Cheiron performed an annual actuarial valuation to assess the plan's ability to meet future obligations. The report of independent auditor and certification from the actuary are included in this report.

Acknowledgments

This report is intended to provide complete and reliable information for determining the financial status of the System. It is being submitted to the Board of Supervisors and other interested parties and is available to the public via the County's website located at www.fairfaxcounty.gov/retirement/.

This annual report for the Employees' Retirement System is the result of the hard work of the System's Accounting team, as assisted by other members of the Retirement Systems team.

As always, I very much appreciate the hard work of our Retirement Systems team. These fine people work every day to provide the best-possible service and stewardship for the employees, retirees and citizens of Fairfax County. I am blessed and honored to serve as their leader.

Finally, I must express my deep appreciation, on behalf of the 29,186 members and beneficiaries of the Employees' Retirement System, to the Board of Trustees for their dedicated service.

Respectfully submitted,

Jeffery K. Weiler
Executive Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Fairfax County Employees' Retirement System
Virginia

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO

PPCC

Public Pension Coordinating Council

Public Pension Standards Award For Funding and Administration 2024

Presented to

Fairfax County Employees' Retirement System

In recognition of meeting professional standards for plan funding and administration as set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

Alan H. Winkle

Alan H. Winkle
Program Administrator

Board of Trustees

Ten members serve on the Fairfax County Employees' Retirement System Board of Trustees. Four of the members are citizens appointed by the Fairfax County Board of Supervisors. Three of the members are elected by Fairfax County Government employees, Fairfax County Public Schools employees, and Fairfax County retirees respectively. The Director of Human Resources, the Director of Finance, and the Coordinator from the Office of Benefit Services, Fairfax County Public Schools serve as Ex-Officio members.

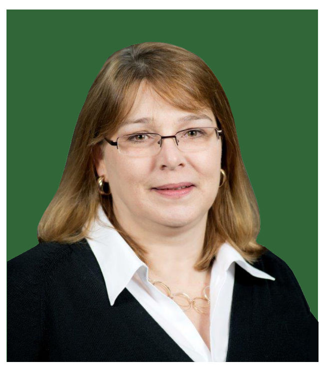
John M. Yeatman- *Chairman*
Board of Supervisors Appointee
Term Expires: December 31, 2026

Jeremy Bilowus- Vice *Chairman*
Elected Member
Term Expires: June 30, 2025

Christopher J. Pietsch - *Treasurer*
Ex-Officio Trustee
Fairfax County Director of Finance

Joe Mondoro
Board of Supervisors Appointee
Term Expires: June 30, 2024

Anthony H. Griffin
Board of Supervisors Appointee
Term Expires: June 30, 2027



Terry Kellogg - Ex-Officio Trustee
Office of Benefit Services
Fairfax County Public Schools

Jon A. Miskell, Jr.
Board of Supervisors Appointee
Term Expires: July 31, 2026

Kevin L. North
Board of Supervisors Appointee
Term Expires: August 31, 2025

Adam Craddock
Deputy Director of Humar Resources
Fairfax County Director of Human Resources

Daniel T. McGraw - Elected Member Trustee
Fairfax County Public Schools
Term Expires: June 30, 2027

Administrative Organization

Administrative Staff

Jeffrey K. Weiler
Executive Director

Brad D. Baker
Deputy Director

Andrew J. Spellar
Chief Investment Officer

Investment Managers

Aberdeen Asset Management, Inc	London, United Kingdom
AlphaSimplex Group, LLC	Cambridge, MA
Apollo Financial Credit Investment, LLC	New York, NY
AQR Capital Management, LLC	Greenwich, CT
Aspect Capital, Ltd	London, United Kingdom
Axiom International Investors, LLC	Greenwich, CT
BlackRock, Inc	San Francisco, CA
Blockchain Capital	San Fransisco, CA
Blue Owl Capital, Inc	New York, NY
Brandywine Global Investment Management, LLC	Philadelphia, PA
Bridgewater Associates, LP	Westport, CT
Cohen & Steers Capital Management, Inc	New York, NY
Crabel Capital Management, Inc	Los Angeles, CA
Credit Suisse Asset Management, LLC	New York, NY
Crestline Management	Fort Worth, TX
Czech Asset Management, LP	Old Greenwich, CT
DePrince, Race & Zollo, Inc	Los Angeles, CA
DoubleLine Capital, LP	Los Angeles, CA
DWS	Chicago, IL
EJF Capital, LLC	Arlington, VA
Fairfax County Retirement	Fairfax, VA
Florin Court Capital, LLP	London, United Kingdom
Frazier Healthcare Partners	Menlo Park, CA
Hoisington Investment Management, Co	Austin, TX
Investcorp, LLC	New York, NY
ITE Management, LP	New York, NY
JPMorgan Investment Management, Inc	New York, NY

Investment Managers

Kirkoswald Asset Management, LLC	New York, NY
Landmark Partners	Simsbury, CT
Lavrock Ventures	McLean, VA
Lazard Asset Management, LLC	New York, NY
Lombard Odier Asset Management, Co	New York, NY
Man Asset Management, Ltd	London, United Kingdom
Marathon Asset Management, LLP	London, United Kingdom
Marathon Asset Management, LP	New York, NY
Millennium Management, LLC	New York, NY
Morgan Creek Capital Management, LLC	Chapel Hill, NC
Onyxpoint Global Management, LP	New York, NY
Parametric Portfolio Associates, LLC	Minneapolis, MN
Parataxis	New York, NY
PIMCO	Newport Beach, CA
Pinnacle Associates GP, LLC	New York, NY
Polychain Capital	San Francisco, CA
Prudential Global Investment Management	Newark, NJ
Red Tree Venture Capital	Redwood City, CA
Roundhill Music Royalty Partners	New York, NY
Sands Capital Management, LLC	Arlington, VA
Second Foundation Partners	Westport, CT
Section Partners	Palo Alto, CA
Shenkman Capital Management, Inc	New York, NY
Solus Alternative Asset Management	Summit, NJ
The Hive	Palo Alto, CA
Two Sigma	New York, NY
Van Eck Securities Corporation	New York, NY
Verition	Greenwich, CT
WCM Investment Management	Laguna Beach, CA

Professional Services

Actuary
Cheiron
Actuaries
McLean, VA

Independent Auditor
Cherry Bekaert LLP
Certified Public Accountants
Orlando, FL

Custodian Bank
BNY Mellon Asset Servicing
Pittsburgh, PA

Legal Counsel
Morgan, Lewis & Bockius LLP
Washington, DC

Schedule of fees and schedule of commissions are located in the Investment Section, pages 66-67.

Organization Chart

Board of Supervisors
Jeffrey C. McKay, Kathy L. Smit, James R. Walkinshaw, Andres F. Jimenez
James N. Bierman Jr., Daniel G. Storck, Rodney L. Lusk, Dalia A. Palchik, Walter L. Alcorn, Pat Herrity

Board of Trustees
(Ten Members - see page 7)
Jeremy Bilowus, Adam Craddock, Anthony H. Griffin, Terry Kellogg, Daniel T. McGraw,
Jon A. Miskell, Jr., Joe Mondoro, Kevin L. North, Christopher J. Pietsch, John M. Yeatman

Executive Director
Jeffrey K. Weiler

Deputy Director
Brad D. Baker

Chief Investment Officer
Andrew J. Spellar

Retirement Systems Management Team
Amy Bain - Retirement Training and Board Support
Robert Harvey - Technology
Michelle Pagano-Dierkes - Accounting and Financial Reporting
John Prather - Membership Services
Jennifer Snyder - Investment Operations
Meir Zupovitz - Retiree Services

FINANCIAL

FINANCIAL

Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor

To the Board of Supervisors
County of Fairfax, Virginia

To the Board of Trustees
Fairfax County Employees' Retirement System

Report on the Audit of the Financial Statements

Opinion
We have audited the accompanying financial statements of the Fairfax County Employees' Retirement System (the "System"), a fiduciary component unit of the County of Fairfax, Virginia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the System's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the System, as of June 30, 2024, and the changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of System, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for a reasonable period of time.
-

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

Required Supplementary Information

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

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the System's basic financial statements. The accompanying other supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2024 on our consideration of the System'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 System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Orlando, Florida
November 19, 2024

Management's Discussion and Analysis
(Unaudited)

This section presents management's discussion and analysis of the Fairfax County Employees' Retirement System's ("System" or "Plan") financial performance and provides an overview of the financial activities for the fiscal year ended June 30, 2024. The information in this section should be reviewed in conjunction with the Letter of Transmittal located in the Introductory Section.

Overview of Financial Statements and Accompanying Information

The financial presentation is composed of four parts: (1) the financial statements; (2) notes to the financial statements; (3) required supplementary information and (4) other supplementary information. Below is the summary of the information provided in each of these sections.

Financial Statements

The System presents the Statement of Fiduciary Net Position as of June 30, 2024, and Statement of Changes in Fiduciary Net Position for the fiscal year ended June 30, 2024. The Statement of Fiduciary Net Position provides a snapshot of the financial position. It reports the assets, liabilities and resulting net position restricted for pension benefits. The Statement of Changes in Fiduciary Net Position presents the Plan's transactions under the categories of Additions and Deductions. Additions include contributions from the County and by participating employees, net appreciation (depreciation) in the fair value of investments, dividend and interest income. Investment income is reduced by investment-related expenses such as asset management fees, custody charges and consulting fees. Deductions include outlays for monthly pension benefits, death benefits, refunds of contributions to employees and fees paid for professional services and administrative expenses.

Notes to the Financial Statements

The Notes to the Financial Statements are an integral part of the financial statements and include additional information and schedules to provide a better understanding of the fiduciary fund financial statements. The Notes to the Financial Statements include detailed information that is not readily evident in the financial statements such as the accounting policies, plan membership and benefits, and summary disclosures. Specifically:

Note 1 Describes significant accounting policies.

Note 2 Provides a description of the System, the funding policy, and member contributions and benefits.

Note 3 Describes the investments and disclosures on fair value hierarchy, interest rate, credit quality, foreign currency risk, derivatives disclosures, and securities lending.

Note 4 Describes the net pension liability, actuarial method and assumptions.

Note 5 Discusses the accounting of subscription-based information technology arrangements (SBITAs), the right-to-use subscription asset, and a subscription liability.

Note 6 Explains the System's tax status.

Required Supplementary Information

This section consists of historical trend exhibits such as the Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Net Pension Liability, Schedule of Employer Contributions accompanied by the Notes to Schedule of Employer Contributions and Schedule of Money-Weighted Rate of Return. A Summary of Significant Changes to the Pension System is also included.

Other Supplementary Information

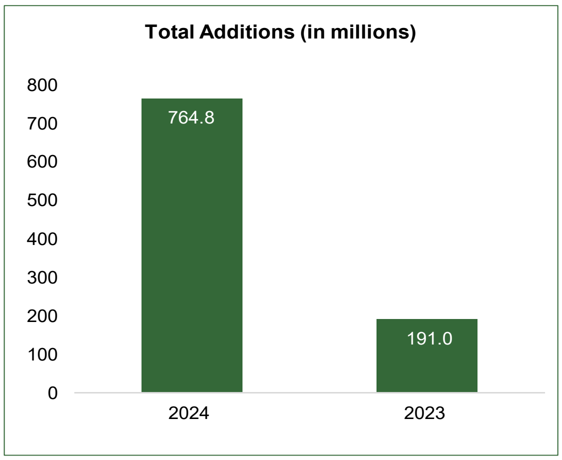
This section includes the Schedule of Administrative Expenses and the Schedule of Investment and Consultant Expenses.

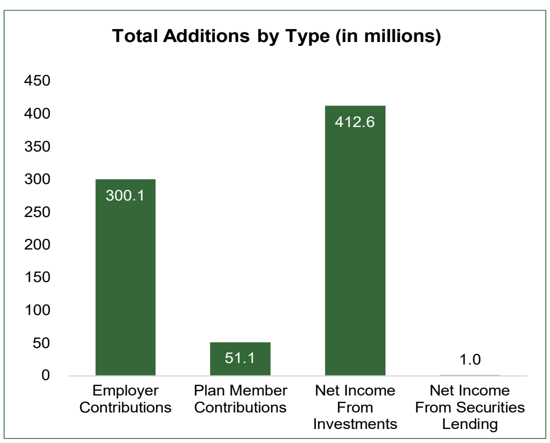
The Required Supplementary Information and Other Supplementary notes are immediately following the Notes to the Financial Statements.

Financial Highlights

The net position restricted for pension benefits as of June 30, 2024, and June 30, 2023, was $4,996.0 million and $4,651.8 million, respectively. The net position restricted for pension benefits representing assets available to pay for current and future member pension benefits, increased by $344.2 million or 7.4 percent.

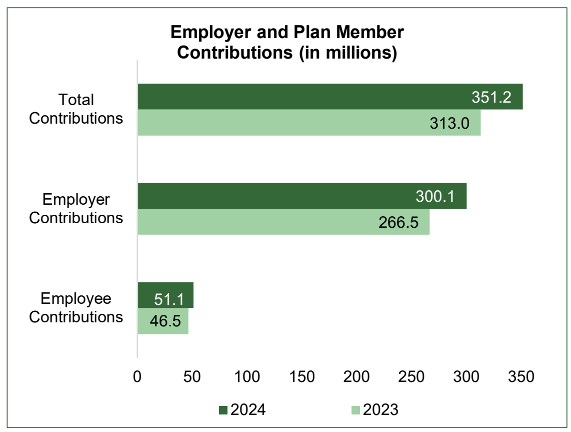
Total additions to fiduciary net position has increased from $191.0 million in 2023 to $764.8 million in 2024.

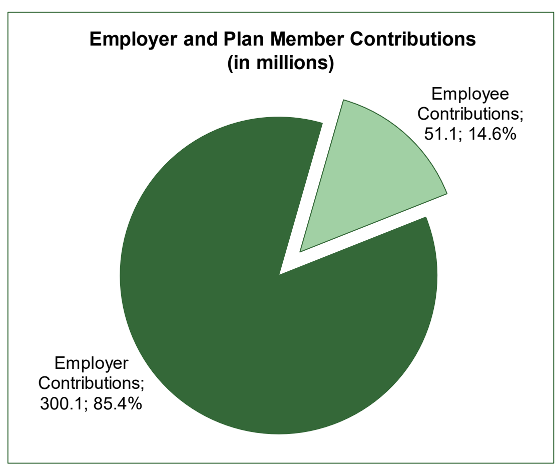




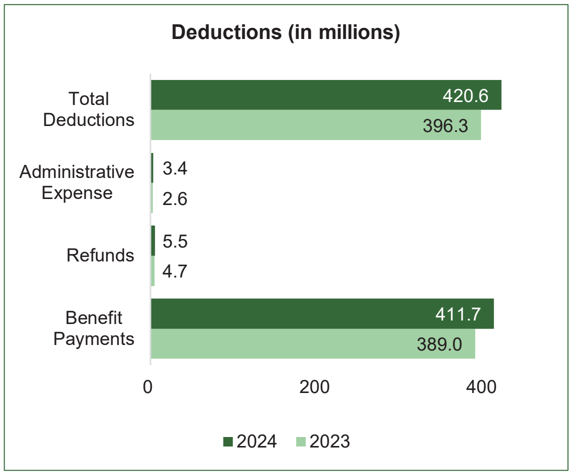
Net income from investments (excluding securities lending) increased year over year by 434.6 percent from a loss of $123.3 million in 2023 to a net income of $412.6 million in 2024. The net money-weighted rate of return on investments on a fair value basis was 8.35 percent in fiscal year 2024, and has increased from -2.86 percent in fiscal year 2023.

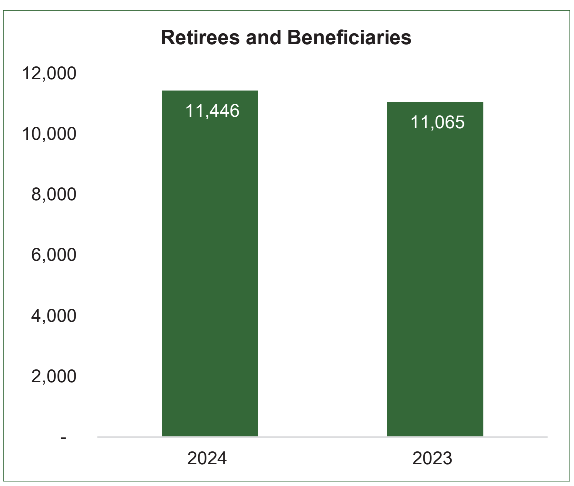
Employer and employee contributions received during the year totaled to $351.2 million, an increase of 12.2 percent or $38.2 million compared to 2023 received contributions of $313.0 million. The employer contributions increased by 12.6 percent from $266.5 million in fiscal year 2023 to $300.1 million in fiscal year 2024. The employee contributions increased by 9.8 percent from $46.5 million in fiscal year 2023 to $51.1 million in fiscal year 2024.





Total deductions from fiduciary net position increased by $24.3 million from $396.3 million in 2023 to $420.6 million in 2024. Member retirement benefit payments of $411.7 million in 2024 make up the majority of total deductions and increased by $22.8 million or 5.9 percent from $389.0 million in 2023. The number of retired members and beneficiaries receiving a benefit payment increased 3.4 percent from 11,065 to 11,446 payees as of June 30, 2024.





The net pension liability as calculated per accounting principles generally accepted in the United States of America (GAAP) as of June 30, 2024, and June 30, 2023, was $2,382.9 million and $2,302.0 million, respectively. The plan fiduciary net position as a percentage of total pension liability as of June 30, 2024, and June 30, 2023, was 67.71 percent and 66.90 percent, respectively. The net pension liability as a percentage of covered payroll has decreased from 249.42 percent in fiscal year 2023 to 238.76 percent in fiscal year 2024. The covered payroll increased from $922.9 million in fiscal year 2023 to $998.0 million in fiscal year 2024.

	2024	2023
Net Pension Liability (in millions)	$2,382.9	$2,302.0
Net Position as Percentage of TPL	67.71%	66.90%
Covered Payroll (in millions)	$998.0	$922.9
Net Pension Liability as Percentage of Covered Payroll	238.76%	249.42%

Financial Analysis

Plan Fiduciary Net Position
When viewed over time, increases or decreases in plan fiduciary net position can be used to measure the financial condition of a pension plan.

For fiscal year 2024, the fiduciary net position of the Employees' Retirement System increased 7.4 percent, resulting in a total fiduciary net position value of $4,996.0 million, reflecting an increase of $344.2 million over fiscal year 2023.

Total assets as of June 30, 2024, were $5,754.2 million, representing an increase of $238.5 million, or 4.3 percent over the previous fiscal year. The main component of the increase was due to the $343.3 million increase in total cash and investments from $4,662.4 million in fiscal year 2023 to $5,005.7 million in fiscal year 2024.

The table below details the Employees' Retirement System's net position for the current and prior fiscal year.

Net Position for Current and Prior Fiscal Year

Fiscal Year	Ending Balances (millions)	Net Change in Dollars (millions)	Net Change in Percent
2024	$4,996.0	$344.2	7.4%
2023	4,651.8	-205.3	-4.2%

Summary of Plan Fiduciary Net Position

Assets	**2024**	**2023**	**Difference**	**Percentage of Change**
Total Cash and Investments	$5,005,719,899	$4,662,404,261	$343,315,638	7.4%
Cash Collateral, Securities Lending	144,515,418	123,370,903	21,144,515	17.1%
Capital Assets, net	505,160	732,786	(227,626)	-31.1%
Total Receivables	603,452,721	729,157,486	(125,704,765)	-17.2%
Total Assets	5,754,193,198	5,515,665,436	238,527,762	4.3%
Liabilities				
Purchase of Investments	$599,651,952	$725,461,689	($125,809,737)	-17.3%
Cash Collateral, Securities Lending	144,515,418	123,370,903	21,144,515	17.1%
Accounts Payable and Others	14,003,209	14,996,638	(993,429)	-6.6%
Total Liabilities	758,170,579	863,829,230	(105,658,651)	-12.2%
Net Position Restricted for Pension Benefits	**$4,996,022,619**	**$4,651,836,206**	**$344,186,413**	**7.4%**

Total liabilities as of June 30, 2024, were $758.2 million, representing an decrease of $105.7 million, or -12.2 percent, over the previous year. There was a 22.4 percent increase in accrued expenses, including the year-end accrual for management fees. In addition, the decrease in the liability is due to the decrease in purchases of investments by $125.8 million, or 17.3 percent, and is offset by a increase in the securities lending cash collateral by $21.1 million or 17.1 percent.

The total assets of $5,754.2 million exceeded its liabilities of $758.2 million at the close of the Plan year ended June 30, 2024, with $4,996.0 million in fiduciary net position restricted for pension benefits.

The Plan's investments are exposed to various risks including interest rate, market and credit risks. These risks may be influenced by changes in economic conditions and market conditions. Therefore, it is reasonable to assume that there will be changes in the values of the investments held in trust which could materially affect the amounts reported in the financial statements. Detailed information on investment results are in the Investment Section of this report.

