

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2025



Fairfax County, Virginia
July 1, 2024 – June 30, 2025



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Front Cover – from top left to right
Exterior view of The Boro Tysons – October 2024
Government Center Exterior – October 2024
Lorton Community Center – Infant Toddler Connection – April 2025
Neighborhood Community Services – Coordinated Services Planning
Training – April 2025
Black History Celebration – February 2025
Reston Wiehle Bridge – August 2024
Back cover – Fairfax County District Map

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2025



DEPARTMENT OF FINANCE

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COUNTY OF FAIRFAX, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
 For the Fiscal Year Ended June 30, 2025

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Introductory Section

The Introductory Section contains the letter of transmittal, which provides an overview of the County of Fairfax's finances, economic prospects, and achievements. Also, included in this section is the Certificate of Achievement for Excellence in Financial Reporting awarded by the Government Finance Officers Association. It is the highest form of recognition in governmental financial reporting.



County of Fairfax, Virginia

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

November 20, 2025

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

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the County of Fairfax, Virginia (the County) for Fiscal Year (FY) 2025 (July 1, 2024 - June 30, 2025) in accordance with the Code of Virginia. The financial statements included in this report conform to generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB). Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the County management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the various funds and component units of the County. Extensive disclosures have been included to enable the reader to gain the maximum understanding of the County's financial and business affairs.

The following subjects are discussed in this letter:

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

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

ECONOMIC CONDITION AND OUTLOOK

Fairfax County's Gross County Product, adjusted for inflation, increased at a rate of 2.4 percent in calendar year (CY) 2024, following an increase of 5.2 percent in CY 2023, according to economic forecasting conducted by IHS Markit Ltd.

The national economy has had a mixed performance in 2025. U.S. Gross Domestic Product decreased at an annualized rate of 0.6 percent in the first quarter of 2025, then increased at a rate of 3.8 percent in the second

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quarter. Personal consumption expenditures, which make up almost 70 percent of the economy, grew at an annualized rate of 0.6 percent in the first quarter and 2.5 percent in the second quarter. The labor market remained resilient throughout 2024 despite the impact of higher interest rates but started to show signs of weakening in 2025. The unemployment rate stood at 4.2 percent as of July 2025 and has remained in a narrow range between 4.0 percent and 4.2 percent since May 2024. Despite the relatively stable unemployment rate, the labor market has been adding jobs at a significantly slower pace. It should be noted that the Bureau of Labor Statistics made significant downward revisions to its May and June employment data, which now shows that the three-month average nonfarm payrolls from May 2025 to July 2025 only increased by 35,000, compared to an increase of 123,000 a year ago. This is the weakest job growth since the 2020 pandemic.

Inflation, which was a serious problem for the economy in recent years, has fallen significantly, though it is still above the Federal Reserve's target rate of 2.0 percent. Compared to a year ago, the June Consumer Price Index (CPI) increased 2.7 percent. The core rate of inflation, which excludes food and energy, was up 2.9 percent, and inflation in the service sector less energy services increased 3.6 percent. The cost of housing continues to run significantly above the long-term average. In the June CPI report, the cost of shelter, which is a function of rent increases, was up 3.8 percent. While the housing market continues to be tight by historical standards, the inventory of homes for sale has started to increase and home price gains have decelerated. According to the Case-Shiller Home Price Index through July 2025, the national average home price increased 1.7 percent from a year earlier, compared to a 5.0 percent annual increase in July 2024. This is one of the smallest annual increases in the past decade and marks the third month that real home prices (adjusted for inflation) have declined.

With moderating inflation, the Federal Reserve trimmed interest rates three times between September 2024 and December 2024 to the range of 4.25 – 4.50 percent. The Fed held its benchmark rate unchanged through September 2025, choosing to take a wait-and-see approach in order to evaluate the impact of tariffs on inflation, unemployment, and the broader economy. With downward pressure in the labor market and a relatively tamed inflation, the Fed decided to focus more on the labor market aspect of its dual mandate and cut interest rates by 25 basis points in September 2025, followed by another 25 basis points cut in October to the current range of 3.75 – 4.00 percent. Mortgage rates have gradually come down to an average of 6.25 percent in October 2025, down from their peak of 8.0 percent in October 2023.

The Local Economy

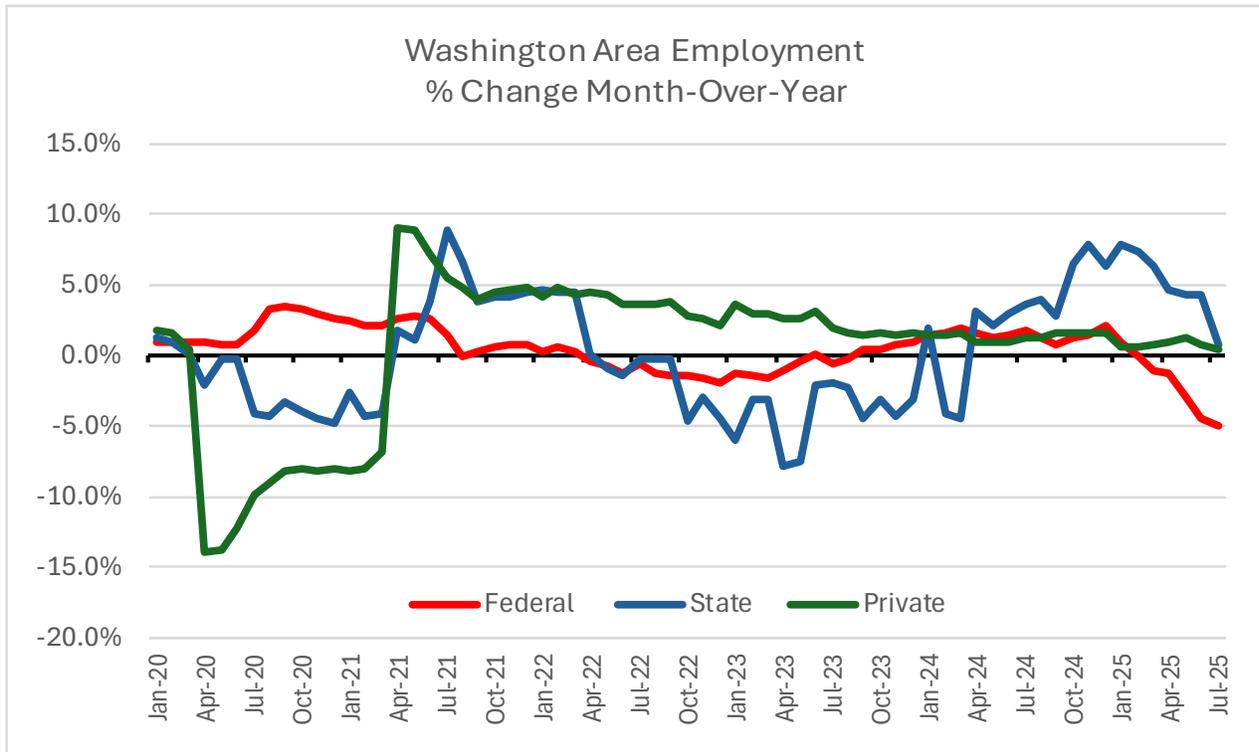
The total number of jobs in Fairfax County increased a net 7,000 jobs (1.1 percent) in CY 2024, as reported by the U.S. Bureau of Labor and Statistics. While overall employment has surpassed pre-pandemic level, the recovery varies by sector. In CY 2024, public facing sectors such as the Leisure and Hospitality sector remained about 3 percent below their pre-COVID levels, while other sectors such as the higher paying Professional and Business Services sector have fully recovered, increasing 2.5 percent in CY 2024 over CY 2019.

Business, Professional, and Occupational License (BPOL) taxes and Sales taxes are two revenue sources that are good indicators of economic activity in the County. In FY 2025, overall BPOL tax receipts increased 3.5 percent over the previous year. Revenues in the combined Consultant and Business Service Occupations categories, which represent over 44 percent of total BPOL tax receipts, increased by 6.9 percent. It should be noted that FY 2025 BPOL taxes were based on business receipts received in CY 2024. FY 2025 Sales Tax receipts increased 2.6 percent.

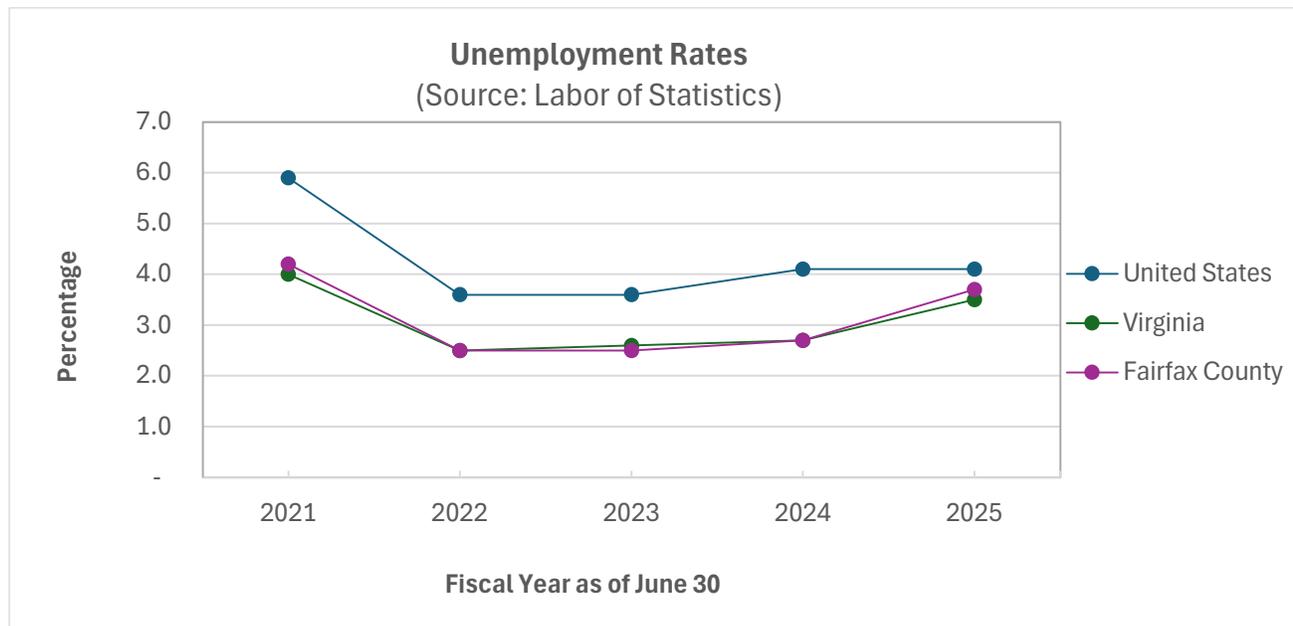
Because the economy of the Washington Metro region is knowledge-based and highly dependent upon federal spending, it was somewhat insulated from the disruptions that affected other regional economies during the pandemic. Currently, the local economy is facing levels of uncertainty not seen since the initial days of the pandemic as the federal administration's policies and actions to reshape the federal government are having a

significant impact in Northern Virginia, which is heavily reliant on federal employment and procurement. Fairfax County is home to more than 80,000 federal workers, and even more workers connected to businesses that contract with the federal government. Thousands of federal workers have already lost their jobs, although many have challenged the administration's actions in court. Federal contracts and grants are also being cancelled. The chart below shows changes in the Washington Area federal, state, and private employment. Federal employment declined 5 percent from July 2024 to July 2025. State and private employment growth, while still positive, decelerated significantly.

It should also be noted that while the private sector's job growth remained positive, it may have difficulty absorbing the displaced federal workers due to a mismatch in skills and expertise. According to data laid out in a recent Brookings Institute report on the Washington Metro area's economy amid federal downsizing, the industries seeing a net job growth during this period were mostly in construction, hospitality, and healthcare, which all have a very limited overlap with the public sector.



As illustrated in the following chart, Fairfax County's unemployment rates, not seasonally adjusted, remained below the national average but climbed compared to last year due to the new administration's federal layoffs and cancellations of contracts and grants. In June 2025, Fairfax County's unemployment rate was 3.7 percent, a whole percentage point higher compared to last year. The seasonally adjusted unemployment rates for the state of Virginia and the United States were 3.5 percent and 4.1 percent, respectively. This is the first month that shows the County's unemployment rate surpassed the state's since August 2021.



As the U.S. Congress could not reach a continuing resolution agreement on the federal budget before the start of the new fiscal year, the federal government started its first shutdown in almost seven years on October 1, 2025, and it outran previous shutdowns becoming the longest in history. The full impact of the shutdown on the local economy is still unknown as the release of economic data is lagging.

For the commercial real estate market, office vacancy rates continued to increase. According to the Fairfax County Economic Development Authority (FCEDA), the direct office vacancy rate increased to 18.1 percent as of mid-year 2025, up from 14.6 percent in CY 2020. The vacancy rate exceeded the previous 10-year high of 16.5 percent in 2015 when federal sequestration negatively impacted federal government related office space.

For the residential real estate market, based on information from Bright MLS, the average sales price of homes in Fairfax County rose 8.6 percent in CY 2024. Home prices continued to increase primarily because of the tight inventory of homes for sale. Since 2009, the average home sales price has more than doubled, with an average annual growth rate of 4.9 percent. Bright MLS also reported that the number of home sales in Fairfax County increased 5.1 percent in CY 2024, compared to CY 2023. It should be noted that similar to national trends, home price gains are decelerating in the Washington metropolitan area. According to the latest Case-Shiller Home Price Index through July 2025, the Washington area index increased 1.3 percent, compared to a 5.5 percent annual increase in July 2024. Bright MLS reported that the average sales price of homes in Fairfax County increased 3.6 percent from July 2024 to July 2025, compared to the annual increase of 8.6 percent in CY 2024.

Economic Development

Fairfax County supports economic development through fomenting a vibrant, diversified business community, growing job opportunities, and enhancing the commercial tax base. This includes continuous response to economic transitions or disruptions. The Fairfax County Department of Economic Initiatives (DEI) and the FCEDA are the lead economic development organizations in Fairfax County.

The Department of Economic Initiatives develops programs and policy recommendations to foster local economic development and position Fairfax County to be an economically competitive and prosperous

community. The department is structured to advance conditions for real estate development, foster a competitive business climate, and boost local commercial areas.

Top-level metrics for Department of Economic Initiatives FY 2025 programs include:

- Provided business education information to 1,600 entrepreneurs or businesses through events such as the Accelerate Investor Breakfast Series, entrepreneurship seminars, and job fairs.
- Provided direct assistance to 646 small businesses and entrepreneurs through Fairfax CORE and small business grant programs.
- Developed 40 small business education events or resources including entrepreneurship seminars, Fairfax CORE demonstrations, and business support resources.
- Led catalytic development through supporting six public-private partnership projects that maximize value, provide benefits to communities, and improve service delivery outcomes.

In FY 2025 DEI led several programs to support local economic development, including:

- Fairfax CORE (Connecting Opportunity and Resources for Businesses) is the go-to online platform to integrate information and resources for entrepreneurs and businesses at all stages. The mission of Fairfax CORE is to help small businesses grow and succeed through providing free, easy access to the help they need – when they need it. In FY 2025, Fairfax CORE connected 153 customers to 68 resource partners.
- Talent Up Fairfax Fund connects employers to job candidates from diverse backgrounds and supports temporary work-based learning opportunities. To date, 189 employers are actively engaged, and a total of 385 jobseekers have enrolled in the program. There have been 212 internship postings and 181 internship placements. The median wage for positions is \$25 per hour.
- Accelerate Investor Breakfast Series is an early-stage company pitch event that connects promising startups with seed funding opportunities to fuel their growth and success. It is administered by George Mason University. Each quarterly event features five selected technology companies seeking seed-stage capital. Since the launch in 2024, presenting companies have raised nearly \$20 million.
- Fairfax Founders Fund is a \$1 million technical assistance program that provides grants of up to \$50,000 to early-stage Fairfax County-based startups that are on a high-growth trajectory. A total of 13 businesses were awarded grants in FY 2024 and FY 2025. Results to date include a reported \$10 million in revenue increase across all awardees, 12 patents in development, 13 new products, and five company expansions.
- THRIVE Small Business Technical Assistance Program was successfully completed in FY 2025. THRIVE provided small businesses with fewer than 50 employees targeted consulting services valued up to \$20,000 to help achieve business goals. In total, 181 small businesses were served through 590 business programs offered by 60 coaches and consultants in areas including marketing, financial planning and operations.

FCEDA plays a major role in attracting, retaining, and expanding businesses in Fairfax County. The services provided throughout the year include connecting County-based companies to workforce with the Talent Program, site selection for new and expanding companies, providing resources to the small business community, reporting on Fairfax County business successes, and supporting industry events. In addition, FCEDA continued to assist data center stakeholders in FY 2025.

During FY 2025, FCEDA connected 151,095 job seekers to Northern Virginia companies via the talent website, workinnorthernvirginia.com; expanded K-12 programming to provide career exploration, mentorships, internships, job readiness, and placement across all industries for our middle and high school students in Fairfax County; grew the business-to-military community alliance to 1,400 Virginia Values Veterans (V3) certified organizations and led or sponsored networking/job fairs resulting in the hiring of 6,000 veterans and military spouses in FY 2025.

FCEDA operates under the direction of nine commissioners appointed by the Board of Supervisors (BOS). FCEDA's mission statement is: "to promote the competitive advantages of Fairfax County and influence the growth of a diverse and innovative ecosystem that enhances the tax base, creates demand for commercial space, and supports an extraordinary and equitable quality of life across Fairfax County." It promotes the County as one of the world's best business locations. FCEDA provides a wide array of services and information to assist new, expanding and relocating national and international businesses. FCEDA has representatives in five strategic global markets: Los Angeles, California; Bangalore/Mumbai, India; London, England; Berlin, Germany; and Seoul, South Korea. In FY 2025, FCEDA assisted 33 foreign-owned businesses with their expansions in the County. FCEDA works with more than 400 foreign-owned firms from 45 countries annually that have a presence in Fairfax County.

During FY 2025, FCEDA worked with 112 companies that added 9,909 jobs and 2,238,470 square feet of office space to Fairfax County's economy. The largest public corporate announcements were as follows: 22nd Century Technologies added 880 jobs in McLean, Mayvin added 450 jobs in the Alexandria area of Fairfax County, Iridium added 388 jobs in McLean, Dexian added 337 jobs in McLean, Unison added 283 jobs in McLean, and LabCorp added 125 jobs in Chantilly. These companies are creating jobs and strengthening the commercial tax base that the BOS uses to fund high-quality public services essential for the quality of life for the 1.2 million County residents.

Of the 112 businesses making job announcements, 79 were U.S.-based and 33 announcements came from companies with international headquarters or parent companies announcing expansions in Fairfax County. Among the U.S. firms announced, 18 were minority-owned, woman-owned, or veteran-owned companies.

The total office space inventory in the County was 120 million square feet as of the end of FY 2025, making Fairfax County the largest suburban office market in the Washington D.C. area. The industrial/flex inventory reported in the County was at 39 million square feet.

Online Resource: <https://www.fairfaxcountyed.org/>

MAJOR INITIATIVES AND ACCOMPLISHMENTS

Emergency Rental Assistance Bridge Program (ERA-BP)

ERA-BP, funded for \$17.2 million, continues to provide rental assistance to those County residents facing housing instability as a result of COVID-19. This program is a resource to transition County coordinated rental assistance provisions back to pre-COVID-19 operation and funding levels. Requests for financial assistance are received by the Department of Neighborhood and Community Services' Coordinated Services Planning (CSP) program.

Food Access Program

A fourth round of food distribution grants totaling \$2.5 million was provided to community-based organizations to ensure the County's local food system remains strong and sustainable during a period of unprecedented demand for food assistance. Grants were used for direct food assistance to support existing

food programs to purchase food as well as infrastructure investments such as food storage, heavy duty shelving, cargo vans, and/or lifts.

One Fairfax

The One Fairfax policy, jointly adopted by the BOS and the School Board, provides a framework for advancing racial and social equity across Fairfax County. At its core, the policy reflects the County's commitment to intentionally embedding equity into all areas of decision-making, policies, programs, and services. By addressing entrenched disparities that have hindered some residents from fully participating in and benefiting from the County's prosperity, the policy aims to create a more inclusive and equitable community.



Recognizing the interlocking and systemic issues in areas such as housing, employment, transportation, and health, the policy prioritizes ensuring that every resident has the opportunity to contribute to and share in Fairfax County's continued growth and vitality. Guided by data and informed by community voices, we are implementing targeted strategies to expand opportunities in all neighborhoods, enhance access to County assets and resources, and unlock the full potential of our diverse population. Through bold, collaborative partnerships and intentional efforts to break down systemic barriers, Fairfax County is building a thriving, equitable future where everyone has the chance to succeed and strengthen the social and economic fabric of the community.

Online Resource: <https://www.fairfaxcounty.gov/topics/one-fairfax>

Fairfax Countywide Strategic Plan

On October 5, 2021, the BOS adopted a Countywide Strategic Plan, specifically the Ten Community Outcomes, Indicators of Success, and Proposed Strategies and Sample Metrics. These elements support the goals of the plan, which are to: 1) Set a community-driven vision for the next 10-20 years; 2) align and integrate existing and emerging Countywide work; 3) provide a tool to focus and prioritize existing and emerging Countywide work; and 4) communicate progress on achieving measurable outcomes on behalf of the community. This plan is driven by the One Fairfax policy. The Official Countywide Strategic Plan document is updated on an annual basis and published online at the beginning of each fiscal year and progress is communicated through an annual report which is also published online.



The Ten Community Outcome Areas are:

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

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

Opioid Response Plan

Fairfax County works to address the opioid epidemic through the County's Opioid and Substance Use Task Force, which was created in 2017. The Fairfax County Opioid Response Plan includes over 40 opioid-related programs/activities focused on reducing opioid-related overdoses and deaths in the Fairfax community. In FY 2025, there was significant focus on implementing eight projects funded with opioid settlement dollars. The projects include: increased jail-based behavioral health services; an additional track tailored to 18-25 year olds in the Fairfax Recovery Court (formerly known as Fairfax Drug Court); an additional nurse practitioner to prescribe medications for opioid use disorder to individuals incarcerated in the Fairfax Adult Detention Center; a research study on the jail-based medication for opioid use disorder (MOUD) program; a prevention campaign and anti-stigma initiative; community dialogue sessions to identify and address the root causes of youth substance use; expanded capacity to provide medication for opioid use disorder to youth; and a cooperative regional project aiming to bring youth detoxification and residential substance use treatment to the Northern Virginia region. These projects reflect the multi-dimensional and cross-systems approach, aligned with identified community needs, that guides Fairfax County's opioid response.

Online Resources: <https://www.fairfaxcounty.gov/topics/opioids>
<https://www.fairfaxcounty.gov/topics/opioid-settlement-funds>

Diversion First

Diversion First is a cross-system initiative that offers alternatives to arrest and incarceration for people with mental illness, substance use disorders, and/or developmental disabilities who come into contact with the criminal justice system for low-level offenses. The goal is to intervene whenever possible to provide assessment, treatment, and needed support, prevent repeated encounters with the criminal justice system, and promote a safer community.



At the earliest stages, community-based teams, including teams comprised of public safety and clinical staff, respond to behavioral health crises. In addition, law enforcement officers can bring people to a 24/7 community-based crisis response center for services in lieu of arrest. Diversion First also provides opportunities for intervention throughout the criminal justice system. Behavioral health services are provided during incarceration, a Supervised Release Program provides intensive pre-trial supervision in the community, and the Veterans Treatment Docket, Recovery Court, and Mental Health Docket provide diversion through a structured process that integrates treatment and court supervision. Diversion First also includes community-based behavioral health treatment, peer recovery support and housing, and providing person-centered care, which is a connection to recovery and a pathway out of the justice system.

As stated in the Diversion First 2024 Annual Report, the program completed its ninth full year and continues to have a positive impact throughout Fairfax County. Since 2016, the initiative has resulted in more than 4,400 diversions from potential arrest. For the period 2015 to 2024 (calendar years), there has been a 26% decrease in the jail behavioral health population with misdemeanor charges. In addition, more than 80% of individuals transported to the Merrifield Crisis Response Center by law enforcement in 2023 did not have a repeat visit related to criminal justice involvement within a year.

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

Virginia Task Force 1

Virginia Task Force 1 (VA-TF1) is a premier disaster response and humanitarian resource sponsored by the Fairfax County Fire and Rescue Department through strong partnerships with the U.S. Department of State's International Disaster Response and the Department of Homeland Security's Federal Emergency Management

Agency (FEMA). Nationally, the team deploys as VA-TF1, and internationally as USA-01, to respond to both natural and man-made disasters on short notice, providing critical aid wherever it is needed.

During FY 2025, team personnel deployed to support response efforts for several significant events, including Hurricane Beryl in Texas, Hurricane Debby in Georgia and South Carolina, tropical disturbances in Puerto Rico, Hurricane Helen in North Carolina, Hurricane Milton in Florida, severe Midwest storms in Kentucky, and catastrophic flooding in Kerr County, Texas. The federal government funds the team's training, equipment, supplies, and deployment costs, ensuring readiness for rapid and effective action.

In addition to disaster response, VA-TF1 members actively engage in international capacity building and training, sharing expertise and strengthening rescue resources across the Americas, Europe, and Asia. This dual focus on operational response and global collaboration reinforces VA-TF1's commitment to saving lives and improving disaster readiness worldwide.

Online Resource: <https://www.fairfaxcounty.gov/fire-ems/>

Technology Initiatives

The BOS and County Executive are dedicated to making the necessary investments to stay ahead of emerging trends in Information Technology (IT). Their commitment focuses on leveraging technology to deliver timely and convenient access to information and services for citizens, the business community, and employees. Additionally, they prioritize utilizing modern technologies to innovate business processes and enhance the efficiency of government operations.



Fairfax County government sees its overall mission as protecting and enriching our quality of life for people, neighborhoods, and diverse communities. The County actively seeks new and innovative ways to provide outstanding services to our residents in a more agile, responsive, and equitable manner. Effectively utilizing and leveraging technology is a key element of the County's Strategic Plan and is being used to develop and implement data-driven insights and develop evidence-based strategies to keep the County moving forward.

The Department of Information Technology (DIT) embraces rapid, transformative changes in the IT landscape, leveraging their impact to deliver world-class technology solutions to Fairfax County's residents and the government serving this community. DIT is focused on narrowing the digital divide, in alignment with the One Fairfax policy, through a strategic approach driven by innovation and a commitment to delivering secure, equitable, reliable, and user-centered technology services.

DIT is committed to delivering on the core drivers established in the Fairfax County Strategic Plan: Equity, Community Outcomes, Data Integration, and Inclusive Engagement.

- **Equity:** When developing new products or capabilities, DIT is dedicated to providing inclusive access for all residents through thoughtfully designed web platforms and mobile applications.
- **Community Outcomes:** DIT is aligned with other County agencies to ensure focus on the 10 community outcome areas through the promotion of innovation in the local economy, effective technology resulting in a high level of customer satisfaction and empowering vulnerable populations by providing technological solutions where they live.
- **Data Integration:** Through the adoption of a data platform and by working closely with partner agencies, DIT is committed to using data for business intelligence, gaining efficiencies across the organization, and providing enhanced services for our residents.
- **Inclusive Engagement:** DIT is dedicated to delivering exceptional user experiences and ensuring the entire community has digital access to government services.



DIT is dedicated to ensuring the continuity of government operations and the delivery of services by strengthening its cybersecurity platform and supporting service delivery with modern tools. Safeguarding the integrity of systems and data is essential to maintaining public trust. DIT will continue to enhance cybersecurity defenses, build operational resilience, and ensure all staff are equipped with the knowledge and tools needed to prevent and respond to emerging threats.

Whether it is social services, permitting, or public safety systems, technology must support efficient, timely, and equitable service delivery. DIT is focused on modernizing legacy platforms, reducing downtime, and improving access – especially for frontline staff and residents with the greatest needs. DIT is focused on fostering collaboration between business stakeholders and technical users to build and deploy solutions that are not only efficient but also responsive to the rapid pace of change in resident expectations. The essence of our approach is to ensure the seamless integration of business acumen with technological innovation.

Innovation lies at the heart of DIT's mission, particularly in the realm of advanced technologies such as artificial intelligence (AI), machine learning (ML), data mining, business intelligence, and enhancing the user experience. We recognize the transformative potential of AI, and our priorities include exploring AI for predictive analytics to improve decision-making processes, utilizing natural language processing to enhance resident interaction with digital services, and deploying intelligent automation to streamline workflows and increase operational efficiency.

Online Resource: <https://www.fairfaxcounty.gov/informationtechnology/information-security-office>

Development Initiatives

Land Development Services



Land Development Services (LDS) ensures every building and site developed in Fairfax County meets required safety, health, and environmental standards. LDS staff process more than 4,500 building permit applications per month. Applications range from gas appliance installation and residential additions, such as decks, to the coordination of large, commercial development projects. Robust construction and development translate into future tax revenue for the County and contribute to its economic development. In FY 2025, LDS staff processed 56,249 building permits and conducted 197,783 inspections (building and site). LDS collected \$52,903,547 in total revenue for permit and inspection fees. Large scale construction projects, such as office buildings and planned mixed-use areas – for example, Halley Rise (mixed-use development with two market-rate multifamily towers and some workforce dwelling units (WDUs)), Woodleigh Chase (senior living residential facility), and Alta Crossroads (five-story market-rate multifamily building and three townhomes) continue to add to the health of the local economy, long after buildings are completed, due to real estate taxes, employment, and more. On April 16, 2024, the BOS approved proposed fee adjustments for Land Development Services, marking the first significant update to LDS fees since 2015. The new fee adjustment takes effect over two years with effective dates of July 1, 2024, and July 1, 2025. The second stage of fee adjustments went into effect at the beginning of July. The fee adjustment should result in increased revenue in subsequent fiscal years.

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

Tysons

On June 22, 2010, the BOS adopted a new Comprehensive Plan (the Plan) for the Tysons Urban Center (Tysons). The Plan for Tysons is an essential element in the County's strategic efforts to effectively and efficiently manage future growth. The Plan created a vision for the County's largest downtown and was designed to take advantage of the Silver Line extension of the Metrorail transit system. The transformation of Tysons into a



walkable, vibrant urban center, expects to support a 2050 population of over 100,000 residents and 200,000 jobs. Tysons is fast becoming a 24-hour place where people live, work, and play.

Monitoring the progress of the Plan is critical to ensuring that the vision for Tysons is achieved. Many of the strategies and milestones for Tysons require the maturation of plans and development; therefore, it is crucial to monitor progress and adjust, as necessary, to achieve intended outcomes. The Plan calls for monitoring performance related to land use and demographics, transportation, environmental stewardship and sustainability, public facilities, and implementation. As part of the monitoring process, the BOS charged County staff with preparing a periodic report on Tysons. This monitoring is provided through an interactive online platform called the Tysons Tracker.

Highlights of the 2024-2025 (June 2024 to June 2025) reporting cycle include:

- 252 thousand square feet of new development delivered
- 1.2 million square feet under construction
- Delivery of 1 new permanent park space
- Review and analysis of the Silver Line Metro Rail ridership and other modes of transportation
- Implementation progress on the Grid of Streets
- Continued collaboration with the Tysons Community Alliance, which is funded by Fairfax County Government, but is an independent, non-profit community improvement organization committed to the ongoing transformation of Tysons into a vibrant, inclusive, globally attractive urban center

Online Resources:

[Comprehensive Plan - Tysons Corner Urban Center, Areawide Recommendations \(fairfaxcounty.gov\)](https://www.fairfaxcounty.gov/tysons/annual-report)
www.fairfaxcounty.gov/tysons/annual-report
<https://tysons-tracker-fairfaxcountygis.hub.arcgis.com/>

Transportation Improvements

On December 3, 2019, the BOS approved the FY 2020-FY 2025 Transportation Priorities Plan (TPP) to direct County priorities for transportation projects through FY 2025. The FY 2020-FY 2025 TPP includes \$3.036 billion for transportation projects funded from a variety of federal, state, local, and private sources, and includes projects previously approved by the BOS, as part of other, stand-alone funding plans. The Department of Transportation is working to update the TPP for FY 2025-FY 2030 and will present a draft plan to the BOS for consideration in December 2025.

I-495 Northern Extension (NEXT) Project

The I-495 NEXT project is a public-private partnership between the Commonwealth of Virginia and express lanes operator, Transurban North America. The project extends the existing I-495 Express Lanes north by two-and-a-half miles from the Dulles Corridor to the George Washington Memorial Parkway interchanges near the American Legion Bridge. This project also includes a shared-use path parallel to I-495 from Lewinsville Road to Live Oak Drive. Construction began in summer of 2022. The new Express Lanes are scheduled to open by late 2025 and the project will be completed by mid-2026.

Fairfax County Parkway Widening

The Fairfax County Parkway will be widened from four to six lanes from Route 123 to Route 29, and the Popes Head Road intersection will be converted into an interchange with a connection to the future Shirley Gate Road Extension. Construction work for the Popes Head Road interchange began in late 2023 and is expected to be completed in late 2026. Construction also began in June 2024 on the segment from Route 29 to the intersection of Nomes Court, with an anticipated completion in fall 2027. The third segment, from Nomes Court to Route 123 is utilizing design-build delivery, with design nearing completion and construction beginning in spring 2025. Anticipated completion is fall 2027.

Richmond Highway Bus Rapid Transit (BRT)

The County is proceeding with implementing a BRT system along the Richmond Highway corridor, from Huntington Metrorail Station to Fort Belvoir. In accordance with the Virginia Department of Rail and Public Transportation Route 1 Multimodal Transportation Alternatives Analysis, the BRT schedule projects Section 1 of the project from Huntington Metrorail Station to Sherwood Hall Lane, and Section 2 of the project from Sherwood Hall Lane to Fort Belvoir, to be completed in 2033. The project was accepted into the engineering phase for Federal Transit Administration funding in June 2024.

Richmond Highway Corridor Improvements

The County is working with the Virginia Department of Transportation (VDOT) to widen the three-mile section of Richmond Highway (Route 1) from Jeff Todd Way/Mount Vernon Memorial Highway to Sherwood Hall Lane from four to six lanes. This is the last remaining four-lane section of Richmond Highway between Fort Belvoir and Alexandria. The project will provide continuous pedestrian and bicycle facilities within this three-mile section. The project will also construct a median to accommodate the Richmond Highway BRT project that will be implemented as part of the County's separate Richmond Highway BRT project. The design public hearing was held in March of 2019. The project will be completed in three phases. Phase one spans Richmond Highway between Jeff Todd Way and existing Sacramento Drive. Construction for phase one is anticipated to start in 2027 with completion in 2030. Phase two spans Richmond Highway from existing Sacramento Drive to just north of Frye Road. Construction for phase two is anticipated to start in 2028 with completion in 2031. Phase three spans Richmond Highway from just north of Frye Road to Sherwood Hall Lane. Construction for phase three is anticipated to start in 2029 with completion in 2032.

Soapstone Connector

The Soapstone Connector is an approximately one-half mile long planned new roadway over the Dulles Corridor, between Sunrise Valley Drive and Sunset Hills Road, just west of the Wiehle-Reston East Metrorail Station. The environmental assessment process of the project is ongoing. It was determined by the Federal Highway Administration (FHWA) that the project would have an adverse effect on a historical property, but FHWA has since determined that there is no prudent and feasible alternative to the use of that property. Therefore, as part of this process, a Memorandum of Agreement that outlines stipulations that must be taken to mitigate adverse effects on the historic property was developed and signed by the signatories: FHWA, VDOT, Virginia Department of Historic Resources, and Fairfax County. The BOS endorsed a Locally Preferred Alternative, and the Department of Interior issued the Section 4(f) approval. The FHWA reviewed the final National Environmental Policy Act documentation and issued a Finding of No Significant Impact in November 2023. VDOT has initiated design and land acquisition is anticipated to start in summer 2027.

Wiehle Avenue at W&OD Trail

The Wiehle Avenue at W&OD Trail project will improve vehicle, bicycle, and pedestrian access near the new Wiehle-Reston East Metro Station. The project will provide a new bicycle/pedestrian bridge overpass for the W&OD trail over Wiehle Avenue to replace the existing at-grade crossing, eliminate conflicts between vehicles and trail users, and minimize vehicle rear-end crashes. The project is 100% funded by state and Federal funds. Construction started in February 2023 and was substantially completed on July 29, 2025. Final completion is expected by summer 2026.

Braddock Road Multimodal Improvements

This project will provide multimodal and access management improvements along a three-mile segment of Braddock Road between Humphries Drive in Burke and Ravensworth Road in Annandale. The project includes improvements to the eastbound and westbound Braddock Road ramps to southbound I-495, as well as half a mile of Ravensworth Road between Braddock Road and Heritage Drive. The proposed improvements will enhance multimodal safety, mobility and accessibility for all users through intersection enhancements (including at Rolling Road, Wakefield Chapel Road/Danbury Forest Drive and Burke Lake Road), and the installation of new and upgraded shared-use paths along both sides of Braddock Road. The project is split into two phases, with Phase 1 from Ravensworth Road to Southampton Drive being fully

funded and Phase 2 from Southampton Drive to Humphries Drive still requiring additional funding. Construction of Phase I will begin fall 2030 and end in 2033.

Environmental Vision

Fairfax County's *Environmental Vision* is a policy framework on environmental sustainability that addresses seven core areas: land use, transportation, water, waste management, parks and ecological resources, climate and energy, and environmental stewardship. The *Environmental Vision* highlights the importance of environmental quality, which is essential for everyone living and working in the County. A healthy environment enhances the quality of life and preserves the vitality that makes Fairfax County a special place to live and work.



Online Resource: [Environmental Vision | Environment \(fairfaxcounty.gov\)](#)

Office of Environmental and Energy Coordination

The Office of Environmental and Energy Coordination (OEEC) was established in FY 2020 to lead the County's cross-organizational development and implementation of environmental and energy policies and programs, including an operational energy strategy and climate planning initiatives, described below. OEEC improves quality of life in Fairfax County for all by advancing climate action to reduce emissions, building community resilience and adaptation, preserving natural resources, and promoting sustainability.

Online Resource: [Office of Environmental and Energy Coordination | Office of Environmental and Energy Coordination \(fairfaxcounty.gov\)](#)

Community Climate Planning and Action

OEEC oversees development and implementation of community-wide climate planning and action initiatives to address climate change, its various impacts, and related considerations, such as equity. OEEC leads an interagency team of over 25 County agencies to streamline implementation of the 2021 *Community-wide Energy and Climate Action Plan* (CECAP), to address our local contribution to climate change, and the 2022 *Resilient Fairfax* plan, which is focused on local adaptation and resilience to the effects of climate change.

FY 2025 highlights from implementation of CECAP and Resilient Fairfax include:

- The launch of the Sustain Fairfax public awareness campaign and Sustain Fairfax Challenge, a climate action tracking platform for residents. These programs highlight actions community members can take to reduce their climate impact. Sustain Fairfax has delivered over 2 million impressions since its launch.
- The first installation of electric vehicle (EV) charging equipment through the Charge Up Fairfax program. Launched in 2023, Charge Up Fairfax provides technical and financial support to homeowner and condominium owner associations, places of worship and non-profit organizations installing EV charging equipment. In FY 2025, nine chargers were installed in four communities.
- The delivery of almost 300 electric mowers, blowers and string trimmers to residents looking to exchange gas-powered lawncare equipment for more environmentally friendly alternatives. The County offered this lawncare equipment exchange program in the spring of 2025 to educate and engage with residents on air quality and ways to reduce pollution from lawn and garden sources.
- The launch of the AC Rescue Program, which advances climate resilience by assisting residents facing extreme heat. In partnership with Rebuilding Together, AC Rescue provides small air conditioning equipment for low- and moderate-income residents who do not qualify for other cooling assistance programs. The County piloted the program with community partners in the summer of 2024 at Harmony Place Mobile Home Park. Through the pilot, volunteers were deployed to conduct electrical assessments, critical health and safety repairs, and install 31 AC units in 29 homes.

Online Resource: [Climate Action Dashboard | Office of Environmental and Energy Coordination](#)

Sustainable County Operations

Fairfax County Government leads by example on climate and sustainability initiatives through its 2021 *Operational Energy Strategy* (OES). The OES includes a goal to achieve energy carbon neutrality by 2040, with supporting goals and targets across focus areas including Energy Use and Efficiency; Green Buildings; Renewable Energy; Fleet Electrification; Goods and Services; and Waste Management and Recycling. A target to be Zero Waste by 2030 in the OES led to the adoption of the 2021 *Fairfax County Government and Schools Zero Waste Plan*, which includes strategies to help the County divert 90 percent of its waste from disposal by 2030.



FY 2025 highlights from implementation of the OES and Zero Waste Plan include:

- The September 2024 announcement that the County is a subrecipient of a \$3.9 million grant awarded to the Metropolitan Washington Council of Governments (MWCOCG) from the Federal Highway Administration. Under the Charging and Fueling Infrastructure grant, Fairfax County will use \$2.5 million to install publicly available EV charging equipment at up to 25 County facilities.
- The installation of solar on several County facilities, including the Newington Refuse and Recycling Collection Operations Facility Office, Reston Community Center, and Burke Lake Golf Center. The cumulative solar photovoltaic capacity installed at County facilities to date is 2.3 MW.
- The completion of a “Scope 3” Supply Chain Greenhouse Gas Analysis project, focused on supply chain and waste emissions from County operations. The results will inform possible changes to internal procurement strategies in an effort to reduce overall emissions.

Online Resource: [Fairfax County Operational Energy Strategy | Office of Environmental and Energy Coordination](#)

Environmental Improvement Program

The Environmental Improvement Program (EIP) is an internal funding source that supports action-oriented opportunities that advance the County’s environmental and energy goals. In FY 2025, the EIP provided support for Fairfax County Park Authority’s (FCPA) Invasive Management Area (IMA) and Watch the Green Grow programs, Phase III of the Northern Virginia Soil and Water Conservation District’s (NVSWCD) water chestnut early detection rapid response control program, and Phase II of a lawncare equipment upgrade project, through which FCPA is converting gas-powered tools to electric.

Online Resource: [Fund 30015: Environmental and Energy Program - FY 2025 Adopted Budget Plan](#)

Landfill Solar Project

In June 2025, Fairfax County became the first locality in Virginia to begin construction of a solar array on the grounds of a closed landfill. The County is installing a 5-megawatt solar array on 37 acres of the I-95 Landfill. Planned for completion in the spring of 2026, the project will generate enough energy to power about 1,000 homes. Over the next 30 years, the project is expected to save the County \$12 million in energy costs and reduce carbon dioxide emissions by 136,000 metric tons.

Online Resource: [OES: Renewable Energy | Office of Environmental and Energy Coordination](#)

Plastic Bag Tax Revenue

Fairfax County accrues revenue from its five-cent disposable plastic bag tax and allocates it toward programs that address environmental cleanup, pollution mitigation, waste reduction education, and distribution of reusable bags to SNAP and WIC recipients. In FY 2025, revenue supported the [Operation Stream Shield](#) program, as well as programs that address battery recycling, composting at County-run farmers markets, storm drain education and labeling, the distribution of reusable bags to communities in need, and waste reduction in the community and in County operations.



Online Resource: [Disposable Plastic Bag Tax in Fairfax County | Office of Environmental and Energy Coordination](#)

Affordable Housing

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

Housing Assistance Programs

The FCRHA and HCD provide critical assistance to households across the housing spectrum to obtain affordable housing including the following:

- **Office to Prevent and End Homelessness (OPEH):** In FY 2025, HCD OPEH supported 2,096 adult-only households and 1,553 households with children experiencing or at the risk of homelessness through direct or contract service provisions.
- **Rental Housing Subsidy Programs:** The FCRHA administers a number of local, state, and federal rental subsidy programs to assist low- and moderate-income households to afford a place to call home. In FY 2025, the FCRHA administered 5,310 rental housing subsidy vouchers awarded through the Housing Choice Voucher program, including those serving veterans. Additionally, the FCRHA itself owns approximately 4,000 units of affordable rental housing, including 2,004 units of multifamily housing, 1,060 Rental Assistance Demonstration units, 505 units of independent senior housing, 112 beds of assisted living, 90 units of supportive housing and 115 pads of manufactured housing.
- **Homeownership Programs:** For more than 40 years, Fairfax County has provided homeownership assistance to thousands of low- to moderate-income homebuyers. Programs afford qualified homebuyers access to for-sale homes at below-market prices; avenues for down payment assistance, lower interest rates, and reduced mortgage principal; and pre- and post-purchase counseling. In FY 2025, the County assisted 36 new homeowners in purchasing an Affordable Dwelling Unit (ADU) and 48 new homeowners in purchasing a Workforce Dwelling Unit (WDU). Additionally, HCD helped facilitate down payment assistance for 78 households through state and federal programs.

Affordable Housing Development

In 2019, the Fairfax County BOS adopted a Countywide goal to produce a minimum of 5,000 net new units affordable to households earning up to 60 percent of Area Median Income (AMI) by the year 2034. This goal was subsequently updated in FY 2022, with the BOS adopting a new goal of producing a minimum of 10,000 net new homes by 2034, while supporting the preservation of existing units. In FY 2025 1,541 units were

under construction and approximately 1197 units were in the pre-development pipeline. The FCRHA continues to grow the pipeline through public-private partnerships to construct new affordable homes on County-owned land; investing local, state, and federal funding in private affordable housing development; and administering inclusionary zoning policies that encourage the incorporation of affordable units in market-rate housing developments.

Affordable Housing Preservation

In 2019, the Fairfax County BOS and the FCRHA adopted a commitment of “No Net Loss” of affordable housing. This commitment to preservation ensures that while the County expands the number of affordable homes through development, it also simultaneously maintains the existing stock of affordable homes. From FY 2019 to FY 2025, 1,570 housing units have been preserved at or below 60% of AMI. As the preeminent housing financing agency in Fairfax County, the FCRHA issues loans and administers federal housing funds to support the private acquisition and rehabilitation of committed affordable housing units in all areas of Fairfax County.

Resident Services

The work of the FCRHA is deeply rooted to individuals and families by providing the resources to help residents achieve housing stability and self-sufficiency. One such way is through the Family Self-Sufficiency program, which provides opportunities for households receiving federal housing subsidies to set individualized goals that help them increase their self-sufficiency within a five-year period. One of the key features of the program is the ability for participants to increase their financial assets through escrow accounts. Once participants complete their goals, graduates can choose how they use their escrow accounts such as to help purchase a home or pay off student debt. Another program provided by HCD is the Home Repair for the Elderly Program which provides free skilled labor and up to \$1,000 in materials cost at no charge to qualified applicants to complete small handyman-sized projects for their home.

In addition to administering rental programs and developing new affordable housing opportunities, both the FCRHA and HCD are leading efforts to advance the County’s vision for affordable housing as a critical element for the future of Fairfax County. Throughout FY 2025, HCD staff and the FCRHA engaged in a wide variety of regional, state and national events to share information, gain valuable knowledge, and develop partnerships to better understand the impact of affordable housing on the lives of residents and the local economy.

Quality Communities

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

Parks

The Fairfax County Park Authority (FCPA) mission is to enrich quality of life for all members of the community through an enduring park system that provides a healthy environment, preserves natural and cultural heritage, offers inspiring recreational experiences, and promotes healthy lifestyles. The FCPA, a four-time National Gold Medal Award winner and a nationally accredited agency, is one of the largest and most diverse park systems in the nation. The FCPA is the largest landowner in the County, responsible for the management of 23,800+ acres of parkland. Within this footprint, an expansive portfolio exists: 424 parks, nine Rec Centers, eight golf courses, two NHL-size ice skating rinks, 11 dog parks, 232 playgrounds, 721 public garden plots, six nature centers, three equestrian facilities, 74 picnic shelters, 415 athletic courts, 10 historic sites, three outdoor aquatic facilities, a horticultural center, and more than 347 miles of hiking and fitness trails. FCPA is also responsible for the maintenance of 426 Fairfax County Public Schools’ (FCPS) athletic fields and several sites that are owned by the BOS, including 58 synthetic turf fields.

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

Library

Fairfax County Public Library (FCPL) is the largest and busiest library system in Virginia with 23 branches that serve almost 1.2 million people. In Fiscal Year 2025, FCPL logged over 3.3 million visits to its locations, checked out nearly 12 million collection items and served an average of over 610,000 cardholders. Every dollar spent in support of the library system returns that investment five-fold in the form of freely borrowed books, programs for all ages and interests, services like wi-fi and public computers, and resources ranging from language learning to genealogy. For every \$1 invested in the library, Fairfax residents saw a return on investment of \$5.01 in the last fiscal year.

FCPL is appropriately positioned to serve every customer from all walks of life. The library's free programs and services support many of the County's strategic plan areas, most notably lifelong learning, economic opportunity, and cultural and recreational opportunities. Whether it is a parent looking for enrichment activities for their children, a job seeker in need of new skills and help with their resume, or a recent retiree who joins a book club and then makes new friends, there is something for everyone to read, learn or do at the library.



Available at all library branches at various times and days, FCPL storytimes system-wide were named Washington Parent's 2024 Parent Picks Best Storytime winner. In addition to offering storytimes in branches, FCPL regularly brings the joy of reading to daycare centers, preschools and Head Start programs across Fairfax County. FCPL's Early Literacy outreach team consists of five full- and part-time staff, as well as seventeen volunteers. In FY 2025, the outreach team presented 1,513 storytimes to 27,680 children at 160 sites.

Following restructuring efforts in the federal government in early 2025, Fairfax County Public Library rededicated itself as a resource for those seeking employment. Its online Job Search and Career Resources Guide includes education and career-related digital resources and a calendar of topical events, as well as more generalized resources such as job search websites, information about unemployment and labor laws, and other resources specifically for laid off federal workers. Several library branches also hosted programming aimed at helping prospective job hunters find their next role, covering topics such as building a resume, best practices for interviewing and tips for job searching.



FCPL is committed to the County's sustainability efforts - at the core of a library's purpose is the concept of "reduce, reuse and recycle" in the form of shared use of books and materials. In addition to hosting several glass recycling collection containers at its facilities, FCPL embarked on a two-year pilot program in early 2025 to give old library books new life. Instead of paying to recycle books that have reached the end of their library service, these books are now delivered to a new partner, ThriftBooks. The company evaluates and sells these books on the secondary market or to a recycler to be transformed into paper pulp. The income received from this pilot program will then be returned to the collection budget to purchase more books for library customers to borrow. FCPL also brought back its popular Fix It Clinics in FY 2025. These community-wide days in September 2024 and May 2025 offered free "fixing" services in fabric mending and knife sharpening, as well as jewelry, small appliance, electrical, computer and bike repair. The fall and spring Fix It Clinics were attended by over 350 community members seeking repair to their items, instead of sending them to a landfill.

In response to enthusiastic community use, FCPL’s Library of Things expanded during FY 2025. Formally known as *realia*, the Library of Things is a collection of items available for checkout that goes beyond traditional library materials. Prior to FY 2025, items available from the Library of Things included artwork, book discussion and hands-on history kits, nature backpacks, Conserve Kits, Connect Kits, board games, binoculars, interactive learning tablets, thermal cameras, a variety of meters, and citizen science Light Pollution Monitoring Kits. Debuting just in time for Thanksgiving family gatherings in November 2024, the Family History Kit serves as a starting point for those looking to learn about and record the history of their families. Each comes equipped with a detailed instruction guide, a digital voice recorder and the option of interview prompt cards with questions in English, Spanish or Korean. Launched in February 2025, Sensory Kits invite borrowers of all ages to engage their senses by interacting with various items that explore different sight, sound and touch sensations. The kit’s items are well-known for their ability to support neurodiversity, reduce stress and anxiety, and promote focus.



FCPL also facilitates free language learning by hosting programs at its branches and through access to online resources such as Mango Languages and Transparent Language Online. While users can learn a variety of languages, the most robust resources that FCPL offers teach the English language. In FY 2025, FCPL branches offered the community more than 4,000 programs to learn and practice English skills. In fall 2024 and spring 2025, City of Fairfax Regional Library partnered with the English Empowerment Center for a multi-week program series, Beginner English Classes for Adults, which aimed to help attendees learn English for work, family and community, and improve their listening, speaking, reading and writing skills.

ABOUT FAIRFAX COUNTY

Governmental Structure

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

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

Cities and counties in Virginia are discrete units of government that under Virginia law may not be overlapping districts. Fairfax County surrounds the City of Fairfax and is adjacent to the City of Falls Church and the City of Alexandria. Properties within these cities are not subject to taxation by the County, and the County generally is not required to provide governmental services to their residents. The County does, however, provide certain services to these cities’ residents pursuant to intermunicipal agreements. The incorporated towns of Clifton, Herndon, and Vienna are underlying units of government within the County. The ordinances and regulations of the County apply, with certain limitations prescribed by state law. Properties in these towns are subject to County taxation, and the County provides certain services to their residents. These towns may incur general obligation bonded indebtedness without the approval of the County.

Employment

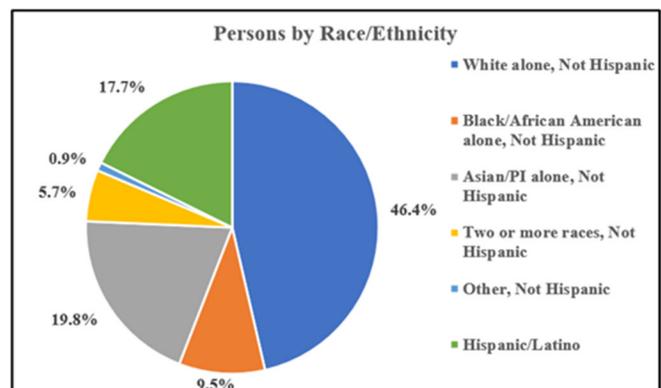
Businesses in Fairfax County include corporate and regional headquarters, healthcare, information technology, aerospace, and more. Local businesses create employment in such diverse areas as computer software development and systems integration, internet related services, telecommunications, wholesale and retail trade, defense and homeland security, and financial services. Businesses can expand their purpose by utilizing Fairfax’s extensive contracting capabilities, international investment opportunities and global market connectivity. A high proportion of jobs in the County are in the high wage, highly skilled information technology and professional services sectors. Highlights are as follows.

- The technology sector in Fairfax County attracts new talent and investments from across the nation. Fairfax County is home to more than 10,000 technology-focused enterprises that deliver a full spectrum of high-end services and solutions to government, industry, healthcare, and consumer markets worldwide. From cloud computing and software development to artificial intelligence and data analytics, cutting-edge business processes and initiatives continue to usher in a new era of growth, making Fairfax County one of the prime spots for tech companies in northern Virginia.
- More than 500 cybersecurity companies are headquartered across the region. With its proximity to all major federal agencies, major educational institutions and Fortune 500-headquartered companies Fairfax County cybersecurity firms have access to people and resources that Silicon Valley can never acquire as easily. The unique concentration of tech talent, companies, resources, and training programs in such a small area has made the region the smartest and most secure choice for cybersecurity companies to establish themselves.
- Eleven Fairfax County based companies are on the Fortune 500 list including Freddie Mac, Capital One Financial Corporation, General Dynamics, Northrop Grumman, Leidos Holdings, Hilton Worldwide Holdings, NVR, Booz Allen Hamilton, QXO Building Products, CACI International, and SAIC.
- Over 400 international companies are based in Fairfax County including global giants like Rolls-Royce, Airbus, CGI, and Volkswagen.
- In Fairfax County, ensuring that small businesses succeed is a top priority. More than 90 percent of local businesses in Northern Virginia are small ones, though they tap into the same resource-rich region that large companies call home.

Online Resource: <https://www.fairfaxcountyeda.org>

Demographic Information

Based on the latest information from the County’s Department of Management and Budget’s Economic, Demographic and Statistical Research (EDSR) data for 2024, the County’s estimated population was 1.2 million. Approximately 39 percent of all County residents, five years or older, spoke a language other than English at home. The County had approximately 25 percent of its population under the age of 20 years, about 33 percent between age of 20 to 44 years, approximately 26 percent between the age of 45 to 64 years, and age 65 and over made up about 16 percent. The County is majority-minority, with almost 54 percent of the County’s population consisting of



racial/ethnic minorities, according to the U.S. Census Bureau's latest 1-year American Community Survey (ACS) of 2023. EDSR projects that the population of Fairfax will grow to 1.24 million by 2030. Additionally, as reported in the 2023 1-Year ACS estimate, Fairfax County had an estimated annual median household income of \$141,553 compared to \$89,931 in the Commonwealth of Virginia and \$77,719 in the United States. The Chart illustrates the County's racial/ethnic composition based on data for 2023.

Online Resources:

<https://www.fairfaxcounty.gov/demographics/fairfax-county-general-overview>
<https://data.census.gov/table?q=DP05%20fairfax%20county>

Public Schools

FCPS is one of the largest school divisions in the U.S. with 199 schools and centers. The 199 schools and centers include 142 elementary schools, 23 middle schools, 27 high/secondary schools, and 7 special education centers. FCPS serves a diverse student population of more than 180,000 students in grades pre-kindergarten through 12, speaking over 200 languages. The projected student enrollment for fiscal year 2026 is 181,091 students. FCPS serves more than 17,000 special education students and an enrollment of over 36,000 English for Speakers of Other Language students. FCPS also provides a broad range of adult education programs offering basic skill education courses along with vocational and enrichment programs to adults in the community. The FCPS bus fleet is one of the largest bus fleets in the U.S., transporting approximately 133,000 students on over 1,600 buses each day.



FCPS offers Advanced Placement (AP), Dual Enrollment (DE), and International Baccalaureate (IB) approved classes. Students at every high school have opportunities to access college-level coursework and many high school students complete at least one college equivalent course. The Class of 2024 had 264 students, from 15 high schools, named semifinalists by the National Merit Scholarship Corporation.

Thomas Jefferson High School for Science and Technology is a part of FCPS. It is also a regional magnet Governor's School for Science and Technology in Northern Virginia. On a national level, it is the 5th highest ranked high school per *U.S. News and World Report* Best High Schools Rankings for 2025-2026. Rankings are based on a school's performance on state-required tests, graduation, and how well they prepare students for college.

Online Resource: <https://www.fcps.edu/about-fcps>
<https://www.usnews.com/education/best-high-schools/articles/us-news-ranks-best-high-schools>

Colleges and Universities

Higher education plays a critical role in developing a highly skilled and competitive workforce. There are 13 colleges and universities either based or operating in the County. Among the larger institutions are George Mason University (GMU), which is Virginia's largest four-year research university, and Northern Virginia Community College (NVCC), which is one of the nation's largest community colleges. Combined, GMU and NVCC serve approximately 94,000 students. Also, at the Northern Virginia Center, there are satellite campuses for Virginia Polytechnic Institute and State University, known as Virginia Tech (VT), and University of Virginia (UVA). VT has a graduate program, and UVA has a School of Continuing and Professional Services.

Online Resource: <https://www.fairfaxcountyeda.org/doing-business/higher-education/>

FINANCIAL INFORMATION

All the financial activities of the reporting entity are included within this report. As used here, the reporting entity comprises the primary government (County of Fairfax, as legally defined) and its component units. Under GASB pronouncements, component units are legally separate entities for which the primary government is financially accountable. The component units of the County include both blended component units and discretely presented component units. Blended component units, although legally separate entities, are in substance part of the primary government's operations and are included as part of the primary government. Accordingly, the Solid Waste Authority of Fairfax County, the Small District One, the Small District Five, and the Mosaic Community Development Authority are reported as part of the primary government. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position, changes in financial position, and cash flows from those of the primary government. FCPS, FCRHA, FCPA, and FCEDA are reported as discretely presented component units. For additional information regarding the basic financial statements and the County's financial position, refer to the Management's Discussion and Analysis section of this report.

INDEPENDENT AUDIT

The County's financial statements have been audited as required by the Code of Virginia and received an unmodified opinion by the accounting firm of Cherry Bekaert LLP. In addition to meeting the requirements of the state statutes, the audit was designed to meet the requirements in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Title 2 of the Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. The report of the independent auditors on the basic financial statements can be found in the Financial section of this annual report. The Single Audit Report, issued separately, contains the independent auditor's reports related specifically to the audit of expenditures of federal awards.

Ten Principles of Sound Financial Management

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

The County maintains a self-managed investment program under the direction and oversight of an Investment Committee. The committee is comprised of the Chief Financial Officer, the Director of the Department of Finance, the Director of the Department of Management and Budget, the Director of the Department of Tax Administration, and certain employees within the Department of Finance. Guided by a formal investment policy, the committee monitors daily investment activity and evaluates investment strategies monthly. The County's investment policy is subjected to regular peer review by the Association of Public Treasurers of the United States and Canada.

A summary listing of the Fairfax County *Ten Principles of Sound Financial Management* is as follows:

1. Planning Policy
2. Annual Budget Plans and Reserves
3. Cash Balances
4. Debt Ratios
5. Cash Management
6. Internal Controls
7. Performance Measurement
8. Reducing Duplication
9. Underlying Debt and Moral Obligations
10. Diversified Economy

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

Online Resource:

<https://www.fairfaxcounty.gov/budget/sites/budget/files/Assets/documents/fy2025/adopted/overview.pdf>

Budgetary and Accounting Controls

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

Since 1999, the County has maintained a Revenue Stabilization Fund, included in the General Fund for reporting purposes, to provide a mechanism for maintaining a balanced budget without resorting to tax increases and expenditure reductions that aggravate the stresses imposed by the cyclical nature of the economy. The BOS established the fund with the condition that it will not be used as a method of addressing the demand for new or expanded services but will be used as a financial tool only in the event of an economic downturn, and then within strict parameters. The Revenue Stabilization Fund is separate and distinct from the County's Managed Reserve, which was established initially in FY 1983. As part of the adoption of the FY 2016 Adopted Budget Plan, the BOS updated the County's *Ten Principles of Sound Financial Management* to increase the reserve targets for both the Revenue Stabilization Reserve and the Managed Reserve. The target level of the Revenue Stabilization Reserve is five percent of General Fund disbursements, and the target level of the Managed Reserve is four percent of General Fund disbursements. In addition, the BOS established a new Economic Opportunity Reserve with a target balance equal to one percent of General Fund disbursements. This fund acts as a revolving reserve to address opportunities that are identified as priorities of the BOS. The total target balance for these three reserves is ten percent of General Fund disbursements; these reserves have been fully funded at their target levels since FY 2021. As of June 30, 2025, the Revenue Stabilization Fund, Managed Reserve and Economic Opportunity Reserve balances were \$288,290,688, \$227,866,326, and \$58,467,949, respectively.

The County's management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft or misuse and to ensure adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the U.S. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived. The evaluation of costs and benefits requires estimates and judgments by management. As a recipient of federal and state financial assistance, the County also is responsible for maintaining an adequate internal control structure to ensure and document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management and the Internal Audit Office staff.

Debt Administration

The County borrows money primarily by issuing general obligation bonds to finance major capital projects. Bond financing spreads the cost of land acquisition and building construction over a period of many years, rather than charging the full cost to current taxpayers. By law, general obligation bonds must be approved in advance by County voters in a referendum. The County continues to maintain its status as a top-rated issuer of tax-exempt securities. The County has the highest credit ratings possible for a local government for its general obligation bonds: Aaa from Moody's Investors Service, Inc.; AAA from Standard and Poor's Corporation (S&P); and AAA from Fitch Investor Service. These ratings were earned in 1975 (Moody's), 1978 (S&P), and 1997 (Fitch), and each rating has been maintained since it was initially earned. Factors contributing to the County's high credit rating include recognized excellence in financial management, superior tax collection rates, low debt ratios, and high income levels. As of January 2025, only 12 of 50 states, 53 of 3,143 counties, and 34 of 19,429 cities in the U.S. had such high bond ratings from all three rating agencies. These high credit ratings enable the County to sell bonds at interest rates significantly lower than those of most municipalities, resulting in substantial savings for County taxpayers throughout the life of the bonds. The details of bonds outstanding and bonds authorized-but-not-issued are shown in Note J of the financial statements. Tables 3.1 through 3.5 of the Statistical Section provide detailed historical information regarding the debt position and debt service requirements of the County.

AWARDS

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the County with the Certificate of Achievement for Excellence in Financial Reporting for its FY 2024 Financial Report. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. The County has received the Certificate of Achievement every year since 1979.

Award for Outstanding Achievement in Popular Annual Financial Reporting

GFOA also awarded the County with the Award for Outstanding Achievement in Popular Annual Financial Reporting for the FY 2024 Popular Annual Financial Report (PAFR). The PAFR is designed to offer those with a general interest in the County's financial activities a broad, high-level view of select data from the Annual Comprehensive Financial Report (ACFR), presented in an easily readable format. The GFOA PAFR award program annually recognizes high quality reports that meet the GFOA's criteria for reader appeal, understandability, dissemination, and other related requirements. The County has received the Award since its first publication of a PAFR in 2017.

Distinguished Budget Presentation Award

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

Investment Policy Certification

The Association of Public Treasurers of the United States and Canada has awarded the County certification for its investment policy, confirming that the County meets the high public investment standards set forth by the Association. This award has been received since 1998.

Digital Counties Survey & Technology Awards

Fairfax County has ranked 2nd place among America's top ten in the 2025 Digital Counties Survey by The Center for Digital Government in partnership with National Association of Counties (NACo). The survey identifies the best technology practices among U.S. counties, including initiatives that streamline delivery of government services; encourage open data, collaboration, and shared services; enhance cybersecurity; and contribute to disaster response and recovery efforts. Fairfax County received second place honors in the competition for jurisdictions with populations of 1,000,000 or greater. Fairfax County has often been ranked in the top ten as a technical innovator over the last 22 years, in the top five for 12 consecutive years and earning first place four times.



ACKNOWLEDGMENTS

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

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

Respectfully,

Bryan J. Hill
County Executive

Christina C. Jackson
Chief Financial Officer

Christopher J. Pietsch
Director of Finance

COUNTY OF FAIRFAX, VIRGINIA
Urban County Executive Form of Government
As of June 30, 2025

BOARD OF SUPERVISORS

Jeffrey C. McKay, Chairman	At-Large
James R. Walkinshaw	Braddock District
James N. Bierman, Jr.	Dranesville District
Rodney L. Lusk	Franconia District
Walter L. Alcorn	Hunter Mill District
Andres F. Jimenez	Mason District
Daniel G. Storck	Mount Vernon District
Dalia A. Palchik	Providence District
Patrick S. Herrity	Springfield District
Kathy L. Smith	Sully District

CLERK TO THE BOARD
Jill Cooper

COUNTY EXECUTIVE
Bryan J. Hill

DEPUTY COUNTY EXECUTIVES
Thomas G. Arnold
Christopher Leonard
Ellicia Seard-McCormick
Jennifer L. Miller
Christina C. Jackson, CFO

DEPARTMENT OF MANAGEMENT AND BUDGET
Philip A. Hagen, Director

DEPARTMENT OF FINANCE
Christopher J. Pietsch, Director

DEPARTMENT OF TAX ADMINISTRATION
Jaydeep Doshi, Director

PROCUREMENT AND MATERIAL MANAGEMENT
Lee Ann Pender, Director

OFFICE OF THE COUNTY ATTORNEY
Elizabeth D. Teare, County Attorney

OFFICE OF PUBLIC AFFAIRS
Tony Castrilli, Director

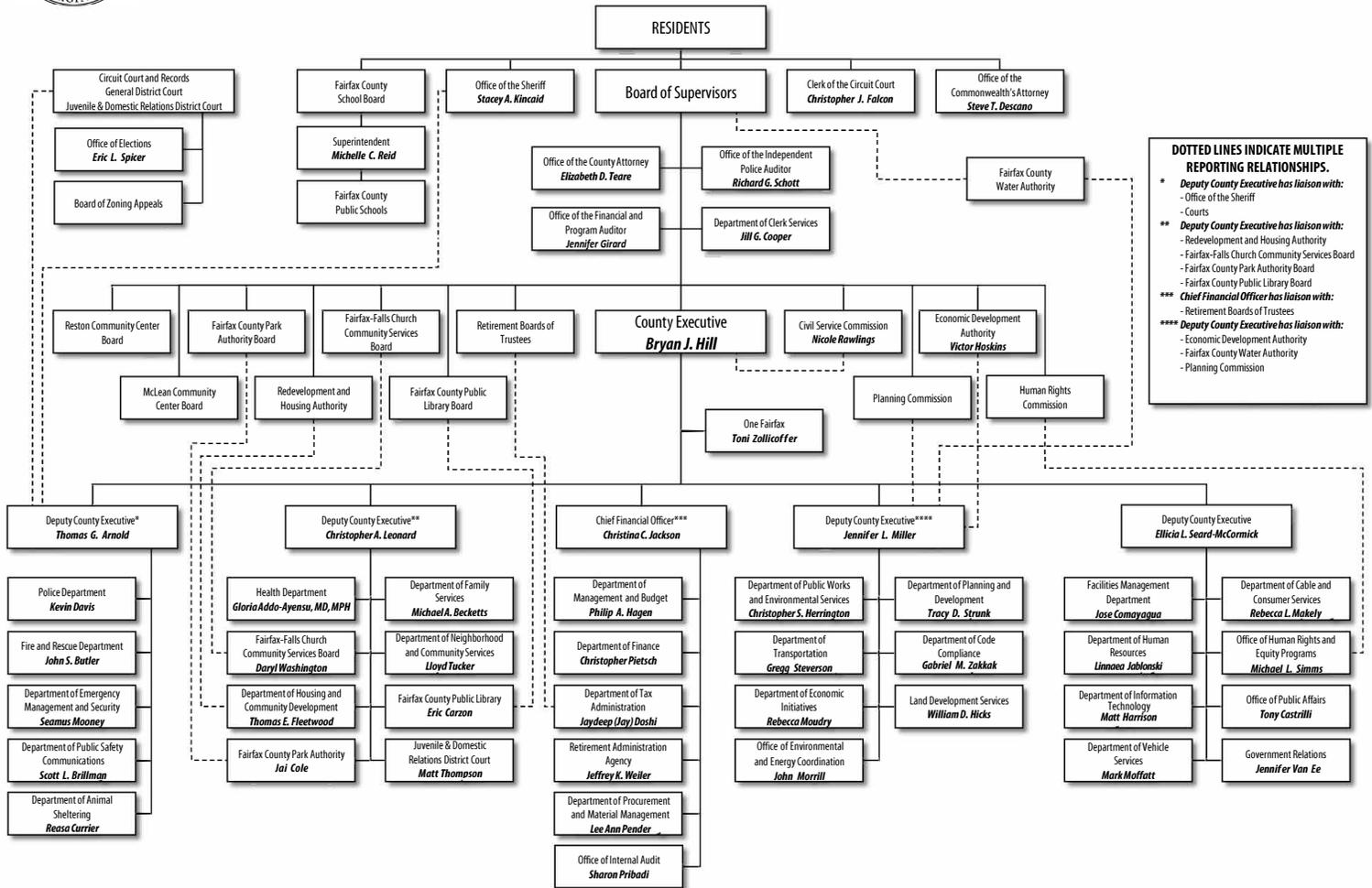
OFFICE OF THE INTERNAL AUDITOR
Sharon A. Pribadi, Director

INDEPENDENT AUDITOR
Cherry Bekaert LLP





ORGANIZATION OF FAIRFAX COUNTY GOVERNMENT



This report was prepared by:

COUNTY OF FAIRFAX, VIRGINIA
DEPARTMENT OF FINANCE

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

DIRECTOR

Christopher J. Pietsch, CPFO, CIA

DEPUTY DIRECTORS

Tanya D. Burrell, CPA, MPA
Jerry Wilhelm

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Walter Hernandez
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With the support and assistance of many others.

Special Thanks to Carl Pagani, Department of Finance

**GOVERNMENT
FINANCE
OFFICERS
ASSOCIATION
AWARD**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. The County has received a Certificate of Achievement 47 times since 1977.



Government Finance Officers Association

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

Presented to

**County of Fairfax
Virginia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO



Financial Section

The Financial Section includes the independent auditors' report, management's discussion and analysis, basic financial statements, including the accompanying notes, required supplementary information, and other supplementary information.

Report of Independent Auditor

To the Board of Supervisors
County of Fairfax, Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Fairfax, Virginia (the "County"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County'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 respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Specifications for Audits of Counties, Cities, and Towns* (the "Specifications"), issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards and Specifications 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 the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

As discussed in Note N to the financial statements, the County adopted Governmental Accounting Standards Board ("GASB") Statement 101, *Compensated Absences*, effective July 1, 2024. As a result, beginning net position has been restated.

As discussed in Note N to the financial statements, the County restated beginning net position and fund balances to correct an error and to move a nonmajor fund into the general fund. Our opinions are not modified with respect to these matters.

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 County'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 Responsibilities 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 opinions. 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, *Government Auditing Standards*, and the Specifications 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, *Government Auditing Standards*, and the Specifications, 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 County'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 County'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 the 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 GASB, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The 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 and Statistical* sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do 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 20, 2025, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal 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 County's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Tysons Corner, Virginia
November 20, 2025



Management's Discussion and Analysis

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

MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)

This section of the County of Fairfax, Virginia’s (the County) Annual Comprehensive Financial Report (ACFR) presents our discussion and analysis of the County’s financial performance during the fiscal year that ended on June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Letter of Transmittal, located in the Introductory Section of the ACFR.

FINANCIAL HIGHLIGHTS

Highlights for Government-wide Financial Statements

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

- The County’s assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by \$2,085.7 million on a government-wide basis at June 30, 2025.
- For the fiscal year, taxes and other revenues of the County’s governmental activities amounted to \$6,566.5 million. Expenses amounted to \$6,505.3 million.
- For the fiscal year, revenues of the County’s business-type activities were \$313.7 million, and expenses were \$252.8 million.

Highlights for Fund Financial Statements

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

- The County’s governmental funds reported an increase in fund balance of \$48.6 million for fiscal year 2025, compared to an increase of \$258.0 million for fiscal year 2024.
- The County’s General Fund reported a fund balance of \$783.0 million, a decrease of \$76.6 million, or 8.9 percent, from fiscal year 2024.

General Financial Highlights

In August 2024, the Economic Development Authority issued \$36.6 million of facilities revenue refunding bonds. Proceeds from this issue are being used to refund short-term Facilities Revenue Bonds Series 2023 (Tysons Community Center Project.) The issue provides long-term financing for the refunded bonds.

In October 2024, the Economic Development Authority completed conversion of Series 2021D Refunding Bonds (public safety and administration buildings) from taxable to tax-exempt. The conversion resulted in \$2.6 million savings of future interest payments.

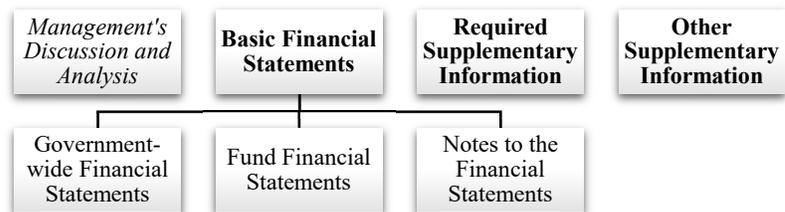
In February 2025, the County issued \$378.2 million of Series 2025A General Obligation Public Improvement Bonds. Bond proceeds from this issue are being used to finance school, park, road, public safety, and other County improvements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this annual report consists of four parts: (1) management’s discussion and analysis (presented here), (2) basic financial statements, (3) required supplementary information, and (4) other supplementary information.