	2024	2023	Difference	Percentage of Change
Accrued Expenses (in thousands)	$10,004.2	$8,172.6	$1,831.6	22.4%

Summary of Additions and Deductions

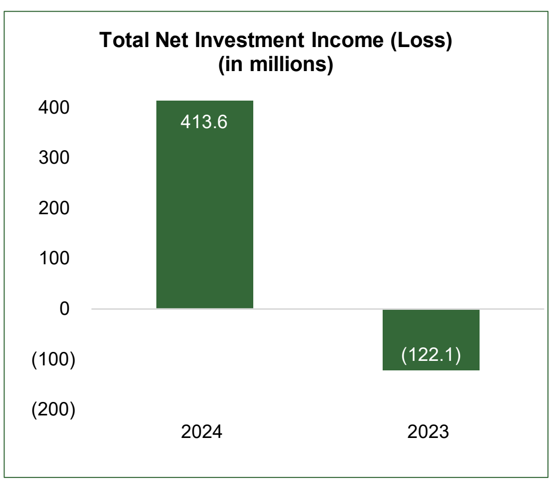
Additions	**2024**	**2023**	**Difference**	**Percentage of Change**
Employer Contributions	$300,111,992	$266,535,889	$33,576,103	12.6%
Plan Member Contributions	51,101,549	46,534,884	4,566,665	9.8%
Net Income/(Loss) from Investments	412,619,910	(123,328,356)	535,948,266	434.6%
Net Income from Securities Lending	950,782	1,234,745	(283,963)	-23.0%
Total Additions	764,784,233	190,977,162	573,807,071	300.5%
Deductions				
Benefit Payments	$411,749,613	$388,978,677	$22,770,936	5.9%
Refunds	5,497,172	4,716,049	781,123	16.6%
Administrative Expense	3,351,035	2,565,821	785,214	30.6%
Total Deductions	420,597,820	396,260,547	24,337,273	6.1%
Net Increase/(Decrease)	344,186,413	(205,283,385)	549,469,798	-267.7%
Net Position Beginning of Fiscal Year	4,651,836,206	4,857,119,591	($205,283,385)	-4.2%
Net Position End of Fiscal Year	**$4,996,022,619**	**$4,651,836,206**	**$344,186,413**	**7.4%**

Dollars (in thousands)	**2024**	**2023**	**Difference**	**Percentage of Change**
Interest	$21,970.0	$24,086.1	($2,116.1)	-8.8%
Dividends	18,854.7	18,041.6	813.1	4.5%
Total	**$40,824.7**	**$42,127.7**	**($1,303.0)**	-3.1%

Additions and Deductions

Total additions to the retirement fund consist of contributions from employers and active members and changes in the value of assets. Total additions increased by $573.8 million or 300.5 percent, primarily due to the increase in net income from investments in fiscal year 2024 versus the net loss from investments in fiscal year 2023. The employer contributions also experienced an increase of $33.6 million, or 12.6 percent. The significant increase in total additions was due to the changes in market environment in fiscal year 2024.

Total contributions for the fiscal year ended June 30, 2024, amounted to $351.2 million. This was an increase of $38.2 million when compared with the activity of fiscal year 2023. The employer contributions for fiscal year 2024 increased by 12.6 percent. Employee contributions increased by 9.8 percent. The increases in employer and employee contributions are primarily due to an overall rise in salary based on a cost-of-living adjustment (COLA) for contributing membership from 4.0 percent in fiscal year 2023 to 3.4 percent in fiscal year 2024. These increases are also impacted by other factors including buybacks, the timing of members coming in and out of the plan, and the number of pay periods fluctuating from year to year.

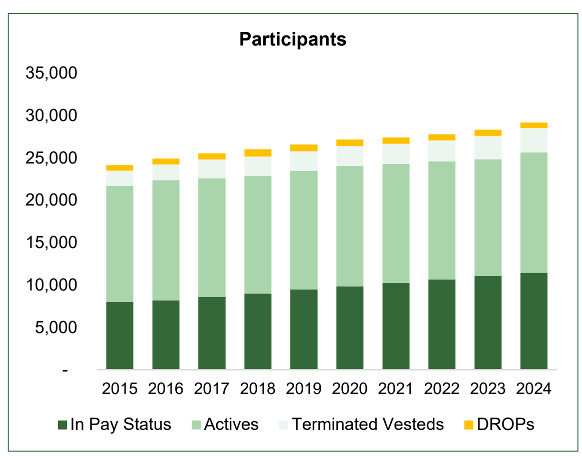


Investment returns had an upturn for fiscal year 2024 compared to fiscal year 2023, reflecting a bounce back in equity returns over the course of the year. Total net investment income (including securities lending) increased from a loss of $122.1 million in fiscal year 2023 to net income of $413.6 million in fiscal year 2024.

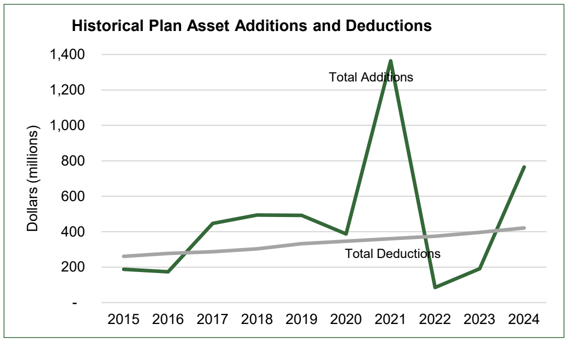
Total deductions of the System consist of the payments of benefits to retirees and beneficiaries, the refund of contributions to former members and the cost of administering the System. The total deductions for fiscal year 2024 were $420.6 million, an increase of $24.3 million, or 6.1 percent, over fiscal year 2023.

Regular pension benefit payments increased as the number of retirees and beneficiaries receiving benefit payments rose to 11,446 in fiscal year 2024 from 11,065 in fiscal year 2023. Benefit payments also increased due to a cost-of-living adjustment increased of 3.4 percent and higher average benefits for new retirees. Refunds reflected a 16.6 percent increase due to more employees asking for refunds or higher balance of refunded amount.

Participant Count	2024	2023
Actives	14,201	13,783
DROP Members	689	742
Terminated Vesteds	2,850	2,735
Retirees and Beneficiaries in Payment Status	11,446	11,065
Total	**29,186**	**28,325**



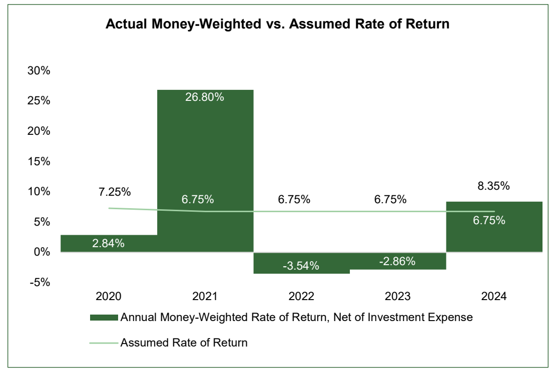
Historical additions to and deductions from fiduciary net position indicate a pattern of steadily increasing deductions as compared to fluctuating additions as a result of the unpredictable market environment.



The System utilizes two methodologies when analyzing investment returns. They may vary from each other in any given period. For GAAP accounting valuation purposes, a money-weighted return is used. A money-weighted rate of return calculates the investment performance accounting for all cash flows (contributions and withdrawals) occurring during the performance measurement period. The System's investment returns, net of fees, on a money-weighted rate of return increased from -2.86 percent in fiscal year 2023 to 8.35 percent in fiscal year 2024.

For investment performance reporting purposes, the System relies on a time-weighted approach. A time-weighted rate of return minimizes the impact of cash flows occurring throughout the measurement period. This methodology allows the System to compare its investment performance with relevant benchmark returns, as well as its performance with other pension plans. The System's investment returns, net of fees, on a time-weighted rate of return increased from -2.48 percent to 9.08 percent in fiscal year 2024.

The annual money-weighted rate of return of 8.35 percent exceed the assumed 6.75 percent rate of return, net of fees, for the year ended June 30, 2024.



An actuarial valuation is performed annually by Cheiron. The actuarial value of the assets as of the last valuation on June 30, 2024, was $5,265.0 million, while actuarial liabilities as of the same period were $7,379.0 million. As of June 30, 2024, the date of the most recent actuarial valuation, the funded ratio of the System was 71.35 percent. This was a decrease of 2.35 percent from the June 30, 2023, valuation funded ratio of 73.70 percent.

Under GAAP calculation, using the December 31, 2022, data rolled forward to June 30, 2024, the plan fiduciary net position as a percentage of the total pension liability was 67.71 percent. It increased from 66.90 percent in fiscal year 2023, as a result of the increase in Total Pension Liability and the increase in Plan Fiduciary Net Position. The Total Pension Liability as of June 30, 2024, and June 30, 2023, was $7,378.9 million and $6,953.8 million, respectively. The Plan Fiduciary Net Position as of June 30, 2024, and June 30, 2023, was $4,996.0 million and $4,651.8 million, respectively.

Management's Discussion and Analysis

(Dollars in millions)	**2024**	**2023**
Actuarial Accrued Liability	$7,379.0	$6,953.8
Actuarial Value of Assets	5,265.0	5,125.2
Unfunded Actuarial Liability	$2,114.0	$1,828.6
Funding Ratio	71.35%	73.70%
Total Pension Liability	$7,379.0	$6,953.8
Plan Fiduciary Net Position	4,996.0	4,651.8
Net Pension Liability	$2,383.0	$2,302.0
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.71%	66.90%

Contacting the System's Financial Management

This financial report is designed to provide our membership, the Board of Trustees and the County's Board of Supervisors with a general overview of the System's financial condition. If you have any questions about this report or need additional information, contact the Fairfax County Retirement System, 12015 Route 50, Fairfax, VA 22033. This report can also be found on the County's internet site at www.fairfaxcounty.gov/retirement/.

Basic Financial Statements

Statement of Fiduciary Net Position

As of June 30, 2024

Assets		
Cash and Short-Term Investments		
Equity in County's Pooled Cash and Temporary Investments	$6,662,171	
Cash Collateral Received for Securities on Loan	144,515,418	
Short-Term Investments	(101,395,812)	
Total Cash and Short-Term Investments		$49,781,777
Capital Assets		
Building Improvements, net	21,543	
Equipment, net	12,389	
Right-to-Use Subscription, net	471,228	
Total Capital Assets		505,160
Receivables		
Accounts Receivable	10,517,061	
Accrued Interest and Dividends	6,529,152	
Investment Proceeds and Other Receivables	586,406,508	
Total Receivables		603,452,721
Investments		
Common Stock	938,580,227	
Preferred Securities	3,783,701	
Fixed Income		
Asset-Backed Securities	110,247,742	
Corporate Bonds	210,095,508	
International Bonds	240,609,668	
U.S. Government Obligations	428,427,861	
Pooled and Mutual Funds	3,168,708,833	
Total Investments		5,100,453,540
Total Assets		5,754,193,198
Current Liabilities		
Investment Purchases and Other Liabilities	599,651,952	
Cash Collateral Received for Securities on Loan	144,515,418	
Accounts Payable and Accrued Expenses	13,155,632	
Compensated Absences, Short-Term	103,185	
Subscription Liability, Short-Term	261,423	
Noncurrent Liabilities		
Compensated Absences, Long-Term	333,727	
Subscription Liability, Long-Term	149,242	
Total Liabilities		758,170,579
Net Position Restricted for Pension Benefits		**$4,996,022,619**

See accompanying notes to financial statements.

Basic Financial Statements

Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2024

Additions		
Contributions		
Employer	$300,111,992	
Plan Members	51,101,549	
Total Contributions		$351,213,541
Investment Income from Investment Activities		
Net Appreciation in Fair Value of Investments	427,880,152	
Interest and Other Investment Income	21,970,012	
Dividends	18,854,677	
Total Investment Income	468,704,841	
Investment Activity Expense		
Management Fees	(53,833,921)	
Custodial Fees	(292,871)	
Consulting Fees	(185,535)	
Allocated Administration Expense, Including Legal Fees	(1,772,604)	
Total Investment Expense	(56,084,931)	
Net Gain from Investment Activities		412,619,910
Securities Lending Activities		
Securities Lending Income	1,332,250	
Securities Lending Expense	(381,468)	
Net Income from Securities Lending Activities		950,782
Total Net Investment Income		413,570,692
Total Additions		764,784,233
Deductions		
Annuity Benefits	393,057,585	
Disability Benefits	7,445,615	
Survivor Benefits	11,246,413	
Refunds of Employee Contributions	5,497,172	
Administrative Expenses	3,351,035	
Total Deductions		420,597,820
Net Increase		344,186,413
Net Position Restricted for Pension Benefits		
Beginning of Fiscal Year		4,651,836,206
End of Fiscal Year		**$4,996,022,619**

See accompanying notes to financial statements.

Notes to the Financial Statements

The Fairfax County Employees' Retirement System ("System" or "Plan") is a single employer defined benefit pension plan considered part of the County of Fairfax, Virginia's ("County") reporting entity and its financial statements are included in the County's basic financial statements as a pension trust fund.

Note 1. Summary of Significant Accounting Policies

A. Basis of Accounting

The System's basic financial statements have been prepared under the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Member and employer contributions to the Plan are recognized in the period in which the contributions are due pursuant to legal requirements. Benefits and refunds are recognized when due in accordance with the terms of the Plan. The cost of administering the Plan is paid by the System.

For financial reporting purposes, the System adheres to GAAP. The System applies all applicable pronouncements of the Governmental Accounting Standards Board (GASB).

B. Method Used to Value Investments

Short-term investments are reported at fair value when published market prices and quotations are available, or at a cost plus accrued interest, which approximates market or fair value. All other investments are reported at fair value. 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 instruments. Because of the inherent uncertainty in valuing these securities, the fair value may differ from the values that would have been used had a ready market for such securities existed. Accordingly, the realized value received upon the sale of the assets may differ from the fair value. The System records investment purchases and sales as of the trade date. These transactions are not finalized until the settlement date, which occurs approximately three business days after the trade date. The amounts of trade receivables and payables are shown as receivables and payables on the Statement of Fiduciary Net Position. Cash received as collateral on securities lending transactions and investments made with such cash are reported as assets along with a related liability for collateral received. The fair values of private investments and private real estate are generally lagged by at least one quarter due to the timing of receipt of private market valuations and information.

C. Equity in County's Pooled Cash and Temporary Investments

The System maintains cash with the County, which invests cash and allocates interest earned, net of a management fee, on a daily basis to the System based on the System's average daily balance of equity in pooled cash. As of June 30, 2024, the bank balance of the County's public deposits was either insured by the Federal Deposit Insurance Corporation or through the State Treasury Board pursuant to the provisions of the Security for Public Deposit Act. The County's investments are exposed to various risks such as interest rate, market and credit risks. Such risks, and the resulting investment security values, may be influenced by changes in economic conditions and market perceptions and expectations. Accordingly, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the financial statements.

D. Compensated Absences

Employees are granted vacation and sick leave based on their length of service. Unused annual and compensatory leave is payable to employees upon termination based on the employees' current rate of pay, up to certain limits. Sick leave does not vest with the employees; however, it is converted to years of service upon retirement. In addition, employees may accrue compensatory leave for hours worked in excess of their scheduled hours. Compensatory leave in excess of 240 hours is forfeited at the end of the calendar year.

Notes to the Financial Statements
(continued)

Compensated Absences	
FY 2024 Beginning Balance	$376,270
Leave Earned	180,582
Leave Used	119,940
FY 2024 Ending Balance	$436,912
Due Within One Year	$103,185

Note 2. Summary of Plan Provision

A. Plan Description and Provision
The Employees' Retirement System is a single employer defined benefit pension plan which covers employees of the County and its component units. Benefit provisions are established and may be amended by County ordinance. All benefits vest at five years of service. The general provisions of the Employees' Retirement System are as follows:

Membership
The Plan covers full-time and certain part-time County, Public Schools, Economic Development Authority, Park Authority and Fairfax County Redevelopment and Housing Authority employees who are not covered by other plans of the County or the Virginia Retirement System.

Normal Retirement
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 Plan A and B, attain the age of 50 plus years of eligibility service being greater than or equal to 80, or (c) for Plans C, D, and E, attain the age of 55 plus years of eligibility service being greater than or equal to 85.

For Plan A and C, the benefit is the sum of 1.8 percent average final compensation (i.e., the highest consecutive three years) up to the Social Security breakpoint plus 2 percent of average final compensation in excess of the breakpoint, all multiplied by benefit service, and increased by 3 percent.

For Plan B and D, the benefit is 2 percent of average final compensation multiplied by benefit service, increased by 3 percent.

For Plan E, the benefit is 2 percent of average final compensation multiplied by creditable service.

Pre-Social Security Supplement for Plans A, B, C, and D is 1 percent of average final compensation up to the Social Security breakpoint times benefit service, and increased by 3 percent. This benefit is payable from normal retirement age until the participant is eligible to receive the unreduced Social Security benefits.

Early Retirement
For all plans, a member is eligible for early retirement at age 50 or older when the member's age plus eligibility service totals 75 or more. Reduction factors are applied to the basic formula for early retirement based on how far from age 65 the member is at early retirement and no Pre-Social Security Benefit is payable.

Deferred Retirement Option Program (DROP)
Members who are eligible for normal retirement may participate in DROP for up to three years. While in DROP, the member continues to work and receive a salary. In lieu of continuing to earn service credit, DROP participants accumulate a lump sum, including interest, payable at retirement. For those in Plan C, D, or E, the member does not receive the Pre-Social Security Benefit while in DROP.

Deferred Vested Retirement
Deferred vested retirement is available for vested members (vesting is at 5 years of service) who leave their contributions in the System when they terminate. These members are entitled to their normal retirement benefit, at age 65, based on service with the County or a reduced benefit earlier when they reach age 50 and age plus years of creditable service equal 75. The member also has the option to request a refund of member contributions and interest at any time prior to reaching age 65 or receiving retirement benefits.

Service-Connected Disability Retirement
Service-connected disability retirement is available for members, regardless of their length of service, who become disabled as a result of a job-related illness or injury. Benefits are 66.67 percent of average final compensation, less an offset for a workers' compensation award.

Notes to the Financial Statements
(continued)

Ordinary Disability Retirement
Ordinary disability retirement is available for vested members who become disabled due to an injury or illness that is not job-related. For Plans A, B, C, and D, benefits are 2.0 percent of average final compensation (highest consecutive three years) times the benefit service. The total benefit is then increased by 3.0 percent. For Plan E, the benefit is 2.0 percent of final average salary times the benefit service, but there is no 3.0 percent increase.

Death Benefits
If death occurs prior to retirement:

If the member is vested and the spouse is the listed beneficiary, the spouse may elect to receive 50.0 percent of the normal retirement benefit earned as of the date of the member's death. If the 50.0 percent of normal retirement benefit is not payable, a refund of the member's contribution plus interest will be paid to the named beneficiary or member's estate.

If death occurs after retirement:

A refund of any of the member's contributions and interest not already paid in benefits will be payable to the named beneficiary(ies) unless the member has elected the irrevocable Joint and Last Survivor Option which provides a benefit to the member's spouse for life. At retirement, the member may choose to have his or her spouse receive 50.0 percent, 66.67 percent, 75.0 percent or 100.0 percent of the member's reduced annuity upon the member's death. The member's annuity is reduced by a percentage based on the difference in age between the member and his or her spouse. If the spouse predeceases the member, the annuity is restored to what it would have been if this option had not been elected.

If death occurs because of a job-related illness or injury:

A $10,000 lump-sum payment is made to the beneficiary if the member's death is due to a job- related illness or injury.

Cost of Living Benefit
Annual cost of living adjustments (COLAs) are provided to retirees and beneficiaries equal to the lesser of 4.0 percent or the percentage increase in the Consumer Price Index for the Metropolitan Statistical Area that includes Fairfax County.

Benefit Limits
Benefits are limited to the maximum amounts for qualified plans as set forth in Section 415 of the Internal Revenue Code. A separate, nonqualified benefit restoration plan has been established for the payment of any benefit formula amounts in excess of the Section 415 limit.

Note: Detailed provisions may be found in the Retirement Handbook for Active Employees.

Contribution Rates		
Member	Plan A & C	The contribution rate for Plan A and C is 4.0% of creditable compensation up to the Social Security taxable wage base, plus 5.33% of creditable compensation in excess of the Social Security taxable wage base.
	Plan B, D, and E	The contribution rate for Plan B, D, and E is 5.33% of creditable compensation.
Employer	Plan A, B, C, D, and E	The contribution rate for all five plans for Fiscal Year 2024 was 30.07%.

B. Board of Trustees

Ten members serve on the Fairfax County Employees' Retirement System Board of Trustees (Board). Four of the members are citizens appointed by the Fairfax County Board of Supervisors. Three of the members are elected by Fairfax County Government Employees, Fairfax County Public Schools Employees, and Fairfax County Retirees respectively. The Director of Human Resources, the Director of Finance, and the Assistant Superintendent of Human Resources at the Fairfax County Public Schools also serve as Ex Officio members.

C. Membership

At June 30, 2024, the date of the latest actuarial valuation, membership in the System consisted of:

Retirees and Beneficiaries Receiving Benefits	11,446
Terminated Vesteds	2,850
Deferred Retirement Option Program (DROP) Participants	689
Active Plan Members	14,201
Total	**29,186**

D. Deferred Retirement Option Program

Members eligible for normal retirement may elect to enter the DROP. As a DROP member, he or she will continue to work and receive a salary for a maximum period of three years while an amount equal to what could have been received as a retirement benefit is credited to his or her DROP account. (No pre-Social Security Supplements are paid into DROP accounts for Plans C, D, and E). The monthly benefit that will be credited to the DROP account is determined by the years of service and Average Final Compensation at the DROP entry date. During the DROP period, the retirement plan accumulates his or her accrued monthly benefit which is payable at the end of the DROP period. The DROP account balance is credited at an annual interest rate of 5 percent, compounded monthly. At the end of the DROP period, the DROP member must terminate employment with the Fairfax County Government and will begin receiving his or her monthly retirement benefit. Upon DROP exit, the retiree can elect to receive the balance of the DROP account in the form of a lump sum distribution, a rollover to another qualified plan (or IRA), or as an addition to the monthly retirement annuity. The DROP balance as of June 30, 2024, was $47.7 million.

E. Contributions

The contribution requirements of the System members are established and may be amended by County ordinances. Employees hired prior to January 1, 2013 are members of Plan A or Plan B. All eligible employees whose County or School Board employment commenced by reporting to work on or after January 1, 2013, were enrolled in Plan C or Plan D. As of July 1, 2019, new hires are automatically enrolled in Plan E. Plan A and C require member contributions of 4 percent of compensation up to the social security wage base and 5.33 percent of compensation in excess of the wage base. Plan B, D and E require member contributions of 5.33 percent of compensation. The County is required to contribute at an actuarially determined rate; the rates for the year ended June 30, 2024, was 30.07 percent of annual covered payroll. Total contributions for the fiscal year ended June 30, 2024, amounted to $351.2 million.