The County’s basic financial statements consist of two kinds of statements, each with a different view of the County’s finances. The government-wide financial statements provide both long- and short-term information about the County’s overall financial status.

The fund financial statements focus on major aspects of the County’s operations, reporting those operations in more detail than the government-wide statements. The basic financial statements also include notes to explain information in the financial statements and provide more detailed data.



The statements and notes are followed by required supplementary information that contains the budgetary comparison schedule for the General Fund and trend data pertaining to the retirement systems. In addition to these required elements, the County includes other supplementary information with combining and individual fund statements to provide details about the governmental, internal service, and fiduciary funds, as well as component units.

Government-wide Financial Statements

The government-wide financial statements report information about the County as a whole using accounting methods similar to those used by private-sector businesses. In addition, they report the County’s net position and how it has changed during the fiscal year.

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

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

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

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

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

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

The County's governmental and business-type activities are collectively referred to as the Primary Government. Together, the Primary Government and its discretely presented component units are referred to as the Reporting Entity.

Fund Financial Statements

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

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

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

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

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Statement of Net Position

The tables below and on the following page present a Summary of Net Position for the reporting entity as of June 30, 2025 and 2024:

Summary of Net Position As of June 30 (\$ in millions)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Assets:						
Current and other assets	\$ 8,192.8	\$ 7,846.1	\$ 433.3	\$ 515.4	\$ 8,626.1	\$ 8,361.5
Capital assets (net)	3,914.3	3,731.0	2,100.8	1,971.3	6,015.1	5,702.3
Total assets	12,107.1	11,577.1	2,534.1	2,486.7	14,641.2	14,063.8
Deferred outflows of resources:	1,320.5	1,418.9	50.1	54.0	1,370.6	1,472.9
Liabilities:						
Current liabilities	477.9	507.6	67.4	52.4	545.3	560.0
Long-term liabilities	7,533.1	7,235.2	942.6	973.6	8,475.7	8,208.8
Total liabilities	8,011.0	7,742.8	1,010.0	1,026.0	9,021.0	8,768.8
Deferred inflows of resources:	4,896.7	4,723.6	8.4	7.7	4,905.1	4,731.3
Net position:						
Net investment in capital assets	2,896.4	2,787.3	1,277.3	1,244.6	4,173.7	4,031.9
Restricted	588.4	525.6	99.6	60.6	688.0	586.2
Unrestricted (deficit)	(2,964.9)	(2,783.3)	188.9	201.8	(2,776.0)	(2,581.5)
Net position	\$ 519.9	\$ 529.6	\$ 1,565.8	\$ 1,507.0	\$ 2,085.7	\$ 2,036.6

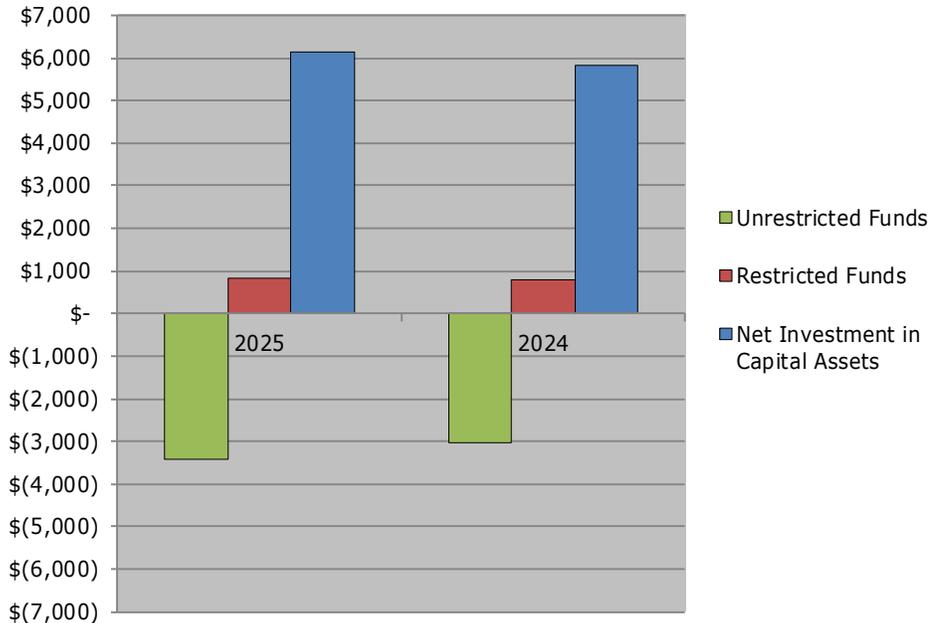
Summary of Net Position - continued								
As of June 30								
(\$ in millions)								
	Total Primary Government		Component Units		Reclassifications*		Total Reporting Entity	
	2025	2024	2025	2024	2025	2024	2025	2024
Assets:								
Current and other assets	\$ 8,626.1	\$ 8,361.5	\$ 2,351.3	\$ 2,371.6	\$ -	\$ -	\$ 10,977.4	\$ 10,733.1
Capital assets (net)	6,015.1	5,702.3	4,015.5	3,854.8	-	-	10,030.6	9,557.1
Total assets	14,641.2	14,063.8	6,366.8	6,226.4	-	-	21,008.0	20,290.2
Deferred outflows of resources:	1,370.6	1,472.9	1,526.8	1,385.4	-	-	2,897.4	2,858.3
Liabilities:								
Current liabilities	545.3	560.0	293.9	244.9	-	-	839.2	804.9
Long-term liabilities	8,475.7	8,208.8	5,402.2	5,359.4	-	-	13,877.9	13,568.2
Total liabilities	9,021.0	8,768.8	5,696.1	5,604.3	-	-	14,717.1	14,373.1
Deferred inflows of resources:	4,905.1	4,731.3	759.3	449.6	-	-	5,664.4	5,180.9
Net position:								
Net investment in capital assets	4,173.7	4,031.9	3,721.6	3,567.7	(1,759.5)	(1,781.7)	6,135.8	5,817.9
Restricted	688.0	586.2	380.6	379.4	(246.0)	(170.8)	822.6	794.8
Unrestricted (deficit)	(2,776.0)	(2,581.5)	(2,664.0)	(2,389.2)	2,005.5	1,952.5	(3,434.5)	(3,018.2)
Net position	\$ 2,085.7	\$ 2,036.6	\$ 1,438.2	\$ 1,557.9	\$ -	\$ -	\$ 3,523.9	\$ 3,594.5

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

The Commonwealth of Virginia requires that counties, as well as their financially dependent component units, be financed under a single taxing structure. This results in counties issuing general obligation debt to finance capital assets, such as public schools, for their component units. The component units are then responsible to account for and maintain the assets purchased or constructed with the debt proceeds. The Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, requires that the primary government and its component units, which make up the total financial reporting entity, be accounted for separately on the face of the basic financial statements. The result is that debt-financed assets are presented on the books for the component units while the associated debt resides on the books of the primary government. The reclassification column represents the matching of the primary government's outstanding debt to the component units' related capital assets from a financial reporting entity perspective. Consequently, the net position of the total financial reporting entity best represents the financial position.

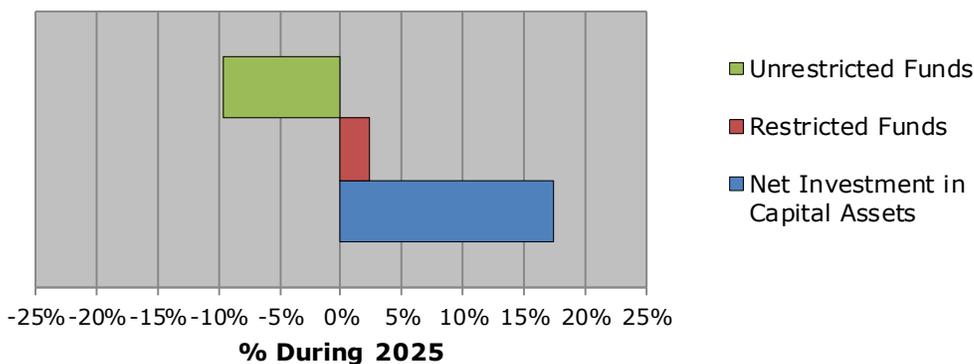
As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the reporting entity, assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by \$3,523.9 million at the end of fiscal year 2025, representing a decrease of \$70.6 million from the net position at June 30, 2024, as shown above. The decrease in fiscal year 2025 net position was mainly due to increases in current and other liabilities and deferred inflows related to pensions, which exceeded the increases in current assets, capital assets, and deferred outflows.

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



As shown above and below, the largest portion of net position is the net investment in capital assets (e.g., land, buildings, infrastructure, equipment, and right-to-use lease and subscription assets, net of depreciation and amortization), less the outstanding debt that was used to acquire those assets, followed closely by unrestricted funds. The restricted net position portion represents resources that are subject to external restrictions on how they may be used. Net position of the reporting entity is restricted for various uses, some of which include transportation (\$381.6 million), grant programs (\$199.9 million), housing (\$58.4 million), and community centers (\$18.9 million). The balance of net position that is neither related to capital assets nor restricted for specific uses is represented as unrestricted net position.

**Composition of Net Position of the Reporting Entity
As of June 30**



Statement of Activities

The following table summarizes the changes in Net Position for the primary government for the fiscal years ended June 30, 2025 and 2024:

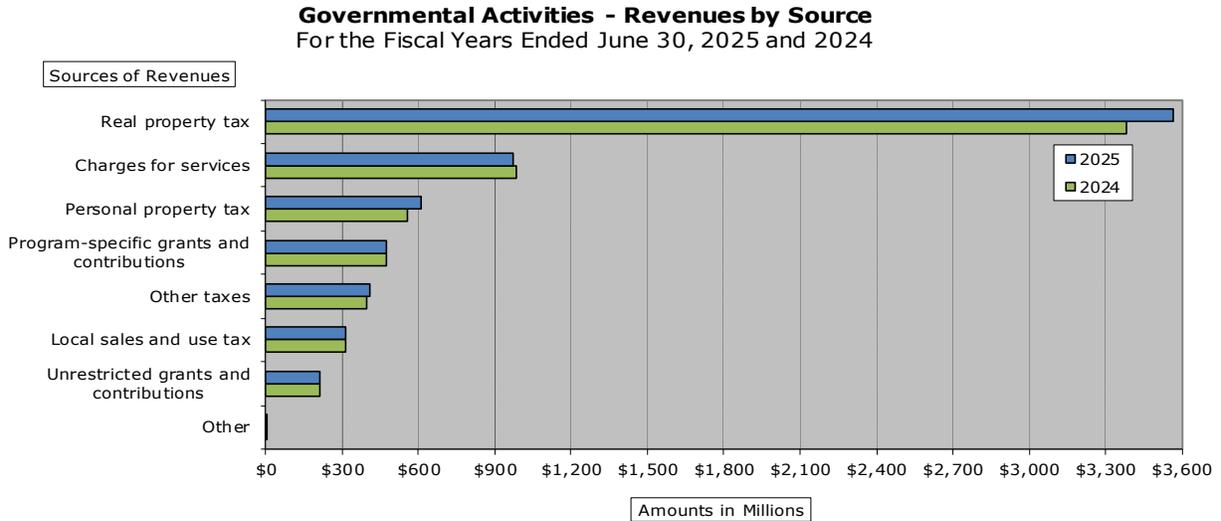
Summary of Changes in Net Position For the Fiscal Years Ended June 30 (\$ in millions)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	\$ 972.2	\$ 985.1	\$ 300.4	\$ 289.9	\$ 1,272.6	\$ 1,275.0
Operating grants and contributions	458.0	462.4	-	-	458.0	462.4
Capital grants and contributions	17.5	10.7	3.4	5.4	20.9	16.1
General revenues:						
Real property tax	3,569.5	3,383.9	-	-	3,569.5	3,383.9
Personal property tax	610.7	556.4	-	-	610.7	556.4
Business licenses tax	221.4	218.6	-	-	221.4	218.6
Local sales and use tax	314.3	310.9	-	-	314.3	310.9
Consumers utility tax	125.0	122.5	-	-	125.0	122.5
Other taxes	62.8	54.3	-	-	62.8	54.3
Unrestricted grants and contributions	211.4	211.4	-	-	211.4	211.4
Revenue from the use of money	3.7	84.8**	9.9	9.9	13.6	94.7
Total revenues	6,566.5	6,316.2	313.7	305.2	6,880.2	6,706.2
Expenses:						
General government administration	263.9	274.7	-	-	263.9	274.7
Judicial administration	102.3	96.6	-	-	102.3	96.6
Public safety	1,124.4	1,044.1	-	-	1,124.4	1,044.1
Public works	353.5	331.2	252.8	237.3	606.3	568.5
Health and welfare	910.7	875.1	-	-	910.7	875.1
Community development	584.9	512.4	-	-	584.9	512.4
Parks, recreation, and cultural	214.1	201.7	-	-	214.1	201.7
Education	2,842.3	2,653.1	-	-	2,842.3	2,653.1
Interest on long-term debt *	109.2	106.5	-	-	109.2	106.5
Total expenses	6,505.3	6,095.4	252.8	237.3	6,758.1	6,332.7
Increase (decrease) in net position	61.2	220.8	60.9	67.9	122.1	373.5
Beginning net position, originally reported	529.6	305.4	1,507.0	1,439.1	2,036.6	1,744.5
Restatements	(70.9)		(2.1)	-	(73.0)	-
Beginning net position, restated	458.7	305.4	1,504.9	1,439.1	1,963.6	1,744.5
Ending net position	\$ 519.9	\$ 526.2	\$ 1,565.8	\$ 1,507.0	\$ 2,085.7	\$ 2,118.0

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

** Restated

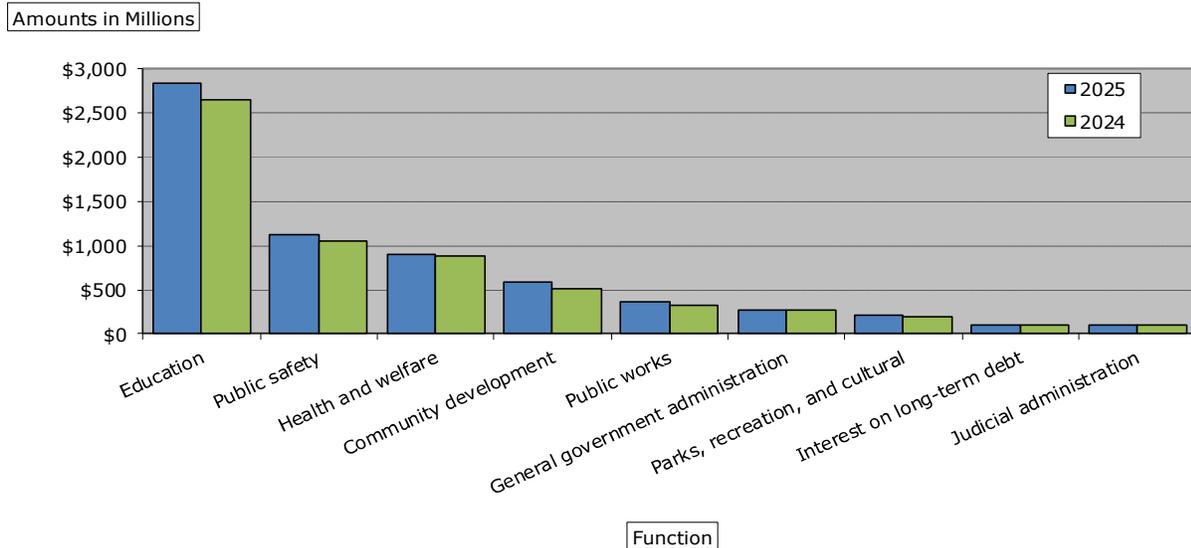
Governmental Activities

Revenue for the County’s governmental activities was \$6,566.5 million for fiscal year 2025, representing an increase of \$246.9 million over fiscal year 2024. Sources of revenue for fiscal years 2025 and 2024 are shown below:



Taxes constitute the largest source of County revenues, amounting to \$4,903.7 million for fiscal year 2025, an increase of \$257.1 million over fiscal year 2024, primarily due to increases in real and personal property taxes. Real property taxes (\$3,569.5 million) represent 72.8 percent of total taxes and over half of all revenues combined. The real estate tax rate increased from \$1.095 to \$1.125 per \$100 of assessed value, and real estate assessments increased by \$188.5 million, resulting in increased revenue. Unrestricted grants and contributions include \$211.4 million in revenue from the Commonwealth of Virginia to reimburse the County as part of the Personal Property Tax Relief Act (see Note C to the financial statements).

Governmental Activities - Expenses by Function
For the Fiscal Years Ended June 30, 2025 and 2024



The total cost of all the County’s governmental activities for fiscal year 2025 was \$6,505.3 million, representing an increase of \$409.9 million over fiscal year 2024. As the table below indicates, education continues to be the County’s largest program. Education totaled \$2,842.3 million in fiscal year 2025, an increase of \$189.2 million over fiscal year 2024, to support school operations and to service debt for bond-funded projects to build new schools and renew older facilities. Public safety and health and welfare increased by \$80.3 million and \$35.6 million, respectively, in total cost of services compared to fiscal year 2024, mostly due to increases in salaries and benefits as well as increases in pension-related expenses. The table below shows the total cost of each of the County’s six largest programs – education, public safety, health and welfare, community development, public works, and general government administration – and the net cost of each program (total cost less fees generated by the programs and program-specific intergovernmental aid).

Net Cost of the County's Governmental Activities For the Fiscal Years Ended June 30 (\$ in millions)				
Functions/Programs	Total Cost of Services		Net Cost of Services	
	2025	2024	2025	2024
Education	\$ 2,842.3	\$ 2,653.1	\$ 2,842.3	\$ 2,653.1
Public safety	1,124.4	1,044.1	965.0	892.4
Health and welfare	910.7	875.1	573.0	541.4
Community development	584.9	512.4	230.6	211.4
Public works	353.5	331.2	112.4	108.8
General government administration	263.9	274.7	(20.9)	(108.1)
Other	425.6	404.8	355.2	338.2
Total	\$ 6,505.3	\$ 6,095.4	\$ 5,057.6	\$ 4,637.2

Some of the cost of governmental activities was paid by those who directly benefited from the programs; these costs totaled \$972.2 million. Other governments and organizations subsidized certain programs with grants and contributions totaling \$475.5 million. County taxpayers subsidized the balance of \$5,057.6 million net cost of governmental expenses.

Business-type Activities

The Sewer System recovers its costs primarily through user service charges and availability fees. For fiscal year 2025, the Sewer System reported an increase in net position of \$60.9 million. Total revenues of the Sewer System increased \$8.5 million from fiscal year 2024. This increase was primarily the result of an increase in service charges.

Total expenses of the Sewer System for fiscal year 2025 were \$252.8 million, increasing by \$13.4 million from fiscal year 2024. This increase was primarily the result of increases in personnel services, contractual services, and interest expenses.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

As of June 30, 2025, the County's governmental funds had a combined fund balance of \$2,538.2 million, compared with \$2,489.7 million at June 30, 2024. Of the fiscal year 2025 fund balance, \$63.1 million is assigned in the General Fund, indicating that it is not available for new spending as it has been allocated for items such as existing purchase orders, construction contracts, and loan repayments. Approximately 8.3 percent (\$65.2 million) of the total 2025 General Fund balance is unassigned, representing resources not associated with a specified purpose. With regards to the nonmajor fund balance, as a portion of the total governmental funds' fund balance, 69.1 percent (\$1,754.9 million) has been restricted or committed in the special revenue, capital projects, and debt service funds to meet program needs. Nonspendable prepaid expenditures are 0.1 percent (\$2.1 million) of the total fund balance. At June 30, 2025, \$516.2 million of the General Fund's committed fund balance of \$653.0 million is designated for the managed reserve and revenue stabilization fund based on fiscal year 2025 actuals.

For the fiscal year ended June 30, 2025, fund balances for all governmental funds increased by \$48.6 million, compared with the \$258.0 million increase for the fiscal year ended June 30, 2024. Total revenues and other financing sources were \$7,984.4 million, while total expenditures and other financing uses were \$7,935.8 million, resulting in the increase to the fund balances. In comparison to fiscal year 2024, total revenues and other financing sources increased by \$345.5 million, mainly as a result of increases in Real and Personal Property Tax and Other Local Taxes receipts and revenues from charges for services. Expenditures and other financing uses increased by \$561.0 million compared to fiscal year 2024 primarily due to increases in expenditures related to education (\$189.2 million increase), public safety (\$80.3 million), community development (\$72.5 million), and health and welfare (\$35.6 million).

The General Fund is the main operating fund of the County. At the end of the current fiscal year, the unassigned fund balance was \$65.2 million, which represents approximately 1.4 percent of the General Fund's total expenditures. Revenues of \$5,532.2 million, less expenditures of \$4,835.6 million and net other financing uses of \$797.3 million, resulted in a net decrease in fund balance of \$100.7 million. This decrease was primarily attributed to the rise in intergovernmental expenditures for education, supporting Public Schools operations.

In addition to revenue stabilization, managed reserve, and other reserves specifically identified in the General Fund, the County has, as a result of policy decisions, established reserves in other funds which are available to allow the County to respond to both anticipated and unforeseen events. The practice of identifying these reserves in multiple funds has been in place for many years. These reserves are identified in the County's internal service funds and certain special revenue funds, such as the Fairfax-Falls Church Community Services Board, that receive the majority of their funding from the General Fund. These balances total approximately 20.2 percent of total General Fund receipts (including revenues and transfers from other funds) as shown in the table on the following page.

Fund Reserves	
For the Fiscal Years Ended June 30, 2025	
(\$ in millions)	
General Fund committed reserves ⁽¹⁾ :	
Revenue Stabilization Fund reserve	\$ 288.3
Managed reserve	227.9
Information Technology and others	136.8
Total committed	653.0
General Fund assigned reserves (encumbrances)	
	63.1
General Fund unassigned reserves	
	65.2
General Fund supported reserves ⁽²⁾ :	
Community Services Board	68.1
Internal service fund reserves ⁽³⁾ :	
Vehicle-related reserves	125.7
Technology-related reserves	24.2
Self-insurance reserves	124.0
Total reserves funded by and available to the General Fund	
	1,123.3
General Fund revenues and transfers in ⁽⁴⁾ :	
General Fund revenues	5,532.2
Transfers in	25.0
Total General Fund revenues and transfers in	
	\$ 5,557.2
Total available reserves as % of General Fund revenues	
	20.2%

⁽¹⁾ Exhibit A-2

⁽³⁾ Exhibit G

⁽²⁾ Exhibit D

⁽⁴⁾ Exhibit A-3

The County's enterprise fund provides the same type of information found in the government-wide financial statements, as the basis of accounting is the same. Factors relating to the financial results of the Sewer System have been addressed in the discussion of the County's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

The final amended budget appropriations, which include expenditures and transfers out, were more than the original budget amounts by \$289.3 million or 5.3 percent. This increase is primarily due to the carryover of prior-year commitments, additional reserves for economic uncertainty, one-time funding requirements for IT and Capital Projects, and increased expenditures for public safety and health and welfare. The final amended budgeted revenues and transfers exceeded the original budget by a net of \$58.0 million, or 1.1 percent, primarily due to higher-than-projected interest earnings on investments (\$16.0 million), personal property tax and business license tax collections (\$13.5 million), and an increase to transfers in from the Fairfax-Falls Church Community Service Board (\$15.0 million).

Actual revenues were \$28.2 million more than final budget amounts, and actual expenditures were \$104.0 million less than final budget amounts. Highlights of the comparison of final budget to actual figures for the fiscal year ended June 30, 2025, include the following:

- Tax revenues exceeded budgeted amounts by \$7.6 million. The increase is a combination of increases in real and personal property taxes, business license taxes, and other taxes.
- Intergovernmental revenue was \$7.8 million more than budgeted amounts primarily as a result of increase in different kinds of federal aid and subsidy.
- General government administration expenditures were \$11.1 million, or 6.5 percent, less than budgeted amounts as a result of managing position vacancies and encumbrances carried forward to the next fiscal year.

- Public safety expenditures were \$18.8 million, or 2.8 percent, less than budgeted amounts, mainly as a result of savings associated with managing position vacancies and encumbrances carried forward to the next fiscal year.
- Health and welfare expenditures were \$22.5 million, or 5.8 percent, less than budgeted amounts due to managing position vacancies; lower-than-anticipated costs in the Department of Family Services, the Health Department, and the Department of Neighborhood and Community Services; and encumbrances carried forward to the next fiscal year.
- Nondepartmental expenditures were \$27.4 million, or 4.4 percent, less than budgeted amounts primarily due to less unclassified administrative expenses and some savings on employee benefits.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The County’s investment in capital assets as of June 30, 2025, amounted to \$6.0 billion, which represents an increase of \$312.7 million, or 5.5 percent, over last fiscal year. Capital assets as of June 30, 2025 and 2024 are summarized below:

	Capital Assets As of June 30 (\$ in millions)					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Land and easements	\$ 524.2	\$ 486.6	\$ 25.8	\$ 25.5	\$ 550.0	\$ 512.1
Buildings, improvements, and infrastructure	3,723.0	3,534.9	1,956.0	1,874.9	5,679.0	5,409.8
Software	246.8	230.4	-	-	246.8	230.4
Vehicles, equipment, and library collections	833.9	789.0	24.8	20.3	858.7	809.3
Construction in progress	676.6	653.5	383.5	304.4	1,060.1	957.9
Equipment under construction	62.6	60.6	-	-	62.6	60.6
Software in development	56.9	41.9	-	-	56.9	41.9
Purchased capacity	-	-	1,276.2	1,239.5	1,276.2	1,239.5
Right-to-use lease assets	180.1	160.3	0.1	0.1	180.2	160.4
Right-to-use subscription assets	66.1	91.5	0.1	-	66.2	91.5
Total capital assets	6,370.2	6,048.7	3,666.5	3,464.7	10,036.7	9,513.4
Less: Accumulated depreciation and amortization	(2,456.0)	(2,317.7)	(1,565.7)	(1,493.4)	(4,021.7)	(3,811.1)
Total capital assets, net	\$ 3,914.2	\$ 3,731.0	\$ 2,100.8	\$ 1,971.3	\$ 6,015.0	\$ 5,702.3

The major capital asset activities for fiscal year 2025 included the following:

- Developers’ contributions of sewer lines and manholes totaled \$3.4 million; contributions related to stormwater and pedestrian walkways totaled \$5.8 million.
- The purchase of library books and audio/video materials totaled \$4.0 million, funded through general operating revenues.

- Improvements to transportation (including bus and rail service) totaled \$4.4 million, County and Regional transportation projects totaled \$61.1 million, and Stormwater Services totaled \$59.9 million.
- Expenditures related to construction of the Springfield and Monument Drive Parking Facility, multiple Community Centers, the Kingstowne and Partick Henry Libraries, the Franconia Police Station and Seven Corners Fire Station, and the Capital Sinking fund for facilities and walkways were \$23.1 million, \$4.2 million, \$5.8 million, \$25.5 million, and \$11.1 million, respectively.
- The Sewer System's share of the upgrade and operating costs of the Noman Cole Treatment Plant Renovation, Pumping Stations, Gravity constructions, and purchase capacities upgrades projects were \$72.2 million, \$31.6 million, \$27.7 million, and \$36.8 million, respectively.
- The acquisition of Software increased by \$16.4 million for improving general government administration functions.
- Leases for the use of office space, vehicles, and equipment increased by \$19.8 million due to new leases, contract renewals, and modifications.
- Intangible right-to-use subscription assets for the use of vendors' information technology software totaled \$66.1 million.

Additional information related to the County's capital assets can be found in Note F to the financial statements.

Long-term Debt

There is no legal limit on the amount of long-term indebtedness that the County can at any time incur or have outstanding. However, all general obligation bonded indebtedness must be approved by voter referendum prior to issuance. The Board of Supervisors has established the following self-imposed limits with respect to long-term debt:

- A limit of \$2.0 billion of general obligation bond sales over a five-year period, for an average of \$400.0 million annually, with a maximum of \$425.0 million in any given year, excluding refunding bonds.
- A limitation that long-term debt (excluding leases for equipment and sewer revenue bonds) not exceed 3.0 percent of the total market value of taxable real and personal property in the County and that annual debt service payments do not exceed 10.0 percent of annual General Fund expenditures and transfers out. For fiscal year 2025, the percentages were 1.0 percent and 6.6 percent, respectively.

In February 2025, the County issued \$378.2 million of Series 2025A General Obligation Public Improvement Bonds with a true interest cost of 3.6 percent and a premium of \$23.3 million. Proceeds of \$378.2 million are being used to fund new schools, parks, roads, and other public works and public safety improvements, as shown (in millions) below:

County facilities:	
Human services facilities.....	\$23.0
Library facilities	18.8
Park facilities.....	23.0
Transportation facilities.....	44.0
Public safety facilities	52.0
Public Schools facilities	<u>217.4</u>
Total bonds issued for new projects	<u>\$378.2</u>

The following is a summary of the County’s gross outstanding long-term debt as of June 30, 2025 and 2024:

Outstanding Long-term Debt As of June 30 (\$ in millions)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
General obligation bonds issued for:						
County facilities	\$ 1,068.2	\$ 998.2	\$ -	\$ -	\$ 1,068.2	\$ 998.2
Public Schools facilities	1,686.7	1,615.9	-	-	1,686.7	1,615.9
Revenue bonds	480.2	522.9	-	-	480.2	522.9
Sewer revenue bonds	-	-	778.4	813.9	778.4	813.9
Direct placements and borrowings	469.4	499.5	-	-	469.4	499.5
Notes payable and other	200.0	200.7	-	-	200.0	200.7
Total County outstanding debt	\$ 3,904.5	\$ 3,837.2	\$ 778.4	\$ 813.9	\$ 4,682.9	\$ 4,651.1

Additional information related to the County’s long-term debt can be found in Note J to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The following economic factors are reflected in the General Fund budget for fiscal year 2026:

- The assessed value of all real property increased by \$17.3 billion, or 5.3 percent, over the fiscal year 2025 value. This resulted from an increase in existing property values and construction of new properties.
- Equalized residential property assessments increased by 6.2 percent and non-residential equalization decreased by 0.4 percent for fiscal year 2026. The overall Real Estate tax base grew 5.3 percent due to continued residential housing development.
- Personal property tax revenue is projected to decrease 1.5 percent in fiscal year 2026 compared to the fiscal year 2025 revised budget due to a 4.3 percent decline in vehicle values. The total vehicle volume is forecasted to increase by 1.9 percent in 2026.
- General Fund revenue is expected to increase 4.1 percent from the fiscal year 2025 revised budget plan primarily as a result of the adoption of a Food and Beverage Tax at a tax rate of 4.0 percent (effective January 1, 2026), as well as increases in the total Real Estate assessment base.

The fiscal year 2026 Adopted Budget includes revenues of \$5.7 billion, a 4.1 percent increase from the fiscal year 2025 Revised Budget Plan. Real estate, general other local taxes, and personal property taxes represent the majority of budgeted revenues, comprising approximately 88.7 percent of the fiscal year 2026 General Fund revenues. Revenue from real property taxes alone makes up 65.5 percent of total budgeted revenues, as compared with approximately 65.7 percent in the fiscal year 2025 Adopted Budget.

The fiscal year 2026 General Fund disbursements, which include transfers out, total \$5.7 billion, a 0.6 percent decrease from the fiscal year 2025 Revised Budget Plan. County funding for Public Schools is \$2.9 billion, which is approximately 51.4 percent of the County's total General Fund budget. This funding supports operating costs, school construction, and debt service. Total direct expenditure funding decreased by \$28.5 million, or 1.3 percent, from the fiscal year 2025 Revised Budget Plan.

The following tax rates and fees were approved for fiscal year 2026:

- Real estate tax rate decreases from \$1.1250 to \$1.1225 per \$100 of assessed value.
- Commercial real estate tax rate for County transportation projects remains at \$0.125 per \$100 of assessed value, levied on commercial and industrial properties.
- Special tax rate for the Dulles Rail Phase I Transportation Improvement District remains at \$0.09 per \$100 of assessed value, levied on commercial and industrial properties in the district. The rate for Dulles Rail Phase II decreases to \$0.14 per \$100 of assessed value.
- Special real estate tax rate collected on all properties within Small District 1 (Dranesville) for the McLean Community Center remains at \$0.023 per \$100 of assessed value, and the rate collected on all properties within Small District 5 (Hunter Mill) for the Reston Community Center remains at \$0.047 per \$100 assessed value.
- The Sewer Service rate increases from \$8.81 to \$9.33 per 1,000 gallons of water consumption and the Sewer Availability Charge for new single-family homes increases from \$9,038 to \$9,218 per unit. The Sewer Base Charge increases from \$49.73 to \$52.62 per quarter.

- Refuse collection rate for County collection sanitation districts increases from \$555 to \$610 per household and the refuse disposal rate increases from \$79 to \$90 per ton.
- The Stormwater Services rate remains the same at \$0.0325 per \$100 of assessed value.
- Special real estate tax rate collected on all properties within the Tysons Service District remains at \$0.05 per \$100 of assessed value.
- Special real estate tax rate collected on all properties within the Reston Service District remains at \$0.021 per \$100 of assessed value.

The Board has increased the funding dedicated to affordable housing and allocated one-and-one-quarter pennies (\$0.0125) of the real estate tax rate. Funding adjustments and strategies have been incorporated in the fiscal year 2026 Adopted Budget Plan to continue to address the County's commitment to achieving the strategic priorities of a strong investment in education, public safety, affordable housing, environmental protection, and transportation improvements.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

Basic Financial Statements

The Basic Financial Statements subsection includes the government-wide statements, which incorporate governmental and business-type activities of the County of Fairfax and activities of component units in order to provide an overview of the financial position and results of operations for the reporting entity. This subsection also includes the fund financial statements of the County and the accompanying notes to the financial statements.



COUNTY OF FAIRFAX, VIRGINIA
Statement of Net Position
June 30, 2025

	Primary Government		Total Primary Government
	Governmental Activities	Business-type Activities	
ASSETS			
Equity in pooled cash and temporary investments	\$ 1,004,574,281	179,429,967	1,184,004,248
Cash in banks/with fiscal agents	-	-	-
Investments	1,994,498,133	-	1,994,498,133
Receivables (net of allowances):			
Accounts	55,798,566	292,778	56,091,344
Leases	178,400	-	178,400
Accrued interest	11,229,887	-	11,229,887
Property taxes:			
Delinquent	43,928,096	-	43,928,096
Not yet due	4,317,988,146	-	4,317,988,146
Business license taxes - delinquent	3,799,376	-	3,799,376
Loans	126,464,773	-	126,464,773
Notes	29,520,000	-	29,520,000
Due from intergovernmental units (net of allowances):			
Property tax relief:			
Not yet due	211,313,944	-	211,313,944
Other	171,273,197	78,807,258	250,080,455
Due from primary government	-	-	-
Due from component units	2,014,949	-	2,014,949
Loan to component unit	6,930,000	-	6,930,000
Inventories of supplies	3,773,469	306,416	4,079,885
Prepaid and other assets	2,118,220	-	2,118,220
Restricted assets:			
Equity in pooled cash and temporary investments	19,764,646	74,877,958	94,642,604
Cash and temporary investments with fiscal agents	119,292,048	97,870,414	217,162,462
Deposit held in trust	-	-	-
Property held for sale	947,135	-	947,135
Capital assets:			
Non-depreciable/non-amortizable:			
Land and easements	524,247,357	25,757,932	550,005,289
Construction in progress	676,619,908	383,529,688	1,060,149,596
Equipment under construction	62,570,188	-	62,570,188
Software in development	56,922,136	-	56,922,136
Depreciable/amortizable:			
Vehicles and equipment	696,992,732	24,840,019	721,832,751
Software	246,788,505	-	246,788,505
Library collections	136,904,045	-	136,904,045
Purchased capacity	-	1,276,171,406	1,276,171,406
Buildings and improvements	2,282,090,896	97,163,561	2,379,254,457
Infrastructure	1,440,863,647	1,858,836,732	3,299,700,379
Right-to-use lease assets	180,111,863	54,188	180,166,051
Right-to-use subscription assets	66,108,026	107,254	66,215,280
Accumulated depreciation	(2,234,765,503)	(951,030,475)	(3,185,795,978)
Accumulated amortization	(221,210,846)	(614,677,030)	(835,887,876)
Other restricted non-current assets:			
Net OPEB asset	67,436,029	1,702,059	69,138,088
Total assets	<u>12,107,086,249</u>	<u>2,534,040,125</u>	<u>14,641,126,374</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow for contributions subsequent to the measurement date (pension)	432,772,089	8,393,555	441,165,644
Deferred outflow for change in proportion (pension)	24,672,968	710,488	25,383,456
Deferred outflow for differences between expected and actual experience (pension)	475,059,625	7,479,179	482,538,804
Deferred outflow of recognition of investments (pension)	198,919,362	5,728,835	204,648,197
Deferred outflow for changes in assumptions (pension)	70,933,227	1,124,196	72,057,423
Deferred outflow for contributions subsequent to the measurement date (OPEB)	18,142,872	453,868	18,596,740
Deferred outflow for change in proportion (OPEB)	194,873	-	194,873
Deferred outflow for differences between expected and actual experience (OPEB)	38,141,977	962,689	39,104,666
Deferred outflow for recognition of investments (OPEB)	24,928,206	75,066	25,003,272
Deferred outflow for changes in assumptions (OPEB)	13,043,497	329,213	13,372,710
Deferred loss on refunding of debt	23,738,790	24,812,547	48,551,337
Total deferred outflows of resources	<u>\$ 1,320,547,486</u>	<u>50,069,636</u>	<u>1,370,617,122</u>

See accompanying notes to the financial statements.