F. Deductions

The deductions from the System included the payment of retiree and beneficiary payments, the refund of employee contributions to former members and administrative expenses. The total deductions for the fiscal year ended June 30, 2024, amounted to $420.6 million.

Note 3. Investments

A. Investment Policy

The authority to establish the System is set forth in Section 51.1-800 Code of Virginia (Code). Section 51.1- 803 of the Code authorizes fiduciaries of the System to *purchase investments with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a* *like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with the same aims. The Board shall also diversify such investments as to minimize the risk of large losses unless under the circumstances it is clearly prudent not to do so.*

The System's Board of Trustees has adopted the Employees' Retirement System Investment Policy Statement to provide a well-managed investment program to meet the long-term needs of the System. The Board of Trustees has the authority to amend the investment policy. Investment decisions for these assets are made by the Board of Trustees or investment managers selected by the Board. The overall investment policy does not address specific levels of credit risk, interest rate risk or foreign currency risk. The Board of Trustees believes that risks can be managed, but not eliminated, by establishing constraints on the investment portfolio and by properly monitoring the investment markets, the System's asset allocation and the investment managers hired by the System. Each individual investment portfolio is managed by an investment management firm selected by the Board. Each investment manager has a specific benchmark and investment guidelines appropriate for the type of mandate they are managing and that fit within the total risk tolerance of the fund.

The following was the System's adopted asset allocation policy as of June 30, 2024. The asset allocation policy commonly exceeds 100 percent because of target exposures to both direct investments in asset classes plus notional exposure to asset classes through derivative positions such as Futures held at the portfolio level. Also, the System commonly includes notional exposures for select Investment Managers that have a mandate from the Board to provide the System with additional asset class exposure using leverage or derivatives.

Asset Class	Target Exposure
Absolute Return	20.0%
Global Equity	30.0%
Global Fixed Income	47.5%
Global Multi-Asset	20.0%
Global Real Assets*	17.5%

* Includes 2.5% gold futures

B. Concentrations

At June 30, 2024, the System does not hold investments (other than U.S. Government and U.S. Government guaranteed obligations) in any one issuer that represents 5.0 percent or more of net position available for benefits. All investments, except for the pooled and mutual funds, short-term investment fund and a short-term collateral investment pool, are held by an unaffiliated custodian. There is no custodial credit risk since the custodian's records establish the System's interest in the securities and the custodian provides insurance for all custody assets.

C. Rate of Return

For the year ended June 30, 2024, the annual money-weighted rate of return on pension plan investment, net of pension plan investment expense, was 8.35 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

D. Fair Value Hierarchy

The System measures and records its investments using fair value hierarchy measurement guidelines established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and 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).

Notes to the Financial Statements
(continued)

Level 1	Unadjusted quoted prices for identical instruments in active markets.
Level 2	Observable inputs other than quoted market prices.
Level 3	Valuation derived from valuation techniques in which significant inputs are unobservable.

Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The table on the following page shows the fair value levels of the investments.

Equities and fixed income securities classified in Level 1 are valued using prices quoted in the active markets for those securities. Securities in Level 2 and Level 3 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features and ratings. Matrix pricing is used to value securities based on the securities' relationships to benchmark quoted prices. Level 3 securities use proprietary information or single source pricing.

Notes to the Financial Statements
(continued)

Fair Value Hierarchy

Investments by Fair Value Level	6/30/2024	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Asset-Backed Securities	$110,247,742	$ -	$40,902,079	$69,345,663
Equity	938,580,227	875,782,256	-	62,797,971
Convertible or Exchangeable Securities	4,951,116	-	4,951,116	-
Corporate Bonds	205,144,392	-	102,403,496	102,740,896
International Bonds	240,609,668	-	240,048,879	560,789
Preferred Securities	3,783,701	3,756,055	-	27,646
U.S. Government Obligations	428,427,861	-	428,427,861	-
	$1,931,744,707	**$879,538,311**	**$816,733,431**	**$235,472,965**
Investment Measured at Net Asset Value (NAV)				
Absolute Return*	$694,187,726			
Global Equity*	785,912,882			
Global Fixed Income*	783,277,034			
Global Multi-Asset*	442,220,968			
Global Real Assets*	463,110,223			
	$3,168,708,833			
Investments Measured at Amortized Cost				
Short Term	**(101,395,812)**			
Total Investments	**$4,999,057,728**			

*Pooled funds

Investment Measured at NAV

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Absolute Return	$694,187,726	$ -	Monthly, Quarterly	3 - 90 days
Global Equity	785,912,882	274,069,174	Daily, Monthly, None	3 - 15 days
Global Fixed Income	783,277,034	197,390,208	Daily, Semi-Annually, None	5 - 90 days
Global Multi-Asset	442,220,968	-	Daily, Weekly, Monthly	1 - 5 days
Global Real Assets	463,110,223	95,712,881	Daily, None	5 - 20 days
Total Investment Measured at NAV	**$3,168,708,833**	**$567,172,263**		

Absolute Return

Relative Value:

This type includes eight hedge funds which implement long and short relative value strategies to capture these structural returns across multiple asset classes including: equity sectors, equity indices, fixed income, currency, and commodities. The fair values of each of these hedge funds has been determined monthly using NAV per share (or its equivalent) of the investments.

Global Macro:

This type includes 7 global marco mangers hedge funds that invest long and 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. The fair values of the investments in this type have been determined monthly using NAV per share (or its equivalent) of the investments.

Global Equity

Domestic Equity:

This type includes two funds. The first fund's strategy maintains a single growth-oriented investment philosophy that has been applied across the firm for over three decades. Their philosophy is rooted in the belief that over time common stock price appreciation follows the earnings power and growth of the underlying business. The second fund's strategy is based on their belief that undervalued stocks with an above average dividend yield and a fundamental catalyst provide the opportunity for superior long-term total returns. Dividend yield has provided a meaningful portion of the market's total return and is a credible valuation tool.

International Equity:

This type includes four funds providing traditional long-only international equity exposure. The fair values of the investments in this type have been determined monthly using NAV per share (or its equivalent) of the investments.

Private Equity:

This type includes twenty-four private funds. This first and second fund purchases private equity stakes in investment management firms and thus a share of the firm's revenues and capital appreciation. The third and fourth private fund invests in blockchain technology, its many other industry uses, and the infrastructure for crypto currency markets (index rights, wallet, settlement, and custody platforms, etc.). The fifth and sixth fund targets highly innovative life sciences businesses that are leaders in their spaces and present attractive return opportunities with downside protection. The strategy will target companies operating in specific areas of innovation such as therapeutics, medical devices, diagnostics, and life sciences tools. The seventh fund targets highly innovative private hyper growth businesses that can become substantial public franchises. These businesses have a high prospect of sustainable earnings growth, financial strength with attractive downside protection rights and rational valuation relative to business prospect. The eighth fund focuses on acquiring minority interests in alternative asset managers, particularly GPs who manage longer- duration private capital strategies (e.g. private equity, private credit, real estate). The ninth fund seeks to invest in leading technology and technology enabled businesses with the potential to become large public companies. The tenth and eleventh fund seeks to generate superior returns through the long-term capital appreciation of venture capital investments primarily structured as equity and equity-related investments in early stage blockchain technology companies and associated digital assets, including digital currencies, tokens, and other blockchain-based assets. The twelfth fund focuses on the underlying blockchain technology, its many other industry uses, and the infrastructure for crypto currency markets (index rights, wallet, settlement, and custody platforms, etc.). Additionally, the fund seeks to invest in Artificial Intelligence technologies that act in concert with Blockchain technologies. The thirteenth makes select direct equity investments alongside its sister fund. The fourteenth fund will seek to invest in early- stage operating companies, which are developing technologies that are poised for broad adoption in finance, such as real- time payments, digital assets, banking-as- a-service, regtech (fraud prevention, AML/ KYC, compliance), and AI-based credit decisioning. The fifteenth fund is an early- stage venture capital fund focusing on pre-seed and Series A financing rounds in the blockchain technology space. The sixteenth fund seeks to make minority investments in early-stage, emerging technology businesses in dynamic, high- growth markets. They are focused on businesses that are enabling and building on rapid digitalization and continued advancements in computing power that have the potential to drastically change the way we work and live. The seventeenth fund is a healthcare-focused private equity strategy that invests in building therapeutic companies developing novel products for patients. The eighteenth fund is an early- stage biased life sciences portfolio with an emphasis on sourcing innovation from Stanford University. The nineteenth fund is an early-stage that uses the lens of National Security community to identify best-of-breed commercial technology. Investment focus on enterprise software, data/ analytics, deep tech – through a National Security lens. The twentieth fund is a venture studio that is positioned very early on in the idea generation and company formation phase of the equity value creation chain in technology. The twenty-first and twenty-second funds is a strategy provides unique access to compelling direct equity investment opportunities.

The twenty-third fund is a healthcare-focused private equity firm. Investing in building therapeutics companies developing novel products for patients.

The twenty-fourth fund will seek to invest in early- stage operating companies, which are developing technologies that are poised for broad adoption in finance, such as real- time payments, digital assets, banking-as- a-service, reg tech (fraud prevention, AML/ KYC, compliance), and AI-based credit decisioning.

Global Fixed Income

Fixed Income:

This type includes four funds providing leveraged exposure to US and international government issued inflation-linked bonds as a capital efficient way to gain the exposure. This type also includes two emerging market debt funds. The fair values of the investments in this type have been determined monthly using NAV per share (or its equivalent) of the investments. This type also includes six high yield strategies.

Direct Lending:

This type includes one private debt fund conducting middle market corporate direct lending with negotiated senior secured loans to borrowers that are too small to attract the attention of conventional banks and lenders. These investments cannot be redeemed. Instead, the nature of the investments in these private debt funds are that distributions are received through the liquidation of underlying assets of the funds over a period of years as per the terms of the fund. 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:

This type includes twenty opportunistic/ distressed funds investing in public and private debt, equity and real estate as opportunities present themselves. All but one of these investments cannot be redeemed. Instead, the nature of the investments in these private debt funds are that distributions are received through the liquidation of underlying assets of the funds over a period of years as per the terms of the fund. The fair values of the investments in this type have been determined monthly or quarterly using NAV per share (or its equivalent) of the investments.

Global Multi-Asset

This type includes four funds that invest in a relatively passive manner across multiple asset classes using a risk balanced approach in their asset allocation and one fund that is active in its approach. 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. The fair values of the investments in this type have been determined monthly using NAV per share (or its equivalent) of the investments.

Global Real Assets
This type includes eleven funds. The first fund owns and operates a fleet of commercial bulk container and tanker vessels. The second and third fund purchases interests in other private real estate funds on the secondary market. The fourth fund owns and operates the real estate, infrastructure and inventory of a cattle feeding operation. The fifth fund seeks to capture value in the commodity supply chain through hedged physical trading/arbitrage as well as merchanting activities. The sixth fund owns two bands of wireless spectrum. The valuations of scarce spectrum assets have risen substantially in the face of exploding demand for data and increased connectivity, and they expect that this trend will continue. The seventh and eighth fund invests in royalty-producing intellectual property related to music by acquiring rights from songwriters and other third-party rights holders. They target blue chip songs that have gained significant popularity and earn a steady level of royalties across various media streams. These investments cannot be redeemed. Instead, the nature of the investments in these private debt funds are that distributions are received through the liquidation of underlying assets of the funds over a period of years as per the terms of the fund. The ninth fund specializes in the energy sector and seeks to generate superior returns by applying their flexible strategy of investing long and short across the capital structure and liquidity spectrum in distressed investments, special situations opportunities, asset build-ups and private equity transactions. The tenth fund strategy produces an annual income stream of ~10% annually and is an evergreen fund structure, with periodic liquidity provisions. Has a long-term nature of leases, rail car utilization and leasing rates are less cyclical and volatile making them uncorrelated to the broader capital markets. The eleventh fund is a diversified portfolio of containers across type, size, age, lessee, lease expiration, and partner.

E. Sensitivity to Interest Rate Risk

The System's investments' sensitivity to interest rates at June 30, 2024, were as follows:

Investment Type	Fair Value	Option Adjusted Duration (yrs)	Percentage of Fixed
Asset-Backed Securities	$110,247,742	3.3	10.6%
Corporate Bonds	210,095,508	1.5	22.1%
International Bonds	240,609,668	9.2	22.5%
U.S. Government Obligations	428,427,861	7.3	44.8%
Total Fixed Income	**$989,380,779**	6.1	**100.0%**
Short-Term Investments			
Cash and Cash Equivalents	($315,402,385)	0.0	
Employees' STIF*	214,006,573	0.1	
Total Short-Term Investments Funds	**($101,395,812)**		

*Short-Term Investment Funds

Notes to the Financial Statements
(continued)

The duration of the System's overall fixed income portfolio excluding the pooled funds was 12.50 years for the separately managed accounts. The Barclays Capital Aggregate Bond Index's (BCAG) years of duration is 6.06 years. The increase to 12.50 represents the option-adjusted duration, primarily driven by investments in TIPS and, on a levered basis, these factors contribute to the higher duration figure.

F. Short-term Investment

The Short-Term Investments of ($101.4) million includes a position of $214.0 million of commingled cash held by our investment managers and cash held by the System in an enhanced short-term investment fund managed by BlackRock. The negative number is a result of the leverage employed at the portfolio level. Modest leverage is utilized to gain additional portfolio diversification and cash efficiency.

G. Quality Ratings

The System's investment quality ratings at June 30, 2024, for the separately managed fixed income accounts, were as follows:

Type of Investment	Fair Value	Ratings	Percentage of Fixed
U.S. Government Obligations	$428,427,861		43.3%
Asset-Backed Securities	27,447,579	AA	2.8%
	1,334,340	A	0.1%
	3,858,288	BBB	0.4%
	8,196,753	BB	0.8%
	2,994,670	B	0.3%
	25,746	CCC	0.0%
	66,390,366	Unrated	6.7%
Corporate Bonds	2,048,387	AA	0.2%
	1,747,256	A	0.2%
	10,411,868	BBB	1.1%
	37,093,139	BB	3.8%
	27,271,112	B	2.8%
	7,607,532	CCC	0.8%
	135,258	CC	0.0%
	170,687	D	0.0%
	123,610,269	Unrated	12.3%
International Bonds	11,772,663	AAA	1.2%
	8,538,832	AA	0.9%
	14,810,734	BBB	1.5%
	4,705,522	BB	0.5%
	200,781,917	Unrated	20.3%
Total Fixed Income	**$989,380,779**		**100.0%**
Short-Term Investments			
Cash and Cash Equivalents	($315,402,385)	Unrated	
Employees' STIF*	214,006,573	Unrated	
Total Short-Term Investments	**($101,395,812)**		

*Short-Term Investment Funds

As of June 30, 2024, the fixed income portfolio, excluding pooled funds, consisted of 51.6 percent invested in investment grade securities, 9.0 percent invested in below-investment-grade securities and 39.4 percent invested in unrated securities.

The BCAG is the standard benchmark against which the industry and the System's Board measures its fixed income portfolio performance and volatility. The System's fixed income managers have discretion, within circumscribed limits, to extend the duration of their portfolios beyond that of the BCAG if they forecast falling interest rates (and thus higher bond prices). Conversely, if managers anticipate that the general level of interest rates will rise, they have the ability to shorten the duration of their portfolio and thus reduce the portfolio's sensitivity to rising rates.

H. Foreign Currency Risk

The Foreign Currency Risk is the risk that chages in exchange rates will adversely affect the fair value of the international investments. The System's investments at June 30, 2024, held in currencies other than U.S. dollars, were as follows:

International Securities	Short-Term Investments & Other	Convertible & Fixed Income	Equity	Total
Australian Dollar	($1,401,516)	$4,036,985	$9,210,910	$11,846,379
Brazil Real	898	2,004,383	1,135,254	3,140,535
Canadian Dollar	67,409	5,515,292	11,067,233	16,649,934
Chinese Yuan Renminbi	-	1,138,892	-	1,138,892
Colombian Peso	110	5,360,955	-	5,361,065
Danish Krone	-	-	11,986,098	11,986,098
Euro Currency Unit	(26,986,739)	92,544,397	63,715,469	129,273,127
Hong Kong Dollar	(33)	-	2,477,667	2,477,634
Indian Rupee	417,131	-	18,545,875	18,963,006
Japanese Yen	119,137	17,327,136	36,891,683	54,337,956
Mexican Peso	-	9,449,779	912,291	10,362,070
New Taiwan Dollar	-	-	4,464,806	4,464,806
New Zealand Dollar	18,437	2,265,617	390,148	2,674,202
Norwegian Krone	-	-	1,311,122	1,311,122
Pound Sterling	(14,024,954)	87,477,577	34,590,366	108,042,989
Singapore Dollar	(18)	-	3,027,667	3,027,649
South African Rand	5	4,705,522	-	4,705,527
South Korean Won	-	-	2,185,426	2,185,426
Swedish Krona	23,617	4,683,766	7,115,971	11,823,354
Swiss Franc	-	-	6,944,180	6,944,180
Thailand Baht	-	-	2,332,813	2,332,813
Grand Total	**($41,766,516)**	**$236,510,301**	**$218,304,979**	**$413,048,764**

I. Derivative Financial Instruments

In accordance with the Board's investment policies, the System regularly invests in derivative financial instruments in the normal course of its investing activities to enhance return on investment and manage exposure to certain risks within the System. The System also enters into derivative transactions to gain exposure to currencies and markets where derivatives are the most cost-effective instrument. Derivative instruments are financial contracts whose values depend on the values of one or more underlying assets, reference rates or financial indices. The System had exposure to various derivatives including asset-backed securities, collateralized mortgage obligations (CMOs), exchange-traded futures contracts, forward currency contracts, options, swaps and floating rate securities. Some securities, such as structured notes, can have derivative-like characteristics where the return may be linked to one or more indexes. Asset-backed securities, such as CMOs, are sensitive to changes in interest rates and pre-payments. It should also be noted that the System also has exposure to derivatives indirectly through its ownership interests in certain hedge funds, mutual funds and commingled funds which may use, hold, or write derivative financial instruments.

Derivative investments may involve, to varying degrees, elements of credit and market risk in excess of amounts recognized on the financial statements. Market risk results from the fluctuations in interest rates and currency rates. The credit risk of these investments is associated with the creditworthiness of the related parties to the contracts. The System 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. Accordingly, the amount at risk due to nonperformance of counterparties to futures contracts is minimal. For counterparties involving over the counter derivatives, the Board seeks to control this risk through counterparty credit evaluations, counterparty credit limits and exposure monitoring procedures conducted by investment managers and staff.

At June 30, 2024, the System held the following four types of derivative financial instruments: futures, currency forwards, options and swaps. These four types of derivatives provide the System with the opportunity to build passive benchmark positions, enhance returns, and gain market exposure to various indices in a more efficient way and at lower transaction costs. Credit risks depend on whether the contracts are exchange-traded or exercised over-the-counter. Market risks arise from adverse changes in market prices, interest rates and foreign exchange rates.

Investment managers are prohibited from purchasing securities on margin or using leverage unless specifically permitted within the investment manager's guidelines. Derivative instruments 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 Fiduciary Net Position.

Futures

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, in cash, with the exchanges. The net gains or losses resulting from the daily settlements are included in the System's 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 System's investment in futures contracts at June 30, 2024, were as follows:

Types of Futures	Base Exposure	Notional Cost
Cash and Cash Equivalents		
Short	($215,708,959)	($219,011,839)
Long	16,180,210	16,343,968
Commodity		
Long	271,913,989	275,042,948
Equity		
Long	310,845,700	309,275,010
Short	(96,774,160)	(96,216,932)
Fixed Income Securities		
Long	730,933,373	727,710,060
Short	(74,749,771)	(74,506,207)
Total	**$942,640,382**	**$938,637,008**

Swaps

The System enters 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 tie. Swaps are used to manage risk and enhance returns. All counterparties are rated A or better. The following is the information on the System's swap contracts outstanding at June 30, 2024:

Fixed Income Securities Swaps	Fair Value	Base Exposure
Cleared Interest Rate Swaps	$233,871	$494,134
Cleared Credit Default Swaps	3,893,017	3,994,699
Cleared Inflation Swaps	57,732	57,732
Total	**$4,184,620**	**$4,546,565**

Currency Forwards

Currency forwards represent foreign exchange contracts. They are used to affect 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.

Notes to the Financial Statements
(continued)

The following is the summary information on the System's currency forward contracts at June 30, 2024:

Foreign Currency Contracts Purhased	Notional (Local Currency)	Cost	Fair Value Payable in U.S. Dollars	Unrealized Gain/(Loss)
Australian Dollar	($12,066,636)	($8,043,230)	($8,062,063)	($18,833)
Canadian Dollar	(15,104,193)	(11,065,547)	(11,042,114)	23,433
Chinese R Yuan HK	(6,490,000)	(901,552)	(892,693)	8,859
Colombian Peso	(14,860,000,000)	(3,621,156)	(3,567,500)	53,656
Euro Currency Unit	(117,646,876)	(127,066,987)	(126,186,210)	880,777
Japanese Yen	(6,281,062,040)	(39,902,976)	(39,179,810)	723,166
Mexican Peso	(208,600,000)	(12,031,095)	(11,361,181)	669,914
New Zealand Dollar	(10,279,486)	(6,249,024)	(6,263,797)	(14,773)
Pound Sterling	(97,932,000)	(124,648,060)	(123,808,905)	839,155
South African Rand	(79,500,000)	(4,241,425)	(4,339,438)	(98,013)
Swedish Krona	(98,898,327)	(9,346,408)	(9,345,810)	598
		($347,117,460)	($344,049,521)	$3,067,939

Foreign Currency Contracts Sold	Notional (Local Currency)	Cost	Fair Value Receivable in U.S. Dollars	Unrealized Gain/(Loss)
Australian Dollar	$23,363,318	$15,564,152	$15,623,267	$59,115
Canadian Dollar	7,444,928	5,437,599	5,440,807	3,208
Chilean Peso	5,440,000,000	5,832,027	5,760,983	(71,044)
Euro Currency Unit	69,417,938	74,434,600	74,425,402	(9,198)
Hungarian Forint	1,670,000,000	4,567,288	4,527,078	(40,210)
Indian Rupee	240,800,000	2,873,371	2,882,486	9,115
Japanese Yen	5,029,581,905	31,990,278	31,424,613	(565,665)
Mexican Peso	81,700,000	4,645,607	4,449,705	(195,902)
New Zealand Dollar	11,769,743	7,129,800	7,171,883	42,083
Norwegian Krone	51,600,000	4,769,652	4,849,067	79,415
Pound Sterling	47,321,000	59,995,986	59,818,476	(177,510)
Swedish Krona	49,518,116	4,688,148	4,675,843	(12,305)
Swiss Franc	2,530,000	2,878,447	2,840,076	(38,371)
		$224,806,955	$223,889,686	($917,269)
Net Unrealized Gain/(Loss) on Foreign Currency Spot and Forward Contracts				**$2,150,670**

J. Securities Lending

The Board of Trustee policies permit the System to lend its securities to broker/dealer and other entities (borrowers) for collateral that will be returned for the same securities in the future. The System's custodian is the agent in lending the plan's domestic securities for collateral of 102.0 percent and international securities of 105.0 percent of fair value. The custodian receives cash or securities as collateral from the borrower. All securities loans can be terminated on demand by either the System or the borrower. Securities received as collateral are not reported as assets and liabilities on the balance sheet since the Retirement System does not have the ability to pledge or sell the collateral securities absent borrower default.

The System did not impose any restrictions during fiscal year 2024 on the amounts of loans the lending agent made on its behalf. At June 30, 2024, the System had no credit risk exposure to borrowers because the amounts the System owed the borrowers exceeded the amounts the borrowers owed the System. The custodian provides full indemnification to the System for any losses that might occur in the program due to the failure of a broker/ dealer to return a borrowed security or failure to pay the System income earned on the securities while on loan. Cash collateral is invested in a separate account with the lending agent which includes a larger allocation to equity repurchase securities.

At June 30, 2024, cash collateral had a weighted-average maturity of one day. The maturities of the resulting investments generally match the maturities of the securities lending arrangements. While the System bears no credit risk from the failure of a borrower to return a borrowed security, it does bear risk from investing the collateral.

The following represents the balances relating to the securities lending transactions at June 30, 2024:

Securities Lent	Underlying Securities	Cash Collateral Investment Value	Securities Collateral Investment Value
Lent for Cash Collateral			
Corporate and Other Bonds	$19,069,305	$19,542,556	$ -
Common and Preferred Stock	121,895,317	124,972,862	-
Lent for Securities Collateral			
U.S. Government Securities	34,032,343	-	36,823,448
Common and Preferred Stock	40,170,725	-	43,807,343
Total Securities Lent	**$215,167,690**	**$144,515,418**	**$80,630,791**

Note 4. Net Pension Liability, Actuarial Methods and Assumptions

A. Net Pension Liability

The components of the net pension liability at June 30, 2024, were as follows:

Total Pension Liability	$7,378,940,106
Plan Fiduciary Net Position	4,996,022,619
Net Pension Liability	$2,382,917,487
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.71%

B. Actuarial Methods and Assumptions

The Total Pension Liability was determined by an actuarial valuation as of June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement.

Entry Age Normal, Level Percent of Payroll	
Discount Rate, Net of Plan Investment Expenses	6.75%
Inflation	2.25%
Salary Increase; Including Inflation	2.25% + merit
Investment Rate of Return, Net of Plan Investment Expenses	6.75%
Municipal Bond Rate	N/A
Projected Period of Unfunded Benefit Payments	None

The actuarial assumptions used have been recommended by the actuary and adopted by the System's Board of Trustees based on the most recent review of the System's experience study presented at a Board meeting on September 15, 2021.

The rate of employer contributions to the System 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 System's actual administrative expenses.

The County is required to contribute at an actuarially determined rate; the rate for the year ended June 30, 2024 was 30.07 percent of annual covered payroll which was adopted for fiscal year 2024.

Mortality rates with adjustments for mortality improvements were based on 100% of the PubG-2010 Healthy Annuitant Head-Count Weighted Mortality Table for males and females, projected using the MP-2020 model, with an ultimate rate of 0.85% for ages 20-80 grading down to an ultimate rate of 0% for ages 114-120 and convergence to the ultimate rate in the year 2027. Five percent of pre-retirement deaths are assumed to be service connected.

The actuarial assumptions used in the June 30, 2024, valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020.

C. Long Term Expected Rate of Return

The long term expected rate of return on pension 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 pension plan 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.

Best estimates of return for each major asset class included in the System's target asset allocation as of June 30, 2024, are summarized on the next page:

Asset Class	Long Term Expected Return
Absolute Return	5.0%
Core Fixed Income	4.9%
High Yield	6.4%
International Developed Mkt. Equities	6.8%
International Emerging Mkt. Equities	7.5%
Real Assets	6.8%
Risk Parity	6.3%
U.S. Equity	6.6%
Gold	5.0%

D. Discount Rate

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 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 total pension liability.

In making this determination, we assumed the outflows would equal the anticipated benefit payments from the 2024 actuarial valuation. The administrative expenses attributable to current actives were assumed to equal 0.30 percent of covered payroll. The inflows to the Plan were assumed to reflect the average aggregate member rate for the 2024 active population of 4.97 percent of payroll, and County contributions were projected at 32.58 percent for fiscal year 2025 and increasing to 35.81 percent for 2029-2036. After that time, the County contribution is assumed to decrease to the normal cost plus expenses (8.99 percent) and amortization of any remaining experience gains and losses.

E. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the County, calculated using the discount rate of 6.75 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate.

Sensitivity of Net Pension Liability

	1% Decrease 5.75%	Discount Rate 6.75%	1% Increase 7.75%
Total Pension Liability	$8,263,757,692	$7,378,940,106	$6,638,040,151
Plan Fiduciary Net Position	4,996,022,619	4,996,022,619	4,996,022,619
Net Pension Liability	$3,267,735,073	$2,382,917,487	$1,642,017,532
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	60.46%	67.71%	75.26%

Note 5. Subscription Payable

For the year ended 6/30/2024, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset.

As of 06/30/2024, the Authority had 4 active subscriptions ranging from a 24 to 57 months period with an incremental borrowing rate of 1.894 to 2.186 percent. As of 06/30/2024, the total combined value of the subscription liability is $410,665. The combined value of the right to use asset, as of 06/30/2024 of $944,235 with accumulated amortization of $473,007 is included within the Subscription Class activities table found below. The subscriptions had $0 of Variable Payments and $0 of Other Payments, not included in the Subscription Liability, within the Fiscal Year. For additional information, refer to the disclosures below.

The following tables outline the subscription asset and liability activity for the year ended June 30, 2024, and the subscription asset liability requirements to maturity as of June 30, 2024:

Subscription Schedule

Asset Class	**Balance June 30, 2023**	**Additions**	**Reductions**	**Balance June 30, 2024**
Subscription being amortized				
Subscription assets	$925,003	$19,232	$ -	$944,235
Total Subscriptions assets	**925,003**	**19,232**	**-**	**944,235**
Less accumulated amortization				
Subscription assets	230,837	242,170	-	473,007
Total accumulated amortization	**230,837**	**242,170**	**-**	**473,007**
Total Subscription Assets, net of amortization	**$694,166**	**($222,938)**	**$ -**	**$471,228**
Subscription asset liability	$663,522	$19,232	$272,089	$410,665
Total Software Subscription Liability	**$663,522**	**$19,232**	**$272,089**	**$410,665**

Principal and Interest Requirements to Maturity

Fiscal Year	**Principal Payments**	**Interest Payments**	**Total Payments**
2025	$261,423	$11,712	$273,135
2026	149,242	3,313	152,555
Total Principal and Interest	**$410,665**	**$15,025**	**$425,690**

Note 6. Income Taxes

The Internal Revenue Service issued the System a determination letter which stated that the System and its underlying trust qualify under the applicable provisions of the Internal Revenue Code and therefore are exempt from federal income taxes.

Required Supplementary Information
(Unaudited)

Schedule of Net Pension Liability

Year Ended June 30	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll
2024	$7,378,940,106	$4,996,022,619	$2,382,917,487	67.71%	$998,044,536	238.76%
2023	6,953,793,569	4,651,836,206	2,301,957,363	66.90%	922,908,203	249.42%
2022	6,736,635,842	4,857,119,591	1,879,516,251	72.10%	793,331,229	236.91%
2021	6,329,809,523	5,146,232,426	1,183,577,097	81.30%	803,690,586	147.27%
2020	5,961,066,083	4,142,063,209	1,819,002,874	69.49%	828,019,905	219.68%
2019	5,791,680,570	4,101,637,346	1,690,043,224	70.82%	777,319,219	217.42%
2018	5,591,223,791	3,940,926,716	1,650,297,075	70.48%	745,663,954	221.32%
2017	5,367,731,521	3,749,384,616	1,618,346,905	69.85%	730,618,376	221.50%
2016	5,116,417,171	3,590,082,229	1,526,334,942	70.17%	708,414,611	215.46%
2015	4,979,660,749	3,693,357,619	1,286,303,130	74.17%	686,288,895	187.43%

Schedule of Money-Weighted Rate of Return

Fiscal Year	Annual Money-Weighted Rate of Return, Net of Investment Expense
2024	8.35%
2023	-2.86%
2022	-3.54%
2021	26.80%
2020	2.84%
2019	6.27%
2018	7.27%
2017	6.87%
2016	-0.44%
2015	0.46%

Schedule of Changes in Collective Net Pension Liability and Related Ratios

Year Ended June 30	2024	2023	2022	2021	2020
Total Pension Liability					
Service Cost (MOY)	$131,224,259	$128,855,773	$119,241,774	$108,644,084	$103,313,271
Interest (includes interest on service cost)	464,386,562	450,350,446	422,967,377	427,327,332	415,148,914
Changes in Benefit Terms	-	-	-	-	-
Differences Between Expected and Actual Experience	246,782,501	31,646,234	236,424,050	(43,615,538)	(5,460,817)
Changes in Assumptions	-	-	-	233,719,707	-
Benefit Payments, Including Refunds of Member Contributions	(417,246,785)	(393,694,726)	(371,806,882)	(357,332,145)	(343,615,855)
Net Change in Total Pension Liability	$425,146,537	$217,157,727	$406,826,319	$368,743,440	$169,385,513
Total Pension Liability - Beginning	6,953,793,569	6,736,635,842	6,329,809,523	5,961,066,083	5,791,680,570
Total Pension Liability - Ending (a)	$7,378,940,106	$6,953,793,569	$6,736,635,842	$6,329,809,523	$5,961,066,083
Plan Fiduciary Net Position					
Contributions - Employer	$300,111,992	$266,535,889	$229,114,059	$227,846,281	$234,743,643
Contributions - Member	51,101,549	46,534,884	40,269,006	39,914,839	40,327,359
Net Investment Income (Loss)	413,570,692	(122,093,611)	(184,211,952)	1,096,259,683	111,442,161
Benefit Payments, Including Refunds of Member Contributions	(417,246,785)	(393,694,726)	(371,806,882)	(357,332,145)	(343,615,855)
Administrative Expenses	(3,351,035)	(2,565,821)	(2,477,066)	(2,519,441)	(2,471,445)
Net Change in Plan Fiduciary Net Position	$344,186,413	($205,283,385)	($289,112,835)	$1,004,169,217	$40,425,863
Plan Fiduciary Net Position - Beginning	4,651,836,206	4,857,119,591	5,146,232,426	4,142,063,209	4,101,637,346
Plan Fiduciary Net Position - Ending (b)	$4,996,022,619	$4,651,836,206	$4,857,119,591	$5,146,232,426	$4,142,063,209
Net Pension Liability - Ending (a)-(b)	$2,382,917,487	$2,301,957,363	$1,879,516,251	$1,183,577,097	$1,819,002,874
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.71%	66.90%	72.10%	81.30%	69.49%
Covered Payroll	$998,044,536	$922,908,203	$793,331,229	$803,690,586	$828,019,905
Net Pension Liability as a Percentage of Covered Payroll	238.76%	249.42%	236.91%	147.27%	219.68%

See next page for the continuation of the 10 year report.

The total pension liability contained in this schedule was calculated by Cheiron, the System's Actuary. The net pension liability is measured as the total pension liability less the amount of the fiduciary net position of the Employees' Retirement System.

Required Supplementary Information
(continued)

Schedule of Changes in Collective Net Pension Liability and Related Ratios

Year Ended June 30	2019	2018	2017	2016	2015
Total Pension Liability					
Service Cost (MOY)	$99,758,925	$96,662,966	$93,128,267	$85,498,714	$84,153,689
Interest (includes interest on service cost)	400,860,241	385,504,765	367,586,251	361,073,638	353,621,871
Changes in Benefit Terms	-	603,265	582,418	773,066	1,462,698
Differences Between Expected and Actual Experience	29,354,840	41,362,698	74,947,987	(104,260,427)	(8,616,589)
Changes in Assumptions	-	-	-	68,573,373	-
Benefit Payments, Including Refunds of Member Contributions	(329,517,227)	(300,641,424)	(284,930,573)	(274,901,942)	(258,834,581)
Net Change in Total Pension Liability	$200,456,779	$223,492,270	$251,314,350	$136,756,422	$171,787,088
Total Pension Liability - Beginning	5,591,223,791	5,367,731,521	5,116,417,171	4,979,660,749	4,807,873,661
Total Pension Liability - Ending (a)	$5,791,680,570	$5,591,223,791	$5,367,731,521	$5,116,417,171	$4,979,660,749
Plan Fiduciary Net Position					
Contributions - Employer	$210,964,436	$188,578,414	$167,311,608	$155,780,373	$138,493,099
Contributions - Member	37,915,769	36,357,591	35,476,023	34,627,061	33,193,593
Net Investment Income (Loss)	243,545,545	269,418,157	243,496,177	(16,668,287)	16,342,457
Benefit Payments, Including Refunds of Member Contributions	(329,517,227)	(300,641,424)	(284,930,573)	(274,901,942)	(258,834,581)
Administrative Expenses	(2,197,893)	(2,170,638)	(2,050,848)	(2,112,595)	(1,896,614)
Net Change in Plan Fiduciary Net Position	$160,710,630	$191,542,100	$159,302,387	($103,275,390)	($72,702,046)
Plan Fiduciary Net Position - Beginning	3,940,926,716	3,749,384,616	3,590,082,229	3,693,357,619	3,766,059,665
Plan Fiduciary Net Position - Ending (b)	$4,101,637,346	$3,940,926,716	$3,749,384,616	$3,590,082,229	$3,693,357,619
Net Pension Liability - Ending (a)-(b)	$1,690,043,224	$1,650,297,075	$1,618,346,905	$1,526,334,942	$1,286,303,130
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.82%	70.48%	69.85%	70.17%	74.17%
Covered Payroll	$777,319,219	$745,663,954	$730,618,376	$708,414,611	$686,288,895
Net Pension Liability as a Percentage of Covered Payroll	217.42%	221.32%	221.50%	215.46%	187.43%

Continued from previous page.

Required Supplementary Information
(continued)

Schedule of Collective Employer Contributions

Fiscal Year	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	$300,111,992	$300,111,992	$ -	$998,044,536	30.07%
2023	266,535,889	266,535,889	-	922,908,203	28.88%
2022	229,114,059	229,114,059	-	793,331,229	28.88%
2021	227,846,281	227,846,281	-	803,690,586	28.35%
2020	234,743,643	234,743,643	-	828,019,905	28.35%
2019	210,964,436	210,964,436	-	777,319,219	27.14%
2018	188,578,414	188,578,414	-	745,663,954	25.29%
2017	167,311,608	167,311,608	-	730,618,376	22.90%
2016	155,780,373	155,780,373	-	708,414,611	21.99%
2015	138,493,099	138,493,099	-	686,288,895	20.18%

Notes to Schedule

Valuation Date	June 30, 2022
Timing	Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the fiscal year
Key Methods and Assumptions Used to Determine Contribution Rates:	
Actuarial cost method	Entry Age Normal, Level Percent of Payroll
Asset valuation method	33% of Aggregate Gain/Loss is recognized
Amortization method	Closed 15-year layers, with level % of payroll
Discount rate	6.75%
Amortization growth rate	2.25%
Price inflation	2.25%
Salary increases	2.25% plus merit component based on employee’s years of service
Mortality	Mortality (Active): PubG-2010 Employee Head-Count Weighted Mortality Table for males and females Mortality (Healthy Retirees and Beneficiaries): PubG-2010 Healthly Annuitant Head-Count Weighted Mortality Table for males and females Mortality (Disabled): PubG-2010 Disabled Head-Count Weighted Mortality Table for males and females all projected using the MP-2020 model, with an ultimate rate of 0.85% for ages 20-80 grading down to an ultimate rate of 0% for ages 114-120 and convergence to the ultimate rate in the year 2027

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2024 can be found in the June 30, 2022 actuarial valuation report.

Summary of Significant Changes to the Pension System

The summary of employer and employee contribution rates during the past five years and other significant changes in the pension system are as follows:

Contribution Rates		
Fiscal Year	Employer	Employee
2024	30.07%	4%, 5.33%
2023	28.88%	4%, 5.33%
2022	28.88%	4%, 5.33%
2021	28.35%	4%, 5.33%
2020	28.35%	4%, 5.33%

July 2019	New hires on or after July 1, 2019, are enrolled in Plan E.
December 2018	Retirement Board of Trustees approved a new plan for all employees hired on or after July 1, 2019.
July 2017	Social Security offset reduced from 10 percent to 5 percent.
July 2016	Social Security offset reduced from 15 percent to 10 percent.
January 2014	Service-Connected Disability Social Security offset was reduced from 25.0 percent to 15.0 percent.

Other Supplementary Information

Schedule of Investment & Consultant Expenses For the Year Ended June 30, 2024	
Investment Manager Fees	
Absolute Return	$10,510,055
Global Equity	14,799,219
Global Fixed Income	17,280,961
Global Multi-Asset	3,806,136
Global Real Assets	6,110,998
Short Term and Others	1,326,552
Fees Related to Securities Lending	381,468
Custodial Fees	292,871
Consultant Expenses	185,535
Investment Related Legal Fees	289,615
Allocated Administration Expense	1,482,989
Total Investment and Consultant Expenses	**$56,466,399**

Schedule of Administrative Expenses For the Year Ended June 30, 2024		
Personnel services		
Salaries and Wages	$1,625,678	
Fringe Benefits	726,991	
Total Personnel Services		$2,352,669
Professional services		
Actuarial	76,190	
Audit	28,800	
Legal	10,456	
Total Professional Services		115,446
Communications		
Phone Charges	17,488	
Printing, Binding and Copying	7,780	
Postage	18,888	
Total Communications		44,156
Supplies		
Office Supplies	2,589	
Total Supplies		2,589
Other Services and Charges		
Staff Travel and Development	16,394	
Professional Membership	9,341	
Professional Subscriptions	5,625	
Insurance	-	
Building rent	126,283	
Depreciation Expense	147,640	
Computer System	48,385	
Interest Expense	9,187	
Other Operating	473,320	
Total Other Services and Charges		836,175
Total Administrative Expenses		**$3,351,035**

Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Supervisors
County of Fairfax, Virginia

To the Board of Trustees
Fairfax County Employees' Retirement System

We have audited, in accordance with the 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, the financial statements of the Fairfax County Employees' Retirement System (the "System"), a fiduciary component unit of the County of Fairfax, Virginia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the System's basic financial statements, and have issued our report thereon dated November 19, 2024.

Report on Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered the System's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we do not express an opinion on the effectiveness of the System's internal control.