EXHIBIT A

Total Component Units	Reclassifications (See Note A-13)	Total Reporting Entity	
			ASSETS
763,471,268	-	1,947,475,516	Equity in pooled cash and temporary investments
54,302,363	-	54,302,363	Cash in banks/with fiscal agents
-	-	1,994,498,133	Investments
			Receivables (net of allowances):
39,688,970	-	95,780,314	Accounts
24,740,228	-	24,918,628	Leases
508,585	-	11,738,472	Accrued interest
			Property taxes:
-	-	43,928,096	Delinquent
-	-	4,317,988,146	Not yet due
-	-	3,799,376	Business license taxes - delinquent
-	-	126,464,773	Loans
68,825,561	-	98,345,561	Notes
			Due from intergovernmental units (net of allowances):
			Property tax relief:
-	-	211,313,944	Not yet due
69,776,538	-	319,856,993	Other
979,865,752	-	979,865,752	Due from primary government
-	-	2,014,949	Due from component units
-	-	6,930,000	Loan to component unit
827,776	-	4,907,661	Inventories of supplies
3,536,195	-	5,654,415	Prepaid and other assets
			Restricted assets:
280,632,994	-	375,275,598	Equity in pooled cash and temporary investments
48,453,495	-	265,615,957	Cash and temporary investments with fiscal agents
12,414,966	-	12,414,966	Deposit held in trust
-	-	947,135	Property held for sale
			Capital assets:
			Non-depreciable/non-amortizable:
549,329,657	-	1,099,334,946	Land and easements
512,629,722	-	1,572,779,318	Construction in progress
-	-	62,570,188	Equipment under construction
7,908,820	-	64,830,956	Software in development
			Depreciable/amortizable:
435,920,660	-	1,157,753,411	Vehicles and equipment
9,599,122	-	256,387,627	Software
18,119,385	-	155,023,430	Library collections
-	-	1,276,171,406	Purchased capacity
5,969,728,895	-	8,348,983,352	Buildings and improvements
-	-	3,299,700,379	Infrastructure
124,443,327	-	304,609,378	Right-to-use lease assets
117,292,105	-	183,507,385	Right-to-use subscription assets
(3,645,972,935)	-	(6,831,768,913)	Accumulated depreciation
(83,540,020)	-	(919,427,896)	Accumulated amortization
			Other restricted non-current assets:
4,226,538	-	73,364,626	Net OPEB asset
6,366,729,967	-	21,007,856,341	Total assets
			DEFERRED OUTFLOWS OF RESOURCES
			Deferred outflow for contributions subsequent
515,134,119	-	956,299,763	to the measurement date (pension)
14,324,715	-	39,708,171	Deferred outflow for change in proportion (pension)
			Deferred outflow for differences between expected and actual
410,291,361	-	892,830,165	experience (pension)
335,673,787	-	540,321,984	Deferred outflow of recognition of investments (pension)
108,308,198	-	180,365,621	Deferred outflow for changes in assumptions (pension)
			Deferred outflow for contributions subsequent
50,249,776	-	68,846,516	to the measurement date (OPEB)
1,540,106	-	1,734,979	Deferred outflow for change in proportion (OPEB)
			Deferred outflow for differences between expected and actual
82,219,074	-	121,323,740	experience (OPEB)
1,664,520	-	26,667,792	Deferred outflow for recognition of investments (OPEB)
4,769,625	-	18,142,335	Deferred outflow for changes in assumptions (OPEB)
2,654,038	-	51,205,375	Deferred loss on refunding of debt
1,526,829,319	-	2,897,446,441	Total deferred outflows of resources

continued

COUNTY OF FAIRFAX, VIRGINIA
Statement of Net Position
June 30, 2025

	Primary Government		Total Primary Government
	Governmental Activities	Business-type Activities	
LIABILITIES			
Accounts payable and accrued liabilities	\$ 156,312,089	8,073,805	164,385,894
Accrued salaries and benefits	86,618,634	2,210,054	88,828,688
Contract retainages	14,202,192	13,198,142	27,400,334
Contracts payable	-	31,901,213	31,901,213
Accrued interest payable	39,168,619	11,886,400	51,055,019
Due to intergovernmental units	8,696,200	-	8,696,200
Due to primary government	-	-	-
Due to component units	8,680,316	-	8,680,316
Other current liabilities	-	-	-
Unearned revenue:			
Other	10,098,286	-	10,098,286
Performance and other deposits	154,103,136	-	154,103,136
Long-term liabilities:			
Portion due or payable within one year:			
General obligation bonds payable, net	272,836,394	-	272,836,394
Revenue bonds payable, net	4,438,490	48,031,637	52,470,127
Component unit revenue bonds payable, net	32,802,853	952,254	33,755,107
Component unit direct placements and borrowings	24,393,062	-	24,393,062
Notes payable, net	2,482,403	-	2,482,403
Component unit notes payable	322,500	-	322,500
Compensated absences payable	128,808,032	3,351,088	132,159,120
Landfill closure and postclosure obligation	36,000	-	36,000
Lease liability	15,244,712	13,464	15,258,176
Subscription liability	11,315,364	24,810	11,340,174
Insurance and benefit claims payable	29,865,000	-	29,865,000
Loan from primary government	-	-	-
Other	878,429	-	878,429
Portion due or payable after one year:			
General obligation bonds payable, net	2,672,627,331	-	2,672,627,331
Revenue bonds payable, net	47,003,094	803,957,822	850,960,916
Arbitrage obligations	3,636,328	4,548,444	8,184,772
Component unit revenue bonds payable, net	442,283,268	21,312,891	463,596,159
Component unit direct placements and borrowings	445,013,945	-	445,013,945
Notes payable, net	20,515,272	-	20,515,272
Component unit notes payable	4,104,662	-	4,104,662
Compensated absences payable	210,453,668	3,061,244	213,514,912
Landfill closure and postclosure obligation	58,411,573	-	58,411,573
Lease liability	119,796,845	23,147	119,819,992
Subscription liability	17,264,816	51,364	17,316,180
Insurance and benefit claims payable	72,234,000	-	72,234,000
Net pension liability	2,888,289,359	57,309,392	2,945,598,751
Net OPEB liability	-	-	-
Loan from primary government	-	-	-
Other	8,060,975	-	8,060,975
Total liabilities	8,010,997,847	1,009,907,171	9,020,905,018
DEFERRED INFLOWS OF RESOURCES			
Deferred tax revenue	4,635,499,974	-	4,635,499,974
Deferred lease revenue	164,558	-	164,558
Deferred revenue - other	55,745,308	-	55,745,308
Deferred gain on refunding	4,265,835	5,006,786	9,272,621
Deferred inflow related to differences between actual and expected experience (pension)	52,749,093	209,792	52,958,885
Deferred inflow of recognition of investments (pension)	-	-	-
Deferred inflow for change in proportion (pension)	5,572,314	76,282	5,648,596
Deferred inflow related to differences between actual and expected experience (OPEB)	8,920,337	225,146	9,145,483
Deferred recognition of investments (OPEB)	21,954,047	-	21,954,047
Deferred inflow for change in proportion (OPEB)	-	47,395	47,395
Deferred inflow for changes in assumptions (OPEB)	111,833,835	2,822,643	114,656,478
Total deferred inflows of resources	4,896,705,301	8,388,044	4,905,093,345
NET POSITION			
Net investment in capital assets	2,896,383,265	1,277,336,082	4,173,719,347
Restricted for:			
Grant programs	120,527,079	-	120,527,079
Community centers	18,863,363	-	18,863,363
Housing	-	-	-
Transportation	381,615,651	-	381,615,651
Capital projects	-	-	-
Debt service	-	97,870,414	97,870,414
Other postemployment benefits	67,436,029	1,702,059	69,138,088
Unrestricted (deficit)	(2,964,894,800)	188,905,991	(2,775,988,809)
Net position	\$ 519,930,587	1,565,814,546	2,085,745,133

See accompanying notes to the financial statements.

EXHIBIT A
concluded

Total Component Units	Reclassifications (See Note A-13)	Total Reporting Entity	
			LIABILITIES
102,897,674	-	267,283,568	Accounts payable and accrued liabilities
59,750,531	-	148,579,219	Accrued salaries and benefits
22,217,135	-	49,617,469	Contract retainages
-	-	31,901,213	Contracts payable
24,334,011	-	75,389,030	Accrued interest payable
52,189	-	8,748,389	Due to intergovernmental units
2,014,949	-	2,014,949	Due to primary government
-	-	8,680,316	Due to component units
482,117	-	482,117	Other current liabilities
42,482,251	-	52,580,537	Unearned revenue:
39,635,215	-	193,738,351	Other
			Performance and other deposits
			Long-term liabilities:
			Portion due or payable within one year:
		272,836,394	General obligation bonds payable, net
58,640,959	-	111,111,086	Revenue bonds payable, net
-	-	33,755,107	Component unit revenue bonds payable, net
-	-	24,393,062	Component unit direct placements and borrowings
20,107,215	-	22,589,618	Notes payable, net
-	-	322,500	Component unit notes payable
181,611,780	-	313,770,900	Compensated absences payable
-	-	36,000	Landfill closure and postclosure obligation
12,578,704	-	27,836,880	Lease liability
9,472,712	-	20,812,886	Subscription liability
40,755,900	-	70,620,900	Insurance and benefit claims payable
815,000	-	815,000	Loan from primary government
-	-	878,429	Other
		2,672,627,331	Portion due or payable after one year:
			General obligation bonds payable, net
923,800,465	-	1,774,761,381	Revenue bonds payable, net
-	-	8,184,772	Arbitrage obligations
-	-	463,596,159	Component unit revenue bonds payable, net
-	-	445,013,945	Component unit direct placements and borrowings
145,873,138	-	166,388,410	Notes payable, net
-	-	4,104,662	Component unit notes payable
68,987,232	-	282,502,144	Compensated absences payable
-	-	58,411,573	Landfill closure and postclosure obligation
58,304,246	-	178,124,238	Lease liability
33,847,087	-	51,163,267	Subscription liability
47,786,100	-	120,020,100	Insurance and benefit claims payable
3,503,955,214	-	6,449,553,965	Net pension liability
289,561,597	-	289,561,597	Net OPEB liability
6,115,000	-	6,115,000	Loan from primary government
-	-	8,060,975	Other
5,696,078,421	-	14,716,983,439	Total liabilities
			DEFERRED INFLOWS OF RESOURCES
-	-	4,635,499,974	Deferred tax revenue
45,613,806	-	45,778,364	Deferred lease revenue
-	-	55,745,308	Deferred revenue - other
-	-	9,272,621	Deferred gain on refunding
176,929,697	-	229,888,582	Deferred inflow related to differences between actual and expected experience (pension)
333,294,750	-	333,294,750	Deferred inflow of recognition of investments (pension)
89,019,170	-	94,667,766	Deferred inflow for change in proportion (pension)
23,566,431	-	32,711,914	Deferred inflow related to differences between actual and expected experience (OPEB)
7,683,683	-	29,637,730	Deferred recognition of investments (OPEB)
13,682,282	-	13,729,677	Deferred inflow for change in proportion (OPEB)
69,512,690	-	184,169,168	Deferred inflow for changes in assumptions (OPEB)
759,302,509	-	5,664,395,854	Total deferred inflows of resources
			NET POSITION
3,721,589,215	(1,759,477,515)	6,135,831,047	Net investment in capital assets
			Restricted for:
79,391,644	-	199,918,723	Grant programs
-	-	18,863,363	Community centers
58,359,430	-	58,359,430	Housing
-	-	381,615,651	Transportation
239,539,297	(246,017,181)	(6,477,884)	Capital projects
-	-	97,870,414	Debt service
3,302,143	-	72,440,231	Other postemployment benefits
(2,664,003,373)	2,005,494,696	(3,434,497,486)	Unrestricted (deficit)
1,438,178,356	-	3,523,923,489	Net position

COUNTY OF FAIRFAX, VIRGINIA
Statement of Activities
For the fiscal year ended June 30, 2025

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government administration	\$ 263,904,233	222,549,195	60,924,217	1,378,417
Judicial administration	102,350,258	8,863,564	33,799,406	-
Public safety	1,124,389,676	88,347,835	71,006,459	85,081
Public works	353,475,590	226,433,061	10,181,809	4,446,315
Health and welfare	910,751,691	85,778,663	251,931,910	-
Community development	584,938,997	318,803,918	23,884,288	11,648,116
Parks, recreation, and cultural	214,068,922	21,481,168	6,234,473	-
Education - for Public Schools	2,842,256,663	-	-	-
Interest on long-term debt	109,174,775	-	-	-
Total governmental activities	6,505,310,805	972,257,404	457,962,562	17,557,929
Business-type activities:				
Public works - Sewer	252,786,686	300,369,300	-	3,388,669
Total business-type activities	252,786,686	300,369,300	-	3,388,669
Total primary government	6,758,097,491	1,272,626,704	457,962,562	20,946,598
Component units:				
Public Schools	4,228,455,437	174,659,349	517,804,748	255,922,842
Redevelopment and Housing Authority	135,321,766	50,618,284	82,759,963	-
Park Authority	161,059,524	59,886,391	-	40,843,409
Economic Development Authority	12,819,586	-	-	-
Total component units	\$ 4,537,656,313	285,164,024	600,564,711	296,766,251

General revenues:

Taxes:
Real property
Personal property
Business licenses
Local sales and use
Consumers utility
Recordation
Occupancy, tobacco, and other
Grants and contributions not restricted to specific programs
Revenue from the use of money
Revenue from primary government
Other
Total general revenues
Special Item
Change in net position
Net position, July 1, 2024, as previously reported
Restatements
Net position, July 1, 2024, as restated
Net position, June 30, 2025

See accompanying notes to the financial statements.

EXHIBIT A-1

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Total	
Governmental Activities	Business-type Activities	Total Primary Government	Component Units	Functions/Programs
				Primary government:
				Governmental activities:
24,103,822	-	24,103,822	-	General government administration
(59,840,983)	-	(59,840,983)	-	Judicial administration
(966,730,560)	-	(966,730,560)	-	Public safety
(112,778,259)	-	(112,778,259)	-	Public works
(573,423,428)	-	(573,423,428)	-	Health and welfare
(230,878,358)	-	(230,878,358)	-	Community development
(186,553,706)	-	(186,553,706)	-	Parks, recreation, and cultural
(2,842,256,663)	-	(2,842,256,663)	-	Education - for Public Schools
(109,174,775)	-	(109,174,775)	-	Interest on long-term debt
(5,057,532,910)	-	(5,057,532,910)	-	Total governmental activities
				Business-type activities:
-	50,971,283	50,971,283	-	Public works - Sewer
-	50,971,283	50,971,283	-	Total business-type activities
(5,057,532,910)	50,971,283	(5,006,561,627)	-	Total primary government
				Component units:
-	-	-	(3,280,068,498)	Public Schools
-	-	-	(1,943,519)	Redevelopment and Housing Authority
-	-	-	(60,329,724)	Park Authority
-	-	-	(12,819,586)	Economic Development Authority
-	-	-	(3,355,161,327)	Total component units
				General revenues:
				Taxes:
\$ 3,569,457,483	-	3,569,457,483	-	Real property
610,703,663	-	610,703,663	-	Personal property
221,359,039	-	221,359,039	-	Business licenses
314,270,784	-	314,270,784	-	Local sales and use
124,973,009	-	124,973,009	-	Consumers utility
23,687,905	-	23,687,905	-	Recordation
39,159,174	-	39,159,174	-	Occupancy, tobacco, and other
211,438,824	-	211,438,824	719,069,070	Grants and contributions not restricted to specific programs
3,720,970	9,920,499	13,641,469	8,916,554	Revenue from the use of money
-	-	-	2,706,545,935	Revenue from primary government
-	-	-	18,995,149	Other
5,118,770,851	9,920,499	5,128,691,350	3,453,526,708	Total general revenues
-	-	-	(773,200)	Special Item
61,237,941	60,891,782	122,129,723	97,592,181	Change in net position
529,599,583	1,507,011,180	2,036,610,763	1,557,254,815	Net position, July 1, 2024, as previously reported
(70,906,937)	(2,088,416)	(72,995,353)	(216,668,640)	Restatements
458,692,646	1,504,922,764	1,963,615,410	1,340,586,175	Net position, July 1, 2024, as restated
\$ 519,930,587	1,565,814,546	2,085,745,133	1,438,178,356	Net position, June 30, 2025

COUNTY OF FAIRFAX, VIRGINIA
Balance Sheet
Governmental Funds
June 30, 2025

EXHIBIT A-2

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Equity in pooled cash and temporary investments	\$ 250,123,945	397,363,517	647,487,462
Investments	770,473,205	1,224,024,928	1,994,498,133
Receivables (net of allowances):			
Accounts	23,402,232	32,379,369	55,781,601
Leases	-	178,400	178,400
Accrued interest	-	11,229,887	11,229,887
Property taxes:			
Delinquent	43,928,096	-	43,928,096
Not yet due	4,317,988,146	-	4,317,988,146
Business license taxes - delinquent	3,799,376	-	3,799,376
Loans	-	126,464,773	126,464,773
Notes	-	29,520,000	29,520,000
Due from intergovernmental units (net of allowances):			
Property tax relief:			
Not yet due	211,313,944	-	211,313,944
Other	63,425,135	107,481,446	170,906,581
Due from component units	197,905	1,817,044	2,014,949
Loan to component unit	-	6,930,000	6,930,000
Prepaid and other assets	1,755,277	362,943	2,118,220
Restricted assets:			
Equity in pooled cash and temporary investments	-	19,764,646	19,764,646
Cash with fiscal agents	9,025	119,283,023	119,292,048
Property held for sale	-	947,135	947,135
Total assets	5,686,416,286	2,077,747,111	7,764,163,397
DEFERRED OUTFLOWS OF RESOURCES			
Total deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	\$ 5,686,416,286	2,077,747,111	7,764,163,397
LIABILITIES			
Accounts payable and accrued liabilities	\$ 48,103,646	91,005,746	139,109,392
Accrued salaries and benefits	67,098,284	17,696,896	84,795,180
Contract retainages	86,438	14,115,754	14,202,192
Due to intergovernmental units	18,729	8,677,471	8,696,200
Due to component units	4,971,920	3,708,396	8,680,316
Interfund payables	1,457,465	-	1,457,465
Unearned revenue	52,580,380	31,322,536	83,902,916
Performance and other deposits	57,928,951	96,174,185	154,103,136
Total liabilities	232,245,813	262,700,984	494,946,797
DEFERRED INFLOWS OF RESOURCES			
Deferred tax revenue	4,635,499,974	-	4,635,499,974
Lease revenue	-	164,558	164,558
Unavailable revenue	35,663,415	59,668,809	95,332,224
Total deferred inflows of resources	4,671,163,389	59,833,367	4,730,996,756
Total liabilities and deferred inflows of resources	\$ 4,903,409,202	322,534,351	5,225,943,553

continued

EXHIBIT A-2

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
FUND BALANCES			
Nonspendable:			
Prepaid amounts	\$ 1,755,277	361,751	2,117,028
Total Nonspendable	1,755,277	361,751	2,117,028
Restricted for:			
Public safety, courts, and judicial	-	77,789,992	77,789,992
General public works	-	98,257,868	98,257,868
Stormwater management	-	179,750,302	179,750,302
Transportation	-	393,584,165	393,584,165
Social services, health and welfare	-	85,478,657	85,478,657
Housing and community development	-	67,264,624	67,264,624
Parks, recreation, and cultural	-	20,312,427	20,312,427
Debt service	-	5,913,737	5,913,737
Capital projects	-	180,727,865	180,727,865
Other purposes	-	5,502,381	5,502,381
Total Restricted	-	1,114,582,018	1,114,582,018
Committed to:			
Revenue stabilization	288,290,688	-	288,290,688
Managed reserves	227,866,326	-	227,866,326
Public safety, courts, and judicial	551,192	2,334,021	2,885,213
Transportation	-	15,662,867	15,662,867
Social services, health and welfare	18,786,288	69,858,852	88,645,140
Housing and community development	58,469,572	7,282,617	65,752,189
Parks, recreation, and cultural	1,565,516	-	1,565,516
Debt service	-	10,711,671	10,711,671
Capital projects	-	534,418,963	534,418,963
Other purposes	57,425,136	-	57,425,136
Total Committed	652,954,718	640,268,991	1,293,223,709
Assigned to:			
Public safety, courts, and judicial	14,343,764	-	14,343,764
General public works	6,217,979	-	6,217,979
Social services, health and welfare	12,727,900	-	12,727,900
Housing and community development	9,729,666	-	9,729,666
Parks, recreation, and cultural	2,438,801	-	2,438,801
Other purposes	17,664,171	-	17,664,171
Total Assigned	63,122,281	-	63,122,281
Unassigned	65,174,808	-	65,174,808
Total fund balances	783,007,084	1,755,212,760	2,538,219,844
Total liabilities, deferred inflows of resources, and fund balances	\$ 5,686,416,286	2,077,747,111	7,764,163,397

See accompanying notes to the financial statements.

continued

COUNTY OF FAIRFAX, VIRGINIA
Reconciliation of the Balance Sheet to the Statement of Net Position
Governmental Funds
June 30, 2025

EXHIBIT A-2

Fund balances - Total governmental funds \$ 2,538,219,844

Amounts reported for governmental activities in the Statement of Net Position (Exhibit A) are different because:

Capital assets used in governmental fund activities are not financial resources and, therefore, are not reported in the funds:

Non-depreciable/non-amortizable assets:		
Land and easements	\$	522,308,669
Construction in progress		634,075,440
Equipment under construction		52,618,651
Software in development		56,922,136
Depreciable/amortizable assets:		
Vehicles and equipment		458,410,998
Software		244,587,918
Library collections		136,904,045
Buildings and improvements		2,259,875,159
Infrastructure		1,436,265,857
Right-to-use lease assets		172,981,610
Right-to-use subscription assets		<u>38,953,653</u>
Total capital assets		6,013,904,136
Less accumulated depreciation/amortization		<u>(2,231,639,495)</u>
		3,782,264,641

Some of the County's receivables will not be collected soon enough to pay for the current period's expenditures, and, therefore, are reported as deferred inflows in the funds:

Delinquent taxes (net of allowances):		
Property	\$	39,374,590
Business license		3,799,376
Other charges for services		1,110,664
Notes receivable from component unit		<u>29,520,000</u>
		73,804,630

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

Sales and use and other taxes	\$	26,658,797	
EMS transport and other charges for services		<u>12,928,119</u>	39,586,916

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

Deferred loss on refunding of debt	\$	23,738,790	
Deferred gain on refunding of debt		<u>(4,265,835)</u>	19,472,955

Certain results experienced by pension plans and OPEB are required to be reported as deferred outflows or inflows of resources:

Deferred outflows for contributions subsequent to the measurement date (pension)	\$	432,772,089	
Deferred outflows for change in proportion (pension)		24,672,968	
Deferred outflows for differences between expected and actual experience (pension)		475,059,625	
Deferred outflows of recognition of investments (pension)		198,919,362	
Deferred outflows for changes in assumptions (pension)		70,933,227	
Deferred inflows for differences between expected and actual experience (pension)		(52,749,093)	
Deferred inflows for change in proportion (pension)		(5,572,314)	
Deferred outflows for contributions subsequent to the measurement date (OPEB)		18,142,872	
Deferred outflows for change in proportion (OPEB)		194,873	
Deferred outflows for differences between expected and actual experience (OPEB)		38,141,977	
Deferred outflows for recognition of investments (OPEB)		24,928,206	
Deferred outflows for changes in assumptions (OPEB)		13,043,497	
Deferred inflows related to differences between actual and expected experience (OPEB)		(8,920,337)	
Deferred recognition of investments (OPEB)		(21,954,047)	
Deferred inflows for changes in assumptions (OPEB)		<u>(111,833,835)</u>	1,095,779,070

continued

COUNTY OF FAIRFAX, VIRGINIA
Reconciliation of the Balance Sheet to the Statement of Net Position
Governmental Funds
June 30, 2025

EXHIBIT A-2
concluded

Certain other receivables, such as Build America Bonds subsidies, are accrued only in the government-wide statements 281,317

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

Assets:			
Current assets	\$	362,420,017	
Capital assets		356,315,167	
Less accumulated depreciation/amortization		(224,336,854)	
Liabilities		<u>(141,292,427)</u>	353,105,903

Long-term liabilities related to governmental fund activities are not due and payable in the current periods and, therefore, are not reported in the funds:

General obligation bonds payable, net	\$	(2,945,463,725)	
Revenue bonds payable, net		(51,441,584)	
Arbitrage obligations		(3,636,328)	
Notes payable		(22,997,675)	
Compensated absences payable		(330,481,261)	
Landfill closure and postclosure obligation		(58,447,573)	
Lease liability		(133,283,049)	
Subscription liability		(19,188,068)	
Net pension liability		(2,888,289,359)	
Net OPEB asset		67,436,029	
Other long-term liabilities		(8,939,404)	
Accrued interest on long-term debt		(38,932,402)	
Component unit long-term debt		<u>(948,920,290)</u>	<u>(7,382,584,689)</u>

Net position of governmental activities \$ 519,930,587

COUNTY OF FAIRFAX, VIRGINIA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the fiscal year ended June 30, 2025

EXHIBIT A-3

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ 4,818,803,747	79,541,281	4,898,345,028
Permits, privilege fees, and regulatory licenses	11,040,668	69,693,849	80,734,517
Intergovernmental	448,325,421	429,380,609	877,706,030
Charges for services	74,953,068	386,230,515	461,183,583
Fines and forfeitures	10,673,448	221,813	10,895,261
Developers' contributions	-	11,733,197	11,733,197
Revenue from the use of money and property	155,347,263	37,430,244	192,777,507
Recovered costs	12,445,683	9,624,478	22,070,161
Gifts, donations, and contributions	648,930	396,341	1,045,271
Total revenues	5,532,238,228	1,024,252,327	6,556,490,555
EXPENDITURES			
Current:			
General government administration	222,360,074	15,672,252	238,032,326
Judicial administration	89,622,367	857,555	90,479,922
Public safety	949,208,733	104,788,086	1,053,996,819
Public works	88,736,139	149,413,255	238,149,394
Health and welfare	532,807,223	343,634,095	876,441,318
Community development	104,939,092	321,522,363	426,461,455
Parks, recreation, and cultural	50,154,452	20,863,665	71,018,117
Intergovernmental:			
Community development	12,132,990	113,451,579	125,584,569
Parks, recreation, and cultural	58,729,360	69,682,028	128,411,388
Education - for Public Schools	2,609,656,196	232,600,467	2,842,256,663
Capital outlay:			
General government administration	38,830,457	14,495,940	53,326,397
Judicial administration	292,407	5,338,981	5,631,388
Public safety	1,681,352	47,468,293	49,149,645
Public works	23,943,343	70,054,488	93,997,831
Health and welfare	4,621,799	14,262,671	18,884,470
Community development	22,728,295	94,574,424	117,302,719
Parks, recreation, and cultural	4,180,612	26,570,030	30,750,642
Debt service:			
Principal retirement	19,125,876	357,549,534	376,675,410
Interest and other charges	1,836,240	139,558,606	141,394,846
Total expenditures	4,835,587,007	2,142,358,312	6,977,945,319
Excess (deficiency) of revenues over (under) expenditures	696,651,221	(1,118,105,985)	(421,454,764)
OTHER FINANCING SOURCES (USES)			
Transfers in	24,979,789	906,191,886	931,171,675
Transfers out	(851,027,508)	(106,876,318)	(957,903,826)
General obligation bonds issued	-	378,150,000	378,150,000
Premium on general obligation bonds issued	-	23,298,319	23,298,319
Revenue refunding bonds issued	-	36,590,000	36,590,000
Premium on revenue refunding bonds issued	-	3,653,688	3,653,688
Notes issued	-	4,104,662	4,104,662
Leases and installment purchases	28,690,547	22,261,794	50,952,341
Total other financing sources (uses), net	(797,357,172)	1,267,374,031	470,016,859
Net change in fund balances	(100,705,951)	149,268,046	48,562,095
Fund balances, July 1, 2024, as previously reported	859,649,953	1,630,007,796	2,489,657,749
Restatement	24,063,082	(24,063,082)	-
Fund balances, July 1, 2024, as restated	883,713,035	1,605,944,714	2,489,657,749
Fund balances, June 30, 2025	\$ 783,007,084	1,755,212,760	2,538,219,844

continued

COUNTY OF FAIRFAX, VIRGINIA
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
For the fiscal year ended June 30, 2025

EXHIBIT A-3
concluded

Net change in fund balances - Total governmental funds \$ 48,562,095

Amounts reported for governmental activities in the Statement of Activities (Exhibit A-1) are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.

Capital outlays	\$ 369,043,092	
Less depreciation/amortization expense	<u>(184,917,799)</u>	184,125,293

In the Statement of Activities, the gain or loss on the disposition of capital assets is reported. However, in the governmental funds, only the proceeds from sales are reported, which increase fund balance. Thus, the difference is the net book value (i.e., depreciated cost) of the capital asset dispositions. 189,602

Certain transactions such as donations of capital assets increase net position in the Statement of Activities, but do not appear in the governmental funds because they are not financial resources. 4,638,170

Build America Bonds interest subsidy accrual is not recognized as revenue in the fund statements (53,058)

Some of the County's receivables will not be collected soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows in the governmental funds:

Delinquent property taxes	\$ 4,162,415	
Delinquent business license taxes	(98,435)	
Other charges for services	<u>(43,849)</u>	4,020,131

Some revenues will not be collected for several months after the fiscal year ends, hence, they are not considered "available" revenues and are deferred inflows of resources in the governmental funds:

Sales and use and other taxes	\$ 1,202,049	
EMS transport and other charges for services	<u>(735,988)</u>	466,061

The receipt of principal payments for the lease to the component unit does not result in a revenue in the Statement of Activities. (2,610,000)

The issuance of long-term debt, including premiums, is reported as other financing sources in the governmental funds and, thus, increases fund balance. In the government-wide statements, however, issuing debt increases long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities. The following were issued:

General obligation bonds	\$ (401,448,319)	
Revenue refunding bonds	(40,243,688)	
Note Payable	(4,104,662)	
Leases	<u>(50,952,341)</u>	(496,749,010)

OPEB costs are recognized as expenditures in the fund statements, but are deferred and amortized in the government-wide statements, resulting in a net difference. 25,808,680

Certain other long-term liabilities are recognized only in the government-wide statements, resulting in a net difference. 875,031

The repayment of the principal amounts of long-term debt is reported as an expenditure or as an other financing use when debt is refunded in governmental funds and, thus, reduces fund balance. However, the principal payments reduce the liabilities in the Statement of Net Position and do not result in an expense in the Statement of Activities.

Principal repayments of matured bonds, notes, and loa	\$ 349,811,730	
Principal payments of leases and subscriptions	<u>26,863,680</u>	376,675,410

Interest on long-term debt is reported as an expenditure in the governmental funds when it is due. In the Statement of Activities, however, interest expense is affected as this interest accrues and as bond-related items are amortized. This difference in interest reporting is as follows:

Accrued interest on bonds, loans, and leases	\$ (3,834,907)	
Amortization of bond premiums and discounts	38,372,299	
Amortization of deferred gains on bond refundings	581,253	
Amortization of deferred losses on bond refundings	<u>(6,211,077)</u>	28,907,568

Under the modified accrual basis of accounting used in the governmental funds, expenditures for the following are not recognized until they mature. In the Statement of Activities, however, they are reported as expenses and liabilities as they accrue. The timing differences are as follows:

Landfill closure and postclosure costs	\$ (1,258,167)	
Compensated absences	(8,566,912)	
Net pension liability	<u>(114,657,659)</u>	(124,482,738)

Internal service funds are used by management to provide certain goods and services to governmental funds. The change in net position is reported with governmental activities. 10,864,706

Change in net position of governmental activities \$ 61,237,941

COUNTY OF FAIRFAX, VIRGINIA
Statement of Net Position
Proprietary Funds
June 30, 2025

EXHIBIT A-4

	Business-type Activities - Enterprise Fund Integrated Sewer System	Governmental Activities - Internal Service Funds
ASSETS		
Current assets:		
Equity in pooled cash and temporary investments	\$ 179,429,967	357,086,819
Accounts receivable	292,778	16,965
Due from intergovernmental units (net of allowance)	78,807,258	85,299
Interfund receivables	-	1,457,465
Inventories of supplies	306,416	3,773,469
Total unrestricted current assets	258,836,419	362,420,017
Restricted assets:		
Equity in pooled cash and temporary investments	74,877,958	-
Temporary investments with fiscal agents	97,870,414	-
Total restricted current assets	172,748,372	-
Total current assets	431,584,791	362,420,017
Long-term assets:		
Capital assets:		
Non-depreciable/non-amortizable:		
Land	24,509,027	1,938,688
Easements	1,248,905	-
Construction in progress	383,529,688	42,544,468
Equipment under construction	-	9,951,537
Depreciable/amortizable:		
Vehicles and equipment	24,840,019	238,581,734
Software	-	2,200,587
Purchased capacity	1,276,171,406	-
Buildings and improvements	97,163,561	22,215,737
Infrastructure	1,858,836,732	4,597,790
Right-to-use lease assets	54,188	7,130,253
Right-to-use subscription assets	107,254	27,154,373
Accumulated depreciation	(951,030,475)	(202,136,962)
Accumulated amortization	(614,677,030)	(22,199,892)
Total capital assets, net	2,100,753,275	131,978,313
Other restricted long-term assets:		
Net OPEB asset	1,702,059	-
Total other restricted long-term assets	1,702,059	-
Total long-term assets	2,102,455,334	131,978,313
Total assets	2,534,040,125	494,398,330

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows for contributions subsequent to the measurement date (pension)	8,393,555	-
Deferred outflows for change in proportion (pension)	710,488	-
Deferred outflows for differences between expected and actual experience (pension)	7,479,179	-
Deferred outflows for changes in assumptions (pension)	1,124,196	-
Deferred outflows of recognition of investments (pension)	5,728,835	-
Deferred outflows for contributions subsequent to the measurement date (OPEB)	453,868	-
Deferred outflows for differences between expected and actual experience (OPEB)	962,689	-
Deferred outflows for recognition of investments (OPEB)	75,066	-
Deferred outflows for changes in assumptions (OPEB)	329,213	-
Deferred amounts from the refunding of debt	24,812,547	-
Total deferred outflows of resources	\$ 50,069,636	-

See accompanying notes to the financial statements.

continued

EXHIBIT A-4

concluded

	Business-type Activities - <u>Enterprise Fund</u> Integrated Sewer System	Governmental Activities - Internal Service Funds
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 8,073,805	17,202,697
Accrued salaries and benefits	2,210,054	1,823,454
Contract retainages	13,198,142	-
Contracts payable	31,901,213	-
Accrued interest payable	11,886,400	236,217
Revenue bonds payable, net	48,983,891	-
Compensated absences payable	3,351,088	2,565,283
Lease liability	13,464	566,398
Subscription liability	24,810	5,485,279
Insurance and benefit claims payable	-	29,865,000
Total current liabilities	119,642,867	57,744,328
Long-term liabilities:		
Revenue bonds payable, net	825,270,713	-
Arbitrage obligations	4,548,444	-
Compensated absences payable	3,061,244	6,215,156
Lease liability	23,147	1,192,110
Subscription liability	51,364	3,906,833
Insurance and benefit claims payable	-	72,234,000
Net pension liability	57,309,392	-
Total long-term liabilities	890,264,304	83,548,099
Total liabilities	1,009,907,171	141,292,427
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to differences between actual and expected experience (pension)	209,792	-
Deferred inflows for change in proportion (pension)	76,282	-
Deferred inflows related to differences between actual and expected experience (OPEB)	225,146	-
Deferred inflows for change in proportion (OPEB)	47,395	-
Deferred inflows for changes in assumptions (OPEB)	2,822,643	-
Deferred gain on refunding of debt	5,006,786	-
Total deferred inflows of resources	8,388,044	-
NET POSITION		
Net investment in capital assets	1,277,336,082	120,827,691
Restricted for:		
Other postemployment benefits	1,702,059	-
Debt service	97,870,414	-
Unrestricted	188,905,991	232,278,212
Net position	\$ 1,565,814,546	353,105,903

COUNTY OF FAIRFAX, VIRGINIA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the fiscal year ended June 30, 2025

EXHIBIT A-5

	Business-type Activities - Enterprise Fund Integrated Sewer System	Governmental Activities - Internal Service Funds
OPERATING REVENUES		
Charges for services	\$ 282,613,721	390,127,165
Recovered costs	-	204,502
Total operating revenues	<u>282,613,721</u>	<u>390,331,667</u>
OPERATING EXPENSES		
Personnel services	56,723,926	43,447,150
Materials and supplies	22,220,376	4,391,961
Equipment operation and maintenance	-	41,361,431
Risk financing and benefit payments	-	242,923,243
Depreciation and amortization	72,402,133	37,290,962
Professional consultant and contractual services	67,603,471	30,967,236
Other	-	8,840,302
Total operating expenses	<u>218,949,906</u>	<u>409,222,285</u>
Operating income (loss)	<u>63,663,815</u>	<u>(18,890,618)</u>
NONOPERATING REVENUES (EXPENSES)		
Availability fees	17,755,579	-
Interest revenue	9,920,499	4,829,325
Interest expense	(33,891,359)	(323,825)
Gain (loss) on disposal of capital assets	54,579	(1,482,327)
Total nonoperating revenues (expenses), net	<u>(6,160,702)</u>	<u>3,023,173</u>
Income (loss) before contributions and transfers	57,503,113	(15,867,445)
Capital contributions	3,388,669	-
Transfers in	-	26,732,151
Change in net position	<u>60,891,782</u>	<u>10,864,706</u>
Net position, July 1, 2024, as previously stated	1,507,011,180	346,139,829
Implementation of GASB 101	(2,088,416)	(3,898,632)
Net position, July 1, 2024, as restated	<u>1,504,922,764</u>	<u>342,241,197</u>
Net position, June 30, 2025	<u>\$ 1,565,814,546</u>	<u>353,105,903</u>

See accompanying notes to the financial statements.