A *deficiency in internal control exists* when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged withgovernance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

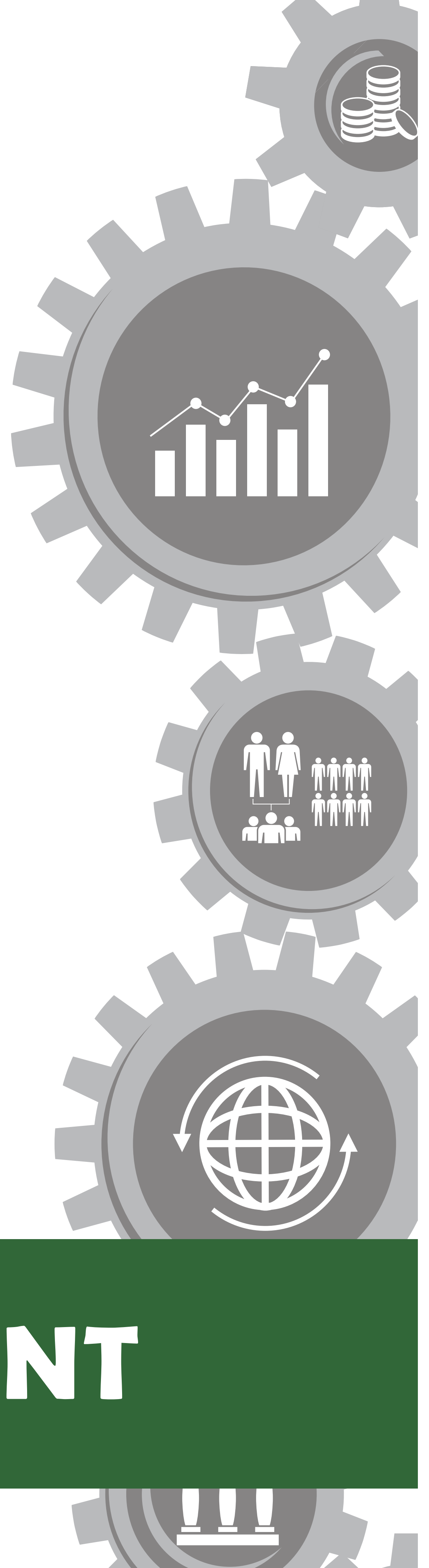
As part of obtaining reasonable assurance about whether the System's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

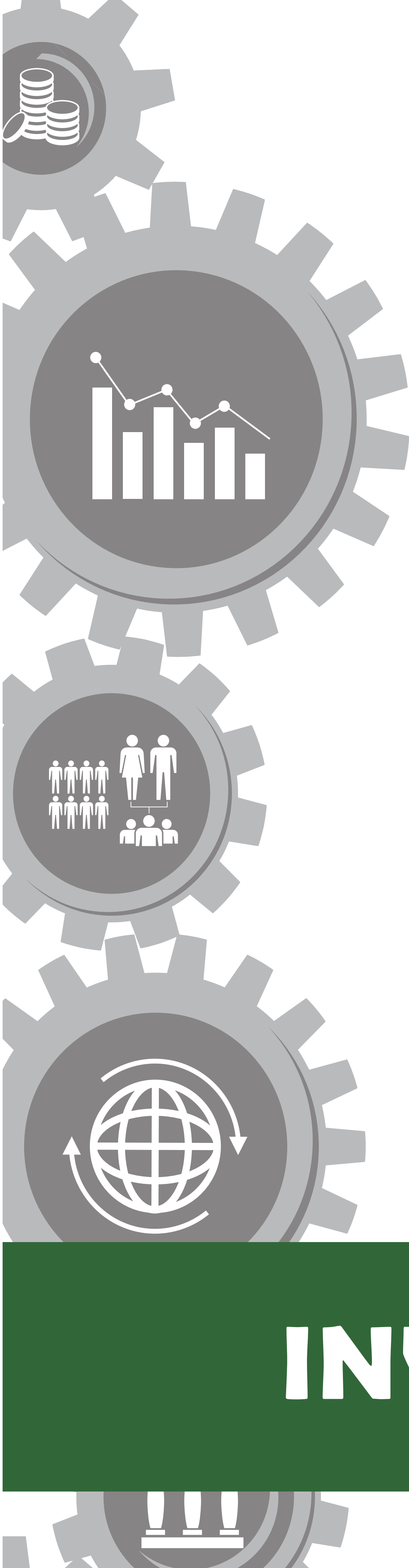
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekaert LLP

Orlando, Florida
November 19, 2024



INVESTMENT



INVESTMENT

County of Fairfax, Virginia

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

October 14, 2024

Dear Members of the Board of Trustees:

Throughout FY2024, capital markets largely focused on unemployment, wage growth, economic strength, and declining inflation in an effort to anticipate when the U.S. Federal Reserve would be in a position to reverse its policy stance and begin lowering its target federal funds interest rate. Between January 1 and June 30, 2024, the S&P 500 reached over 30 new all-time highs. Equity market gains were concentrated within U.S. large-cap, technology-related stocks and were particularly influenced by artificial intelligence-related companies such as Nvidia.

U.S. equity markets (as measured by the S&P 500 Index) ended the 12 months of FY2024 with a return of +24.6%. Within the U.S. stock market, small-cap stocks (as measured by the Russell 2000 Index) underperformed large-cap stocks, posting a one-year gain of +10.1%. Developed international equity markets (as measured by the MSCI EAFE Index) ended FY2024 with a 12-month return of +11.5%. Emerging markets stocks (as measured by the MSCI Emerging Markets Index) outperformed developed non-U.S. equity markets, ending the fiscal year with a positive one-year return of +12.5%.

The headline annual inflation rate continued to decline throughout the year but remained above the U.S. Federal Reserve's target of 2.0%. In July 2023, the Federal Reserve raised its target benchmark interest rate to 5.5% and maintained that rate throughout the remainder of FY2024. The Bloomberg U.S. Aggregate Bond Index ended the fiscal year with a positive return of +2.6% for the trailing 12-month period ending June 30, 2024. The U.S. high-yield bond market (as measured by the Bloomberg U.S. High Yield Index) gained +10.4% over the same period. In real assets, commodities appreciated, with the Bloomberg Commodities Index posting a one-year return of +5.0%, and WTI crude oil prices rose 17.2% since June 30, 2023.

Employees' Retirement System

The Employees' Retirement System continued to focus on optimizing and diversifying the portfolio and implementing a diversified investment program to achieve the System's strategic long-term goals. This disciplined investment process has been effective in achieving a long-term record of consistent asset growth.

FAIRFAX COUNTY Retirement SYSTEMS
EMPLOYEES' POLICE Officers UNIFORMED

Fairfax County Retirement Systems
12015 Route 50 * Suite 350 * Fairfax, VA 22033
703-279-8200 * TTY: 711 * Fax: 703-653-9543
www.fairfaxcounty.gov/retirement/

As of June 30, 2024, the Fairfax County Employees' Retirement System stood at $4.999 billion, up from $4.640 billion at the end of fiscal year 2023. Calculating performance using a time-weighted rate of return for the year ending June 30, 2024, the system returned +10.65%, gross of fees (+9.08% net of fees), ranking in the 36th percentile of all public funds in the BNY Mellon Total Public Fund Universe. For the three, five, and ten-year periods (annualized), the system returned gross of fees, +2.14% (+0.83% net of fees), ranking in the 71st percentile, +7.41% gross of fees (+5.99% net of fees) ranking in the 61st percentile, and +6.01% gross of fees (+5.02% net of fees) ranking in the 82nd percentile respectively.

During the past twelve months, the System continued to focus on further diversifying risk. Marathon Distressed II was added to the Private Debt lineup. Red Tree Ventures II and Morgan Creek Digital IV were added to the Private Equity lineup.

Sincerely,

Andrew J. Spellar
Chief Investment Officer
Fairfax County Employees' Retirement System

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Investments by Category and Investment Manager**

For the Year Ended June 30, 2024

Asset Class Manager	Investment Style	Fair Value	% of Total Portfolio
Absolute Return			
Alpha Simplx Trend	Global Macro	$51,513,269	1.0%
Aspect Sysmatic GM	Global Macro	47,996,697	1.0%
Blackrock FIGA	Relative Value	96,599,434	1.9%
Bridgewater PA II	Global Macro	82,122,483	1.6%
Crabel Multi-Prod	Global Macro	65,195,601	1.3%
Florin Court	Global Macro	46,334,040	0.9%
Kirkoswald GM	Global Macro	80,432,781	1.6%
Millennium USA	Relative Value	106,405,340	2.1%
Parataxis	Relative Value	4,306,118	0.1%
Pimco Commodity Alph	Relative Value	56,139,774	1.1%
Pimco GCOF	Relative Value	117,588,081	2.4%
Second Foundation Radiar	Relative Value	37,021,467	0.8%
Verition Multi Strat	Multi-Strategy	74,962,477	1.5%
Global Equity			
Aberdeen Em Equity	Int'l Emg. Equity	55,673,068	1.1%
Axiom Intl Small Cap*	Int'l Dev. Equity	125,243,209	2.5%
Blockchain V	Private Markets Equity	27,885,650	0.5%
Blockchain VI	Private Markets Equity	27,558,949	0.5%
Blue Owl II	Private Markets Equity	56,949,057	1.1%
Blue Owl GP IV	Private Markets Equity	60,657,062	1.2%
Deprince Lc Value*	US Equity	143,235,209	2.9%
EJF Ventures I	Private Markets Equity	24,905,453	0.5%
FCERS EM Equity ETF	Emerging Market Equity	68,944,067	1.4%
FCERS Intl Equity ETF*	Int'l Dev. Equity	66,012,476	1.3%
FCERS US Equity ETF*	US Equity	73,995,208	1.5%
Frazier Life XI	Private Markets Equity	21,424,990	0.4%
Investcorp Strat Cap	Private Markets Equity	47,856,827	1.0%
Investcorp SCP II	Private Markets Equity	3,742,250	0.1%
Lavrock Ventures II	Private Markets Equity	8,064,594	0.2%
Marathon Intl Eq	Int'l Dev. Equity	133,159,962	2.7%
Morgan Creek Bco I	Private Markets Equity	29,096,160	0.6%
Morgan Creek Bco II	Private Markets Equity	58,194,634	1.2%
Morgan Creek Digital	Private Markets Equity	37,916,295	0.8%
Morgan Creek Digital IV	Private Markets Equity	7,739,175	0.2%
Polychain III	Private Markets Equity	39,141,437	0.8%
Red Tree Ventures	Private Markets Equity	28,342,492	0.6%
Red Tree Ventures II	Private Markets Equity	2,500,000	0.1%
Sands Global Inov	Private Markets Equity	15,439,619	0.3%
Sands Global Inov II	Private Markets Equity	42,153,393	0.8%
Sands Global Ven III	Private Markets Equity	29,038,009	0.6%
Sands LC Growth*	US Equity	70,068,863	1.4%
Sands Life Pulse II	Private Markets Equity	19,608,055	0.4%
Sands Life Sci Pulse	Private Markets Equity	6,833,007	0.1%
Section Ventures	Private Markets Equity	9,242,173	0.2%
Section Ventures II	Private Markets Equity	2,075,182	0.0%
The Hive IV	Private Markets Equity	6,007,721	0.1%
Two Sigma Ventur IV	Private Markets Equity	9,439,559	0.2%
WCM Intl Growth*	Int'l Dev. Equity	131,940,275	2.6%
Global Multi-Asset			
AQR Multi Asset II	Core Risk Parity	71,514,898	1.4%
BlackRock Market Advanta	Core Risk Parity	120,505,908	2.4%
FCERS Risk Balance*	Active Risk Parity	117,653,547	2.4%
Lombard Odier	Active Risk Parity	127,435,992	2.5%
Man AHL TargetRisk	Active Risk Parity	122,764,170	2.5%

See next page for the continuation of this report.

Investments by Category and Investment Manager**

For the Year Ended June 30, 2024

Asset Class / Manager	Investment Style	Fair Value	% of Total Portfolio
Global Fixed Income			
Apollo FCI IV	Private Markets Credit	4,847,847	0.1%
Blackrock MAOF	Private Markets Credit	39,943,100	0.8%
Brandywine Global*	Global Bonds	93,323,292	1.9%
Credit Suisse ILS II	Private Markets Credit	216,739	0.0%
Crestline Opp III Eu	Private Markets Credit	25,076,161	0.5%
Crestline Opp III Eu	Private Markets Credit	11,039,828	0.2%
Crestline Opp IV	Private Markets Credit	45,847,260	0.9%
Crestline Opp V	Private Markets Credit	27,810,381	0.5%
Czech SJC III	Private Markets Credit	28,409,799	0.6%
Doubleline Mtg Opp	Private Markets Credit	20,407,580	0.4%
Doubleline Opp Cmbs	Private Markets Credit	8,681,066	0.2%
Doubleline Strat Mbs*	US Mortgage	119,669,528	2.4%
EJF Debt Opp	Private Markets Credit	61,409,008	1.2%
Hoisington Us Treas*	Core Fixed	41,784,444	0.8%
Lazard Em Debt Tr	Emg. Mkt. Debt	30,328,846	0.6%
Marathon Dist Cr	Private Markets Credit	56,494,137	1.1%
Marathon Dist CR II	Private Markets Credit	13,202,983	0.3%
Marathon Eco III	Private Markets Credit	25,639,010	0.5%
Marathon Eco VI	Private Markets Credit	43,109,860	0.9%
Onyxpoint*	High Yield Bonds	212	0.0%
Onyxpoint Multi-Comm	High Yield Bonds	61,796,710	1.2%
Parataxis Digital	High Yield Bonds	28,779,681	0.5%
Pgim Em Debt Plus	Private Markets Credit	50,863,683	1.0%
Pimco Bravo II	Private Markets Credit	2,640,414	0.1%
Pimco Bravo III	Private Markets Credit	53,105,061	1.1%
Pimco Bravo IV	Private Markets Credit	53,115,934	1.1%
Pimco Disco III	Private Markets Credit	1,945	0.0%
Pimco Tac Opps	Private Markets Credit	52,550,848	1.1%
Pimco TIPS*	Inflation-Linked	171,591,725	3.4%
Section IV	Private Markets Credit	50,289,395	1.0%
Section V	Private Markets Credit	16,183,566	0.3%
Shenkman High Yield*	High Yield Bonds	98,755,476	2.0%
VanEck Digital	High Yield Bonds	23,492,162	0.5%
Global Real Assets			
C&S Intl Real Est*	U.S. Real Estate Securities	42,035,382	0.8%
C&S Us Real Est*	Int'l Real Estate Securities	118,724,943	2.4%
DWS Real Assets	Multi-Real Asset	80,033,740	1.6%
ITE Intermodal	Private Markets Real Assets	34,957,290	0.7%
ITE Rail Fund	Private Markets Real Assets	62,037,836	1.2%
JPM Gbl Maritime	Private Markets Real Assets	165,561	0.0%
Landmark Re SEC IX	Private Markets Real Estate	218,515	0.0%
Landmark Re Sec VIII	Private Markets Real Estate	30,294,806	0.6%
Onyxpoint MSOF	Private Markets Real Assets	6,247,096	0.1%
Pinnacle Cattle	Private Markets Real Assets	69,002,429	1.4%
Pinnacle Physicals	Private Markets Real Assets	83,965,059	1.7%
Roundhill Music III	Private Markets Real Assets	41,378,565	0.8%
Roundhill Music Plus	Private Markets Real Assets	12,671,811	0.3%
Solus L Band	Private Markets Real Assets	9,366,431	0.2%
Terrestar Direct	Private Markets Real Assets	3,733,075	0.1%
Short Term and Others			
Blackrock Stif A/L	Plan Level Cash Account	1,486,803	0.0%
Cash Management	Plan Level Cash Account	8,949,680	0.2%
Orphan Securities*	Operating Cash Account	99,793	0.0%
FAX-Transition Account	Operating Cash Account	805,733	0.0%
Parametric Pios*	Operating Cash Account	115,899,343	2.3%
Total Investments		**$4,999,057,728**	**100.0%**

* Separately Managed Accounts ** See pages 8-9 for complete listing of investment professionals

Continued from previous page.

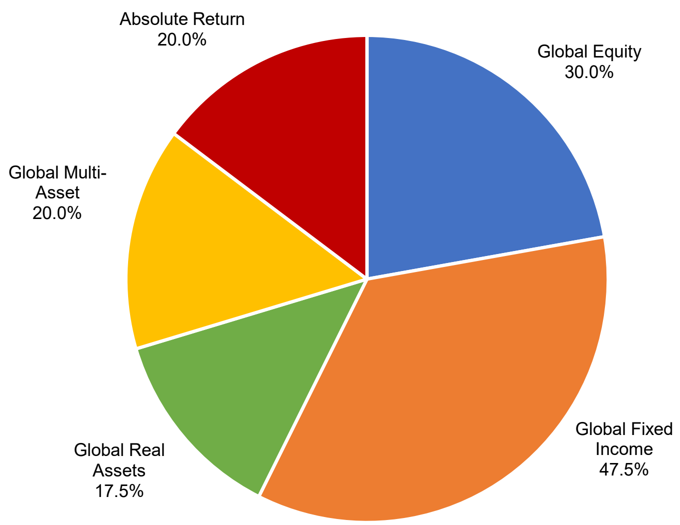
Employees' Retirement System – Allocation of Market Exposures

Target Market Exposures

The asset structure shown below represents the Trustees' assessment of their optimal asset allocation as of June 30, 2024. The target asset allocation provides a reasonable expectation that the System's investment objectives can be achieved based on historical relationships of asset class performance.

The pie chart below details the target asset mix, consistent with the achievement of the long-term objectives of the System, as of June 30, 2024.

Target Market Exposure

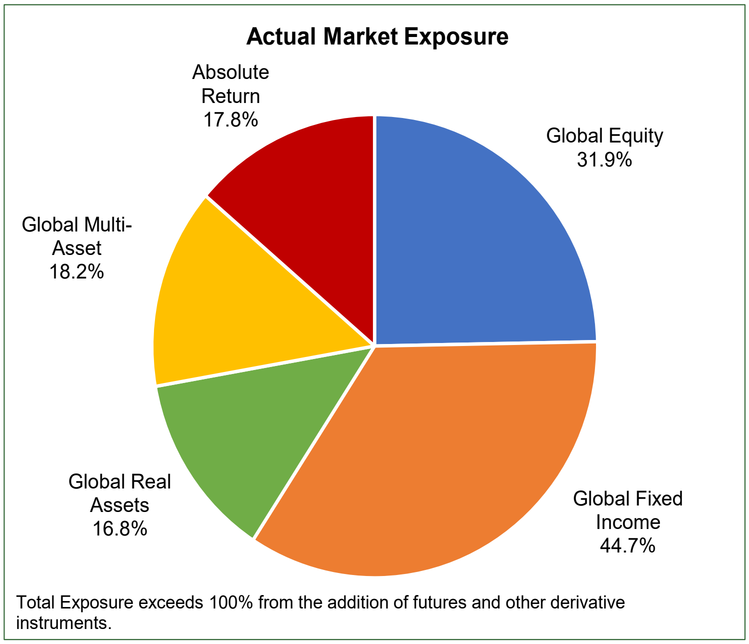


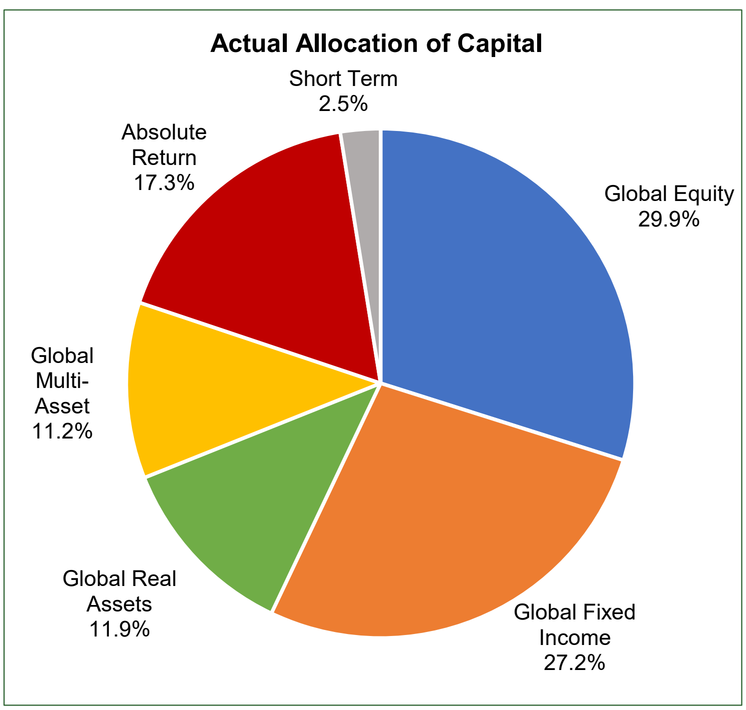
Total Exposure exceeds 100% from the addition of futures and other derivative instruments.

Actual Allocations as of June 30, 2024

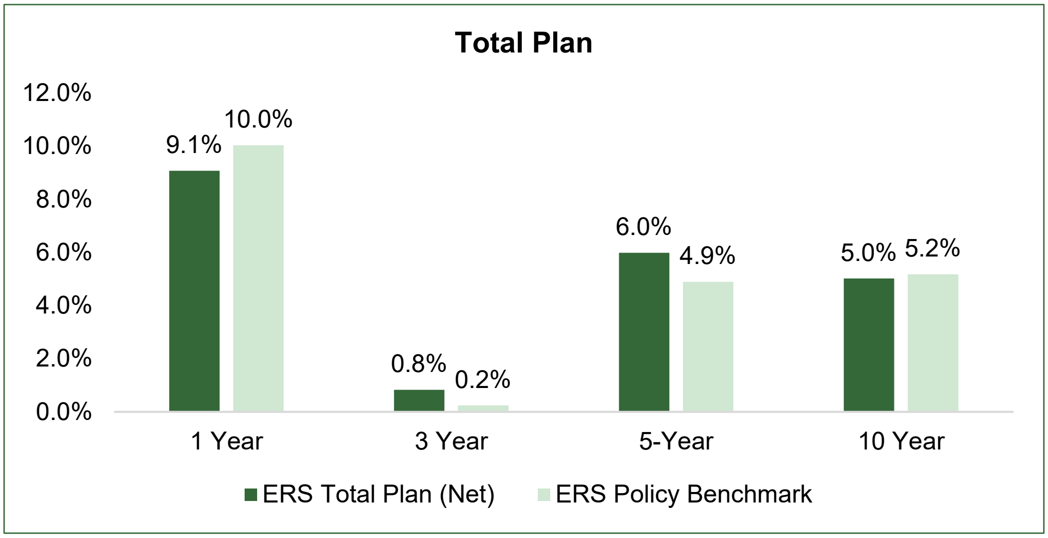
The asset structure of the Employees' Retirement System has historically reflected a proper balance of the System's needs for liquidity, growth of assets, and risk tolerance. The System's investment policy is designed to continue to meet its long-term investment objectives while, at the same time, providing sufficient flexibility to meet short-term funding requirements.

The pie chart below details the actual asset allocations as of June 30, 2024.

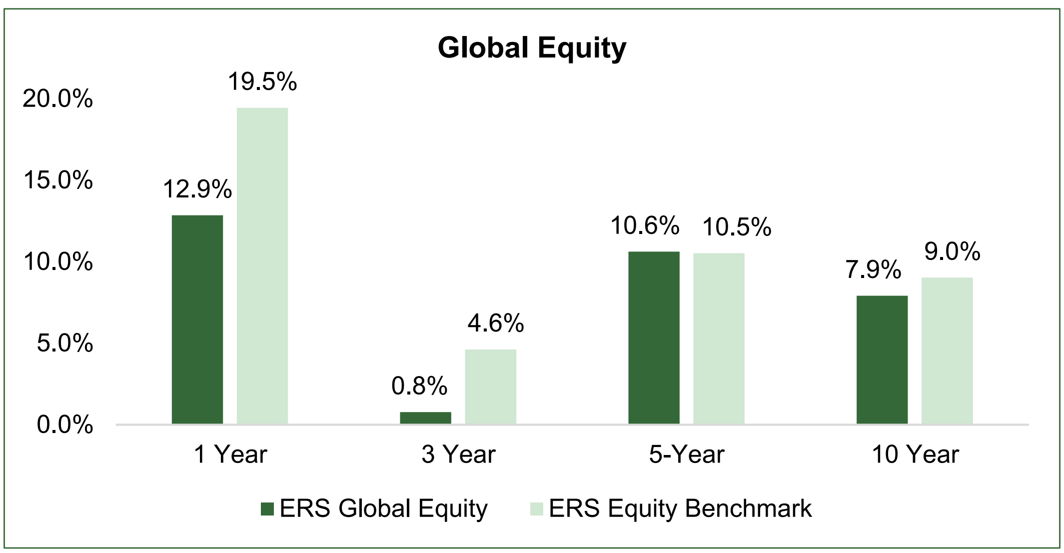




Investment Results
(Time-Weighted Return, net of Fees)

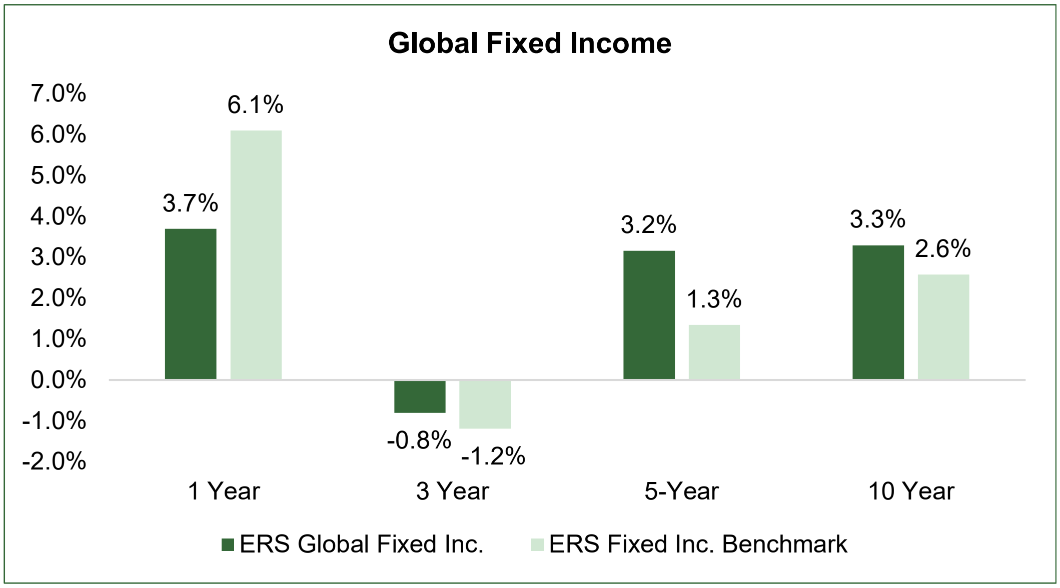


*ERS Policy Benchmark is a blending of asset class indices weighted by the target allocations for each asset class.

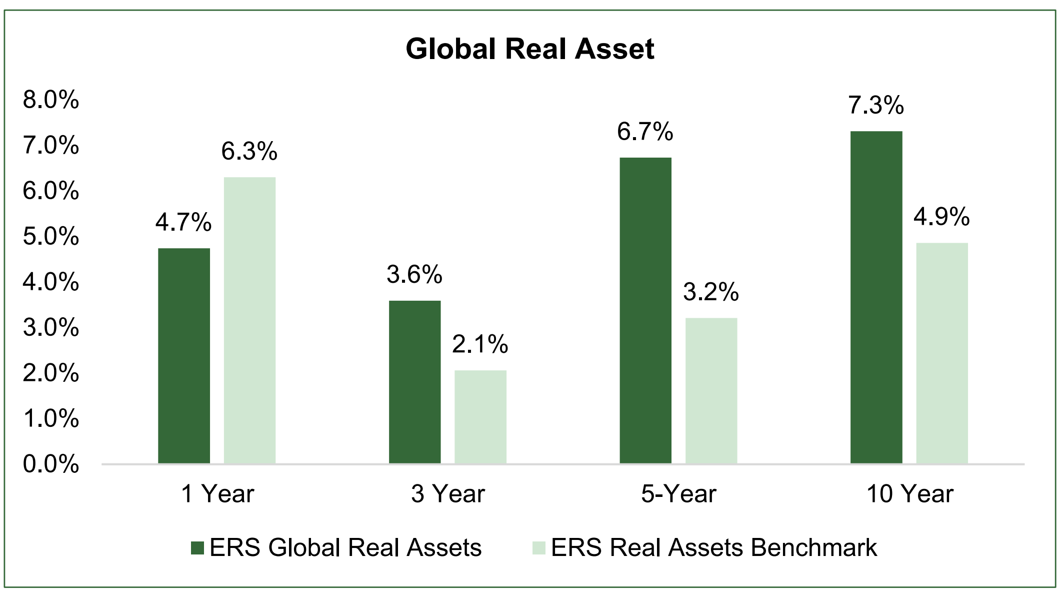


*ERS Global Equity Benchmark is a blending of sub-asset class indices weighted by the target allocations for each sub-asset class.

Investment Results
(Time-Weighted Return, net of Fees)

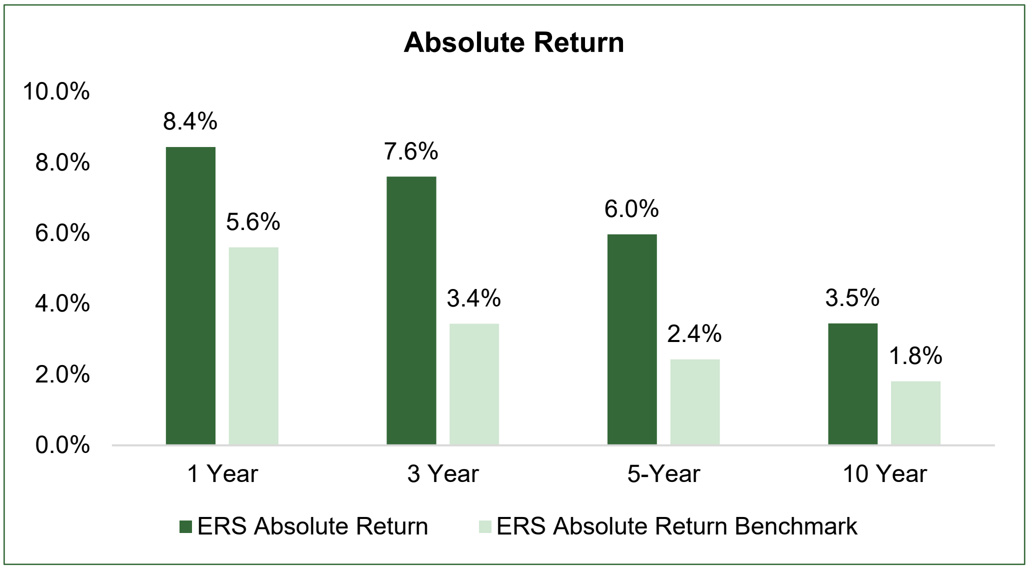


*ERS Global Fixed Inc. Benchmark is a blending of sub-asset class indices weighted by the target allocations for each sub-asset class.

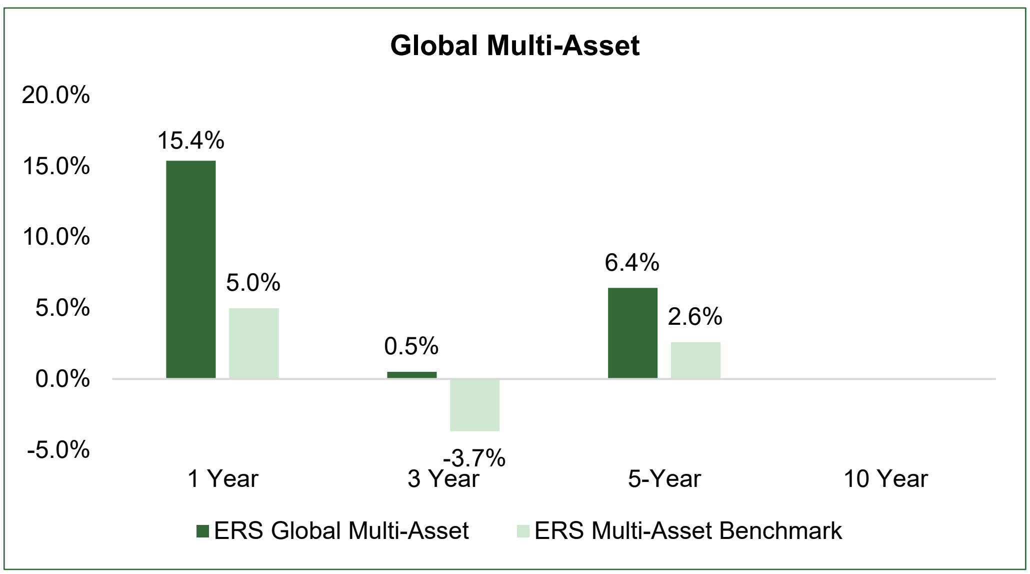


*ERS Real Assets Benchmark is a blending of sub-asset class indeices weighted by the target allocations for each sub-asset class.

Investment Results
(Time-Weighted Return, net of Fees)



*Current Benchmark: ICE 3-Mo. LIBOR (Benchmark has been revised through time)



*Current Benchmark: MSCI ACWI Index (Local) – 25.0%; Commodity – 25.0%; World I/L Bonds – 75.0%; Gbl TSY 7-10yr (H) – 75.0%; ICE 3-Month LIBOR – -100%; (Benchmark has been revised through time)

Schedule of Ten Largest Equity & Fixed Income Holdings

Ten Largest Equity Holdings*

No. Shares	Description	Cost	Fair Value	% of Total Portfolio
58,900	American Tower Corp	$11,844,780	$11,448,982	0.23%
102,638	Welltower Inc	7,938,866	10,700,012	0.21%
88,185	Prologis Inc	8,207,687	9,904,057	0.20%
64,150	Novo Nordisk A/S	3,692,148	9,270,967	0.19%
59,440	Digital Realty Trust Inc	7,235,434	9,037,852	0.18%
67,780	NVIDIA Corp	2,274,222	8,373,541	0.17%
50,020	Simon Property Group Inc	5,066,523	7,593,036	0.15%
67,136	Crown Castle Inc	8,776,790	6,559,187	0.13%
31,741	Amazon.com Inc	2,357,896	6,133,948	0.12%
170,439	Invitation Homes Inc	6,864,769	6,117,056	0.12%
	Total	**$64,259,115**	**$85,138,638**	**1.70%**

*Full disclosure of holdings is available upon request.

Ten Largest Fixed Income Holdings*

No. Shares	Description	Cost	Fair Value	% of Total Portfolio
28,190,000	US Treasury Bond 2.500% 05/15/2046 dd 05/15/16	$27,439,402	$19,919,054	0.40%
19,892,015	US Treas-CPI Inflat 1.125% 01/15/2033 dd 01/15/23	18,448,292	18,434,129	0.37%
16,581,510	US Treas-CPI Inflat 2.375%110/15/2028 dd 10/15/23	16,819,246	16,802,707	0.34%
15,300,000	US Treasury Note VAR RT 10/31/2025 dd 10/31/23	15,306,880	15,311,934	0.31%
15,899,960	US Treas-CPI Inflat 0.500% 01/15/2028 dd 01/15/18	15,194,656	14,979,511	0.30%
15,382,760	US Treas-CPI Inflat 1.375% 07/15/2033 dd 07/15/23	14,594,925	14,553,168	0.29%
16,344,540	US Treas-CPI Inflat 0.125%001/15/2032 dd 01/15/22	14,526,283	14,174,148	0.28%
13,964,330	US Treas-CPI Inflat 0.625%007/15/2032 dd 07/15/22	12,822,349	12,544,577	0.25%
12,701,640	US Treas-CPI Inflat 1.625% 10/15/2027 dd 10/15/22	12,903,805	12,496,254	0.25%
14,102,704	US Treas-CPI Inflat 0.125%001/15/2031 dd 01/15/21	12,961,042	12,465,380	0.25%
	Total	**$161,016,880**	**$151,680,862**	**3.04%**

*Full disclosure of holdings is available upon request.

Schedule of Brokerage Commissions
For the Year Ended June 30, 2024

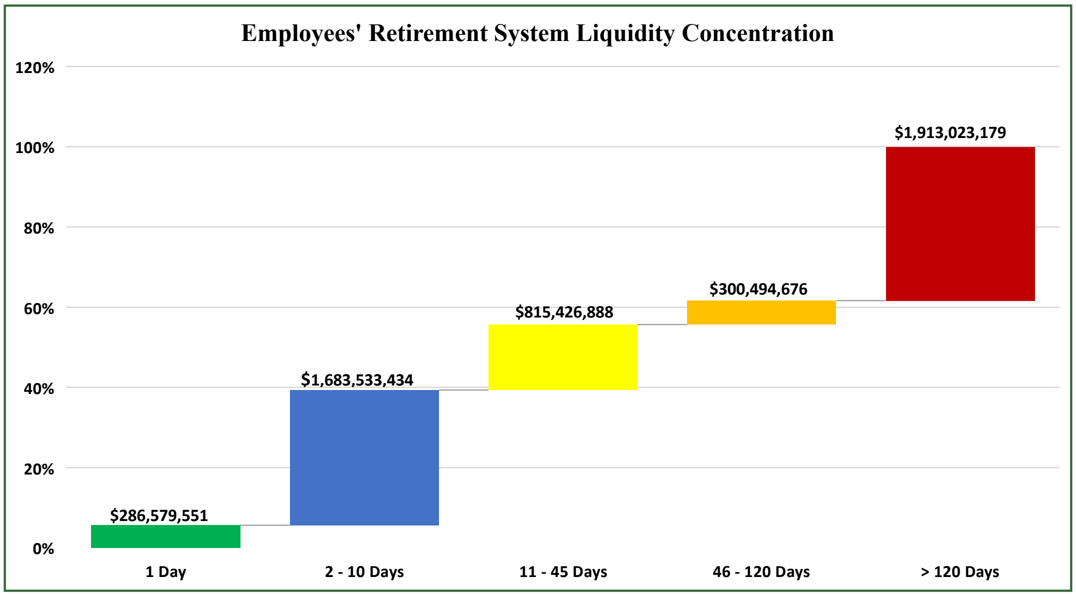
Broker Name	Base Volume	Total Shares	Base Commission	Commission Percentage
MORGAN J P SECS INC, NEW YORK	$2,015,766	53,637	$4,259	0.21%
FEARNLEY FOND A/S, OSLO	329,322	(139)	657	0.20%
ROYAL BANK OF CANADA, TORONTO (RBCH)	6,240,958	103,170	11,926	0.19%
MERRILL LYNCH, NEW YORK	490,631	52	883	0.18%
JEFFERIES HONG KONG LIMITED, HONG KONG	1,079,808	45	1,813	0.17%
GOLDMAN SACHS & CO, NY	241,434,230	26,205	373,093	0.15%
STIFEL NICOLAUS EUROPE LIMITED, LONDON	25,078	1,257	38	0.15%
MACQUARIE SECS (INDIA) PVT LTD, MUMBAI	1,078,784	35,793	1,621	0.15%
AMBIT CAPITAL PRIVATE LTD, MUMBAI	576,785	52,141	866	0.15%
INVESTEC CAPITAL SERVICES, MUMBAI	345,778	4,622	519	0.15%
SANFORD C. BERNSTEIN (INDIA) PRI, MUMBAI	2,603,596	63,513	3,908	0.15%
JEFFERIES AUSTRALIA PTY LIMITED, SYDNEY	142,873	100,990	214	0.15%
JP MORGAN INDIA PRIVATE LTD, MUMBAI	4,055,885	9,399	6,082	0.15%
JEFFERIES INDIA PRIVATE LTD, MUMBAI	7,521,559	62,365	11,279	0.15%
HSBC SECS INDIA HLDGS LTD, INDIA	3,589,756	1,214	5,381	0.15%
PERSHING LLC, JERSEY CITY	2,279,106	18,424	3,414	0.15%
MACQUARIE SECURITIES LTD, AUCKLAND	10,649	165,978	16	0.15%
GLITNIR SECURITIES ASA, OSLO	401,385	22,497	601	0.15%
MORGAN STANLEY & CO, LONDON (MSLNGB2X)	133,680	7,691	200	0.15%
KIM ENG SECS PT, JAKARTA	175,247	57,624	262	0.15%
CITIGROUP GBL MKTS INDIA, MUMBAI	429,796	9	643	0.15%
DEN NORSKE CREDITBANK, OSLO	470,064	105	673	0.14%
J P MORGAN SEC, SYDNEY	1,571,395	59,667	2,235	0.14%
CIBC WORLD MKTS INC, TORONTO (WGDB)	12,673	531	18	0.14%
CACEIS BANK, PARIS	3,424,789	619	4,819	0.14%
TORONTO DOMINION SEC, TORONTO	183,142	45,174	257	0.14%
J P MORGAN SECS LTD, LONDON	8,984,260	57,514	12,101	0.13%
WARBURG DILLON READ SEC, MUMBAI	1,654,638	95,371	2,173	0.13%
BERENBERG GOSSLER & CIE, HAMBURG	2,057,132	903,777	2,691	0.13%
CREDIT LYONNAIS SECS (ASIA), HONG KONG	940,050	76,325	1,226	0.13%
CITIGROUP GBL MKTS AUSTRALIA PTY, SYDNEY	523,653	798,303	672	0.13%
J.P. MORGAN SECURITIES, HONG KONG	3,163,970	202,169	4,044	0.13%
CITIGROUP GLOBAL MARKETS LTD, LONDON	845,886	109,185	1,076	0.13%
CITIGROUP GBL MKTS INC, TAIPEI	674,752	29,900	813	0.12%
SHENYIN WANGUO SECS LTD, HONG KONG	13,034	9,000	16	0.12%
CHINA INTL CAP CORP HK SECS, HONG KONG	347,706	26,001	418	0.12%
GOLDMAN SACHS (ASIA) LLC, TAIPEI	4,174,000	1,204	5,019	0.12%
DAIWA SECS SMBC CATHAY CO, TAIPEI	3,185,075	24,146	3,828	0.12%
CITIBANK NY (MER)	147,313	241,697	177	0.12%
SVENSKA HANDELSBANKEN, STOCKHOLM	177,511	73,094	213	0.12%
DAVY STOCKBROKERS, DUBLIN	565,059	3,779	679	0.12%
CITIBANK, NY	399,652	418,558	480	0.12%
ABG SECS, OSLO	39,628	123,523	48	0.12%
CARNEGIE ASA, OSLO	168,127	2,630	202	0.12%
SAMSUNG SECS, SEOUL	296,962	9,676	357	0.12%
CREDIT LYONNAIS SECS ASIA LTD, TAIPEI	814,667	4,225	978	0.12%
YUANTA SECURITIES CO., LTD., TAIPEI	1,045,444	11,498	1,255	0.12%
MIRAE ASSET SECURITIES, SEOUL	1,550,464	905	1,861	0.12%
SANTANDER INVESTMENT SEC INC, NEW YORK	432,186	52,409	519	0.12%
BANCO ITAU, SAO PAULO	1,562,524	6,469	1,876	0.12%
Other Brokers	841,746,673	53,100,248	394,442	0.05%
TOTAL	**$1,156,133,101**	**57,274,189**	**$872,841**	**0.08%**

Schedule of Management Fees by Asset Class For the Year Ended June 30, 2024		
Asset Class	**Fair Value**	**Management Fees**
Absolute Return	$866,617,562	$10,510,055
Global Equity	1,490,084,079	14,799,219
Global Fixed Income	1,360,407,681	17,280,961
Global Multi-Asset	559,874,515	3,806,136
Global Real Assets	594,832,539	6,110,998
Short Term and Others	127,241,352	1,326,552
Total	**$4,999,057,728**	**$53,833,921**

Investment Summary (Based on Capital Allocation)				
	As of June 30, 2024		**As of June 30, 2023**	
	Fair Value	**% Fair Value**	**Fair Value**	**% Fair Value**
Absolute Return	$866,617,562	17.3%	$829,414,694	17.9%
Global Equity	1,490,084,079	29.9%	1,286,018,255	27.7%
Global Fixed Income	1,360,407,681	27.2%	1,413,720,687	30.4%
Global Multi-Asset	559,874,515	11.2%	487,243,153	10.5%
Global Real Assets	594,832,539	11.9%	550,980,219	11.9%
Short Term and Others	127,241,352	2.5%	72,133,900	1.6%
Total	**$4,999,057,728**	**100.0%**	**$4,639,510,908**	**100.0%**

Liquidity Snapshot on June 30, 2024

The below liquidity chart for the Employees' Retirement System demonstrates how the pension fund's capital has been allocated to ensure sufficient liquidity to support short term uses of cash, such as retirement distributions, capital calls, potential daily margin calls and coverage ratio requirements on derivative notional balances. It details the liquidity concentration of the System's total capital allocated to investments by their redemption schedule (monthly, quarterly, annually or none), including the number of calendar days' notice that must be provided before the redemption of funds can be made.