COUNTY OF FAIRFAX, VIRGINIA
Statement of Cash Flows
Proprietary Funds
For the fiscal year ended June 30, 2025

EXHIBIT A-6

	Business-type Activities - <u>Enterprise Fund</u> Integrated Sewer System	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 272,778,693	-
Receipts from interfund services provided	-	390,086,170
Payments to suppliers and contractors	(84,841,803)	(75,028,721)
Payments to employees	(53,860,510)	(43,008,798)
Claims and benefits paid	-	(240,446,593)
Payments for interfund services used	-	(8,784,464)
Net cash provided by operating activities	<u>134,076,380</u>	<u>22,817,594</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from other funds	-	26,732,151
Net cash provided by noncapital financing activities	-	<u>26,732,151</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Availability fees received	17,755,579	-
Increase in contract retainages	4,804,894	-
Increase in contracts payable	3,741,406	-
Principal payments on sewer revenue bonds	(33,086,008)	-
Interest payments on sewer revenue bonds	(30,377,695)	-
Proceeds from sale of capital assets	54,579	713,398
Purchase of capital assets, other than purchased capacity	(161,716,671)	(35,419,324)
Acquisition of purchased capacity	(36,818,938)	-
Principal payments on obligations under leases and subscriptions	(39,735)	(23,398,047)
Interest payments on obligations under leases and subscriptions	(2,320)	(293,020)
Net cash used in capital and related financing activities	<u>(235,684,909)</u>	<u>(58,396,993)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of restricted investments	41,325,980	-
Purchases of restricted investments	(47,995,892)	-
Interest received	9,293,662	4,829,325
Net cash provided by investing activities	<u>2,623,750</u>	<u>4,829,325</u>
Net decrease in cash and cash equivalents	(98,984,779)	(4,017,923)
Cash and cash equivalents, July 1, 2024	353,292,704	361,104,742
Cash and cash equivalents, June 30, 2025	<u>\$ 254,307,925</u>	<u>357,086,819</u>

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

Operating income (loss)	\$ 63,663,815	(18,890,618)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	72,402,133	37,290,962
Change in assets and liabilities:		
(Increase) in accounts receivable	-	(11,920)
Decrease (increase) in intergovernmental receivables	(9,835,028)	25,204
(Increase) in interfund receivables	-	(258,781)
Decrease (increase) in inventories of supplies	104,904	(440,975)
Increase in accounts payable and accrued liabilities	4,877,140	4,662,924
Increase in pension- and OPEB-related deferred outflows and deferred inflows	1,957,448	-
Increase in accrued salaries and benefits	905,968	440,798
Total adjustments to operating income	<u>70,412,565</u>	<u>41,708,212</u>
Net cash provided by operating activities	<u>\$ 134,076,380</u>	<u>22,817,594</u>

Noncash investing, capital, and financing activities:

Capital contributions - sewer lines, manholes, and equipment	\$ -	-
Loss on disposal of capital assets	-	(1,482,327)
Initiations of lease or subscription-based IT arrangement obligations	-	11,118,426
Increase in arbitrage obligations	-	-
Increase in contracts payable/retainage related to capital assets	4,548,444	-
Increase in long-term debt resulting from the issuance of loans/revenue	4,774,033	-
Amortization of bond premium	-	-
Removal of purchased capacity through credit of UOSA debt	(351,328)	-
UOSA adjustment to bond payments	(374,487)	-
Decrease in long-term debt resulting from the sale of purchased capacity	<u>7,837,784</u>	<u>-</u>

See accompanying notes to the financial statements.

COUNTY OF FAIRFAX, VIRGINIA
Statement of Fiduciary Net Position
Trust and Custodial Funds
June 30, 2025

EXHIBIT A-7

	Pension/OPEB Trust Funds	Custodial Funds
ASSETS		
Equity in pooled cash and temporary investments	\$ 29,233,692	3,670,595
Cash collateral for securities lending	144,287,688	-
Accounts receivable	-	183,635
Contributions receivable	23,384,543	-
Accrued interest and dividends receivable	13,231,960	-
Receivable from sale of pension investments	920,191,602	-
Capital assets, net:		
Buildings and improvements	28,648	-
Vehicles and equipment	13,128	-
Right-to-use subscription assets	411,009	-
Investments:		
U.S. Government and agency securities	772,790,492	-
Asset-backed securities	240,862,630	-
Corporate and other bonds	716,294,260	-
Common and preferred stock	2,138,359,352	-
Natural Resources	5,615,338	-
Short-term investments	(43,948,378)	-
Investment in pooled funds	6,313,534,232	-
Total assets	<u>11,274,290,196</u>	<u>3,854,230</u>
DEFERRED OUTFLOWS OF RESOURCES		
Total deferred outflows of resources	-	-
LIABILITIES		
Accounts payable and accrued liabilities	32,591,867	32
Payable for purchase of pension investments	913,730,767	-
Liabilities for collateral received under securities lending agreements	144,287,688	-
Due to intergovernmental units	-	193,185
Performance and other deposits	-	790,526
Compensated absences, short-term	220,372	-
Subscription liabilities, short-term	249,008	-
Long-term liabilities:		
Compensated absences, long-term	1,252,844	-
Subscription liabilities, long-term	10,589	-
Total liabilities	<u>1,092,343,135</u>	<u>983,743</u>
DEFERRED INFLOWS OF RESOURCES		
Total deferred inflows of resources	-	-
NET POSITION		
Net position restricted for OPEB benefits	468,158,548	-
Net position restricted for pension benefits	9,713,788,513	-
Net position restricted for individuals, organizations, and other governments	-	2,870,487
Total net position	<u>\$ 10,181,947,061</u>	<u>2,870,487</u>

See accompanying notes to the financial statements.

COUNTY OF FAIRFAX, VIRGINIA
Statement of Changes in Fiduciary Net Position
Trust and Custodial Funds
For the fiscal year ended June 30, 2025

EXHIBIT A-8

	Pension/OPEB Trust Funds	Custodial Funds
ADDITIONS		
Contributions:		
Employer	\$ 559,405,330	-
Plan members	87,745,443	-
Other	4,142,429	-
Total contributions	<u>651,293,202</u>	<u>-</u>
Investment income:		
From investment activities:		
Net depreciation in fair value of investments	852,205,516	-
Interest	47,290,623	72,879
Dividends	42,143,736	-
Total income from investment activities	<u>941,639,875</u>	<u>72,879</u>
Less investment activities expenses:		
Management fees	97,403,715	365
Other	5,364,693	-
Total investment activities expenses	<u>102,768,408</u>	<u>365</u>
Net income from investment activities	<u>838,871,467</u>	<u>72,514</u>
From securities lending activities:		
Securities lending income	<u>1,395,934</u>	<u>-</u>
Less securities lending expenses:		
Management fees	<u>410,244</u>	<u>-</u>
Total securities lending activities expenses	<u>410,244</u>	<u>-</u>
Net income from securities lending activities	<u>985,690</u>	<u>-</u>
Net investment income	<u>839,857,157</u>	<u>72,514</u>
Collections:		
Taxes and fees for other governments	-	33,899,371
Intergovernmental for individuals	-	642,822
Penalty for other governments and organizations	-	803,715
Other for organizations and individuals	-	695,389
Total collections	<u>-</u>	<u>36,041,297</u>
Total additions	<u>1,491,150,359</u>	<u>36,113,811</u>
DEDUCTIONS		
Benefits payments	740,369,394	-
Refunds of contributions	5,951,147	-
Administrative expenses	6,166,984	66,271
Payments:		
Taxes and fees to other governments	-	33,812,113
Intergovernmental collections to individuals	-	645,659
Penalties to other governments and organizations	-	803,802
Other collections to organizations and individuals	-	470,038
Total payments	<u>-</u>	<u>35,731,612</u>
Total deductions	<u>752,487,525</u>	<u>35,797,883</u>
Change in net position	738,662,834	315,928
Net position, July 1, 2024	9,443,284,227	2,554,559
Net position, June 30, 2025	<u>\$ 10,181,947,061</u>	<u>2,870,487</u>

See accompanying notes to the financial statements.

COUNTY OF FAIRFAX, VIRGINIA
Combining Statement of Net Position
Component Units
June 30, 2025

	Public Schools	Redevelopment and Housing Authority	Park Authority
ASSETS			
Equity in pooled cash and temporary investments	\$ 672,296,003	51,378,138	39,797,127
Cash in banks/with fiscal agents/escrow	729,478	53,572,885	-
Receivables (net of allowances):			
Accounts	25,638,767	13,540,179	510,024
Accrued interest	272,878	128,802	106,905
Notes	-	68,825,561	-
Leases	2,765,811	21,911,815	62,602
Due from intergovernmental units	69,719,701	-	56,837
Due from primary government	220,200	59,784,910	8,453,588
Inventories of supplies	827,776	-	-
Prepaid and other assets	249,725	2,749,318	420,838
Restricted assets:			
Equity in pooled cash and temporary investments	240,445,507	-	39,506,487
Cash with fiscal agents	-	48,453,495	-
Deposit held in trust	-	12,414,966	-
Net OPEB Asset	-	924,395	3,119,464
Capital assets:			
Non-depreciable/non-amortizable:			
Land and easements	46,837,095	92,161,312	390,323,779
Easements	-	-	20,007,471
Construction in progress	465,031,921	32,452,450	15,145,351
Software in development	7,908,820	-	-
Depreciable/amortizable:			
Vehicles and equipment	412,048,967	8,374,432	15,485,946
Software	9,599,122	-	-
Library collections	18,119,385	-	-
Buildings and improvements	4,988,004,827	249,380,876	732,343,192
Right-to-use lease assets	89,565,983	23,034,641	2,607,810
Right-to-use subscription assets	114,379,183	751,703	1,976,321
Accumulated depreciation	(3,095,162,021)	(173,964,407)	(376,835,192)
Accumulated amortization	(82,734,962)	(221,874)	-
Total assets	3,986,764,166	565,653,597	893,088,550
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows for contributions subsequent to the measurement date (pension)	495,829,548	5,129,055	12,762,119
Deferred outflows for change in proportion (pension)	7,694,092	910,269	5,561,688
Deferred outflows for differences between expected and actual experience (pension)	393,534,898	4,447,027	11,086,880
Deferred outflows for recognition of investments (pension)	322,838,821	3,406,294	8,492,229
Deferred outflows for changes in assumptions (pension)	105,789,532	668,433	1,666,470
Deferred outflows for contributions subsequent to the measurement date (OPEB)	49,113,134	246,667	840,642
Deferred outflows for change in proportion (OPEB)	1,266,790	-	273,316
Deferred outflows for differences between expected and actual experience (OPEB)	79,828,535	522,840	1,764,376
Deferred outflows for recognition of investments (OPEB)	1,418,644	40,769	137,579
Deferred outflows for changes in assumptions (OPEB)	3,952,126	178,797	603,368
Deferred amounts from the refunding of debt	2,654,038	-	-
Total deferred outflows of resources	\$ 1,463,920,158	15,550,151	43,188,667

See accompanying notes to the financial statements.

EXHIBIT A-9

Economic Development Authority	Total Component Units	
		ASSETS
-	763,471,268	Equity in pooled cash and temporary investments
-	54,302,363	Cash in banks/with fiscal agents/escrow
		Receivables (net of allowances):
-	39,688,970	Accounts
-	508,585	Accrued interest
-	68,825,561	Notes
-	24,740,228	Leases
-	69,776,538	Due from intergovernmental units
911,407,054	979,865,752	Due from primary government
-	827,776	Inventories of supplies
116,314	3,536,195	Prepaid and other assets
		Restricted assets:
681,000	280,632,994	Equity in pooled cash and temporary investments
-	48,453,495	Cash with fiscal agents
-	12,414,966	Deposit held in trust
182,679	4,226,538	Net OPEB Asset
		Capital assets:
		Non-depreciable/non-amortizable:
-	529,322,186	Land and easements
-	20,007,471	Easements
-	512,629,722	Construction in progress
-	7,908,820	Software in development
		Depreciable/amortizable:
11,315	435,920,660	Vehicles and equipment
-	9,599,122	Software
-	18,119,385	Library collections
-	5,969,728,895	Buildings and improvements
9,234,893	124,443,327	Right-to-use lease assets
184,898	117,292,105	Right-to-use subscription assets
(11,315)	(3,645,972,935)	Accumulated depreciation
(583,184)	(83,540,020)	Accumulated amortization
921,223,654	6,366,729,967	Total assets
		DEFERRED OUTFLOWS OF RESOURCES
1,413,397	515,134,119	Deferred outflows for contributions subsequent to the measurement date (pension)
158,666	14,324,715	Deferred outflows for change in proportion (pension)
1,222,556	410,291,361	Deferred outflows for differences between expected and actual experience (pension)
936,443	335,673,787	Deferred outflows for recognition of investments (pension)
183,763	108,308,198	Deferred outflows for changes in assumptions (pension)
49,333	50,249,776	Deferred outflows for contributions subsequent to the measurement date (OPEB)
-	1,540,106	Deferred outflows for change in proportion (OPEB)
103,323	82,219,074	Deferred outflows for differences between expected and actual experience (OPEB)
67,528	1,664,520	Deferred outflows for recognition of investments (OPEB)
35,334	4,769,625	Deferred outflows for changes in assumptions (OPEB)
-	2,654,038	Deferred amounts from the refunding of debt
4,170,343	1,526,829,319	Total deferred outflows of resources

continued

COUNTY OF FAIRFAX, VIRGINIA
Combining Statement of Net Position
Component Units
June 30, 2025

	Public Schools	Redevelopment and Housing Authority	Park Authority
LIABILITIES			
Accounts payable and accrued liabilities	\$ 72,916,502	19,291,235	10,484,487
Accrued salaries and benefits	54,735,008	581,077	4,171,806
Contract retainages	18,738,954	-	3,478,181
Accrued interest payable	2,355,987	21,953,551	24,473
Due to intergovernmental units	-	48,273	3,916
Other current liabilities	-	482,117	-
Due to primary government	-	1,817,044	197,905
Unearned revenue	20,077,602	1,808,437	19,915,212
Performance and other deposits	36,251,812	2,509,031	874,372
Long-term liabilities:			
Portion due or payable within one year:			
Revenue bonds payable, net	-	2,857,790	-
Premium on revenue bonds payable, net	-	968,119	-
Component unit direct placements and borrowings	-	-	-
Notes payable, net	19,148,238	619,808	339,169
Compensated absences payable	176,553,768	669,273	3,922,322
Net pension liability	-	-	-
Lease liability	12,062,992	155,062	360,650
Subscription liability	9,089,766	179,897	166,901
Insurance and benefit claims payable	40,755,900	-	-
Loan from primary government	-	-	815,000
Portion due or payable after one year:			
Revenue bonds payable, net	-	64,405,360	-
Premium on revenue bonds payable, net	-	7,236,791	-
Notes payable, net	64,824,162	76,944,314	-
Compensated absences payable	60,005,535	567,212	7,868,944
Lease liability	42,531,830	5,446,935	1,090,867
Subscription liability	33,846,331	756	-
Insurance and benefit claims payable	47,786,100	-	-
Net OPEB liability	289,561,597	-	-
Loan from primary government	-	-	6,115,000
Net pension liability	3,375,558,413	34,075,454	84,953,481
Total liabilities	4,376,800,497	242,617,536	144,782,686
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to differences between actual and expected experience (pension)	176,459,677	124,739	310,988
Deferred recognition of investments (pension)	333,294,750	-	-
Deferred inflows for change in proportion and assumptions (pension)	86,387,023	1,764,770	497,299
Deferred inflows related to differences between actual and expected experience (OPEB)	23,007,352	122,277	412,638
Deferred recognition of investments (OPEB)	7,624,212	-	-
Deferred inflows for change in proportion (OPEB)	13,261,488	229,087	-
Deferred inflows for change in assumptions (OPEB)	62,503,533	1,532,987	5,173,223
Deferred inflows related to lease	2,708,738	42,843,748	61,320
Total deferred inflow of resources	705,246,773	46,617,608	6,455,468
NET POSITION			
Net investment in capital assets	2,776,010,085	164,401,585	781,611,700
Restricted for:			
Grant and education programs	72,843,929	-	-
Housing	-	58,359,430	-
Capital projects	211,000,734	-	28,538,563
E.C. Lawrence Trust - Nonexpendable reserve	-	-	1,507,926
Nonexpendable donation in perpetuity	-	-	100,000
Other postemployment benefits	-	-	3,119,464
Expendable donation for specific projects	-	-	4,939,789
Unrestricted (deficit)	(2,691,217,694)	69,207,589	(34,778,379)
Net position	\$ 368,637,054	291,968,604	785,039,063

See accompanying notes to the financial statements.

EXHIBIT A-9

concluded

Economic Development Authority	Total Component Units	
LIABILITIES		
205,450	102,897,674	Accounts payable and accrued liabilities
262,640	59,750,531	Accrued salaries and benefits
-	22,217,135	Contract retainages
-	24,334,011	Accrued interest payable
-	52,189	Due to intergovernmental units
-	482,117	Other current liabilities
-	2,014,949	Due to primary government
681,000	42,482,251	Unearned revenue
-	39,635,215	Performance and other deposits
		Long-term liabilities:
		Portion due or payable within one year:
49,988,062	52,845,852	Revenue bonds payable, net
4,826,988	5,795,107	Premium on revenue bonds payable, net
-	-	Component unit direct placements and borrowings
-	20,107,215	Notes payable, net
466,417	181,611,780	Compensated absences payable
-	-	Net pension liability
-	12,578,704	Lease liability
36,148	9,472,712	Subscription liability
-	40,755,900	Insurance and benefit claims payable
-	815,000	Loan from primary government
		Portion due or payable after one year:
817,483,946	881,889,306	Revenue bonds payable, net
34,674,368	41,911,159	Premium on revenue bonds payable, net
4,104,662	145,873,138	Notes payable, net
545,541	68,987,232	Compensated absences payable
9,234,614	58,304,246	Lease liability
-	33,847,087	Subscription liability
-	47,786,100	Insurance and benefit claims payable
-	289,561,597	Net OPEB liability
-	6,115,000	Loan from primary government
9,367,866	3,503,955,214	Net pension liability
<u>931,877,702</u>	<u>5,696,078,421</u>	Total liabilities
DEFERRED INFLOWS OF RESOURCES		
34,293	176,929,697	Deferred inflows related to differences between actual and expected experience (pension)
-	333,294,750	Deferred recognition of investments (pension)
370,078	89,019,170	Deferred inflows for change in proportion and assumptions (pension)
24,164	23,566,431	Deferred inflows related to differences between actual and expected experience (OPEB)
59,471	7,683,683	Deferred recognition of investments (OPEB)
191,707	13,682,282	Deferred inflows for change in proportion (OPEB)
302,947	69,512,690	Deferred inflows for change in assumptions (OPEB)
-	45,613,806	Deferred inflows related to lease
<u>982,660</u>	<u>759,302,509</u>	Total deferred inflow of resources
NET POSITION		
(434,155)	3,721,589,215	Net investment in capital assets
		Restricted for:
-	72,843,929	Grant and education programs
-	58,359,430	Housing
-	239,539,297	Capital projects
-	1,507,926	E.C. Lawrence Trust - Nonexpendable reserve
-	100,000	Nonexpendable donation in perpetuity
182,679	3,302,143	Other postemployment benefits
-	4,939,789	Expendable donation for specific projects
<u>(7,214,889)</u>	<u>(2,664,003,373)</u>	Unrestricted (deficit)
<u>(7,466,365)</u>	<u>1,438,178,356</u>	Net position

COUNTY OF FAIRFAX, VIRGINIA
Combining Statement of Activities
Component Units
For the fiscal year ended June 30, 2025

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Public Schools:				
Education	\$ 4,228,455,437	174,659,349	517,804,748	255,922,842
Redevelopment and Housing Authority:				
Community development	135,321,766	50,618,284	82,759,963	-
Park Authority:				
Parks, recreation, and cultural	161,059,524	59,886,391	-	40,843,409
Economic Development Authority:				
Community development	12,819,586	-	-	-
Total component units	\$ 4,537,656,313	285,164,024	600,564,711	296,766,251

General revenues:

Grants and contributions not restricted to specific programs
Revenue from the use of money
Revenue from primary government
Other
Total general revenues
Special Item
Change in net position
Net position, July 1, 2024, as previously stated
Restatements
Net position, July 1, 2024, as restated
Net position, June 30, 2025

See accompanying notes to the financial statements.

EXHIBIT A-10

Net (Expense) Revenue and Changes in Net Position

	Public Schools	Redevelopment and Housing Authority	Park Authority	Economic Development Authority	Total Component Units
	(3,280,068,498)	-	-	-	(3,280,068,498)
	-	(1,943,519)	-	-	(1,943,519)
	-	-	(60,329,724)	-	(60,329,724)
	-	-	-	(12,819,586)	(12,819,586)
	(3,280,068,498)	(1,943,519)	(60,329,724)	(12,819,586)	(3,355,161,327)
\$	711,758,032	-	7,311,038	-	719,069,070
	1,790,640	5,790,052	1,294,332	41,530	8,916,554
	2,584,409,875	8,162,899	101,840,171	12,132,990	2,706,545,935
	4,639,074	14,356,075	-	-	18,995,149
	3,302,597,621	28,309,026	110,445,541	12,174,520	3,453,526,708
	-	(773,200)	-	-	(773,200)
	22,529,123	25,592,307	50,115,817	(645,066)	97,592,181
	556,955,492	266,859,627	739,824,779	(6,385,083)	1,557,254,815
	(210,847,561)	(483,330)	(4,901,533)	(436,216)	(216,668,640)
	346,107,931	266,376,297	734,923,246	(6,821,299)	1,340,586,175
\$	368,637,054	291,968,604	785,039,063	(7,466,365)	1,438,178,356



COUNTY OF FAIRFAX, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Fairfax, Virginia, (the County) is organized under the Urban County Executive form of government (as defined under Virginia law). The governing body of the County is the Board of Supervisors (the Board), which makes policies for the administration of the County. The Board is comprised of ten members: a Chairman, elected at large for a four-year term, and one member from each of nine supervisor districts, elected for a four-year term by the voters of the district in which the member resides. The Board appoints a County Executive to act as the administrative head of the County. The County Executive serves at the pleasure of the Board, carries out the policies established by the Board, directs business and administrative procedures, and recommends officers and personnel to be appointed by the Board.

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

1. Reporting Entity

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

Blended Component Units

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

Solid Waste Authority of Fairfax County (SWA) - The SWA is considered a blended component unit because the Board of Supervisors comprises the Board of Directors of the SWA and has the ability to impose its will on the SWA. The SWA is authorized under the Virginia Water and Waste Authorities Act and was created by the Board of Supervisors on June 29, 1987. The SWA has financed the construction of a solid-waste-to-energy facility, which is contractually owned and operated by a commercial entity in accordance with agreements between the County, the SWA, and the commercial entity. The County has assumed the responsibility for the management of the arrangement between the SWA and the commercial entity and for providing sufficient solid waste to result in a financially viable operation; associated activity is reported in a special revenue fund of the County, the Refuse Disposal Fund, but the Authority as an entity is not engaged in financial activity. Separate financial statements are not prepared for the SWA.

Small District One -The Board of Supervisors created Small District One, which is located within the Dranesville Magisterial District, in 1970 to provide for the construction of a community center and the operation of its social, cultural, educational, and recreational facilities. This small district is reported as a separate special revenue fund of the County (the

McLean Community Center Fund), and is governed by the Board; and the County maintains operational and management responsibility for the district. Separate financial statements are not prepared for Small District One.

Small District Five - The Board of Supervisors created Small District Five, which was located within the Sully, Dranesville, and Hunter Mill Magisterial Districts, in 1975 to provide for the construction of a community center and the operation of its social, cultural, educational, and recreational facilities. In March 2006, the Board of Supervisors voted to change the boundaries, placing all boarders within the Hunter Mill Magisterial District. This change became effective January 1, 2007. This small district is reported as a separate special revenue fund of the County, the Reston Community Center Fund, it is governed by the Board, and the County maintains operational and management responsibility for the district. Separate financial statements are not prepared for Small District Five.

Dulles Rail Phase I Transportation Improvement District - The Board of Supervisors created the Dulles Rail Phase I Transportation Improvement District in 2004 to provide funds for the construction of certain transportation improvements in the district. This district is reported as a separate special revenue fund of the County. The District is governed by the members of the Board of Supervisors representing the property owners within the district, and the County management oversees its operation. Separate financial statements are not prepared for the Dulles Rail Phase I Transportation Improvement District.

Dulles Rail Phase II Transportation Improvement District - The Board of Supervisors created the Dulles Rail Phase II Transportation Improvement District in 2009 to provide funds for the construction of certain transportation improvements in the district. This district is reported as a separate special revenue fund of the County. The District is governed by the members of the Board of Supervisors representing the property owners within the district, and the County management oversees its operation. Separate financial statements are not prepared for the Dulles Rail Phase II Transportation Improvement District.

Mosaic District Community Development Authority (CDA) - The CDA is an independent authority legally authorized by an act of the Virginia General Assembly and was formally created by the Board of Supervisors in April 2009. The CDA's purpose is to assist in the development of infrastructure improvements within the district. The CDA presentation consists of a special revenue, a debt service fund, and a capital projects fund. The CDA provides services that exclusively benefit the County and was established with a tax increment financing agreement. Separate financial statements are not prepared for the CDA.

Discretely Presented Component Units

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

Fairfax County Public Schools (Public Schools) - Public Schools is responsible for elementary and secondary education within the County. The School Board is elected by County voters. Public School systems do not have taxing authority under Virginia Code; Public Schools is fiscally dependent on the County. Public Schools operations are funded primarily by the County's General Fund, and the County issues general obligation debt for Public Schools' capital projects.

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

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

Fairfax County Economic Development Authority (EDA) - The EDA is an independent authority legally authorized by an act of the Virginia General Assembly and was formally created by resolutions of the Board of Supervisors. The EDA's mission is to create demand for the new commercial construction that expands the tax base and contributes to the quality of life and overall prosperity of the County. The Board appoints the seven members of the EDA's commission which appoints the EDA's President. The Board appropriates funds annually to the EDA for operating expenditures incurred in carrying out its mission.

Related Organizations

The Board of Supervisors is also responsible for appointing the members of the boards of Fairfax Water, and the Industrial Development Authority of Fairfax County (IDAFIC). The IDAFIC does not have a significant operational or financial relationship with the County. Fairfax Water bills and collects for the sales of sewer services on behalf of the County's sewer system. During fiscal year 2025, Fairfax Water collected approximately \$266.6 million on behalf of the County, and as of June 30, 2025, the County has receivables of approximately \$62.3 million due from Fairfax Water.

Joint Ventures

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

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

explicit and measurable financial interest in NVRPA. Complete financial statements of NVRPA can be obtained by writing to NVRPA, 5400 Ox Road, Fairfax Station, Virginia 22039.

Jointly Governed Organization

The State Route 28 Highway Transportation Improvement District (District) was created in 1987 under the provisions of the Transportation Improvements District Act by the County and Loudoun County, Virginia, in conjunction with the Commonwealth of Virginia Transportation Board (CVTB), for the purpose of undertaking various improvements to State Route 28. The District is governed by a nine-member Commission comprised of four members from each of the Boards of Supervisors of the County and Loudoun County and the Chairman of the CVTB or his designee. The County has no financial interest in the District. See Note K-9 for additional information related to the District.

2. Basis of Presentation

Government-wide Statements

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

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

Fund Financial Statements

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

The County reports the following major fund types:

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

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

The County reports the following nonmajor governmental fund types:

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

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for, and the payment of, the general obligation debt service of the County and for the debt service of the lease revenue bonds and special assessment debt. This includes the general obligation debt the County has issued to fund Public Schools capital projects.

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

The County reports the following additional fund types:

Internal Service Funds - These funds are proprietary funds used to account for the provision of general liability, malpractice, and workers' compensation insurance, health benefits for employees and retirees, vehicle services, document services, and technology infrastructure support that are provided to County departments on a cost reimbursement basis.

Pension and Other Postemployment Benefits (OPEB) Trust funds - These are fiduciary funds used to account for the assets held in trust by the County for the employees and beneficiaries of its defined benefit pension and OPEB plans – the Employees' Retirement System, the Police Officers Retirement System, the Uniformed Retirement System, and the OPEB Trust Fund.

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

3. Measurement Focus and Basis of Accounting

Government-wide, Proprietary, and Fiduciary Fund Statements

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. For the Sewer System, principal operating revenues include sales to existing customers for continuing sewer service. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues

and expenses. Also, unbilled Sewer System receivables, net of an allowance for uncollectible accounts, are recorded at year end to the extent they can be estimated.

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

Governmental Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenue from the use of money and property and from intergovernmental reimbursement grants is recorded as earned. Other revenues are considered available to be used to pay liabilities of the current period if they are collectible within the current period or within 45 days thereafter. The primary revenues susceptible to accrual include property, business license, and other local taxes and intergovernmental revenues. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the individual programs are used as guidance. Expenditures are recorded when the related fund liability is incurred, except that principal and interest on general long-term debt and certain other general long-term obligations, such as compensated absences and landfill closure and postclosure care costs, are recognized only to the extent they have matured. General capital asset acquisitions are reported as capital outlays in governmental funds. The issuance of general long-term debt and acquisitions under leases are reported as other financing sources. The effect of interfund activity has not been eliminated from the governmental fund financial statements.

4. Pooled Cash and Temporary Investments

The County maintains cash and temporary investments for all funds and component units in a single pooled account, except for certain cash and investments required to be maintained with fiscal agents or in separate pools or accounts in order to comply with the provisions of bond indentures. As of June 30, 2025, the pooled cash and temporary investments have been allocated between the County and the respective component units based upon their respective ownership percentages. Temporary investments consist of money market investments that have a remaining maturity at the time of purchase of one year or less and are reported at amortized cost, which approximates fair value. Interest earned, less an administrative charge, is allocated generally to the respective funds and component units based on each fund’s or unit’s equity in the pooled account. In accordance with the County’s legally adopted operating budget, interest earned by certain funds is assigned directly to the General Fund. For the year ended June 30, 2025, interest earned by these funds and assigned directly to the County’s General Fund is as shown on the right.

<u>Primary Government</u>	
Nonmajor governmental funds	\$ 26,494,369
Internal service funds	3,451,298
Custodial funds	37,038
Total Primary Government	29,982,705
<u>Component Units</u>	
Public Schools	22,835,478
FCRHA	6,583
Park Authority	43,995
Total Component Units	22,886,056
Total Reporting Entity	\$ 52,868,761

5. Cash and Cash Equivalents

For purposes of the statements of cash flows, the amounts reported as cash and cash equivalents for the proprietary fund types represent amounts maintained in the Reporting Entity's investment pool, as they are considered to be demand deposits for the purpose of complying with GAAP.

6. Investments

Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost, which approximates fair value. Other investments are reported at fair value or net asset value as required by GAAP. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Asset-backed securities are valued on the basis of future principal and interest payments and are discounted at prevailing interest rates for similar investments. Investment ownership is recorded as of the trade date. Transactions are finalized and money movement occurs on the settlement date. Investments are held as pooled assets and not individually attributed to funds. For presentation purposes, these have been allocated proportionally between the County General Fund and Nonmajor Governmental Funds. For the retirement system, cash received as collateral on securities lending transactions and investments made with such cash are reported as assets and as related liabilities for collateral received.

7. Investments in Derivatives

The County Retirement Systems (the Systems), which include the Employees' (ERS), Police Officers (PORS), and Uniformed (URS) Retirement Systems, as well as the Educational Retirement System (ERFC) of the Public Schools component unit, invest in derivatives as permitted by the Code of Virginia and in accordance with policies set by their respective Board of Trustees. Derivative instruments are financial contracts with valuations dependent on the values of one or more underlying assets, reference rates or financial indices. Detailed information on derivative investments is found in Note B.

8. Inventories and Prepaid Items

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

9. Restricted Assets

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

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

In accordance with the provisions of the 1985 General Bond Resolution as modified through July 2009, certain assets of the Sewer System are restricted for specific future uses, such as repayment of debt obligations, payments on construction projects, extensions and improvements, or the purchase of additional capacity at certain wastewater treatment facilities for the benefit of the County. As of June 30, 2025, the Sewer System has cash and investments that are restricted for the following uses:

Restricted Assets of the Sewer System	
Net other postemployment benefits	\$ 1,702,059
Unspent bond proceeds	74,877,958
Long-term debt service requirements	72,770,338
Current debt service requirements	25,100,076
Total restricted assets	<u>\$ 174,450,431</u>

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

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

10. Capital Assets

Depreciable capital assets are reported in the proprietary funds and in the governmental or business-type activities columns of the government-wide financial statements. These assets include buildings, improvements, equipment, library collections, purchased capacity, infrastructure, and right-to-use leases and subscriptions that individually cost \$10,000 or more, as well as software with a cost of \$100,000 or more, provided they have useful lives greater than one year. Non-depreciable assets, including land and permanent right-of-way easements, are reported in the same manner but are not subject to capitalization thresholds. The County has capitalized general infrastructure assets, including solid waste disposal facilities, storm water management facilities, public drainage systems, mass transportation facilities, commercial revitalization improvements, and public trails and walkways that were acquired or substantially improved subsequent to July 1, 1980. The County does not capitalize roads and bridges as these belong to the Commonwealth of Virginia.

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

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

Capital Assets	Useful Lives
Vehicles	5-12 years
Equipment	5-20 years
Software	5-15 years
Library collections	5 years
Purchased capacity	99 years
Buildings	20-50 years
Improvements	15-25 years
Infrastructure	10-50 years
Right-to-use-leases*	1-24 years
Right-to-use subscriptions**	1-10 years

No depreciation is taken in the year of acquisition for library collections; depreciation/amortization on

* Based on the underlying agreement of lease term

** Based on the underlying agreement of software subscription term

other capital assets commences when the assets are purchased or are substantially complete and ready for use. For constructed assets, all associated costs necessary to bring such assets to the condition and location necessary for their intended use are initially capitalized as construction in progress and are transferred to buildings, improvements, and equipment when the assets are substantially complete and ready for use.

11. Compensated Absences

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

The liability for compensated absences, which includes annual leave, compensatory leave, and sick leave, is recognized when it is deemed more likely than not (greater than a 50 percent likelihood) that the leave will be used, paid out, or otherwise settled. Annual and compensatory leave liabilities are generally measured using the employee's pay rate as of the financial statement date, while sick leave is measured using the average pay rate applied to the year-end sick leave balance. The estimate for sick leave also takes into account historical usage data to evaluate the likelihood that earned but unused leave will lead to time off or a cash payout. The total liability for compensated absences is reported in the government-wide and proprietary fund statements, whereas only the matured portion resulting from employee resignations and retirements is reported in the governmental fund statements. The liability for compensated absences includes salary-related benefits, where applicable.

12. Pensions and OPEB Plans

The Reporting Entity administers multiple public employee retirement systems and OPEB plans. The net pension and OPEB liabilities and associated deferred outflows of resources and deferred inflows of resources are reported with a one year lag when compared with the fiduciary net position as reported by the retirement systems and OPEB plans. Employer contributions during the current fiscal year are reflected as a deferred outflow of resources which will impact the pension expense of the subsequent year. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Detailed information about the individual retirement systems and their respective pension plans is found in Note G. Information regarding the OPEB plans is found in Note H.

13. Net Position

Net position is comprised of three categories: Net investment in capital assets; Restricted net position; and Unrestricted net position. The first category of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt that are attributable to these capital assets. Restricted net position is restricted assets reduced by liabilities and deferred inflows of resources related to those assets. As of June 30, 2025, the Primary Government had \$688.0 million restricted net position, of which \$400.5 million was restricted by enabling legislation. Net position which is neither restricted nor related to net investment in capital assets is reported as unrestricted net position.

The County issues debt to finance the construction of school facilities for the Public Schools and park facilities for the Park Authority component units because Public Schools does not have borrowing or taxing authority and the Park Authority does not have taxing authority. The County reports this debt, whereas the Public Schools and Park Authority report the related capital assets and unspent bond proceeds. As a result, in the Statement of Net Position (Exhibit A), the debt reduces unrestricted

net position for the Primary Government, while the capital assets and unspent bond proceeds are respectively reported in net investment in capital assets and in restricted net position for Public Schools and the Park Authority.

Because this debt is related to capital assets and restricted assets of the Reporting Entity as a whole, the debt amount of \$2,005.5 million should be reclassified as shown below to present the total Reporting Entity column of Exhibit A. Reclassification as presented on Exhibit A consumes restricted in the amount of \$246.0 million for capital projects with the balance of \$1,759.5 million to net investment in capital assets.