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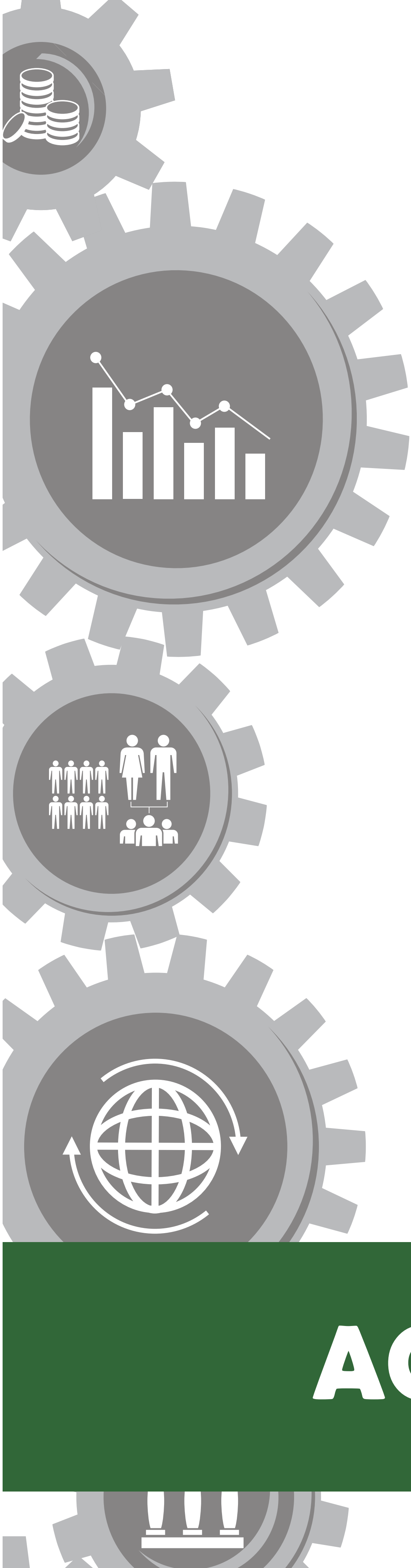

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CHEIRON — Classic Values, Innovative Advice.

October 4, 2024

Fairfax County Employees'
Retirement System
12015 Route 50, Suite 350
Fairfax, Virginia 22033

Dear Members of the Board:

At your request, we have performed an actuarial valuation of the Fairfax County Employees' Retirement System as of June 30, 2024. The full results and analysis of that annual valuation will be presented in a full actuarial valuation report. The purpose of this actuarial section is to provide key information from that report and support the disclosure of Total Pension Liability that is presented in the Financial Section of this ACFR. For a more complete analysis, please see the full report.

Funding Objective

The funding objective of the System is to establish contribution rates that will remain level as a percentage of payroll over time. In order to achieve this, the County contribution rate is based on the normal cost rate and expense rate developed in the current valuation combined with an unfunded actuarial liability rate (UAL rate) based on 15-year layered amortization bases reflecting assumption changes, Plan changes, and annual gains and losses.

Assumptions

The actuarial assumptions used in performing the June 30, 2024 valuation were recommended by the actuary and adopted by the Board of Trustees based on our most recent review of the System's experience for the five-year period ending June 30, 2020. The assumptions and methods used for funding purposes were developed in compliance with the actuarial standards of practice as they relate to pension plans. The assumptions reflect our understanding of the likely future experience of the System, and the assumptions both individually and as a whole represent our best estimate for the future experience of the System. The results of this report are dependent upon future experience conforming to these assumptions. To the extent that future experience deviates from the underlying assumptions, the results would vary accordingly.

Reliance on Others

In preparing our valuation, we relied on information (some oral and some written) supplied by the System. This information includes, but is not limited to, Plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standards of Practice No. 23.

Supporting Schedules

As a part of the 2024 actuarial valuation, Cheiron prepared the Analysis of Financial Experience, Schedule of Retirees and Beneficiaries Added to and Removed from the Rolls and Liability by Type provided in this Actuarial Section.

We are also responsible for the disclosures of Net Pension Liability and its components in the Financial Section. The information provided in Note 4 of the Financial Section comes from the Actuarial Valuation as of June 30, 2024.

Compliance with Code of Virginia §51.1-800

Code of Virginia §51.1-800 requires that the benefits provided to a retiree at age 65 from a local retirement system equal or exceed two-thirds of the allowance to which the employee would be entitled under the provisions of the Virginia Retirement System (VRS).

Although there is no formal procedure for making this comparison, we compared the least valuable rate under the Employees' Retirement System to the most valuable accrual rate under the VRS, making adjustments for the fact that employee contributions are required in excess of the VRS 5% rate. We found that the employer-provided accrual rates do exceed two-thirds of the most valuable employer-provided accrual rates under the VRS plan.

We certify that, to the best of our knowledge and understanding, the Fairfax County Employees' Retirement System satisfies the requirements of the Code of Virginia §51.1-800.

Certification

This section and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices, and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board, as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinions contained in this section. This section does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

This section was prepared for the Fairfax County Employees' Retirement System for the purposes described herein and for the use by the plan auditor in completing an audit related to the matters herein. Other users of this section are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any other user.

Sincerely,
Cheiron

Fiona E. Liston

Coralie Taylor

Fiona E. Liston, FSA
Principal Consulting Actuary

Coralie A. Taylor, FSA
Consulting Actuary

CHEIRON

Summary of Valuation Results

The Actuarially Determined Contribution rate for Fiscal Year (FY) 2024 was developed in the 2022 valuation report. For more information on the assumptions and methods used to develop that rate, please see the Funding Method section of that report.

Amounts disclosed in Note 4 of the Financial Section were developed in conjunction with the 2024 valuation.

Summary of Actuarial Assumptions and Methods

Funding Method

The Entry Age Normal Cost funding method is used to determine costs. Under this method, the County contribution has three components: the normal cost, the payment toward the unfunded actuarial liability, and the expense rate.

The normal cost is a level percent of pay cost which, along with the member contributions, will pay for projected benefits at retirement for each plan participant.

The actuarial liability is that portion of the present value of future benefits that will not be paid by future County normal costs or member contributions. The difference between this liability and funds accumulated as of the same date is referred to as the unfunded actuarial liability. The rate includes amortization layers which exhaust this unfunded liability amount over 15-year layers from the date first measured. The amortization is performed as a level percent of pay.

The expense rate is added to cover the System's administrative expenses.

The County's total contribution rate is equal to the sum of these three components.

Actuarial Value of Assets

For purposes of determining the County contribution to the System, we use an actuarial value of assets. The asset adjustment method dampens the volatility in asset values that could occur because of fluctuations in market conditions. Use of an asset smoothing method is consistent with the long-term nature of the actuarial valuation process.

In determining the actuarial value of assets, we calculate an expected actuarial value based on cash flow for the year and imputed returns at the actuarial assumption. This expected value is compared to the market value, and one-third of the difference is added to the preliminary actuarial value to arrive at the final actuarial value.

Changes Since Last Valuation

None.

Long Term Assumptions Used to Determine System Costs and Liabilities

Demographic Assumptions
Healthy Mortality

Annual Deaths Per 10,000 Members		
Mortality Projected to 2024		
Age	**Male**	**Female**
50	47	36
55	61	40
60	83	49
65	113	65
70	168	102
75	275	177
80	483	326
85	864	613
90	1,486	1,165
95	2,277	1,908
100	3,204	2,846

*Post-retirement mortality shown

The PubG-2010 Healthy Annuitant Head-Count Weighted Mortality Table for males and females, respectively, projected using the MP-2020 model, with an ultimate rate of 0.85% for ages 20-80 grading down to an ultimate rate of 0% for ages 114-120 and convergence to the ultimate rate in the year 2027. The valuation uses fully generational projection of mortality improvements. Sample rates shown are those projected through the valuation date.

5% of pre-retirement deaths are assumed to be service connected.

Disabled Mortality

Annual Deaths Per 10,000 Disabled Members		
Mortality Projected to 2024		
Age	**Male**	**Female**
45	115	96
50	158	138
55	213	176
60	279	213
65	339	233
70	399	276
75	507	384
80	723	590

The PubG-2010 Disabled Head-Count Weighted Annuitant Mortality Table for males and females, respectively, projected using the MP-2020 model, with an ultimate rate of 0.85% for ages 20-80 grading down to an ultimate rate of 0% for ages 114-120 and convergence to the ultimate rate in the year 2027. The valuation uses fully generational projection of mortality improvements. Sample rates shown are projected through the valuation date.

Active Separation From Service Due to Death

Annual Deaths Per 10,000 Members		
Mortality Projected to 2024		
Age	**Male**	**Female**
20	4	2
25	4	2
30	6	3
35	9	4
40	11	5
45	12	6

The PubG-2010 Employee Head-Count Weighted Mortality Table for males and females, respectively, projected using the MP-2020 model, with an ultimate rate of 0.85% for ages 20-80 grading down to an ultimate rate of 0% for ages 114-120 and convergence to the ultimate rate in the year 2027. The valuation uses fully generational projection of mortality improvements. Sample rates shown are those projected through the valuation date.

Termination of Employment
(Prior to Normal Retirement Eligibility)

Annual Termination Rates Per 1,000 Members – County	
Service	**Termination**
0	162
5	71
10	35
15	15
20	6
25	2
30	0

Annual Termination Rates Per 1,000 Members – Schools	
Service	**Termination**
0	281
5	68
10	36
15	18
20	9
25	7
30	0

It is assumed that members who terminate before the earlier of age 45 or with age plus service equal to 60 elect to receive a refund of contributions instead of vested benefits.

Termination rates drop to zero three years prior to reaching Rule of 80 (or Rule of 85 for Plans C, D, and E) retirement.

Disability

Annual Disabilities Per 10,000 Members*		
Age	**Male**	**Female**
20	1	1
25	1	1
30	1	1
35	1	1
40	1	1
45	4	3
50	7	6
55	11	9
60	13	11

*20% of disabilities are assumed to be service-connected. Of these, 31% are assumed to receive Workers' Compensation benefits.

No disability is assumed to occur once members reach eligibility for retirement.

Retirement/DROP

Annual Retirements/DROPs Per 1,000 Eligible Members*

(Male and Female)

Age	Normal
50	300
51	250
52	250
53	250
54	250
55	250
56	250
57	250
58	250
59	250
60	250
61	275
62	300
63	350
64	275
65	300
66	275
67	250
68	200
69	200
70	250
71	250
72	250
73	250
74	250
75	1,000

*Those who leave under this decrement are assumed to DROP in accordance with the percentages below. Those who do not take DROP are assumed to take immediate retirement. DROP participants are assumed to remain in DROP for three years and receive interest at 5% per annum on their DROP deferrals.

Percentage of Retirements/DROP who are assumed to be DROP

Age	DROP
50	70%
55	68
60	63
65	30
70	30
75	30

Merit/Seniority Salary Increase
(in addition to across-the-board increase)

County

Service	Merit/Seniority Increase
0	2.30%
5	2.45
10	1.85
15	1.55
20	1.45
25	1.20
30	0.90

Schools

Service	Merit/Seniority Increase
0	7.50%
5	3.25
10	2.50
15	2.00
20	1.50
25	0.50
30	0.00

Family Composition

For purposes of valuing the pre-retirement death benefit, an assumption is made that 80% of employees are married at death while active and that the female spouse is three years younger than the male spouse.

Sick Leave Credit

Unused sick leave balances as reported for each active member are used as of the valuation date. Future sick leave accruals for members hired prior to 2013 are assumed to accrue at 100% of each participant's annual average but are capped at 124 hours per year for members hired on or after January 1, 2013.

Economic Assumptions

Investment Return:	6.75% compounded per annum.
Rate of General Wage Increase:	2.25% compounded per annum.*
Rate of Increase in Cost-of-Living:	2.10% compounded per annum.**
Total Payroll Increase (For amortization):	2.25% compounded per annum.
Administrative Expenses:	0.30% of payroll.

*General Wage Increase assumption applies for projecting contributions and developing Social Security benefits.

**Benefit increases are limited to 4% per year.

Rationale for Assumptions

The actuarial assumptions were adopted by the Board of Trustees upon the recommendation of the actuary, based on an experience study performed in 2021. The results of this study were presented in a report dated October 2021 and are incorporated into the actuarial report by reference.

Changes since Last Valuation

None.

Analysis of Financial Experience
Gain and Loss in Accrued Liability during Years Ended June 30[1]
Resulting from Differences between Assumed Experience and Actual Experience

Type of Activity	Investment Income	Combined Liability Experience	Gain (or Loss) During Year from Financial Experience	Non-Recurring Items	Composite Gain (or Loss) During Year
2015	(33,127,096)	73,129,057	40,001,961	-	40,001,961
2016	(120,548,533)	34,314,735	(86,233,798)	(69,346,439)	(155,580,237)
2017	(90,769,788)	(74,947,986)	(165,717,774)	(582,418)	(166,300,192)
2018	(64,779,936)	(41,362,698)	(106,142,634)	(603,265)	(106,745,899)
2019	(59,391,458)	(29,354,840)	(88,746,298)	-	(88,746,298)
2020	(103,597,308)	5,460,818	(98,136,490)	-	(98,136,490)
2021	192,341,249	43,615,539	235,956,788	2,280,293	238,237,081
2022	(123,127,160)	(236,424,050)	(359,551,210)	-	(359,551,210)
2023	(236,687,953)	(31,646,234)	(268,334,187)	-	(268,334,187)
2024	(134,484,516)	(246,782,501)	(381,267,017)	-	(381,267,017)

[1] Schedule comes from the Actuarial Valuation as of June 30, 2024.

Schedule of Retirees and Beneficiaries
Added To and Removed From Rolls[2]

Year Ended June 30,	Added to Rolls		Removed From Rolls		On Rolls @ Yr. End		% Increase Allowance	Average Allowance
	No.	Annual Allowance	No.	Annual Allowance	No.	Annual Allowance		
2015	625	$18,026,882	230	$4,321,038	8,021	$228,460,280	6.38%	$28,483
2016	307	9,011,712	139	3,011,824	8,189	234,460,168	2.63%	28,631
2017	639	21,100,152	225	3,847,450	8,603	251,712,870	7.36%	29,259
2018	628	18,659,672	242	5,140,831	8,989	265,231,711	5.37%	29,506
2019	730	25,375,866	251	5,074,323	9,468	285,533,254	7.65%	30,158
2020	620	20,682,685	264	5,576,316	9,824	300,639,623	5.29%	30,603
2021	695	20,335,083	272	6,400,357	10,247	314,574,349	4.64%	30,699
2022	694	26,629,825	300	7,139,411	10,641	334,064,763	6.20%	31,394
2023	719	31,388,414	295	7,253,705	11,065	358,199,472	7.22%	32,372
2024	702	31,043,487	321	7,680,979	11,446	381,561,980	6.52%	33,336

[2]Prior to 2016, amounts are based on June 30 benefits adjusted for known COLA effective July 1. Post-2015, amounts reported on December 31prior to the valuation date.

Schedule of Funded Liabilities by Type[1]

	Aggregate Accrued Liabilities For						
	(1)	(2)	(3)		(1)	(2)	(3)
Valuation Date June 30,	Active Member Contributions	Retirees, Vested Terms, Beneficiaries & DROP	Active Members (County Financed Portion)	Reported Assets	Portion of Accrued Liabilities by Reported Assets		
2015	$372,037,954	$2,884,906,681	$1,649,587,057	$3,759,611,811	100%	100%	30%
2016	396,434,811	2,987,100,852	1,732,881,508	3,831,179,295	100%	100%	26%
2017	380,179,076	3,216,480,052	1,771,072,393	3,930,924,191	100%	100%	26%
2018	397,692,499	3,444,004,357	1,749,526,935	4,070,486,587	100%	100%	13%
2019	404,341,900	3,624,784,344	1,762,554,326	4,220,420,263	100%	100%	11%
2020	419,154,588	3,719,369,617	1,822,541,878	4,349,257,826	100%	100%	12%
2021	409,477,095	3,995,179,306	1,925,153,122	4,997,549,929	100%	100%	31%
2022	437,379,797	4,228,989,782	2,070,266,263	5,103,373,910	100%	100%	21%
2023	437,995,519	4,475,222,086	2,040,575,964	5,125,212,112	100%	100%	10%
2024	457,975,955	4,665,779,595	2,255,184,556	5,264,991,652	100%	100%	6%

[1]Schedule uses actuarial value of assets. Results would be different if market value of assets were used. Despite the name of this exhibit, the liabilities presented in this schedule are not an appropriate measurement of the settlement value of the System.

Schedule of Funding Progress

Valuation Date June 30,	Actuarial Value of Assets (a)	Actuarial Accrued Liabilities (b)	Unfunded Actuarial Accrued Liabilites (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b) - (a)] / (c)
2015	$3,759,611,811	$4,906,531,692	$1,146,919,881	77%	$663,896,916	173%
2016	3,831,179,295	5,116,417,171	1,285,237,876	75%	702,787,358	183%
2017	3,930,924,191	5,367,731,521	1,436,807,330	73%	728,022,176	197%
2018	4,070,486,587	5,591,223,791	1,520,737,204	73%	754,080,802	202%
2019	4,220,420,263	5,791,680,570	1,571,260,307	73%	789,790,124	199%
2020	4,349,257,826	5,961,066,083	1,611,808,257	73%	822,970,711	196%
2021	4,997,549,929	6,329,809,523	1,332,259,594	79%	805,120,408	165%
2022	5,103,373,910	6,736,635,842	1,633,261,932	76%	880,931,034	185%
2023	5,125,212,112	6,953,793,569	1,828,581,457	74%	903,108,220	202%
2024	5,264,991,652	7,378,940,106	2,113,948,454	71%	1,003,732,995	211%

Schedule of Active Member Valuation Data

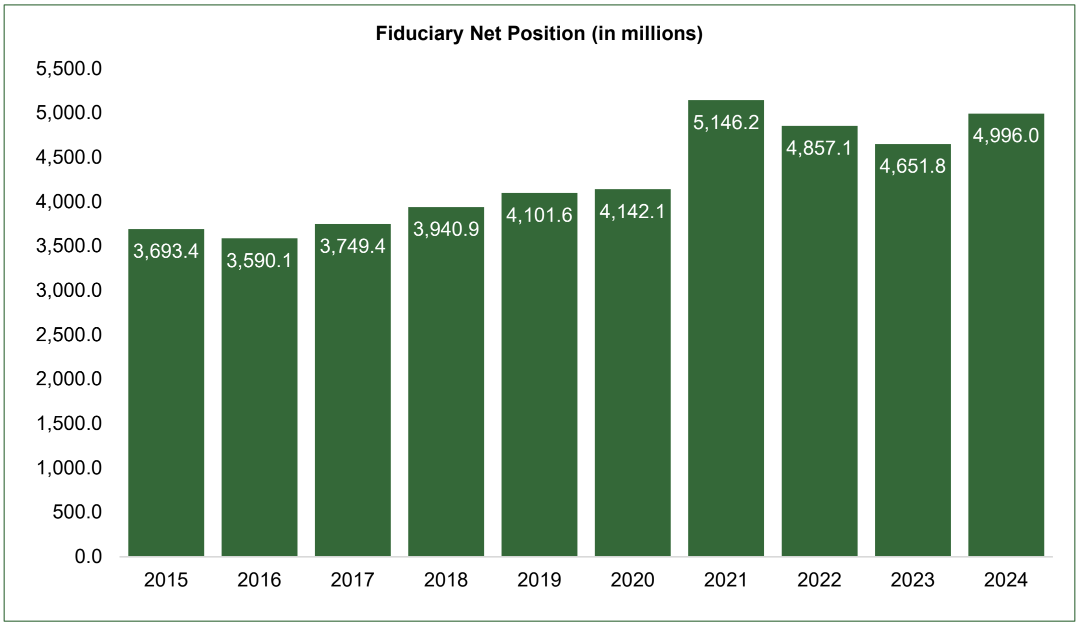
	Valuation Date June 30,	Number of Active Members[1]	Covered Payroll	Average Annual Salary	Percentage Increase in Average Pay
School					
	2015	5,692	$179,763,202	$31,582	
	2016	5,927	189,237,256	31,928	1.10%
	2017	5,836	194,881,548	33,393	4.59%
	2018	5,665	196,161,116	34,627	3.70%
	2019	5,731	213,750,342	37,297	7.71%
	2020	5,783	214,899,962	37,160	-0.37%
	2021	5,514	192,348,196	34,884	-6.13%
	2022	5,501	220,195,821	40,028	14.75%
	2023	5,258	220,105,154	41,861	4.58%
	2024	5,330	232,063,663	43,539	4.01%
County					
	2015	7,977	484,133,722	60,691	
	2016	8,244	513,551,736	62,294	2.64%
	2017	8,150	533,140,400	65,416	5.01%
	2018	8,239	557,919,686	67,717	3.52%
	2019	8,269	576,039,782	69,663	2.87%
	2020	8,421	608,070,749	72,209	3.66%
	2021	8,501	612,586,452	72,061	-0.21%
	2022	8,442	660,735,213	78,268	8.61%
	2023	8,525	683,003,069	80,118	2.36%
	2024	8,871	771,669,332	86,988	8.58%

[1] Excludes DROP participants.

STATISTICAL

STATISTICAL

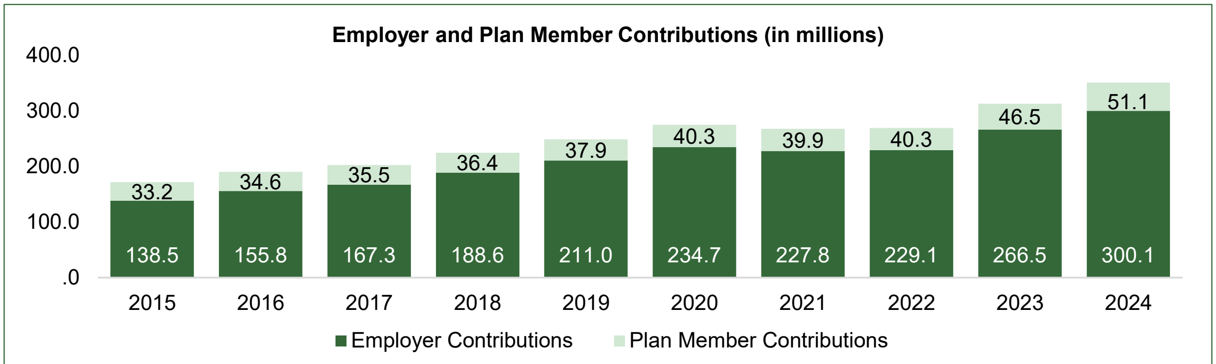
The Statistical Section presents historical information regarding the retirement plan. This information includes a ten-year analysis of the sources of change in fiduciary net position, benefit payments, the number of retired members and average monthly benefits. Sources of additions include employer and plan member contributions and net investment income; deductions include benefit payments to retirees and beneficiaries, refunds of employee contributions and administrative expenses. The amounts of benefits paid, the count of benefit recipients and the average benefit payments are provided by type of benefit, including service retirement annuities, service-connected and ordinary disability benefits and survivor benefits.

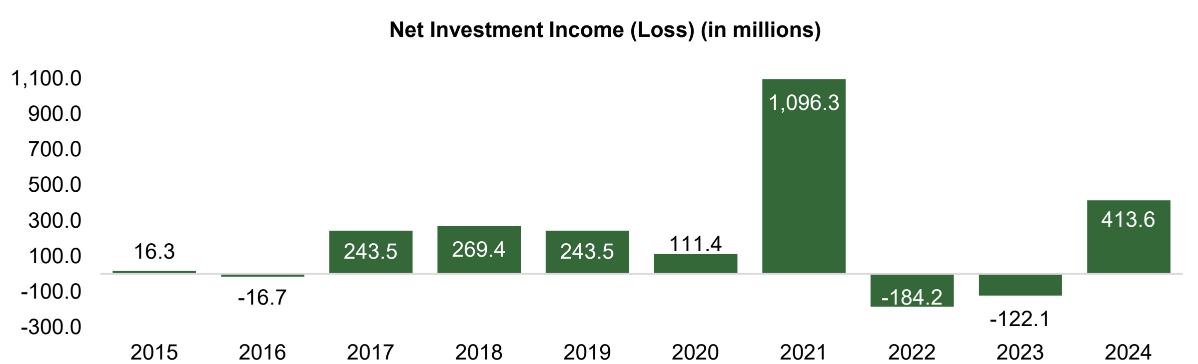


Fiscal Year	Fiduciary Net Position
2015	$3,693,357,619
2016	3,590,082,229
2017	3,749,384,616
2018	3,940,926,716
2019	4,101,637,346
2020	4,142,063,209
2021	5,146,232,426
2022	4,857,119,591
2023	4,651,836,206
2024	4,996,022,619

Changes in Fiduciary Position*					
Fiscal Year	**2015**	**2016**	**2017**	**2018**	**2019**
Additions by Source					
Plan Member Contributions	$33,193,593	$34,627,061	$35,476,023	$36,357,591	$37,915,769
Employer Contributions	138,493,099	155,780,373	167,311,608	188,578,414	210,964,436
Net Investment Income (Loss)	16,342,457	(16,668,287)	243,496,177	269,418,157	243,545,545
Total Additions	188,029,149	173,739,147	446,283,808	494,354,162	492,425,750
Deductions by Type					
Benefit Payments	$254,875,795	$270,800,631	$281,258,687	$296,255,029	$325,167,739
Refunds of Contributions	3,958,786	4,101,311	3,671,886	4,386,395	4,349,488
Administrative Expenses	1,896,614	2,112,595	2,050,848	2,170,638	2,197,893
Total Deductions	260,731,195	277,014,537	286,981,421	302,812,062	331,715,630
Change in Fiduciary Net Position	**($72,702,046)**	**($103,275,390)**	**$159,302,387**	**$191,542,100**	**$160,710,120**

*This ten year report continues next page.





Changes in Fiduciary Position					
Fiscal Year	**2020**	**2021**	**2022**	**2023**	**2024**
Additions by Source					
Plan Member Contributions	$40,327,359	$39,914,839	$40,269,006	$46,534,884	$51,101,549
Employer Contributions	234,743,643	227,846,281	229,114,059	266,535,889	300,111,992
Net Investment Income (Loss)	111,442,161	1,096,259,683	-184,211,952	(122,093,611)	413,570,692
Total Additions	386,513,163	1,364,020,803	85,171,113	190,977,162	764,784,233
Deductions by Type					
Benefit Payments	$339,610,116	$353,630,536	$366,112,271	$388,978,677	$411,749,613
Refunds of Contributions	4,005,739	3,701,609	5,694,611	4,716,049	5,497,172
Administrative Expenses	2,471,445	2,519,441	2,477,066	2,565,821	3,351,035
Total Deductions	346,087,300	359,851,586	374,283,948	396,260,547	420,597,820
Change in Fiduciary Net Position	**$40,425,863**	**$1,004,169,217**	**($289,112,835)**	**($205,283,385)**	**$344,186,413**

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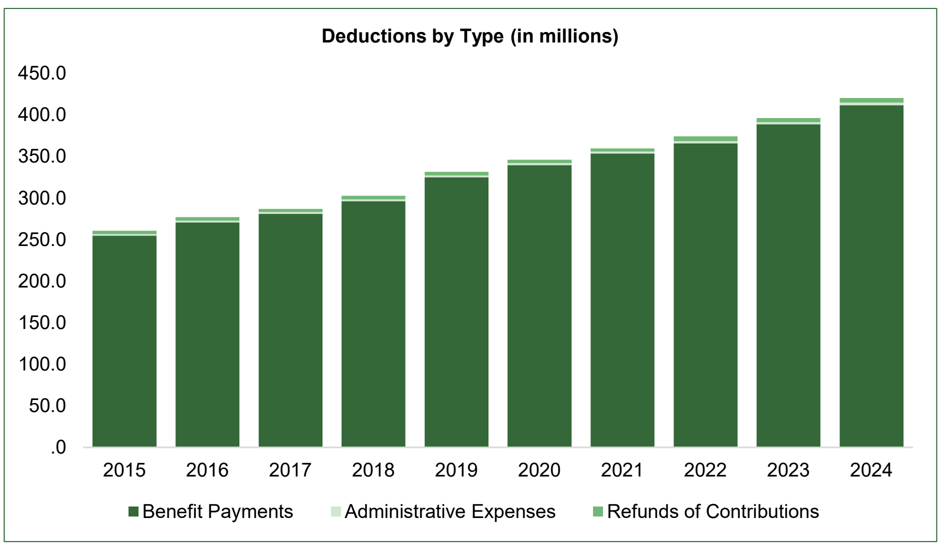


Schedule of Benefit Payments by Type

Fiscal Year	Service Annuity	Service-Connected Disability	Ordinary Disability	Survivor Benefit	Total
2015	$241,694,202	$3,498,363	$4,444,633	$5,238,597	$254,875,795
2016	257,182,159	3,482,679	4,371,713	5,764,080	270,800,631
2017	267,245,571	3,501,643	4,323,112	6,188,361	281,258,687
2018	281,675,071	3,467,455	4,413,607	6,698,896	296,255,029
2019	310,161,066	3,520,311	4,368,567	7,117,795	325,167,739
2020	323,782,787	3,383,157	4,555,340	7,888,832	339,610,116
2021	337,623,320	3,210,483	4,346,527	8,450,206	353,630,536
2022	349,443,898	3,218,308	4,276,374	9,173,691	366,112,271
2023	371,480,267	3,150,548	4,198,960	10,148,902	388,978,677
2024	393,057,585	3,209,287	4,236,328	11,246,413	411,749,613

Schedule of Retired Members by Benefit Type

Fiscal Year	Service Annuity	Service-Connected Disability	Ordinary Disability	Survivor Benefit	Total
2015	7,139	149	368	365	8,021
2016	7,300	149	359	381	8,189
2017	7,691	146	358	408	8,603
2018	8,058	139	354	438	8,989
2019	8,520	145	348	455	9,468
2020	8,841	140	351	492	9,824
2021	9,259	134	339	515	10,247
2022	9,635	129	325	552	10,641
2023	10,039	130	311	585	11,065
2024	10,406	122	299	619	11,446

Schedule of Average Monthly Benefit Amounts

Fiscal Year	Service Annuity	Service-Connected Disability	Ordinary Disability	Survivor Benefit	Average
2015	$2,506	$2,148	$988	$1,323	$2,376
2016	2,521	2,272	1,005	1,360	2,396
2017	2,568	2,103	995	1,344	2,436
2018	2,586	2,172	1,010	1,348	2,457
2019	2,630	2,200	1,034	1,383	2,505
2020	2,674	2,146	1,069	1,412	2,551
2021	2,678	2,098	1,065	1,422	2,557
2022	2,737	2,177	1,082	1,450	2,613
2023	2,818	2,188	1,109	1,521	2,694
2024	2,898	2,275	1,154	1,580	2,775

Schedule of Average Monthly Benefit Payments by Years of Service

	Years of Credited Service*						
	2-4	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30+**
Period 7/1/2013 to 6/30/2014							
Average Monthly Benefit **	$243	$538	$1,012	$1,746	$2,512	$3,173	$3,918
Average of Final Monthly Salaries	$3,693	$3,835	$4,501	$5,445	$5,964	$6,214	$6,543
Number of Retirees	30	68	69	57	88	88	39
Period 7/1/2014 to 6/30/2015							
Average Monthly Benefit **	243	598	1,035	1,784	2,596	3,061	4,010
Average of Final Monthly Salaries	3,146	4,053	4,450	5,328	6,108	6,071	6,532
Number of Retirees	20	79	70	68	108	110	42
Period 7/1/2015 to 12/31/2015							
Average Monthly Benefit **	171	532	1,132	1,708	2,423	3,316	3,540
Average of Final Monthly Salaries	2,784	3,682	4,751	5,117	5,640	6,581	5,826
Number of Retirees	7	37	42	34	55	51	19
Period 1/1/2016 to 12/31/2016							
Average Monthly Benefit **	285	645	1,001	1,777	2,753	3,458	4,504
Average of Final Monthly Salaries	4,220	4,481	4,332	5,276	6,520	6,773	7,267
Number of Retirees	24	89	90	85	89	128	65
Period 1/1/2017 to 12/31/2017							
Average Monthly Benefit **	261	549	1,055	1,670	2,662	3,443	4,544
Average of Final Monthly Salaries	3,541	3,718	4,570	5,005	6,278	6,773	7,375
Number of Retirees	33	102	99	86	81	94	52
Period 1/1/2018 to 12/31/2018							
Average Monthly Benefit **	245	574	1,118	1,719	2,706	3,545	4,489
Average of Final Monthly Salaries	3,664	4,258	4,606	5,311	6,216	6,816	7,346
Number of Retirees	32	81	115	104	88	123	57
Period 1/1/2019 to 12/31/2019							
Average Monthly Benefit **	324	563	1,192	1,786	2,574	3,531	5,055
Average of Final Monthly Salaries	3,132	3,948	4,893	5,312	6,070	6,830	8,288
Number of Retirees	21	91	86	117	91	120	54
Period 1/1/2020 to 12/31/2020							
Average Monthly Benefit **	337	642	1,208	1,890	2,586	3,558	4,357
Average of Final Monthly Salaries	4,302	4,547	5,101	5,596	6,084	6,842	7,209
Number of Retirees	41	111	93	99	94	105	66
Period 1/1/2021 to 12/31/2021							
Average Monthly Benefit **	245	624	1,199	1,813	2,579	3,708	4,749
Average of Final Monthly Salaries	4,059	4,564	5,206	5,577	6,162	7,120	7,922
Number of Retirees	38	104	99	131	97	83	54
Period 1/1/2022 to 12/31/2022							
Average Monthly Benefit **	324	631	1,273	1,908	2,838	3,729	4,979
Average of Final Monthly Salaries	4,535	4,605	5,373	5,670	6,754	7,417	8,435
Number of Retirees	44	103	103	136	102	75	52
Period 1/1/2023 to 12/31/2023							
Average Monthly Benefit **	315	673	1,230	1,977	2,895	3,980	5,215
Average of Final Monthly Salaries	4,559	4,726	5,282	5,932	6,968	7,747	8,278
Number of Retirees	48	113	98	108	109	71	53

*The Years of Credited Service is the service used in the determination of benefits, which may be different than service for eligibility.

**Does not include supplements.

Active Participants Count by Age/Service

	Service								
Age	**Under 1**	**1 to 4**	**5 to 9**	**10 to 14**	**15 to 19**	**20 to 24**	**25 to 29**	**30 & Up**	**Total**
Under 25	131	71	4	-	-	-	-	-	206
25 to 29	272	427	64	2	-	-	-	-	765
30 to 34	312	571	306	56	1	-	-	-	1,246
35 to 39	254	497	397	260	85	1	-	-	1,494
40 to 44	297	540	397	249	271	89	4	-	1,847
45 to 49	248	531	379	243	295	184	55	-	1,935
50 to 54	270	541	444	315	317	251	131	18	2,287
55 to 59	208	451	445	308	306	177	64	40	1,999
60 to 64	124	342	418	320	246	94	35	36	1,615
65 & up	72	214	225	118	105	36	13	24	807
Total	2,188	4,185	3,079	1,871	1,626	832	302	118	14,201

Active Participants Total Salary by Age/ Service

	Service								
Age	**Under 1**	**1 to 4**	**5 to 9**	**10 to 14**	**15 to 19**	**20 to 24**	**25 to 29**	**30 & Up**	**Total**
Under 25	$6,040,378	$3,597,641	$223,693	$0	$0	$0	$0	$0	$9,861,712
25 to 29	14,881,889	25,899,141	3,986,224	138,551	-	-	-	-	44,905,805
30 to 34	17,049,883	37,616,529	21,971,296	4,241,751	54,150	-	-	-	80,933,609
35 to 39	13,650,036	33,794,250	29,351,575	20,645,299	6,623,405	45,131	-	-	104,109,696
40 to 44	15,433,718	34,733,897	30,689,653	20,618,640	22,613,691	7,891,761	376,309	-	132,357,669
45 to 49	12,004,981	31,197,837	26,354,626	19,813,671	24,995,376	16,382,609	5,088,030	-	135,837,130
50 to 54	12,353,748	29,419,017	28,162,434	23,224,290	25,491,263	23,065,969	13,234,904	1,850,842	156,802,467
55 to 59	8,193,212	22,387,366	24,295,524	20,223,207	24,701,966	15,865,560	5,935,462	4,101,054	125,703,351
60 to 64	5,226,534	16,530,117	21,699,766	21,630,747	19,567,027	8,007,486	3,007,594	3,250,276	98,919,547
65 & up	2,287,375	9,641,243	11,118,533	7,369,762	7,495,397	2,794,008	907,875	2,478,650	44,092,843
Total	$107,121,754	$244,817,038	$197,853,324	$137,905,918	$131,542,275	$74,052,524	$28,550,174	$11,680,822	$933,523,829

Retirees by Location

Retirees By State

State	% of Total
Virginia	77.81%
Maryland	4.10%
Florida	4.00%
North Carolina	2.93%
South Carolina	2.09%
West Virginia	1.49%
Pennsylvania	0.82%
Texas	0.71%
District of Columbia	0.58%
Delaware	0.54%
California	0.51%
Georgia	0.49%
Tennessee	0.45%
Arizona	0.34%
Alabama	0.26%
Massachusetts	0.22%
Ohio	0.22%
Colorado	0.18%
New Mexico	0.18%
Washington	0.18%
Michigan	0.16%
New York	0.15%
Oregon	0.14%
Indiana	0.11%
Kentucky	0.11%
Minnesota	0.11%
Missouri	0.11%
Illinois	0.10%
Mississippi	0.10%
Utah	0.10%
Maine	0.09%
Nevada	0.09%
New Hampshire	0.09%
Wisconsin	0.06%
Louisiana	0.05%
New Jersey	0.05%
Connecticut	0.04%
Hawaii	0.04%
Oklahoma	0.04%
Idaho	0.03%
Kansas	0.03%
Nebraska	0.03%
South Dakota	0.02%
Alaska	0.01%
Arkansas	0.01%
Iowa	0.01%
Montana	0.01%
Wyoming	0.01%

Retirees in Virginia

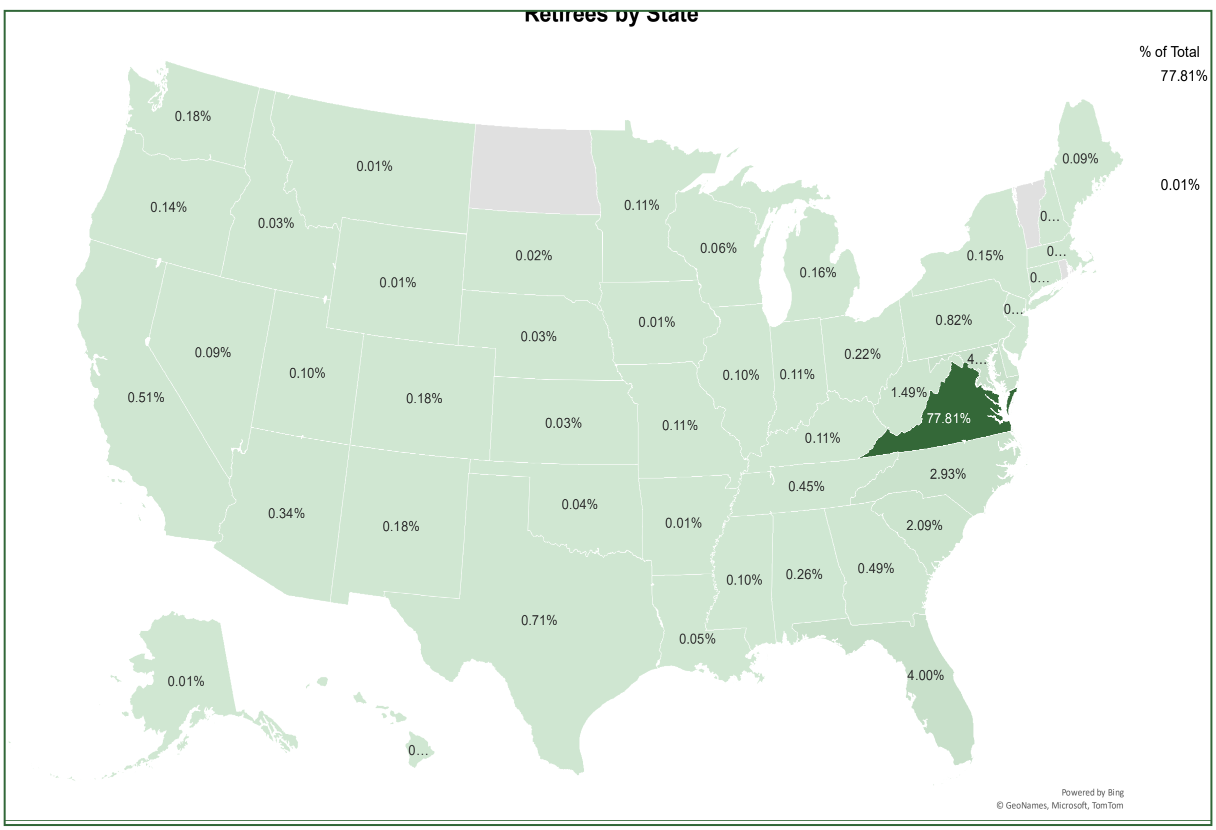
County	% of Total
Other Counties	88.35%
Fairfax County	11.65%
Total	**100.00%**

Retirees by Fairfax County/City

City	% of Total
Fairfax	1.47%
Alexandria	1.36%
Centreville	1.27%
Springfield	1.18%
Falls Church	1.04%
Annandale	0.84%
Reston	0.69%
Vienna	0.69%
Herndon	0.66%
Burke	0.58%
Lorton	0.54%
Chantilly	0.52%
Fairfax Station	0.23%
Mc Lean	0.17%
Oakton	0.14%
Great Falls	0.12%
Clifton	0.09%
Fort Belvoir	0.03%
Merrifield	0.03%

Retirees Outside of the United States

Country	Number of Retirees
Australia	1
Costa Rica	1
Japan	1
South Korea	1
Mexico	2
New Zealand	1
Peru	1
Thailand	2
United Kingdom	2
Total	**12**


Retirees by State
% of Total
77.81%
0.01%
0.18%
0.01%
0.11%
0.09%
0.14%
0.03%
0.06%
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0.03%
0.11%
77.81%
0.11%
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Check out Fairfax County Retirement Systems Video Library at: *www.fairfaxcounty.gov/retirement/retirement-videos*

- **New Employee** – "Understanding Your Retirement System" for those hired after July 1, 2019.
- **New Public Safety Employees** – "Understanding Your Retirement System" for Police Officers and Uniformed employees hired after July 1, 2019.
- **How to Use the Online Retirement Benefit Estimator** – This video helps members walk through the process of creating their own Retirement Benefit Estimates.
- **Eligibility Service vs. Benefit Service** – What's the difference between Eligibility Service and Benefit Service?
- **Unused Sick Leave and Retirement** – How does unused sick leave benefit my retirement? Review the Unused Sick Leave video to find out the three ways sick leave can increase your retirement benefit.
- **Part Time School Employee** – A large portion of our school employees work part time. Review the Part Time Employee video to find out more about how part time employment impacts your retirement.
- **Joint & Last Survivor Option** – (Joint & Contingent Spouse and Handicapped Child Option) Can I leave my spouse my benefit if I die before them in retirement?
- **What is DROP?** – This brief video helps members understand what DROP means and how it works.
- **DROP Counseling** – Group counseling session, covering the Deferred Retirement Option Program (DROP), including information about how DROP works, eligibility, and benefits.
- **Retirement Plan Basics** – "Your Retirement System" for those hired PRIOR to July 1, 2019.

For our member's convenience:

- All of our online forms are fillable
- "How To" videos are included in our video library
- You can meet with your Retirement Analyst virtually or in person. Just email your Analyst for more details.
- We offer 10 different virtual Retirement Preparation classes

HOW TO VIDEOS

- How to Use the Online Retirement Benefit Estimator

HOW TO FILL OUT FORMS

- Employee Normal/Early Service Retirement Application
- Direct Deposit Form
- Employee DROP Application

To request this information in an alternate format, call Fairfax County Retirement Systems, 703-279-8200 (TTY 711).

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Fairfax County Retirement Systems
12015 Route 50 * Suite 350 * Fairfax, VA 22033
703-279-8200 * TTY: 711 * Fax: 703-653-9543
www.fairfaxcounty.gov/retirement/