Net Position (summarized)	Primary Government	Component Units	Reclassification of Debt Issued for:			Total Reporting Entity
			Public Schools Facilities	Park Authority Facilities	Total Reclassification of Debt Issued	
Net investment in capital assets	\$ 4,173,719,347	3,721,589,215	(1,560,976,394)	(198,501,121)	(1,759,477,515)	6,135,831,047
Restricted	688,014,595	380,592,514	(240,445,507)	(5,571,674)	(246,017,181)	822,589,928
Unrestricted	(2,775,988,809)	(2,664,003,373)	1,801,421,901	204,072,795	2,005,494,696	(3,434,497,486)
Net position	\$ 2,085,745,133	1,438,178,356	-	-	-	3,523,923,489

14. Fund Balance Classification

The Board of Supervisors, as the highest level of authority within the County, establishes the commitment of fund balance to purposes through the approval of the annual budget plan by resolution, in conjunction with the resolutions associated with the establishment of fee and tax rates, and acceptance or appropriation of funds. All subsequent changes to the budget plan to add, reduce, or redirect resources to other purposes are also accomplished by board resolution. As a result, all unrestricted amounts directed toward a purpose are shown as committed. Balances shown as assigned in the General Fund represent encumbrances which would otherwise be unassigned.

The County considers restricted balances to be expended first in cases where both restricted and unrestricted amounts are available. When utilizing unrestricted balances, committed balances are applied first, followed by assigned then unassigned balances.

15. Encumbrances

The County uses encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to reserve that portion of the applicable appropriation. Encumbrances represent the estimated amount of expenditures ultimately to result if unperformed contracts and open purchase orders are completed. Encumbrances for the capital projects funds do not lapse until the completion of the projects and are included within the highest level of fund balance constraint in accordance with the order of expenditure as noted in note A-13. Encumbrances in the general fund are generally reported as assigned fund balance, but balances included in other funds within the General Fund group are committed. Funding for all other encumbrances lapses at year end and requires reappropriation by the Board. Funds with significant encumbrance balances are as follows:

	Encumbrance Balance
Primary Government	
General Fund	
Public safety, courts, and judicial	\$ 14,343,764
General public works	\$ 6,217,979
Social services, health and welfare	\$ 12,727,900
Housing and community development	\$ 9,729,666
Parks, recreation, and cultural	\$ 2,438,801
Other purposes	\$ 17,664,171
Total General Fund	<u>\$ 63,122,281</u>
Capital Projects Funds	
Capital projects	\$ 203,873,279
Total capital projects funds	<u>\$ 203,873,279</u>

16. Stabilization and Managed Reserve

In 1983, the Board of Supervisors established a policy through resolution to maintain a managed reserve in the general fund at a level sufficient for temporary financing of unforeseen emergency needs or to permit orderly adjustment to changes resulting from the termination of revenue sources through actions of other governmental bodies. The reserve is maintained at a level of not less than 2.0 percent of total General Fund disbursements. The balance is adjusted as a part of the quarterly budget review process. The Board increased the target to 4.0 percent in April of 2015.

In 1999, the Board passed a resolution establishing the revenue stabilization fund. The revenue stabilization fund is included in the general fund for reporting purposes. The purpose of the revenue stabilization fund is to provide a mechanism for maintaining a balanced budget without resorting to tax increases and expenditure reductions that aggravate the stresses imposed by the cyclical nature of the economy. Three specific criteria must be met to draw from this fund. Projected revenues must reflect a decrease greater than 1.5 percent from the current year estimate, withdrawals must not exceed one-half of the fund balance in any fiscal year, and withdrawals must be used in conjunction with spending cuts or other measures.

17. Recovered Costs

Reimbursements from another government, organization, or private company for utilities, tuition fees, vehicle insurance, and services rendered or provided to citizens are recorded as recovered costs in the fund financial statements.

18. Intermunicipal Agreements

The Sewer System has entered into several intermunicipal agreements for the purpose of sharing sewage flow and treatment facility costs (see Note K). The payments made to reimburse operating costs and debt service requirements are recorded as expenses in the year due. Payments made to fund the Sewer System's portion of facility expansion and upgrade costs are capitalized as purchased capacity (see Note F). The Sewer System amortizes these costs over the period in which benefits are expected to be derived, which is between 30 and 99 years, depending on time of installation.

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

The County and the Cities of Fairfax and Falls Church comprise the Fairfax-Falls Church Community Services Board (CSB), established under State mandate in 1969, offers a comprehensive network of community-based resources to assist individuals and families impacted by developmental, emotional, mental health, and/or substance use challenges. The CSB uses the County as its fiscal agent. The operations of the CSB, including payments received from these cities for services performed by the County, are reported in a special revenue fund.

19. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. The differences are reflected in the period known unless deemed significant by management.

B. DEPOSITS AND INVESTMENTS**1. Deposit and Investment Policies**

The Reporting Entity maintains an investment policy, the overall objectives of which are the preservation of capital and the protection of investment principal; maintenance of sufficient liquidity to meet operating requirements; conformance with federal, state, and other legal requirements; diversification to avoid incurring unreasonable risks regarding specific security types or individual financial institutions; and attainment of a market rate of return. Oversight of investment activity is the responsibility of the Investment Committee, which is comprised of the Chief Financial Officer and certain key management and investment staff.

It is the Reporting Entity's policy to pool for investing purposes all available funds of the County and its component units that aren't otherwise required to be kept separate. The investment policy,

therefore, applies to the activities of the Reporting Entity with regard to investing the financial assets of its pooled investment funds.

The Primary Government is a participant in the Virginia Investment Pool Trust Fund (VIP Trust). VIP Trust is a Section 115 governmental trust fund created under the Joint Exercise of Powers statute of the Commonwealth of Virginia to provide political subdivisions with an investment vehicle to pool surplus funds and to invest such funds into one or more investment portfolios under the direction and daily supervision of a professional fund manager. The VIP Trust is governed by a Board of Trustees.

The Primary Government is a participant in the Virginia State Non-Arbitrage Program (SNAP), sponsored by the Virginia Treasury Board. The SNAP Program provides comprehensive investment management, accounting and arbitrage calculation services for the proceeds of tax-exempt financings of Virginia governments. The Treasury Board has hired a program/investment manager, rebate calculation agent, central depository, custodian bank, and legal counsel to manage the program and provide services to investors.

The Primary Government's pension trust funds have adopted investment policies to provide a well-managed investment program to meet the long-term goals of the pension trust funds, provide a high degree of diversification, maintain appropriate asset coverage of fund liabilities, and also optimize investment return without introducing higher volatility to contribution levels. Investment decisions for the funds' assets are made by the Boards of Trustees or investment managers selected by the Boards of Trustees. The Boards of Trustees believe that risks can be managed, but not eliminated, by establishing constraints on the investment portfolio and by properly monitoring the investment markets, the pension trust funds' asset allocation, and investment managers. Furthermore, investment portfolios have specific benchmarks and investment guidelines.

The Component Unit's pension trust fund's investment decisions are made by its Board of Trustees or the investment advisors selected by the Board of Trustees. The Board of Trustees manages the fund's investments under the umbrella of an approved set of investment objectives, guidelines, and performance standards. The objectives are formulated in response to the fund's anticipated financial needs, risk tolerance, and the need to document and communicate objectives, guidelines, and standards to the fund's investment managers. The Board of Trustees may grant exceptions to the investment guidelines based on written requests and appropriate justification. All exceptions that are approved are included in an appendix to the written guidelines.

The Primary Government's OPEB trust fund and its Component Unit's OPEB trust fund are participants in the Virginia Pooled OPEB Trust. Funds of participating jurisdictions are pooled and are invested in the name of the Virginia Pooled OPEB Trust, sponsored by the Virginia Municipal League and the Virginia Association of Counties (VML/VACo). The Primary Government's and Component Unit's respective shares in this pool are reported on the face of the corresponding OPEB trust fund statements as found in the other supplementary information section of the ACFR. The Board of Trustees of the Virginia Pooled OPEB Trust has adopted an investment policy to achieve a compound annualized total rate of return over a market cycle, including current income and capital appreciation, in excess of 5 percent after inflation, in a manner consistent with prudent risk-taking. Investment decisions for the funds' assets are made by the Board of Trustees. The Board of Trustees establishes investment objectives, risk tolerance, and asset allocation policies in light of the investment policy, market and economic conditions, and generally prevailing prudent investment practices. The Board of Trustees also monitors the investments to ensure adherence to the adopted policies and guidelines. In addition, the Trustees review, monitor, and evaluate the performance of the investments and its investment advisors in light of available investment opportunities, market conditions, and publicly available indices for the generally accepted evaluation and measurement of such performance. Specific investment information for the Virginia Pooled OPEB Trust can be obtained by writing to VML/VACo Finance Program, 8 East Canal Street, Suite 100, Richmond, Virginia 23219.

The Code of Virginia (Code) authorizes the Reporting Entity to purchase the following types of investments:

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

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

Commonwealth of Virginia and obligations of state and local government units located within other states.

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

2. Fair Value Measurement

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

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

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

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

Level 3 includes unobservable information to arrive at the valuation.

The Primary Government and Component Unit have the following investments measured at fair value as of June 30, 2025:

Pooled Investments	Investments by Fair Value Level	6/30/2025	Quoted Prices in	Observable Inputs other than Quoted		Significant
			Active Markets for	Prices		Unobservable
			Identical Assets	Level 1	Level 2	Inputs
				Primary	Component Unit	Level 3
				Government		
Cash & cash equivalents:						
Negotiable certificates of deposit	\$	975,000,000	-	745,289,820	229,710,180	-
Commercial paper		186,222,130	-	142,348,162	43,873,968	-
Fixed-income securities:						
U.S. Treasury and agencies		1,363,590,581	-	1,042,328,388	321,262,193	-
Corporate notes		520,307,552	-	397,722,997	122,584,555	-
Total Investments by Fair Value Level	\$	3,045,120,263	-	2,327,689,367	717,430,896	-

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

Securities and equities held by the County and component pension systems classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Securities in

Level 2 are valued using bid evaluation, which may include market quotations, yields, maturity call features and ratings. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices. Level 3 securities use proprietary information or single source pricing. Additional information regarding the holdings of the individual retirement systems is available in their separately issued ACFRs. Information on how these may be viewed can be found in Note G.

Primary Government pension holdings reported at fair value and net asset value are presented below:

Primary Government - Pension Trust Funds:		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
Investments by Fair Value Level	6/30/2025	Level 1	Level 2	Level 3
Asset-backed securities	\$ 240,862,630	-	81,031,127	159,831,503
Convertible or exchangeable securities	2,499,355	-	2,499,355	-
Corporate and other bonds	340,993,151	29,426,575	148,925,047	162,641,529
Equity	2,132,595,486	1,555,168,195	-	577,427,291
Futures contracts	16,489,430	16,489,430	-	-
International bonds	356,312,324	-	356,312,324	-
Natural resources	5,615,338	-	-	5,615,338
Preferred securities	5,763,866	5,574,239	161,982	27,645
U.S. Government obligations	772,790,492	-	772,790,492	-
Total Investments by Fair Value Level	\$ 3,873,922,072	1,606,658,439	1,361,720,327	905,543,306
Investments Measured at the Net Asset Value (NAV)		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Absolute return	\$ 1,306,178,242	-	Daily, Monthly, Quarterly	2-90 days
Global equity	1,781,439,192	643,077,168	None, Daily, Monthly, Quarterly	0-90 days, N/A
Global fixed income	1,287,965,922	358,073,052	None, Daily, Monthly, Quarterly, Semi-annually	0-90 days, N/A
Global multi-asset	465,520,242	-	Daily, Monthly, Quarterly	1-90 days
Global real assets	1,010,158,874	317,786,315	None, Daily, Quarterly	0-60 days, N/A
Total Investments Measured at the NAV	5,851,262,472	1,318,936,535		
Investments Measured at Amortized Cost				
Short-term	(43,948,378)			
Total investments	\$ 9,681,236,166			

Absolute Return: This type includes relative value hedge funds which implement long and short relative value strategies to capture structural returns across multiple asset classes including equity sectors, equity indices, fixed income, currency and commodities. The funds classified as absolute return also include the following:

Global Macro: This type includes hedge funds that invest long/short across fixed income, currency, equity and commodity markets. The process is equally driven by analysis of the macro environment, flows of capital, the expected reaction to changes in interest rates, trend following and other drivers. This type also includes Commodity Trading Advisor (CTA) that analyzes market prices to determine trends then uses tactical asset allocation to capture and ride market trends. The fund is a diversified portfolio with exposure to currencies, commodities, bonds and short interest rates, and equity indices at various times. These exposures are typically achieved through the use of derivatives which allows quick response because of the high liquidity in the derivative markets.

Equity Long/Short Hedge Funds: This type includes hedge funds that invest both long and short primarily in the U.S. common stock market. Each of the funds have different strategies. Each of the hedge fund strategies requires a longer hold period to realize value so each fund has quarterly liquidity and forty-five day notice period for redemptions.

Multi-Strategy: This type includes an event-driven multi-strategy fund that invests in distressed debt, risk arbitrage, event equities, convertible arbitrage, and volatility trades. This type includes hedge funds that use quantitative and qualitative tools to optimize return per unit of volatility.

Event Driven: This type includes investment in a hedge fund that focuses on global long/short credit and event driven positions, investing across the capital structure.

Global Equity: This type includes domestic equity funds that uses derivative instruments to replace long equity exposures, and international equity funds providing traditional long-only international equity exposure.

U.S. Equities: This type includes a private hedge fund. A bundled portable alpha mandate which uses futures on the S&P 500 Index and ports it to a fundamental global macro/fixed income fund. The fund has exposure to interest rates, FX, equity indices and commodities. However, the majority of its exposure is generally to interest rates. Another type of hedge fund is a U.S. small cap deep value long/short equity fund. This type also includes a hedge fund that is based on the fundamental concepts of value and momentum investing. The fund applies both concepts through the use of numerous proprietary indicators across many sectors, while generally giving more weight to value than momentum. This is a long/short strategy that maintains a net 100 percent invested position by investing 130 percent of portfolio assets in long positions and 30 percent in short positions.

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

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

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

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

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

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

Real Estate Funds: One fund in this type is primarily a core portfolio of U.S. equity real estate with a goal to provide good returns while limiting downside risk through property type, geographic, and economic diversification with moderate leverage. This type also includes distressed real estate fund-of-funds that invest in local real estate managers that purchase distressed properties and renovate them. Distributions in this fund are received through the liquidation of the underlying properties over five to ten years, and rental income is received as a current yield from the underlying funds.

Component unit pension holdings reporting at fair value and net asset value are presented below:

Component Unit - Pension Trust Fund:		Fair Value Measurements Using			
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	
Investments by Fair Value Level	6/30/2025	Level 1	Level 2	Level 3	
Short-term securities	\$ 59,387,722	3,225,972	-	56,161,750	
Debt Securities					
Asset- and mortgage-backed securities	228,672,358	-	228,672,358	-	
Corporate bonds	394,136,423	-	388,248,787	5,887,636	
Convertible securities	3,388,211	417,533	2,970,678	-	
International bonds	24,123,063	-	24,123,063	-	
U.S. Government obligations	260,967,495	260,967,495	-	-	
Total Debt Securities	911,287,550	261,385,028	644,014,886	5,887,636	
Equity investments	191,503,176	191,503,176	-	-	
Global bond fund	3,170,819	3,170,819	-	-	
Total Investments by Fair Value Level	\$ 1,165,349,267	459,284,995	644,014,886	62,049,386	
Investments Measured at the Net Asset Value (NAV)		Unfunded Commitments	Redemption Frequency	Redemption Notice Period	
Commingled large-cap equity funds	\$ 455,319,423	-	Daily	None	
Commingled emerging markets equity funds	100,772,285	-	Daily	3 days	
Commingled global equity funds	385,365,431	-	Daily	None	
Commingled core plus bond fund	70,801,243	-	Daily	None	
Private markets	591,493,456	328,920,290	Not eligible	N/A	
Commingled multi-asset class solutions	69,848,848	-	Monthly	5 days	
Commingled hedge funds	285,582,462	27,600,000	Monthly	30 days	
Commingled real estate equity funds	155,773,743	-	Quarterly	1-90 days	
Private real estate funds	135,813,931	101,754,771	Not eligible	N/A	
Total Investments Measured at the NAV	2,250,770,822	458,275,061			
Total Investments	\$ 3,416,120,089				

Commingled Large Cap Equity Fund: The objective of this index fund is to invest in securities and collective funds that together are designed to track the performance of the Russell 1000®.

Commingled Emerging Markets Equity Fund: The fund invests in common stocks and other forms of equity investments issued by emerging market companies of all sizes to obtain long-term capital appreciation.

Commingled Global Equity Funds: These funds are both actively and passively managed, multi-capitalization fund focused on attractively priced companies with strong and/or improving financial productivity. The fund invests in listed global equity securities located in both developed and emerging markets.

Commingled Core Plus Bond Funds: These funds are actively managed investment vehicles that aim to deliver strong total returns by investing in a diversified portfolio of U.S. investment-grade bonds. They focus on intermediate and long term high quality bonds and provide broad exposure across all sectors of the U.S. investment grade market including securities not included in the benchmark.

The strategy emphasizes selecting bonds with attractive valuations in countries that have stable or improving economic conditions. The objective is to generate strong, risk adjusted returns from the global bond markets.

Private Equity and Debt Partnerships: This type includes investments in limited partnerships, which generally include the following strategies: buyouts, venture capital, mezzanine, distressed debt, growth equity and special situations. These investments have an approximate life of 10 years and are considered illiquid. Redemptions are restricted over the life of the partnership. During the life of the partnerships, distributions are received as underlying partnership investments are realized. As of June 30, 2025, it is probable that all of the investments in this type will be sold at an amount different from the NAV per share of the plan's ownership interest in partners' capital.

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

Natural Resources: This type includes earth-related extractions in four distinct sub-sector categories: energy, mining, agriculture-timber and sustainability. Opportunities in energy are traditional oil and gas activities across the value chain. Mining is the exploration and extraction of metals and minerals through surface or underground. Agriculture and timber are opportunities in ownership of regenerating assets, and investments in companies through-out the value chain. Sustainability is opportunities related to sectors with strong tailwinds from government climate policy, industry commitments, and consumer preferences to mitigate the effects of climate change.

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

Commingled Real Estate Equity Funds: This type of fund provides diversified exposure to a coreportfolio of U.S. real estate investments across different sectors. The investment primarily focuses on income with some value-add properties, seeking higher returns from potential appreciation.

Private Real Estate Funds: This fund is a limited partnership that makes direct or secondary investments in various types of real estate and real estate entities, such as commingled real estate funds, limited partnerships, joint ventures, real estate operating companies and non-traded REIT vehicles.

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

Information related to the investments held in the OPEB trust funds of both the County and component units is discussed in Note H.

3. Interest Rate Risk

The Reporting Entity's policy is to minimize the risk that the fair value of securities in its portfolio will fall due to changes in market interest rates. To achieve this minimization of risk, the Reporting Entity structures the pooled investment portfolio so that sufficient securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. Pooled investments that are purchased to meet liquidity needs shall have a target weighted average maturity of ninety days or less. All other pooled funds are invested primarily

in shorter-term securities, with a maximum maturity of five years. The Reporting Entity's pooled investments as of June 30, 2025, are summarized below.

Investment Type	Valuation	Weighted Average Maturity (Days)
Primary Government - Pooled Investments:		
U.S. Treasury securities and agencies	\$ 1,042,328,388	3,632
Commercial paper	142,348,162	127
Corporate notes and bonds	397,722,997	599
Money market funds	392,663,124	1
Negotiable certificates of deposit	745,289,820	177
Virginia Investment Pool LGIP	213,128,375	38
VIP - Virginia Investment Pool	47,196,502	42
Total	\$ 2,980,677,368	
Portfolio weighted-average maturity		1,404
Component Unit - Pooled Investments:		
U.S. Treasury securities and agencies	\$ 321,262,193	3,632
Commercial paper	43,873,968	127
Corporate notes	122,584,555	599
Money market funds	121,025,022	1
Negotiable certificates of deposit	229,710,180	177
Virginia Investment Pool LGIP	65,689,556	38
VIP - Virginia Investment Pool	14,546,713	42
Total	\$ 918,692,187	
Portfolio weighted-average maturity		1,404

The Primary Government's pension trust funds manage interest rate risk for fixed income accounts by limiting the credit quality of the securities held as well as the duration of the portfolio against the duration of the benchmark. The Component Unit's pension trust fund's fixed income managers utilize the modified duration method to manage interest rate risk. In addition, the fund's investment policy states that the average effective duration of each manager's portfolio should be within 30 percent of the portfolio's benchmark duration.

The investments in debt securities of the pension trust funds of the Reporting Entity as of June 30, 2025, are summarized as follows:

Investment Type	Valuation	Duration (Years)
<u>Primary Government - Pension Trust Funds:</u>		
U.S. Government securities		
Employees' Retirement System	\$ 557,861,812	8.2
Police Officers Retirement System	168,520,047	7.4
Uniformed Retirement System	46,408,633	8.0
Corporate and other bonds		
Employees' Retirement System	239,613,404	1.6
Police Officers Retirement System	38,764,635	0.7
Uniformed Retirement System	81,603,897	1.4
International bonds		
Employees' Retirement System	289,889,702	9.5
Police Officers Retirement System	66,287,708	9.3
Uniformed Retirement System	134,914	3.0
Asset-backed securities*		
Employees' Retirement System	120,415,999	2.8
Police Officers Retirement System	31,710,012	2.7
Uniformed Retirement System	88,736,619	5.1
Short-term investments		
Employees' Retirement System	(155,096,210)	-
Police Officers Retirement System	(23,360,210)	-
Uniformed Retirement System	134,508,043	-
Total	<u>\$ 1,685,999,005</u>	
<u>Component Unit - Pension Trust Fund:</u>		
Asset- and mortgage-backed	\$ 228,672,358	1.9
Convertible securities	3,388,211	0.0
Corporate bonds	394,136,423	5.4
International bonds	24,123,063	0.9
Short-term investment funds	59,387,722	-
U.S. Government obligations	260,967,495	2.9
Total	<u>\$ 970,675,272</u>	

* The underlying assets of the asset-backed securities are predominantly mortgages.

4. Credit Risk

The Reporting Entity's policy is to minimize the risk of loss due to the failure of an issuer or other counterparty to an investment to fulfill its obligations. The Reporting Entity pre-qualifies financial institutions, broker-dealers, intermediaries, and advisers with which the County does business. In addition, the Reporting Entity limits its pooled investments to the safest types of securities and diversifies its pooled investment portfolio so that potential losses on individual securities will

be minimized. Also, new investments shall not be made in securities that are listed on Moody’s Investors Service, Inc. (Moody’s) Watchlist or Standard & Poor’s, Inc. (S&P) Credit Watch with a negative short-term rating. The policy specifies the following acceptable credit ratings for specific types of investments in the pooled portfolio:

- U.S. Government agency and government-sponsored enterprise (GSE) instruments should have a rating of least Prime-1 by Moody’s and A-1 by S&P. In those instances when a GSE does not have a rating, a thorough credit and financial analysis will be conducted by county investment staff.
- Prime quality commercial paper shall be rated by at least two of the following: Moody’s, with a rating of P-1; S&P, A-1; Fitch Investor’s Services, Inc. (Fitch), F-1; or by Duff and Phelps, Inc., D-1.
- Mutual funds must have a rating of AAA or better by S&P, Moody’s, or another nationally recognized rating agency.
- Negotiable certificates of deposit must have a rating of at least A-1 by S&P and P-1 by Moody’s if less than one year and a rating of AA by S&P if more than one year.
- Bankers’ acceptances shall be rated by at least two of the following: Moody’s, with a rating of P-1; S&P, A-1; Fitch, F-1; or by Duff and Phelps, Inc., D-1.
- Corporate notes must have a rating of at least Aa by Moody’s and a rating of at least AA by S&P.
- Local government investment pool (LGIP) bond fund must have a rating of AAA by S&P, and AAAm by S&P for VIP Stable NAV Liquidity Pool.
- Supranationals must have a rating of AAA by S&P or Moody’s.

While the overall investment guidelines for the Primary Government’s pension trust funds do not specifically address credit risk, investment managers have specific quality limits appropriate for the type of mandate they are managing and that fit within the total risk tolerance of the fund. The Component Unit’s pension trust fund’s investment policy states that the average credit quality of a fixed income portfolio must be at least A. The policy also permits up to 20 percent of the portfolio to be invested in Moody’s or S&P’s quality rating below Baa or BBB, respectively. If a security is downgraded below the minimum rating, the investment manager must notify the Board of Trustees and an exception to the guidelines must be granted in order for the security to remain in the portfolio.

As of June 30, 2025, investments held by the County pool were rated as follows:

Credit Quality Rating*							
AA		A-1		AAA-m		Unrated	
Corporate notes	11.9%	Commercial paper	4.3%	Money market funds	2.8%	Demand deposit accounts	8.7%
U.S. Treasury and agencies**	31.4%	Negotiable CD	22.4%	LGIP	7.8%	Collateralized CDs	3.2%
				Bond funds	7.5%		
	43.3%		26.7%		18.1%		11.9%

* Credit quality ratings are determined using S&P’s short-term and long-term ratings, which approximate the greatest degree of risk as of June 30, 2025.

** U.S. Treasury and agencies AA+

The Primary Government and Component Units' pension trust funds' credit quality ratings at June 30, 2025, were as follows:

Investment Type	Credit Quality Rating*								
	AAA	AA	A	BBB	BB	B	Below B	Unrated	
Primary Government									
Pension Trust Funds:									
U.S. Government obligations	- %	- %	- %	- %	- %	- %	- %	- %	38.7 %
Corporate and other bonds	0.1	-	0.4	0.7	1.8	1.6	0.4	13.1	
Asset-backed securities	0.1	2.2	0.2	0.6	0.6	0.2	-	8.2	
Short-term investments	-	-	-	-	-	-	-	13.3	
International bonds	0.5	-	-	0.6	0.1	-	-	16.6	
Component Unit									
Pension Trust Fund:									
Asset- and mortgage-backed securities	7.5 %	16.8 %	3.1 %	4.9 %	0.4 %	0.1 %	0.9 %	1.7 %	
Convertible securities	-	-	-	0.1	-	0.1	-	0.3	
Corporate bonds	-	0.3	9.8	38.3	8.0	2.8	1.0	0.2	
International bonds	0.1	0.6	-	1.6	1.4	-	-	-	

* Credit quality ratings are determined using S&P's long-term rating schema, which approximates the greatest degree of risk as of June 30, 2025.

5. Concentration of Credit Risk

The Reporting Entity's investment policy sets the following limits for the types of securities held in its pooled investment portfolio:

Investment Type	Maximum Diversification
U.S. Treasury securities and agencies	100% maximum
Negotiable certificates of deposit	40% maximum
Banker's acceptances	35% maximum
Commercial paper	35% maximum
Repurchase agreements	30% maximum
Mutual funds	30% maximum
Virginia Investment Pool - daily liquidity	30% maximum
Corporate notes	25% maximum
Non-negotiable certificates of deposit	25% maximum
Virginia Investment Pool - LGIP bond fund	25% maximum
Insured certificates of deposit	15% maximum
Bank demand deposits	10% maximum
Supranationals	10% maximum

In addition, not more than 5 percent of the total pooled funds available for investment at the time of purchase may be invested in any one issuing or guaranteeing corporation for commercial paper, corporate notes, and negotiable certificates of deposits. The County seeks to maintain 5 percent of the investment portfolio in a combination of mutual funds, demand deposit accounts or open repurchase agreements to meet liquidity requirements.

While the overall investment guidelines for the Primary Government's pension trust funds do not specifically address concentration of credit risk, investment managers have specific concentration

limits appropriate for the type of mandate they are managing and that fit within the total risk tolerance of the fund. The pension trust funds do not have investments (other than U.S. Government and U.S. Government-guaranteed obligations) in any one organization that represents 5 percent or more of net position available for benefits.

The Component Unit's pension trust fund's policy limits the securities of any one issuer to 10 percent at cost and 15 percent at market of each fixed income portfolio. The policy allows an exception for government securities and its agencies. As of June 30, 2025, ERFC had four active fixed income managers. The portfolios had values of \$243.4 million, \$232.4 million, \$326.4 million, and \$197.9 million. The fair value of the largest issuer other than the U.S. Government obligations in the portfolios of the active managers, excluding pooled funds, was 1.33 percent of that portfolio.

6. Custodial Credit Risk

For deposits, custodial credit risk is the risk that in the event of a failure of a depository financial institution, the Reporting Entity may not recover its deposits. In accordance with the Virginia Security for Public Deposits Act (Act), all of the Reporting Entity's deposits are covered by federal depository insurance or collateralized in accordance with the Act, which provides for the pooling of collateral pledged by financial institutions with the Treasurer of Virginia to secure public deposits as a class. No specific collateral can be identified as security for one public depositor, and public depositors are prohibited from holding collateral in their name as security for deposits. If any member financial institution fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. If the value of the pool's collateral is inadequate to cover a loss, additional amounts are assessed on a pro rata basis to the members of the pool. The State Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying local governments of compliance by participating financial institutions. A multiple financial institution collateral pool that provides for additional assessments is similar to depository insurance, therefore, funds deposited in accordance with the requirements of the Act are considered to be fully insured.

For investments, custodial credit risk is the risk that, in the event of the failure of a counterparty, the Reporting Entity will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Per policy, all of the investments purchased by the Reporting Entity are insured or registered or are securities held by the Reporting Entity or its agent in the Reporting Entity's name.

The Boards of Trustees of the pension trust funds permit the funds to participate in a securities lending program, which is administered by a custodian. Under this program, certain securities are loaned to approved broker/dealers who borrow the securities and provide collateral in the form of cash, U.S. Treasury or government agency securities, letters of credit, and other securities as specified in the securities lending agreement. The value of the collateral for domestic securities must equal 102 percent of the market value of the security and 105 percent of the market value of the foreign security. The custodian monitors the market value of the collateral on a daily basis. Cash collateral is invested in a fund which is maintained by the custodian or its affiliate. The pension trust funds did not impose any restrictions during the period on the amounts of loans security lending agents made on their behalf, and the agents have agreed to indemnify the pension trust funds by purchasing replacement securities (or returning the cash collateral thereof) in the event a borrower fails to return loaned securities or pay distributions thereon. There were no such failures by any borrower during the fiscal year, nor were there any losses during the period resulting from the default of a borrower or lending agent. At year end, the pension trust funds had no custodial credit risk exposure to borrowers because the amounts the pension trust funds owed the borrower exceeded the amounts the borrowers owed the

pension trust funds. Information pertaining to the securities lending transactions as of June 30, 2025, is presented as follows:

Securities Lent	Underlying Securities	Cash Collateral Investment Value	Securities Collateral Investment Value
Primary Government - Pension Trust Funds:			
Lent for cash collateral:			
Corporate and other bonds	\$ 24,055,583	24,655,073	-
Common and preferred stock	116,773,636	119,632,615	-
Lent for securities collateral:			
U.S. Government securities	45,915,116	-	49,062,159
Common and preferred stock	202,391,770	-	221,868,174
Total securities lent	<u>\$ 389,136,105</u>	<u>144,287,688</u>	<u>270,930,333</u>
Component Unit - Pension Trust Fund:			
Lent for cash collateral:			
Domestic corporate bonds	\$ 54,797,240	56,207,007	-
International bonds	3,589,715	3,766,477	-
Domestic stock	55,030,138	56,223,831	-
U.S. Government securities	2,941,470	3,003,750	-
Total securities lent	<u>\$ 116,358,563</u>	<u>119,201,065</u>	<u>-</u>

7. Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of the investment. Per the Reporting Entity’s policy, pooled investments are limited to U.S. dollar denominated instruments. The pension trust funds are allowed to invest in foreign currency-denominated instruments. The Component Unit’s pension trust fund’s currency risk exposures primarily exist in the international equity and active fixed income holdings. There are currently no specific foreign currency guidelines for equities or active fixed-income investments, however, equity and fixed-income managers are all measured against specific performance standards and risk guidelines identified in the Component Unit’s pension trust fund’s investment policy. The fair value in U.S. dollars of the pension trust funds’ foreign currency investments as of June 30, 2025, is presented on the following pages:

Foreign Currency Risk

International Securities	Cash and Cash Equivalents	Equity	Convertible and Fixed Income	Total U.S. Dollars
Primary Government - Pension Trust Funds:				
Australian Dollar	\$ 503,952	28,683,411	5,469,145	34,656,508
Brazil Real	931	639,523	4,465,018	5,105,472
Canadian Dollar	55,256	24,696,048	9,012,999	33,764,303
Chilean Peso	-	92,184	(128,821)	(36,637)
Chinese Yuan Renminbi	7,241	228,385	3,171,191	3,406,817
Colombian Peso	188	-	(113,558)	(113,370)
Danish Krone	79	20,935,080	-	20,935,159
Euro Currency Unit	(39,915,273)	179,006,175	122,347,820	261,438,722
Hong Kong Dollar	55,680	25,950,090	-	26,005,770
Indian Rupee	114	12,820,384	-	12,820,498
Indonesian Rupiah	-	157,683	-	157,683
Israeli Shekel	-	1,441,327	-	1,441,327
Japanese Yen	1,058,150	144,101,956	23,682,477	168,842,583
Malaysian Ringgit	-	2,174,279	-	2,174,279
Mexican Peso	9	662,882	10,745,236	11,408,127
New Taiwan Dollar	-	6,761,095	-	6,761,095
New Zealand Dollar	66,010	373,206	1,880,850	2,320,066
Norwegian Krone	-	3,271,477	470,538	3,742,015
Philippine Peso	1,731	-	-	1,731
Pound Sterling	(37,885,135)	117,447,613	165,446,535	245,009,013
Singapore Dollar	29,733	8,544,513	899,043	9,473,289
South African Rand	9	640,544	2,699,339	3,339,892
South Korean Won	2,036	12,892,630	-	12,894,666
Swedish Krona	11,840	17,849,776	5,020,796	22,882,412
Swiss Franc	212	23,696,053	-	23,696,265
Thailand Baht	2	358,310	-	358,312
Turkish Lira	-	183,624	-	183,624
UAE Dirham	-	1,394,694	-	1,394,694
Total fair value	\$ (76,007,235)	635,002,942	355,068,608	914,064,315

Foreign Currency Risk

International Securities	Cash & Cash Equivalents	Equity	Convertible and Fixed Income	Total U.S. Dollars
Component Unit - Pension Trust Fund:*				
Brazil Real	\$ 136,111	-	2,445,569	2,581,680
Canadian Dollar	27,052	-	-	27,052
Chilean Peso	11,105	-	-	11,105
Danish Krone	78,369	-	-	78,369
Euro Currency Unit	191,816	-	40,753,435	40,945,251
Israeli Shekel	103	-	-	103
Japanese Yen	38,669	615	-	39,284
Mexican Peso	-	-	2,776,368	2,776,368
Norwegian Krone	1,770	-	-	1,770
Pound Sterling	22,111	-	4,064,419	4,086,530
Singapore Dollar	649	-	-	649
South African Rand	-	-	5,022,904	5,022,904
South Korean Won	-	260	-	260
Uruguay Peso	-	-	1,789,125	1,789,125
Total fair value	\$ 507,755	875	56,851,820	57,360,450

*Includes preferred securities investments in fixed-income balance.

8. Derivatives

In order to enhance investment returns and manage risk exposure, the Primary Government's pension trust funds (Pension trust funds) regularly invest in derivative financial instruments with off-balance-sheet risk. The Pension trust funds also enter into derivative transactions to gain exposure to currencies and markets where derivatives are the most cost-effective instrument. During fiscal year 2025, the Pension trust funds invested directly in 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 indices. Asset-backed securities, such as CMOs, are sensitive to changes in interest rates and pre-payments. Futures, forwards, options, and swaps generally are not recorded on the financial statements, whereas floating rate securities, structured notes, and asset-backed securities are recorded. The Pension trust funds also have exposure to derivatives indirectly through their ownership interests in certain hedge funds, mutual funds and commingled funds which may use, hold, or write derivative financial instruments.

Derivative investments may involve credit and market risk in excess of amounts recognized on the financial statements. 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 parties involved to the contracts. The Pension trust funds could be exposed to risk if the counterparties to the contracts are unable to meet the terms of the contracts. Holders of futures contracts look to the exchange for performance under the contract and not to the other party holding the offsetting futures position; therefore, the amount at risk due to nonperformance of counterparties to futures contracts is minimal. For counterparties involving over-the-counter derivatives, the Boards of Trustees of the Pension trust funds seek to control such risk through counterparty credit evaluations, counterparty credit limits, and exposure monitoring procedures conducted by investment managers and staff.

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

Futures contracts are contracts to deliver or receive securities at a specified future date and at a specified price or yield. Futures contracts are traded on organized exchanges (exchange-traded) and typically require an initial margin (collateral) in the form of cash or marketable securities. The net change in the futures contract value is settled daily with the exchanges in cash and the net gains or losses are included in the Pension trust funds' financial statements. Holders of futures contracts look to the exchange for performance under the contract and not to the entity holding the offsetting futures position. Accordingly, the amount at risk due to nonperformance of counterparties to futures contracts is minimal. The notional value of the Pension trust funds' investment in futures contracts at June 30, 2025, is shown in the table on the following page:

Future Contract Types	Base Exposure	Notional Cost
Primary Government - Pension Trust Funds:		
Cash & cash equivalent futures:		
Long	\$ 67,694,047	64,117,097
Short	(489,509,159)	(479,989,101)
Equity futures:		
Long	714,218,783	689,768,154
Short	(35,532,525)	(35,218,169)
Fixed-income futures:		
Long	1,007,859,091	988,926,715
Short	(87,407,876)	(85,785,341)
Commodity futures:		
Long	493,858,461	491,617,088
Short	-	-
Total	\$ 1,671,180,822	1,633,436,443

The Pension trust funds enter into several types of swap contracts in which two counterparties agree to exchange one stream of payments for another over some agreed-upon period of time. Swaps are used to manage risk and enhance returns. All counterparties are rated A or better. A summary of the outstanding Pension trust funds' swap contracts at June 30, 2025 is as follows:

Swap Types	Base Exposure	Fair Value
Primary Government - Pension Trust Funds:		
Fixed-income swaps:		
Cleared interest rate swaps	\$ 2,146,985	2,085,305
Cleared credit default swaps	2,032,673	2,074,047
Cleared inflation swaps	(896)	(896)
Total	\$ 4,178,762	4,158,456

Option contracts may be exchanged, traded, or negotiated directly in over-the-counter transactions between two counterparties. Options holders have the right, but not the obligation, to purchase or sell a financial instrument at a future price and date. The Pension trust funds can both purchase and write options. Exchange-traded options rely on the exchange for performance and the risk of non-performance by counterparties is minimal. All counterparties for over-the-counter options are rated A or better. The Pension trust funds option contracts at June 30, 2025, are presented below.

	Cost	Fair Value	Unrealized Gain
Primary Government - Pension Trust Funds:			
Equity Options:			
Written Call	(150,995)	(340,456)	(189,461)
Total	\$(150,995)	(340,456)	(189,461)

Currency forwards represent foreign exchange contracts and are used to effect settlements and to protect the base currency value of portfolio assets denominated in foreign currencies against fluctuations in the exchange rates of those currencies or to gain exposure to the change in fair value of a specific currency. A forward foreign currency exchange contract is a commitment to purchase or sell a foreign currency at a future date and at a negotiated price. The credit risk of currency contracts that are exchange-traded lies with the clearinghouse of the exchange where the contracts are traded. The credit risk of currency contracts traded over the counter lies with the counterparty, and exposure usually is equal to the unrealized profit on in-the-money contracts. All counterparties are rated A or better. The market risk in foreign currency contracts is related to adverse movements in currency exchange rates. The net unrealized loss on foreign currency spot and forward contracts at June 30, 2025, was \$3,814,361, and the Pension trust funds' currency forwards contracts are summarized as follows:

Foreign Currency Contracts Purchased	Notional (Local Currency)	Cost	Fair Value of Foreign Currency Contract Payable in U.S. Dollars	Unrealized Gain (Loss)
Primary Government - Pension Trust Funds:				
Australian Dollar	\$ (15,816,928)	(10,242,853)	(10,369,012)	(126,159)
Brazil Real	(24,920,000)	(4,135,482)	(4,548,548)	(413,066)
Canadian Dollar	(30,058,031)	(21,872,449)	(22,050,175)	(177,726)
Chinese Yuan Renminbi to Hong Kong	(21,170,000)	(2,956,785)	(2,968,208)	(11,423)
Columbian Peso	(1,440,000,000)	(332,257)	(351,212)	(18,955)
Euro Currency Unit	(149,291,489)	(171,546,661)	(175,448,878)	(3,902,217)
Japanese Yen	3,613,697,874	(40,269,399)	(40,260,946)	8,453
Mexican Peso	198,400,000	(10,049,233)	(10,472,012)	(422,779)
New Zealand Dollar	3,067,221	(3,981,904)	(4,034,765)	(52,861)
Pound Sterling	107,370,196	(232,112,306)	(234,323,340)	(2,211,034)
South African Rand	70,400,000	(3,835,864)	(3,950,904)	(115,040)
South Korean Won	(11,280,000,000)	(8,269,500)	(8,340,285)	(70,785)
Swedish Krona	219,714,816	(26,202,475)	(26,269,141)	(66,666)
Total Foreign Currency Contracts Purchased			\$ (543,387,426)	(7,580,258)
Foreign Currency Contracts Sold				
Primary Government - Pension Trust Funds:				
Australian Dollar	\$ 2,147,146	\$ 1,394,786	\$ 1,407,132	\$ 12,346
Brazil Real	18,541,318	12,073,768	12,163,496	89,728
Canadian Dollar	27,437,002	6,168,444	6,393,181	224,737
Chinese R Yuan HK	25,563,163	18,615,575	18,750,633	135,058
Colombian Peso	1,440,000,000	345,564	351,212	5,648
Euro Currency Unit	105,894,494	122,277,971	124,393,554	2,115,583
Japanese Yen	4,433,948,470	30,759,073	30,827,947	68,874
New Zealand Dollar	2,427,533	1,460,890	1,473,635	12,745
Pound Sterling	64,475,923	87,158,315	87,672,250	513,935
South African Rand	55,155,902	24,446,620	24,590,797	144,177
South Korean Won	16,780,000,000	11,951,238	12,413,388	462,150
Swedish Krona	144,547,540	15,229,356	15,210,272	(19,084)
				-
				-
				-
Total Foreign Currency Contracts Sold			\$ 335,647,497	3,765,897

As permitted by the Board's policies, the Pension trust funds hold off-balance-sheet derivatives in a small number of separately managed accounts. Investment managers are prohibited from purchasing securities on margin or using leverage unless specifically permitted within the investment manager's guidelines. In accordance with GAAP, 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 Plan Net Position of the pension trust funds.

As permitted by the Code, the Component Unit's pension trust fund (ERFC) invests in derivative instruments on a limited basis in accordance with the Board of Trustees' investment policy. Derivatives provide a means for ERFC to increase earnings and/or hedge against potential losses. The risks associated with derivative instruments, include market risk resulting from fluctuations in interest and currency rates, the credit worthiness of counter parties to any contracts entered into, and the credit worthiness of mortgages related to collateralized mortgage obligations (CMOs). Specific authorization by the Board is required should investment managers seek to purchase securities on margin or leverage. During fiscal year 2025, the fair value of ERFC's CMOs was \$2,005,107 and the fair value of futures was \$159,281,974.

9. Deferred Outflows/Inflows of Resources

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources representing a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. Deferred outflows for pensions and OPEB activities result from changes in actuarial proportions, changes in actuarial assumptions, differences between projected and actual earnings on pension and OPEB investments, differences between expected and actual experience, and pension and OPEB contributions made subsequent to the measurement date. Deferred outflows related to investment differences are deferred and amortized over a closed five-year period and all other deferred outflows, except contributions made subsequent to the measurement date, are amortized over the remaining service life of all participants.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources representing an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows for pension and OPEB activities result from changes in actuarial proportions, changes in actuarial assumptions, differences between projected and actual earnings on pension and OPEB investments, and differences between expected and actual experience. Deferred inflows related to investment differences are deferred and amortized over a closed five-year period and all other deferred inflows are amortized over the remaining service life of all participants.

C. Property Taxes

Real estate is assessed on January 1 each year at the estimated fair market value of all land and improvements. Real estate taxes are due in equal installments, on July 28 and December 5. Unpaid taxes automatically constitute liens on real property which must be satisfied prior to sale or transfer, and after two years, foreclosure proceedings can be initiated.

Personal property taxes on vehicles and business property are based on the estimated fair market value at January 1 each year. The tax on a vehicle may be prorated for the length of time the vehicle has situs in the County. Fairfax County automatically files personal property tax returns for motor vehicles, trailers, and semi-trailers on behalf of Fairfax County residents that have properly registered with the Department of Motor Vehicles (DMV) within 30 days, eliminating the ten percent penalty for late filing for those properties. All other late filings will continue to be subject to the ten percent late filing penalty. Personal property taxes are due on October 5, with certain exceptions. Delinquency notices are sent before statutory measures, such as the seizure of property and the placing of liens on bank accounts and/or wages, are initiated.

Real estate taxes not paid by the due dates are assessed a ten percent late payment penalty on the tax amount. Personal property taxes are initially assessed a ten percent late payment penalty, which increases to twenty-five percent after thirty days of delinquency. Furthermore, interest accrues from the first day following the due date at an annual rate of one percent for real estate taxes and five percent for personal property taxes. The net delinquent taxes receivable, including interest and penalties, as of June 30, 2025, after allowances for uncollectible amounts, is \$43,928,096 of which \$4,553,506 has been included in tax revenue for fiscal year

2025 because it was collected within 45 days after June 30. As required by GAAP, the County reports real estate and personal property taxes (net of allowances) assessed for calendar year 2025 as receivables (net of payments totaling \$106,197,885 received in advance of the due date) and deferred tax revenue because the County has an enforceable legal claim to these resources at June 30, 2025; however, these resources, which amount to \$4,635,499,974, will not be available to the County until fiscal year 2026.

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

D. Receivables

Receivables and allowances for uncollectible receivables of the Primary Government, excluding fiduciary funds, at June 30, 2025, consist of the following:

	General Fund	Nonmajor Governmental Funds	Enterprise Fund	Internal Service Funds	Total Primary Government (Exhibit A)
Receivables:					
Accounts	\$ 25,569,470	32,379,369	292,778	16,965	58,258,582
Accrued interest	-	11,229,887	-	-	11,229,887
Property taxes:					
Delinquent	80,907,023	-	-	-	80,907,023
Not yet due	4,337,722,704	-	-	-	4,337,722,704
Business license taxes - delinquent	24,490,186	-	-	-	24,490,186
Leases	-	178,400	-	-	178,400
Loans	-	198,886,247	-	-	198,886,247
Notes	-	29,520,000	-	-	29,520,000
Total receivables	4,468,689,383	272,193,903	292,778	16,965	4,741,193,029
Allowances for uncollectibles:					
Accounts receivable	(2,167,238)	-	-	-	(2,167,238)
Property taxes:					
Delinquent	(36,978,927)	-	-	-	(36,978,927)
Not yet due	(19,734,558)	-	-	-	(19,734,558)
Business license taxes - delinquent	(20,690,810)	-	-	-	(20,690,810)
Loans	-	(72,421,474)	-	-	(72,421,474)
Total allowances for uncollectibles	(79,571,533)	(72,421,474)	-	-	(151,993,007)
Total net receivables	\$ 4,389,117,850	199,772,429	292,778	16,965	4,589,200,022

BASIC FINANCIAL STATEMENTS

Receivables of the Component Units, excluding fiduciary funds, at June 30, 2025, consist of the following:

	Public Schools	FCRHA	Park Authority	Total Component Units
Receivables:				
Accounts	\$ 25,638,767	15,064,620	510,024	41,213,411
Accrued interest	272,878	128,802	106,905	508,585
Notes, mortgages, and other	-	68,825,561	-	68,825,561
Lease	2,765,811	21,911,815	62,602	24,740,228
Total receivables	28,677,456	105,930,798	679,531	135,287,785
Allowances for uncollectible	-	(1,524,441)	-	(1,524,441)
Total net receivables	\$ 28,677,456	104,406,357	679,531	133,763,344

Delinquent property taxes receivable from taxpayers in the General Fund as of June 30, 2025, are as follows:

Year of Levy	Real Estate	Personal Property	Total
2024	\$ 11,127,855	22,923,864	34,051,719
2023	3,094,669	10,593,620	13,688,289
2022	1,241,543	7,297,069	8,538,612
Prior years	\$1,853,738	8,002,314	9,856,052
Total delinquent taxes	\$ 17,317,805	48,816,867	66,134,672
Penalty and interest			14,772,351
Total delinquent taxes and penalty and interest			80,907,023
Allowances for uncollectibles			(36,978,927)
Net delinquent tax receivables			\$ 43,928,096

Amounts due to the Primary Government and Component Units from other governmental units at June 30, 2025, include the following:

	Primary Government					Component Units	
	General Fund	Nonmajor Governmental Funds	Enterprise Fund	Internal Service Funds	Total (Exhibit A)	Public Schools	Park Authority
Federal government	\$ 23,852	12,505,261	244,000	-	12,773,113	36,306,865	-
State government:							
Property tax relief - not yet due	211,313,944	-	-	-	211,313,944	-	-
Other	60,906,771	50,041,764	4,991,714	-	115,940,249	22,592,207	56,837
Local governments	2,494,512	44,934,421	73,571,544	85,299	121,085,776	10,820,629	-
Total intergovernmental units	\$ 274,739,079	107,481,446	78,807,258	85,299	461,113,082	69,719,701	56,837
Federal-Build America Bond subsidy					281,317		
Total (Exhibit A)					\$ 461,394,399		

E. INTERFUND BALANCES AND TRANSFERS

Interfund receivables and payables are recorded when funds overdraw their share of pooled cash. All amounts are expected to be paid within one year. Interfund balances as of June 30, 2025, are as follows:

	Interfund Receivables	Interfund Payables
Primary Government		
General Fund	\$ -	1,457,465
Internal service funds	1,457,465	-
Total Primary Government	\$ 1,457,465	1,457,465

Due to/from Primary Government and Component Units represent amounts paid by one entity on behalf of the other entity. Due to/from Primary Government and Component Units as of June 30, 2025, are as follows:

Receivable Entity	Payable Entity	Amount
Component Units	Primary Government	
Public Schools	General Fund	\$ 220,200
Park Authority	General Fund	4,422,692
Park Authority	Nonmajor Governmental Fund	3,708,396
EDA	General Fund	329,028
Total		\$ 8,680,316
Primary Government	Component Unit	
General Fund	Park Authority	\$ 197,905
Nonmajor Governmental Fund	Redevelopment and Housing Authority	1,817,044
Total		\$ 2,014,949

The primary purpose of interfund transfers is to provide funding for operations, including those of the Fairfax-Falls Church Community Services Board, debt service, and capital projects. Interfund transfers for the year ended June 30, 2025, are as follows:

	Transfers In	Transfers Out
Primary Government		
General Fund	\$ 24,979,789	851,027,508
Nonmajor governmental funds	906,191,886	106,876,318
Internal service funds	26,732,151	-
Total Primary Government	\$ 957,903,826	957,903,826
Component Unit		
Public Schools:		
General Fund	\$ -	46,297,560
Capital projects fund	22,048,097	-
Nonmajor governmental funds	24,249,463	-
Total Component Unit	\$ 46,297,560	46,297,560

F. CAPITAL ASSETS

Capital assets activity for the Primary Government and Component Units for the year ended June 30, 2025, is as follows:

	Balances July 1, 2024	Increases	Decreases	Balances June 30, 2025
Primary Government				
Governmental activities:				
Non-depreciable/non-amortizable:				
Land and easements	\$ 486,561,573	37,714,995	(29,211)	524,247,357
Construction in progress	653,531,996	209,469,941	(186,382,029)	676,619,908
Equipment under construction	60,595,846	11,869,208	(9,894,866)	62,570,188
Software in development	41,878,854	17,668,584	(2,625,302)	56,922,136
Total non-depreciable/non-amortizable	1,242,568,269	276,722,728	(198,931,408)	1,320,359,589
Depreciable/amortizable:				
Vehicles and equipment	656,087,629	72,022,894	(31,117,791)	696,992,732
Software	230,340,198	19,990,163	(3,541,856)	246,788,505
Library collections	132,944,447	3,959,598	-	136,904,045
Buildings	1,850,357,149	59,848,597	(16,893)	1,910,188,853
Improvements	355,552,587	16,466,910	(117,454)	371,902,043
Infrastructure	1,328,980,631	113,451,425	(1,568,409)	1,440,863,647
Right-to-use lease assets				
Land	3,934,357	97,660	(628,431)	3,403,586
Buildings	144,558,902	44,991,667	(26,397,830)	163,152,739
Vehicles and equipment	10,012,146	797,486	(11,266)	10,798,366
Infrastructure	1,825,100	932,072	-	2,757,172
Right-to-use subscription assets	91,522,452	16,257,970	(41,672,396)	66,108,026
Total depreciable/amortizable	4,806,115,598	348,816,442	(105,072,326)	5,049,859,714
Less accumulated depreciation/amortization for:				
Vehicles and equipment	(439,180,638)	(37,469,429)	26,039,416	(450,610,651)
Software	(121,853,709)	(17,380,728)	1,560,229	(137,674,208)
Library collections	(119,705,511)	(4,576,639)	-	(124,282,150)
Buildings	(862,066,221)	(59,841,570)	5,116	(921,902,675)
Improvements	(166,993,141)	(14,129,009)	30,334	(181,091,816)
Infrastructure	(515,849,231)	(41,047,425)	18,446	(556,878,210)
Right-to-use lease assets				
Land	(1,248,943)	(430,831)	628,431	(1,051,343)
Buildings	(43,750,934)	(16,682,496)	15,010,929	(45,422,501)
Vehicles and equipment	(3,642,611)	(2,155,017)	11,266	(5,786,362)
Infrastructure	(438,679)	(194,024)	-	(632,703)
Right-to-use subscription assets	(42,954,109)	(28,301,592)	40,611,971	(30,643,730)
Total accumulated depreciation/amortization	(2,317,683,727)	(222,208,760)	83,916,138	(2,455,976,349)
Total capital assets being depreciated/amortized, net	2,488,431,871	126,607,682	(21,156,188)	2,593,883,365
Total capital assets, net - Governmental activities	3,731,000,140	403,330,410	(220,087,596)	3,914,242,954
Business-type activities:				
Non-depreciable/non-amortizable:				
Land and easements	25,496,877	261,055	-	25,757,932
Construction in progress	304,407,138	187,750,894	(108,628,344)	383,529,688
Total non-depreciable/non-amortizable	329,904,015	188,011,949	(108,628,344)	409,287,620
Depreciable/amortizable:				
Vehicles and equipment	20,299,808	4,593,619	(53,408)	24,840,019
Purchased capacity	1,239,526,516	36,644,890	-	1,276,171,406
Buildings and improvements	97,163,561	-	-	97,163,561
Infrastructure	1,777,713,116	81,123,616	-	1,858,836,732
Right-to-use lease equipment	54,188	-	-	54,188
Right-to-use subscription asset	-	107,254	-	107,254
Total depreciable/amortizable	3,134,757,189	122,469,379	(53,408)	3,257,173,160
Less accumulated depreciation/amortization for:				
Vehicles and equipment	(15,045,723)	(1,804,069)	53,408	(16,796,384)
Purchased capacity	(583,592,034)	(31,064,886)	-	(614,656,920)
Buildings and improvements	(63,319,288)	(2,469,318)	-	(65,788,606)
Infrastructure	(831,397,219)	(37,030,203)	-	(868,427,422)
Right-to-use lease equipment	(4,516)	(13,547)	-	(18,063)
Right-to-use subscription asset	-	(20,110)	-	(20,110)
Total accumulated depreciation/amortization	(1,493,358,780)	(72,402,133)	53,408	(1,565,707,505)
Total capital assets being depreciated/amortized, net	1,641,398,409	50,067,246	-	1,691,465,655
Total capital assets, net - Business-type activities	1,971,302,424	238,079,195	(108,628,344)	2,100,753,275
Total capital assets, net - Primary Government	5,702,302,564	641,409,605	(328,715,940)	6,014,996,229

NOTES TO THE FINANCIAL STATEMENTS

	Balances			Balances
	July 1, 2024	Increases	Decreases	June 30, 2025
Component Units				
Public Schools				
Non-depreciable/non-amortizable:				
Land	\$ 46,837,095	-	-	46,837,095
Construction in progress	361,278,651	178,750,220	(74,996,950)	465,031,921
Software in development	4,334,991	3,573,829	-	7,908,820
Total non-depreciable/non-amortizable	412,450,737	182,324,049	(74,996,950)	519,777,836
Depreciable/amortizable:				
Vehicles and equipment	389,569,623	31,095,664	(8,616,320)	412,048,967
Software	14,037,906	-	(4,438,784)	9,599,122
Library collections	18,496,119	1,934,121	(2,310,855)	18,119,385
Buildings	1,316,233,163	56,818	-	1,316,289,981
Improvements	3,587,546,614	84,168,232	-	3,671,714,846
Right-to-use lease assets	76,333,261	13,232,722	-	89,565,983
Right-to-use subscription assets	90,239,086	39,175,991	(15,035,894)	114,379,183
Total depreciable/amortizable	5,492,455,772	169,663,548	(30,401,853)	5,631,717,467
Less accumulated depreciation/amortization for:				
Vehicles and equipment	(291,026,141)	(25,234,273)	7,804,166	(308,456,248)
Software	(11,379,674)	(764,373)	4,438,785	(7,705,263)
Library collections	(11,916,036)	(2,226,970)	2,310,856	(11,832,150)
Buildings	(775,742,743)	(24,098,433)	-	(799,841,176)
Improvements	(1,843,347,609)	(131,684,839)	-	(1,975,032,448)
Right-to-use lease assets	(27,292,144)	(11,473,860)	-	(38,766,004)
Right-to-use subscription assets	(28,265,918)	(21,679,159)	13,681,383	(36,263,694)
Total accumulated depreciation/amortization	(2,988,970,265)	(217,161,907)	28,235,190	(3,177,896,983)
Total capital assets being depreciated/amortized, net	2,503,485,507	(47,498,359)	(2,166,663)	2,453,820,484
Total capital assets, net - Public Schools	2,915,936,244	134,825,690	(77,163,613)	2,973,598,320
FCRHA				
Non-depreciable/non-amortizable:				
Land, as restated	84,161,312	8,000,000	-	92,161,312
Construction in progress	9,622,295	22,830,155	-	32,452,450
Total non-depreciable/non-amortizable	93,783,607	30,830,155	-	124,613,762
Depreciable/amortizable:				
Vehicles and equipment	8,170,870	203,562	-	8,374,432
Buildings and improvements	248,016,156	1,364,720	-	249,380,876
Right-to-use lease assets	1,112,919	21,922,622	(900)	23,034,641
Right-to-use subscription assets	751,703	-	-	751,703
Total depreciable/amortizable	258,051,648	23,490,904	(900)	281,541,652
Less accumulated depreciation/amortization for:				
Vehicles and equipment	(2,405,281)	(108,886)	-	(2,514,167)
Buildings and improvements	(164,756,083)	(6,146,223)	-	(170,902,306)
Right-to-use lease assets	(58,263)	(143,351)	-	(201,614)
Right-to-use subscription assets	(376,946)	(191,248)	-	(568,194)
Total accumulated depreciation/amortization	(167,596,573)	(6,589,708)	-	(174,186,281)
Total capital assets being depreciated/amortized, net	90,455,075	16,901,196	(900)	107,355,371
Total capital assets, net - FCRHA	184,238,682	47,731,351	(900)	231,969,133
Park Authority				
Non-depreciable/non-amortizable:				
Land and easements	409,207,385	2,555,861	(1,431,996)	410,331,250
Construction in progress	53,195,992	1,969,268	(40,019,909)	15,145,351
Total non-depreciable/non-amortizable	462,403,377	4,525,129	(41,451,905)	425,476,601
Depreciable/amortizable:				
Vehicles and equipment	14,887,535	1,502,777	(904,366)	15,485,946
Buildings and improvements	629,784,309	110,456,118	(7,897,235)	732,343,192
Right-to-use lease equipment	2,631,762	64,155	(88,107)	2,607,810
Right-to-use subscription assets	1,976,321	-	-	1,976,321
Total depreciable/amortizable	649,279,927	112,023,050	(8,889,708)	752,413,269
Less accumulated depreciation/amortization for:				
Vehicles and equipment	(7,608,789)	(764,716)	616,243	(7,757,262)
Buildings and improvements	(347,172,966)	(24,872,678)	6,257,250	(365,788,394)
Right-to-use lease equipment	(929,805)	(393,581)	-	(1,323,386)
Right-to-use subscription assets	(1,676,281)	(289,869)	-	(1,966,150)
Total accumulated depreciation/amortization	(357,387,841)	(26,320,844)	6,873,493	(376,835,192)
Total capital assets being depreciated/amortized, net	291,892,086	85,702,206	(2,016,215)	375,578,077
Total capital assets, net - Park Authority	754,295,463	90,227,335	(43,468,120)	801,054,678
EDA				
Depreciable/amortizable:				
Vehicles and equipment	11,315	-	-	11,315
Buildings and improvements	1,176,811	-	(1,176,811)	-
Right-to-use lease building	2,438,057	9,234,893	(2,438,057)	9,234,893
Right-to-use subscription assets	104,254	80,644	-	184,898
Total depreciable/amortizable	3,730,437	9,315,537	(3,614,868)	9,431,106
Less accumulated depreciation/amortization for:				
Vehicles and equipment	(11,315)	-	-	(11,315)
Buildings and improvements	(1,176,811)	-	1,176,811	-
Right-to-use lease building	(2,196,615)	(703,187)	2,438,057	(461,745)
Right-to-use subscription assets	(50,319)	(71,120)	-	(121,439)
Total accumulated depreciation/amortization	(3,435,060)	(774,307)	3,614,868	(594,499)
Total capital assets, net - EDA	295,377	8,541,230	-	8,836,607
Total capital assets, net - Component Units	\$ 3,854,765,766	281,325,606	(120,632,633)	4,015,458,738

Depreciation and amortization expense for the year ended June 30, 2025, charged to the functions of the Primary Government and Component Units, is as follows:

	Governmental Activities	Business-type Activities	Component Units
Primary Government			
General government administration	\$ 26,936,232	-	-
Judicial administration	3,943,795	-	-
Public safety	14,666,202	-	-
Public works	92,469,512	72,402,133	-
Health and welfare	7,199,758	-	-
Community development	30,725,188	-	-
Parks, recreation, and cultural	8,977,112	-	-
In addition, depreciation on capital assets held by the County's internal service funds is charged to the various functions based on asset usage.	37,290,962	-	-
Component Units			
Public Schools	-	-	217,161,907
FCRHA	-	-	6,479,003
Park Authority	-	-	26,320,844
EDA	-	-	774,307
Total depreciation and amortization expense	\$ 222,208,761	72,402,133	250,736,061

G. RETIREMENT PLANS

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

1. County Administered Plan Descriptions

Fairfax County Employees' Retirement System

The Fairfax County Employees' Retirement System (ERS) is a legally separate single-employer defined benefit pension plan established under the Code of Virginia, which covers only employees of the Reporting Entity. The plan covers full-time and certain part-time employees of the Reporting Entity who are not covered by other plans of the Reporting Entity or the VRS. This is the only plan that provides pension benefits to both the Primary Government and Component Units. The balances have been allocated in the financial statements as follows: County, including business-type activities, 70.97 percent; FCPS, 23.65 percent; EDA, 0.39 percent; FCRHA, 1.43 percent; and FCPA, 3.57 percent of all totals. More information is shown in section 6 of this note.

The ERS issues a publicly available annual financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Employees' Retirement System, 12015 Route 50, Suite 350, Fairfax, VA 22033, or by calling (703) 279-8200. It may be accessed online for additional information including details of the plan fiduciary net position. The information presented in this report follows the same accounting basis as the plan. <https://www.fairfaxcounty.gov/retirement/financial-publications>

Fairfax County Police Officers Retirement System

The Fairfax County Police Officers Retirement System (PORS) is a legally separate single-employer defined benefit pension plan established under the Code of Virginia. The plan covers County police officers who are not covered by other plans of the Reporting Entity or the VRS.

The PORS issues a publicly available annual financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Police Officers Retirement System, 12015 Route 50, Suite 350, Fairfax, VA 22033, or by calling (703) 279-8200. It may be accessed online for additional information including details of the plan fiduciary net position. The information presented in this report follows the same accounting basis as the plan. <https://www.fairfaxcounty.gov/retirement/financial-publications>

Fairfax County Uniformed Retirement System

The Fairfax County Uniformed Retirement System (URS) is a legally separate single-employer defined benefit pension plan established under the Code of Virginia. The plan covers uniformed or sworn employees of the Fire and Rescue Department, Office of Sheriff, Park Police, helicopter pilots, and Animal Control Officers as well as non-administrative positions of the Department of Public Safety Communications who are not covered by other plans of the Reporting Entity or the VRS.

The URS issues a publicly available annual financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Uniformed Retirement System, 12015 Route 50, Suite 350, Fairfax, VA 22033, or by calling (703) 279-8200. It may be accessed online for additional information including details of the plan fiduciary net position. The information presented in this report follows the same accounting basis as the plan. <https://www.fairfaxcounty.gov/retirement/financial-publications>

The Educational Employees' Supplementary Retirement System

The Educational Employees' Supplementary Retirement System of Fairfax County (ERFC) is a legally separate single-employer retirement system established under the Code of Virginia. The ERFC covers all full-time educational and civil service employees who are employed by the Public Schools and who are not covered by other plans of the Reporting Entity.

The ERFC issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Educational Employees' Supplementary Retirement System, 3110 Fairview Park Drive, Suite 300, Falls Church, VA 22042. It may be accessed online for additional information including details of the plan fiduciary net position. The information presented in this report follows the same accounting basis as the plan. <https://www.fcps.edu/ERFC-Financials>

2. Benefit Provisions and Requirements

Fairfax County Employees' Retirement System

Benefit provisions are established and may be amended by County ordinances. All benefits vest at five years of creditable service. Members who were hired before January 1, 2013 had the option to elect to join Plan A or Plan B, and members hired on or after January 1, 2013 may elect to join Plan C or Plan D. Members hired on or after July 1, 2019 are automatically enrolled in Plan E. To be eligible for normal retirement, an individual must meet the following criteria: (a) attain the age of 65 with five years of service, (b) for Plans A and B, attain the age of 50 with years of eligible service being greater than or equal to 80, or (c) for Plans C, D, and E, attain the age of 55 plus years of service being greater than or equal to 85. The normal retirement benefit for Plan A and C is calculated using the sum of 1.8 percent of 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. For Plans A, B, C, and D, if normal retirement occurs before Social Security benefits are scheduled to

begin, an additional monthly benefit is paid to retirees. Plan E eliminates the pre-Social Security Supplement; however, there is a cost-neutral Early Age Option for employees who retire prior to full retirement age under Social Security. The plan provides that unused sick leave credit may be used in the calculation of average final compensation by projecting the final salary during the unused sick leave period. Those who commenced employment on or after January 1, 2013, may not use more than 2,080 hours of accrued sick leave toward service credit for retirement or entry into the Deferred Retirement Option Program (DROP). The benefit for early retirement is actuarially reduced and payable at early termination.

Effective July 1, 2005, a DROP was established for eligible members of the ERS. Members who are eligible for normal service retirement are eligible to participate in this program. DROP provides the ability for an employee to retire for purposes of the pension plan while continuing to work and receive a salary for a period of three years. During the DROP period, the pension plan accumulates the accrued monthly benefit into an account balance identified as belonging to the member. The account balance is credited with interest in the amount of 5 percent per annum, compounded monthly. The monthly benefit is calculated using service and final compensation as of the date of entry into DROP, with increases equal to the annual COLA adjustment provided for retirees.

Fairfax County Police Officers Retirement System

Benefit provisions are established and may be amended by County ordinances. All benefits vest at five years of creditable service. Based on sworn-in date, individuals were enrolled in Plan A, Plan B or Plan C. To be eligible for normal retirement, an individual must meet the following criteria: (a) if employed before July 1, 1981, attain the age of 55 or have completed 20 years of creditable service, or (b) if employed on or after July 1, 1981, attain the age of 55 or have completed 25 years of creditable service. The normal retirement benefit for Plans A and B is 2.8 percent of average final compensation (i.e., the highest consecutive three years) multiplied by years of creditable service at date of termination, and increased by 3 percent. The Plan C calculation of normal benefits does not include the additional 3 percent. The plan provides that unused sick leave credit may be used in the calculation of average final compensation by projecting the final salary during the unused sick leave period. For Plan B and Plan C, individuals may not use more than 2,080 hours of accrued sick leave toward service credit for retirement or DROP entry. To be eligible for early retirement, the employee must have 20 years of creditable service (does not apply if sworn in before July 1, 1981). The benefit for early retirement is actuarially reduced and payable at early termination.

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

Fairfax County Uniformed Retirement System

Benefit provisions are established and may be amended by County ordinances. All benefits vest at five years of creditable service. Employees hired before July 1, 1981, were enrolled in Plan A. Plan A members were given the opportunity to enroll in Plan B as of July 1, 1981 and to enroll in Plan C as of April 1, 1997. From July 1, 1981 through March 31, 1997, all new hires were enrolled in Plan B. Plan B members were given the opportunity to enroll in Plan D as of April 1, 1997. From April 1, 1997 through December 31, 2012, all new hires were enrolled in Plan D. From January 1, 2013, through June 30, 2019, all new hires were enrolled in Plan E. Starting July 1, 2019, all new hires

are enrolled in Plan F. To be eligible for normal retirement an individual must meet the following criteria: (a) attain the age of 55 with six years of creditable service, or (b) complete 25 years of creditable service. The normal retirement benefit is calculated using average final compensation and years (or partial years) of creditable service at date of termination. The plan provides that unused sick leave credit may be used in the calculation of average final compensation by projecting the final salary during the unused sick leave period. Those enrolled in Plan E and Plan F may not use more than 2,080 hours of accrued sick leave toward service credit for retirement or DROP entry. For Plan F, individuals are not eligible for the one-time 3 percent calculated retirement annuity increase from the plan. In addition, Plan F eliminates the pre-Social Security Supplement; however, there is a cost-neutral Early Age Option for employees who retire prior to full retirement age under Social Security. To be eligible for early retirement, employees must have 20 years of creditable service. The benefit for early retirement is actuarially reduced and payable at early termination.

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

The Educational Employees' Supplementary Retirement System

Benefit provisions for ERFC and ERFC 2001 are established and may be amended by ERFC's Board of Trustees (ERFC Board), subject to approval by the School Board. All members are vested for benefits after five years of service. The ERFC benefit formula was revised effective July 1, 1988, following changes to VRS, which ERFC has historically supplemented. The benefit structure is designed to supplement VRS and Social Security benefits to provide a level retirement benefit throughout retirement.

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

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

3. Funding Policy

Fairfax County Employees' Retirement System

All contribution requirements for ERS are established and may be amended by County ordinances, including member contribution rates. Plan A and Plan C require member contributions of 4.00 percent of compensation up to the maximum Social Security wage base and 5.33 percent of compensation in excess of the wage base. Plan B, Plan D, and Plan E require member contributions of 5.33 percent of compensation.

The County is required to contribute at an actuarially determined rate; the rate for the year ended June 30, 2025, was 32.58 percent of annual covered payroll. The employer contribution made during the measurement period of the liability was \$300,111,992. The 2025 employer contribution totaled \$350,898,820.

Fairfax County Police Officers Retirement System

All contribution requirements for PORS are established and may be amended by County ordinances, including member contribution rates. Member contributions were based on 8.65 percent of compensation at June 30, 2025.

The County is required to contribute at an actuarially determined rate; the rate for the year ended June 30, 2025 was 57.57 percent of annual covered payroll. The employer contribution made for the measurement period of the liability was \$68,285,368. The 2025 employer contribution totaled \$86,013,744.

Fairfax County Uniformed Retirement System

All contribution requirements for URS are established and may be amended by County ordinances, including member contribution rates. Plan B requires member contributions of 7.08 percent of creditable compensation up to the Social Security wage base and 8.83 percent of compensation in excess of the wage base. Plan D, Plan E, and Plan F require contributions of 7.08 percent of compensation.

The County is required to contribute at an actuarially determined rate; the rate for the year ended June 30, 2025 was 52.58 percent of annual covered payroll. The employer contribution made for the measurement period of the liability was \$89,167,755. The 2025 employer contribution totaled \$106,901,813.

Educational Employees' Supplementary Retirement System

All contribution requirements for ERFC plans are established and may be amended by the ERFC Board with the approval of the School Board. The requirements are based upon a fundamental financial objective of having rates of contribution that remain relatively level from generation to generation of employees. To determine the appropriate employer contribution rates and to assess the extent to which the fundamental financial objective is being achieved, ERFC has actuarial valuations prepared annually. Members are required to contribute 3 percent of annual salary. The employer is required to contribute at an actuarially determined rate which was 6.48 percent for fiscal year 2025. Employer contributions to the pension plan were \$129,278,658 and \$121,645,811 for the years ended June 30, 2025 and June 30, 2024, respectively.

Actuarial funding valuations as of odd-numbered years are used to develop the appropriate employer contribution rate for the two-year period beginning 18 months after the valuation date. As such, the

December 31, 2022 valuation was used to set the employer contribution rate of 6.48 percent for fiscal years 2025 and 2026.

4. Actuarial Methods and Assumptions

The reported total pension liability (TPL) was based on participant data collected as of December 31, 2023 and an actuarial valuation as of June 30, 2024, using the entry age actuarial cost method, with a measurement date of June 30, 2024. Significant actuarial assumptions used in the valuation for ERS, PORS, and URS include:

Actuarial Assumptions

Discount rate, net of plan investment expenses	6.75%
Inflation	2.25%
Salary increases, including inflation	2.25% + merit
Investment rate of return, net of plan investment expenses	6.75%
Mortality	Healthy and Disabled Mortality Table PubG-2010 & PubS-2010 projected using the MP-2020 model

ERFC assumptions deviate from the chart for salary increases, using a range of 2.75 percent - 7.25 percent. Mortality rates were based on the PUB-2010 mortality healthy annuitant total data set table with fully generational two-dimensional sex distinct MP-2020 projection scale.

The actuarial assumptions used have been recommended by the actuary and adopted by the Board of Trustees of ERS, PORS and URS based on the most recent review of the experience associated with their respective plans, completed in 2021.

The rate of employer contributions to the ERS, PORS, and URS is composed of normal cost, amortization of the unfunded actuarial accrued liability, and an allowance for administrative expenses. The normal cost is a level percent of payroll cost, which, along with the member contributions, will pay for projected benefits at retirement for each plan participant. The actuarial accrued liability is that portion of the present value of projected benefits that will not be paid by future normal employer costs or member contributions. The difference between this liability and the funds accumulated as of the same date is the unfunded actuarial accrued liability. The allowance for administrative costs is based upon the actual administrative expenses of the Systems.

The actuarial assumptions used in the June 30, 2024, valuation were based on the results of an actuarial experience study performed in 2021.

Target Allocation and Rate of Investment Return

The target asset allocation of the System’s investment portfolio has a significant impact on the investment returns expected to be experienced by the System. The table on the next page shows the target allocation and long term expected real rate of return based on the Board’s current policy along with the capital market assumptions compiled by System’s investment staff.

BASIC FINANCIAL STATEMENTS

Asset Class	ERS*	PORS*	URS*
U.S. Leverage Cost	1.9% / -35.0%	1.9% / -41.0%	1.9% / -13.0%
Non-U.S. Leverage Cost	1.1% / -26.0%	1.1% / -20.0%	1.1% / -3.0%
U.S. Large-Cap Equity	7.7% / 11.0%	7.7% / 11.0%	7.7% / 16.0%
U.S. Small-/Mid-Cap Equity	8.7% / 3.0%	8.7% / 2.0%	8.7% / 4.0%
Non-U.S. Developed Equity	- / -	- / -	8.4% / 6.0%
Non-U.S. Developed Equity (USD Hedge)	8.3% / 6.0%	8.3% / 6.0%	8.3% / 5.0%
Non-U.S. Developed Small-Cap Equity	9.3% / 3.0%	9.3% / 3.0%	9.3% / 3.0%
Emerging Market Equity	12.5% / 3.0%	12.5% / 3.0%	12.5% / 8.0%
Global Equity	8.6% / 5.0%	8.6% / 7.0%	- / -
Private Equity - Buyout	- / -	- / -	10.2% / 4.0%
Private Equity - Growth	14.6% / 1.0%	14.6% / 1.0%	14.6% / 1.0%
Private Equity - Venture	20.8% / 1.0%	20.8% / 2.0%	20.8% / 2.0%
Non-U.S. Private Equity	- / -	- / -	15.8% / 1.0%
Private Equity	13.2% / 2.0%	13.2% / 3.0%	13.2% / 1.0%
U.S. TIPS	2.3% / 16.0%	2.3% / 13.0%	2.3% / 2.0%
U.S. Treasury Bond	2.1% / -3.0%	2.1% / -1.0%	- / -
U.S. Mortgage-Backed Securities	2.5% / 2.0%	2.5% / 2.0%	2.5% / 2.0%
U.S. Aggregate Bond	- / -	- / -	2.9% / 5.0%
U.S. High-Yield Corporate Bond	5.7% / 4.0%	5.7% / 3.0%	5.7% / 5.0%
Emerging Market External Debt	5.3% / 4.0%	5.3% / 3.0%	5.3% / 2.0%
Emerging Market Local Currency Debt	6.0% / 2.0%	6.0% / 2.0%	6.0% / 2.0%
Non-U.S. Government Bond	2.2% / 2.0%	- / -	- / -
Non-U.S. Government Bond (USD Hedge)	2.0% / 2.0%	- / -	- / -
Non-U.S. Inflation-Linked Bond (USD Hedge)	1.3% / 12.0%	1.3% / 10.0%	1.3% / 2.0%
Private Debt - Credit Opportunities	8.0% / 6.0%	8.0% / 8.0%	8.0% / 1.0%
Private Debt - Distressed	8.8% / 4.0%	8.8% / 6.0%	8.8% / 3.0%
Private Debt - Direct Lending	8.1% / 1.0%	- / -	8.1% / 3.0%
U.S. Long-Term Treasury Bond (10-30 Year)	2.6% / 5.0%	2.6% / 6.0%	- / -
20+-Year U.S. Treasury STRIPS	3.9% / 3.0%	3.9% / 3.0%	- / -
U.S. High-Yield Securitized Bond	5.1% / 2.0%	5.1% / 1.0%	- / -
U.S. High-Yield Collateralized Loan Obligation	6.3% / 4.0%	6.3% / 3.0%	- / -
10-Year U.S. Treasury Bond	2.6% / 8.0%	2.6% / 10.0%	2.6% / 3.0%
10-Year Non-U.S. Government Bond (USD Hedge)	1.2% / 18.0%	1.2% / 12.0%	1.2% / 2.0%
Commodity Futures	5.0% / 7.0%	5.0% / 7.0%	5.0% / 2.0%
Public Real Assets (Multi-Asset)	6.0% / 2.0%	6.0% / 4.0%	- / -
Midstream Energy	- / -	- / -	11.0% / 1.0%
U.S. REIT	9.0% / 5.0%	9.0% / 3.0%	9.0% / 3.0%
Global Natural Resources Equity	- / -	- / -	9.6% / 2.0%
Gold	5.1% / 3.0%	5.1% / 3.0%	- / -
Core Real Estate	6.7% / 1.0%	6.7% / 2.0%	6.7% / 2.0%
Non-Core Real Estate	- / -	- / -	9.2% / 3.0%
Private Real Assets - Natural Resources	- / -	- / -	13.6% / 2.0%
Private Real Assets - Infrastructure	7.4% / 4.0%	7.4% / 1.0%	7.4% / 1.0%
Hedge Fund - Macro	5.1% / 8.0%	5.1% / 10.0%	5.1% / 2.0%
Hedge Fund - Credit	5.8% / 4.0%	5.8% / 2.0%	5.8% / 2.0%
Hedge Fund - Equity	- / -	- / -	5.7% / 3.0%
Hedge Fund	5.6% / 3.0%	5.6% / 6.0%	5.6% / 5.0%
Cash	1.9% / 5.0%	1.9% / 5.0%	1.9% / 5.0%

* Target total may exceed 100% due to futures and other derivatives

Asset Class	ERFC	
	L/T Expected RRR	Target Allocation
Domestic Large-Cap Equity	6.4%	11.0%
Domestic Small-Cap Equity	7.3%	6.0%
International Large-Cap Equity	6.7%	5.0%
International Small-Cap Equity	8.1%	5.0%
Emerging International Equity	8.0%	5.0%
Global Equity	6.8%	3.0%
Emerging Market Debt	3.7%	2.0%
U.S. Fixed-Income	1.8%	28.0%
Multi-Asset Class Strategies	2.8%	4.0%
Hedge Funds Opportunistic	5.5%	5.0%
Infrastructure	8.0%	3.0%
Real Estate (Core)	5.1%	7.0%
Private Equity	11.3%	7.0%
Private Debt	7.8%	4.0%
Natural Resources	8.9%	5.0%

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (TPL). The TPL and net pension liability (NPL) resulting from the plans fiduciary net position at June 30, 2025, are as follows:

	ERS	PORS
Total pension liability	\$ 7,378,940,106	\$ 2,376,432,934
Pension plan's fiduciary net position	<u>(4,996,022,619)</u>	<u>(1,828,703,426)</u>
Net pension liability	<u>\$ 2,382,917,487</u>	<u>\$ 547,729,508</u>
Plan fiduciary net position as a percentage of the total pension liability	67.7%	77.0%
	URS	ERFC
Total pension liability	\$ 2,892,117,143	\$ 4,380,439,604
Pension plan's fiduciary net position	<u>(2,185,308,912)</u>	<u>(3,213,424,628)</u>
Net pension liability	<u>\$ 706,808,231</u>	<u>\$ 1,167,014,976</u>
Plan fiduciary net position as a percentage of the total pension liability	75.6%	73.4%

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

	Increases (Decreases) in (000)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balances 6/30/2024	\$ 16,115,863	11,435,906	4,679,957
Changes for year:			
Service cost	315,772	-	315,772
Interest	1,089,799	-	1,089,799
Changes in benefit terms	161,938	-	161,938
Differences between expected and actual experience	239,591	-	239,591
Benefit payments, including refunds of member contributions	(895,033)	(895,033)	-
Contributions - employer	-	579,211	(579,211)
Contributions - member	-	133,450	(133,450)
Net investment income	-	980,610	(980,610)
Administrative expense	-	(10,684)	10,684
Net changes	<u>912,067</u>	<u>787,554</u>	<u>124,513</u>
Balances 6/30/2025	<u>\$ 17,027,930</u>	<u>12,223,460</u>	<u>4,804,470</u>

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

	Dollar amounts in (000)				
	ERS	PORS	URS	ERFC	Total
Total Pension Liability					
Service cost	\$ 131,224	35,344	46,914	102,290	315,772
Interest	464,387	148,600	182,946	293,866	1,089,799
Changes in benefit terms	-	-	-	161,938	161,938
Differences between expected and actual experience	246,783	83,650	74,558	(165,400)	239,591
Benefit payments, including refunds of member contributions	(417,247)	(112,745)	(148,956)	(216,085)	(895,033)
Net change in total pension liability	425,147	154,849	155,462	176,609	912,067
Total pension liability - 6/30/2024	<u>6,953,793</u>	<u>2,221,584</u>	<u>2,736,655</u>	<u>4,203,831</u>	<u>16,115,863</u>
Total pension liability - 6/30/2025	<u>\$ 7,378,940</u>	<u>2,376,433</u>	<u>2,892,117</u>	<u>4,380,440</u>	<u>17,027,930</u>
Plan Fiduciary Net Position					
Contributions - employer	\$ 300,112	68,285	89,168	121,646	579,211
Contributions - member	51,102	12,363	13,535	56,450	133,450
Net investment income	413,571	183,718	202,955	180,366	980,610
Benefit payments, including refunds of member contributions	(417,247)	(112,745)	(148,956)	(216,085)	(895,033)
Administrative expense	(3,351)	(799)	(849)	(5,685)	(10,684)
Net change in plan fiduciary net position	344,187	150,822	155,853	136,692	787,554
Plan fiduciary net position - 6/30/2024	<u>4,651,836</u>	<u>1,677,881</u>	<u>2,029,456</u>	<u>3,076,733</u>	<u>11,435,906</u>
Plan fiduciary net position - 6/30/2025	<u>\$ 4,996,023</u>	<u>1,828,703</u>	<u>2,185,309</u>	<u>3,213,425</u>	<u>12,223,460</u>
Net pension liability - 6/30/2025	<u>\$ 2,382,917</u>	<u>547,730</u>	<u>706,808</u>	<u>1,167,015</u>	<u>4,804,470</u>

Changes in the discount rate affect the measurement of the TPL. The discount rate does not affect the measurement of assets, so the percentage change in the NPL can be very significant for a relatively

small change in the discount rate. To illustrate this, the tables below reflect the impact of a one percent increase or decrease of the discount rate would have on the NPL for each of the plans:

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

	1% Decrease 5.75%	Current 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	<u>\$ 3,267,735,073</u>	<u>\$ 2,382,917,487</u>	<u>\$ 1,642,017,532</u>
Plan fiduciary net position as a percentage of the total pension liability	60.5%	67.7%	75.3%

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

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Total pension liability	\$ 2,702,840,272	\$ 2,376,432,934	\$ 2,109,941,089
Plan fiduciary net position	(1,828,703,426)	(1,828,703,426)	(1,828,703,426)
Net pension liability	<u>\$ 874,136,846</u>	<u>\$ 547,729,508</u>	<u>\$ 281,237,663</u>
Plan fiduciary net position as a percentage of the total pension liability	67.7%	77.0%	86.7%

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

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Total pension liability	\$ 3,263,720,142	\$ 2,892,117,143	\$ 2,584,682,729
Plan fiduciary net position	(2,185,308,912)	(2,185,308,912)	(2,185,308,912)
Net pension liability	<u>\$ 1,078,411,230</u>	<u>\$ 706,808,231</u>	<u>\$ 399,373,817</u>
Plan fiduciary net position as a percentage of the total pension liability	67.0%	75.6%	84.5%

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Total pension liability	\$ 5,009,412,590	4,380,439,604	\$ 3,869,410,589
Plan fiduciary net position	(3,213,424,628)	(3,213,424,628)	(3,213,424,628)
Net pension liability	<u>\$ 1,795,987,962</u>	<u>\$ 1,167,014,976</u>	<u>\$ 655,985,961</u>
Plan fiduciary net position as a percentage of the total pension liability	64.1%	73.4%	83.0%

5. Plan Membership

As of the measurement date(s), membership in the Reporting Entity’s plans consisted of the following:

	Primary Government			Component Unit - Public Schools
	ERS	PORS	URS	ERFC
Retirees and beneficiaries receiving benefits	11,446	1,457	1,713	14,427
Terminated employees entitled to, but not yet receiving, benefits	2,850	105	146	8,819
DROP participants	689	55	143	235
Active plan members	14,201	1,276	1,810	23,381
Total number of plan members	29,186	2,893	3,812	46,862

6. Pension Expense, Deferred Outflows and Deferred Inflows of Resources, Net Pension Liability, and Component Allocation

The reported deferred outflows and inflows of resources and recognized pension expense associated with ERS, PORS, URS, and ERFC is presented below:

	ERS		PORS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 310,983,361	8,723,106	\$ 131,215,375	29,436,751
Changes in assumptions	46,743,941	-	18,637,836	-
Net difference between projected and actual earnings on pension plan investments	238,204,260	-	31,687,764	-
Contributions subsequent to the measurement date	350,898,819	-	86,013,744	-
Total	\$ 946,830,381	8,723,106	\$ 267,554,719	29,436,751
Pension Expense Recognized 2025	\$ 427,577,966		\$ 106,977,187	
Net Pension Liability June 30, 2025	\$ 2,382,917,487		\$ 547,729,508	
	URS		ERFC	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 130,631,005	17,331,695	\$ 34,601,587	140,523,610
Changes in assumptions	20,247,285	-	64,876,088	5,702,047
Net difference between projected and actual earnings on pension plan investments	3,916,419	-	266,513,541	106,847,968
Contributions subsequent to the measurement date	106,901,813	-	129,278,658	-
Total	\$ 261,696,522	17,331,695	\$ 495,269,874	253,073,625
Pension Expense Recognized 2025	\$ 137,941,452		\$ 321,249,725	
Net Pension Liability June 30, 2025	\$ 706,808,231		\$ 1,167,014,976	

Deferred outflows associated with contributions made subsequent to the measurement date will be recognized as a reduction to the net pension liability in fiscal year 2026. The remaining deferred outflows and inflows will impact pension expense in subsequent years as presented on the next page:

Year ended June 30:
Measurement Date June 30 of prior year

		ERS	PORS	URS	ERFC
2026	\$	155,825,834	14,873,678	25,831,869	11,220,648
2027		277,652,995	82,276,055	89,751,017	115,410,873
2028		124,748,173	48,499,865	13,755,371	17,979,629
2029		28,981,454	(7,487,136)	(4,301,604)	(19,271,731)
2030		-	13,941,762	12,426,361	(12,421,828)
Total	\$	587,208,456	152,104,224	137,463,014	112,917,591

ERS balances have been allocated between the Primary Government and discretely presented Component Units as follows:

	Dollar amounts in (000)					
	Total	Primary Government	FCPS	EDA	FCRHA	FCPA
Total pension liability	\$ 7,378,940	5,236,537	1,744,809	29,009	105,518	263,067
Pension plan's fiduciary net position	(4,996,023)	(3,545,477)	(1,181,349)	(19,641)	(71,443)	(178,113)
Net pension liability	\$ 2,382,917	1,691,060	563,460	9,368	34,075	84,954
Deferred outflows:						
Contributions after measurement date	\$ 350,898	248,250	83,344	1,413	5,129	12,762
Investment return	238,204	169,045	56,325	936	3,406	8,492
Changes in proportion	39,333	25,383	7,319	159	910	5,562
Experience	310,983	220,692	73,534	1,223	4,447	11,087
Changes in assumptions	46,744	33,172	11,053	184	669	1,666
Total deferred outflows (ERS)	\$ 986,162	696,542	231,575	3,915	14,561	39,569
Deferred inflows:						
Experience	\$ 8,723	6,190	2,063	34	125	311
Changes in proportion	39,333	5,649	31,052	370	1,765	497
Total deferred inflows (ERS)	\$ 48,056	11,839	33,115	404	1,890	808
Pension expense	\$ 427,578	313,509	90,816	1,679	5,690	15,884

7. Virginia Retirement System (VRS)

Plan Description

FCPS contributes to VRS on behalf of its covered professional employees. VRS is a cost-sharing, multiple-employer retirement system, which administers two defined benefit plans and a hybrid plan that combines the features of a defined benefit plan and a defined contribution plan. These plans are administered by the Commonwealth and provide coverage for Commonwealth employees, public school board employees, employees of participating political subdivisions, and other qualifying employees. All full-time, salaried, permanent employees of VRS-participating employers are automatically covered under VRS. All employees hired after January 1, 2014 are automatically enrolled in the Hybrid Plan. Contributions made by members and participating VRS employers are invested to provide future retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries.

Benefit Provisions and Requirements

Benefit provisions are established and governed by Section 51.1 of the Code. Changes to the Code can be made only by an act of the Virginia General Assembly. All benefits vest at 5 years of creditable service. Benefits under the Defined Contribution component of the Hybrid Plan are always 100 percent vested. To be eligible for unreduced retirement benefits, an individual must meet the following criteria: (a) attain the age of 65 with 5 years of service or age 50 with 30 years of service for Plan 1, (b) for Plan 2 and the Defined Benefit component of the Hybrid Plan, attain normal social security retirement age with five years of service or combination of age and service equals 90, or (c) for the Defined Contribution component of the Hybrid Plan, terminate employment. To be eligible for reduced retirement benefits, an individual must meet the following criteria: (a) attain the age of 55 with 5 years of service or age 50 with 10 years of service for Plan 1, (b) for Plan 2 and the Defined Benefit component of the Hybrid Plan, attain the age of 60 with 5 years of service, or (c) for the Defined Contribution component of the Hybrid Plan, terminate employment.

Annual retirement benefits are payable monthly for life in an amount equal to (a) 1.7 percent of eligible members' average final compensation for each year of credited service under Plan 1, (b) 1.65 percent of eligible members' average final compensation for each year of creditable service on or after January 1, 2013 and 1.7 percent on creditable service before January 1, 2013 for Plan 2, or (c) 1.0 percent of eligible members' average final compensation for each year of creditable service for the Defined Benefit component of the Hybrid Plan. The health insurance credit provides retirees who have 15 or more years of creditable service with reimbursement to assist with the cost of health insurance premiums. The credit is a dollar amount set by the General Assembly for each year of service

Funding Policy

The contribution requirement for active employees is governed by Section 51.1-145 of the Code, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00 percent of their compensation toward their retirement. Each school division's contractually required contribution rate for the year ended June 30, 2025 was 16.62 percent of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employee during the year, with an additional amount to finance any unfunded accrued liability. Based on the provisions of Section 51.1-145 of the Code, as amended, the contributions were funded at 100.00 percent of the actuarial rate for the year ended June 30, 2025. Employer contributions to the pension plan were \$283,206,729 and \$311,651,655 for the years ended June 30, 2025, and June 30, 2024, respectively.

Actuarial Methods and Assumptions

The total pension liability for VRS was based on an actuarial valuation as of June 30, 2023, using the entry age normal actuarial cost method, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2024. The assumptions used are presented on the next page:

Actuarial Assumptions

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

Mortality Rates

Pre-Retirement	Post-Retirement	Post-Disablement
Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males	Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females	Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study are presented as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

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

At June 30, 2025, FCPS reported a liability of \$1,645,083,763 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined based on an actuarial valuation as of June 30, 2023, rolled forward to the measurement date of June 30, 2024. The FCPS' proportion of the net pension liability was based on FCPS' actuarially determined employer contributions to the pension plan for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, FCPS's proportion was 17.53 percent, as compared to 17.54 percent at June 30, 2023.

For the year ended June 30, 2025, FCPS recognized pension expense of \$165,351,359. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between actual employer contributions and the proportionate share of employer contributions.

At June 30, 2025, FCPS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 285,398,837	\$ 33,873,420
Changes in assumptions	29,860,469	-
Net difference between projected and actual earnings on pension plan investments	-	226,446,782
Changes in proportion and differences between contributions and proportionate share of contributions	375,418	49,632,967
Contributions subsequent to the measurement date	283,206,729	-
Total	<u>\$ 598,841,453</u>	<u>\$ 309,953,169</u>

A total of \$283,206,729 reported as deferred outflows of resources related to pensions resulting from FCPS contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as shown to the right:

The long-term expected rate of return on VRS investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of VRS investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized on the next page:

Year ended June 30:		
2026	\$	(124,292,402)
2027		122,195,261
2028		28,259,716
2029		(20,481,020)
Total	\$	<u>5,681,555</u>

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	32.00 %	6.70 %	2.14 %
Fixed Income	16.00	5.40	0.86
Credit Strategies	16.00	8.10	1.30
Real Assets	15.00	7.20	1.08
Private Equity	15.00	8.70	1.31
PIP - Private Investment Partnership	1.00	8.00	0.08
Diversifying Strategies	6.00	5.80	0.35
Cash	2.00	3.00	0.06
Leverage	(3.00)	3.50	(0.11)
Total	100.00 %		7.07 %
	Expected arithmetic nominal return*		7.07 %

* The above allocation provides a one-year return of 7.07% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for VRS, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75%, which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2023, the rate contributed by FCPS for VRS will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2023 on, school divisions are assumed to contribute 112.00 percent of the actuarially determined contribution rates. Based on those assumptions, VRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
FCPS' proportionate share of the VRS net pension liability	\$ 3,056,243,177	\$ 1,645,083,763	\$ 489,389,098

Plan Fiduciary Net Position

Detailed information about the VRS net position is available in the separately issued VRS 2024 ACFR. A copy of the 2024 VRS ACFR may be obtained by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500. It is also available online through the VRS website.

<https://www.varetire.org/>

Reporting Entity Pension Expense

The aggregate amount of pension expense for all plans (ERS, PORS, URS, ERFC, and VRS) for the period associated with net pension liabilities totaled \$1,159,097,689 for fiscal year 2025.

H. OTHER POST-EMPLOYMENT BENEFITS**1. General Information about the OPEB Plan**

The Fairfax County OPEB Plan (the Plan) is a single-employer defined benefit plan administered by Fairfax County. The Plan provides the opportunity to continue participation in medical/dental, vision, and life insurance benefits for eligible retirees and their spouses. The plan benefits correspond with benefits available to active employees. The benefit provisions are established and may be amended by the Board. Fiduciary oversight is provided by the members of the Deferred Compensation Board. The members of the Deferred Compensation Board are the CFO, Director of Finance, Director of Human Resources, Director of Management and Budget, and the Executive Director of the Retirement Agency. The Plan does not issue a stand-alone financial report.

In order to participate in the Plan, an employee must meet retirement criteria for either ERS, PORS, or URS (Note G). The retiree must have the applicable benefit(s) in place as an active employee and must maintain continuous participation in the benefit plan into retirement. Upon retirement, the County no longer contributes to the premium payments and the participant becomes responsible for 100 percent of applicable premiums less any applicable subsidies.

Beginning in fiscal year 2006, the amount of monthly medical subsidy provided by the County is based on years of service and ranges from \$40 per month to \$230 per month. Employees who retired prior to July 1, 2003, are eligible for the greater of the amount based on the current subsidy structure or the amount calculated based on the subsidy structure in place prior to July 2003. In addition, the Board has established a program to subsidize the continuation of term life insurance at reduced coverage amounts for retirees. Retirees generally pay for 50 percent of their coverage amounts at age-banded premium rates, with the County incurring the balance of the cost. In order to receive these subsidies, retirees must be 55 or older and have a minimum of five years of service credit. If participation in any of the benefit areas is discontinued, eligibility is lost and a retiree may not re-enroll into the Plan. Consequently, all inactive employees are considered to be receiving benefits.

Beginning in fiscal year 2018, required disclosures for the County OPEB liability and OPEB plan’s fiduciary net position will be made simultaneously. Participant data for current fiscal year and prior fiscal year is as follows:

Membership	FY 2024	FY 2025
Medical Members		
<u>Number of active members</u>	12,442	12,807
Average age	45	44
Average service	11	11
<u>Number of inactive members</u>		
Retirees and spouses	5,838	5,860
Average age	68	68
Life Insurance Members		
<u>Number of active members</u>	12,442	12,807
Average age	45	44
Average service	11	11
<u>Number of inactive members</u>		
Retirees and spouses	6,113	6,533
Average age	71	70

Contributions to the Plan are made by appropriation from the Board based on their commitment to fund an actuarially determined amount. The contributions for fiscal years 2024 and 2025 were \$12.1 million and \$19.7 million, respectively. Plan members are not required to contribute.

2. County Reporting OPEB Plan

Net OPEB Asset for the County

The County’s net OPEB asset was measured as of June 30, 2024. The components of the net OPEB asset for the County are presented below:

	Total	Primary Government	EDA	FCRHA	FCPA
Total OPEB Liability	\$ 359,884,644	339,151,691	896,112	4,534,546	15,302,295
Plan's Fiduciary Net Position	(433,249,270)	(408,289,779)	(1,078,791)	(5,458,941)	(18,421,759)
Net OPEB Asset	\$ (73,364,626)	(69,138,088)	(182,679)	(924,395)	(3,119,464)

Assumptions

For the County, the total OPEB liability was determined by an actuarial valuation as of July 1, 2023, rolled forward to June 30, 2024, using the following actuarial assumption:

Actuarial cost method	Entry age normal
Asset valuation method	Fair value of assets
Investment rate of return	7.00%, net of OPEB plan investment expense, including inflation.
Retirement age	Varies by age and pension plan.
Mortality	Pub-2010, "General" classification, Employees & Healthy Annuitant mortality table, projected using scale MP-2021, sex-distinct. Disabled mortality table Pub-2010, "General" classification, Disabled Retirement mortality table, projected using scale MP-2021, sex distinct.
Healthcare cost trend rate	7.90% - 11.10%, decreasing to 4.50%

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

Discount rate

The discount rate used to measure the total OPEB liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed Plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current Plan members and their beneficiaries are included. Projected County contributions that are intended to fund the service costs of future Plan members and their beneficiaries, as well as projected contributions from future Plan members, are not included. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future OPEB payments for current Plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB (Asset) Liability

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

	Dollar amounts in (000)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB (Asset) Liability (a-b)
Balances 6/30/2024	\$ 366,661	403,798	(37,137)
Changes for year:			
Service cost	6,838	-	6,838
Interest	25,452	-	25,452
Changes in benefit terms	-	-	-
Difference between expected and actual experience	7,834	-	7,834
Changes in assumptions	(26,747)	-	(26,747)
Benefit payments, including refunds of member contributions	(20,152)	(20,152)	-
Contributions - employer	-	12,135	(12,135)
Net investment income	-	37,620	(37,620)
Administrative expense	-	(150)	150
Net changes	(6,775)	29,453	(36,228)
Balances 6/30/2025	\$ 359,886	433,251	(73,365)

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

	Dollar amounts in (000)				
	Primary Government	EDA	FCRHA	FCPA	Total
Total OPEB Liability					
Service cost	\$ 6,444	17	86	291	6,838
Interest	23,985	64	321	1,082	25,452
Difference between expected and actual experience	8,002	2	(246)	76	7,834
Changes in assumptions	(25,206)	(67)	(337)	(1,137)	(26,747)
Benefit payments, including refunds of member contributions	(18,991)	(50)	(254)	(857)	(20,152)
Net change in total OPEB liability	(5,766)	(34)	(430)	(545)	(6,775)
Total OPEB Liability - 6/30/2024	344,918	931	4,965	15,847	366,661
Total OPEB Liability - 6/30/2025	\$ 339,152	897	4,535	15,302	359,886
Plan Fiduciary Net Position					
Contributions - employer	\$ 11,436	30	153	516	12,135
Net investment income	36,136	73	94	1,317	37,620
Benefit payments, including refunds of member contributions	(18,991)	(50)	(254)	(857)	(20,152)
Administrative expense	(142)	-	(2)	(6)	(150)
Net change in plan fiduciary net position	28,439	53	(9)	970	29,453
Plan Fiduciary Net Position - 6/30/2024	379,851	1,027	5,468	17,452	403,798
Plan Fiduciary Net Position - 6/30/2025	\$ 408,290	1,080	5,459	18,422	433,251
Net OPEB Asset - 6/30/2025	\$ (69,138)	(183)	(924)	(3,120)	(73,365)

Sensitivity Analysis

The following represents the County’s net OPEB (asset) liability using the 7.00 percent discount rate, as well as what the (asset) liability would be if the discount rate were decreased or increased by 1.00 percent.

	1% Decrease (6.00%)	Current Rate (7.00%)	1% Increase (8.00%)
Total OPEB Liability	\$ 415,318,945	359,884,644	315,426,958
Plan Fiduciary Net Position	(433,249,270)	(433,249,270)	(433,249,270)
Net OPEB (Asset) Liability	\$ (17,930,325)	(73,364,626)	(117,822,312)

	1% Decrease (6.00%)	Current Rate (7.00%)	1% Increase (8.00%)
Total OPEB Liability			
Primary Government	\$ 391,392,420	339,151,691	297,255,211
EDA	1,034,144	896,112	785,413
FCRHA	5,233,019	4,534,546	3,974,380
FCPA	17,659,362	15,302,295	13,411,954
Total OPEB Liability	\$ 415,318,945	359,884,644	315,426,958

	1% Decrease (6.00%)	Current Rate (7.00%)	1% Increase (8.00%)
Plan Fiduciary Net Position			
Primary Government	\$ (408,289,779)	\$ (408,289,779)	\$ (408,289,779)
EDA	(1,078,791)	(1,078,791)	(1,078,791)
FCRHA	(5,458,941)	(5,458,941)	(5,458,941)
FCPA	(18,421,759)	(18,421,759)	(18,421,759)
Total Plan Fiduciary Net Position	\$ (433,249,270)	(433,249,270)	(433,249,270)

	1% Decrease (6.00%)	Current Rate (7.00%)	1% Increase (8.00%)
Net OPEB (Asset) Liability			
Primary Government	\$ (16,897,359)	(69,138,088)	(111,034,568)
EDA	(44,647)	(182,679)	(293,378)
FCRHA	(225,922)	(924,395)	(1,484,561)
FCPA	(762,397)	(3,119,464)	(5,009,805)
Total Net OPEB (Asset) Liability	\$ (17,930,325)	(73,364,626)	(117,822,312)

The following represents the County's net OPEB (asset) liability calculated using the healthcare trend rates (7.90 percent to 11.00 percent, decreasing to 4.50 percent), as well as the impacts of calculating the rates at one percentage point lower (6.90 percent to 10.00 percent, decreasing to 3.50 percent) or one percentage point higher (8.90 percent to 12.00 percent, decreasing to 5.50 percent):

	1.00% Decrease (Varied decreasing to 3.50%)	Trend Rate (Varied decreasing to 4.50%)	1.00% Increase (Varied decreasing to 5.50%)
Total OPEB Liability	\$ 307,012,537	359,884,644	427,271,510
Plan Fiduciary Net Position	(433,249,270)	(433,249,270)	(433,249,270)
Net OPEB (Asset) Liability	\$ (126,236,733)	(73,364,626)	(5,977,760)

	1.00% Decrease (Varied decreasing to 3.50%)	Trend Rate (Varied decreasing to 4.50%)	1.00% Increase (Varied decreasing to 5.50%)
Total OPEB Liability			
Primary Government	\$ 289,325,545	339,151,691	402,656,398
EDA	764,461	896,112	1,063,906
FCRHA	3,868,358	4,534,546	5,383,621
FCPA	13,054,173	15,302,295	18,167,585
Total OPEB Liability	\$ 307,012,537	359,884,644	427,271,510

	1.00% Decrease (Varied decreasing to 3.50%)	Trend Rate (Varied decreasing to 4.50%)	1.00% Increase (Varied decreasing to 5.50%)
Plan Fiduciary Net Position			
Primary Government	\$ (408,289,779)	\$ (408,289,779)	\$ (408,289,779)
EDA	(1,078,791)	(1,078,791)	(1,078,791)
FCRHA	(5,458,941)	(5,458,941)	(5,458,941)
FCPA	(18,421,759)	(18,421,759)	(18,421,759)
Total Plan Fiduciary Net Position	\$ (433,249,270)	(433,249,270)	(433,249,270)

	1.00% Decrease (Varied decreasing to 3.50%)	Trend Rate (Varied decreasing to 4.50%)	1.00% Increase (Varied decreasing to 5.50%)
Net OPEB (Asset) Liability			
Primary Government	\$ (118,964,234)	(69,138,088)	(5,633,381)
EDA	(314,330)	(182,679)	(14,885)
FCRHA	(1,590,583)	(924,395)	(75,320)
FCPA	(5,367,586)	(3,119,464)	(254,174)
Total Net OPEB (Asset) Liability	\$ (126,236,733)	(73,364,626)	(5,977,760)

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

For the year ended June 30, 2025, the County recognized OPEB expense of \$(8,339,874). Deferred outflows and deferred inflows of resources and expense related to OPEB have been allocated between the Primary Government and discretely presented Component Units as follows:

	Dollar amounts in (000)				
	Total	Primary Government	EDA	FCRHA	FCPA
Total OPEB Liability	\$ 359,886	339,152	897	4,535	15,302
Plan's Fiduciary Net Position	(433,251)	(408,290)	(1,080)	(5,459)	(18,422)
Net OPEB Asset	\$ (73,365)	(69,138)	(183)	(924)	(3,120)
Deferred Outflows:					
Experience	\$ 41,495	39,105	103	523	1,764
Assumptions changes	14,190	13,373	35	179	603
Net Investment return	3,236	3,049	8	41	138
Contributions after measurement date	19,733	18,596	49	247	841
Change in proportion	468	195	-	-	273
Total Deferred Outflows	\$ 79,122	74,318	195	990	3,619
Deferred Inflows:					
Experience	\$ (9,704)	(9,145)	(24)	(122)	(413)
Assumptions changes	(121,665)	(114,656)	(303)	(1,533)	(5,173)
Change in proportion	(468)	(47)	(192)	(229)	-
Total Deferred Inflows	\$ (131,837)	(123,848)	(519)	(1,884)	(5,586)
OPEB Expense	\$ (8,340)	(7,859)	(21)	(105)	(355)

Contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2026.

The other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	
2026	\$ (16,489,904)
2027	(9,507,349)
2028	(21,277,620)
2029	(10,418,186)
2030	(8,115,405)
Thereafter	(6,640,688)
Total	\$ (72,449,152)

3. OPEB Plan Reporting

The County has established a trust fund to account for the cost of OPEB. The financial information for the fund is as follows:

COUNTY OF FAIRFAX, VIRGINIA	
Statement of Plan Net Position	
June 30, 2025	
ASSETS	
Equity in pooled cash and temporary investments	\$ 5,072,824
Contributions receivable	791,165
Accrued interest and dividends receivable	22,866
Investments, at fair value:	
Investment in pooled funds	462,271,760
Total assets	<u>468,158,615</u>
DEFERRED OUTFLOWS OF RESOURCES	
Total deferred outflows of resources	<u>-</u>
LIABILITIES	
Accounts payable and accrued liabilities	<u>67</u>
Total liabilities	<u>67</u>
DEFERRED INFLOWS OF RESOURCES	
Total deferred inflows of resources	<u>-</u>
NET POSITION	
Held in trust for OPEB benefits	<u>\$ 468,158,548</u>

COUNTY OF FAIRFAX, VIRGINIA
Statement of Changes in Plan Net Position
For the fiscal year ended June 30, 2025

ADDITIONS

Contributions:	
Employer	\$ 15,590,953
Other	4,142,429
Total contributions	19,733,382
Investment income:	
From investment activities:	
Net change in fair value of investments	37,644,752
Interest	44,322
Total gain from investment activities	37,689,074
Less investment activities expenses:	
Management fees	299,915
Other	251
Total investment activities expenses	300,166
Net gain from investment activities	37,388,908
Net investment gain	37,388,908
Total additions	57,122,290

DEDUCTIONS

Benefits	22,057,498
Administrative expenses	155,514
Total deductions	22,213,012
Net increase	34,909,278
Net position, July 1, 2024	433,249,270
Net position, June 30, 2025	\$ 468,158,548

Net OPEB Asset for the Plan

The Plan's net OPEB asset was measured as of June 30, 2025. The components of the net OPEB asset for the Plan are as follows:

Total OPEB Liability	\$ 438,141,122
Plan Fiduciary Net Position (Fair Value of Assets)	(468,158,548)
Net OPEB Asset	\$ (30,017,426)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	106.85%

Assumptions

For the Plan, the total OPEB liability was determined by an actuarial valuation as of July 1, 2023, rolled forward to June 30, 2024, using the following actuarial assumptions:

Actuarial cost method	Entry age normal
Asset valuation method	Fair value of assets
Salary increases	3.00%
Investment rate of return	7.00%, net of OPEB plan investment expense, including inflation.
Retirement age	Varies by age and pension plan.
Mortality	Pub-2010, "General" classification, ERS participants and "Public Safety" classification for PORS and URS participants, Employees Mortality Table, projected using Scale MP-2021, sex-distinct. Disabled mortality table Pub-2010, "General" classification, ERS participants and "Public Safety" classification for PORS and URS participants, Disabled Retirement mortality table, projected using scale MP-2021, sex distinct.
Healthcare cost trend rate	7.90% - 9.40%, decreasing to 4.50%

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

Investments

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class and target allocations as of June 30, 2025, are below:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
Domestic Equity (Large-Cap)	6.60%	21.26%
Domestic Equity (Small-Cap)	7.10%	11.36%
International Equity	6.30%	11.99%
Emerging Markets Equity	6.60%	5.92%
Long / Short Equity	6.50%	6.43%
Core Plus U.S. Fixed-Income	6.30%	17.32%
Absolute Return Fixed-Income	4.40%	3.73%
Real Estate	5.80%	11.12%
Private Equity	10.10%	10.00%
Cash	3.80%	0.87%

There are no concentrations in any one organization that represent 5.00 percent or more of the fiduciary net position in the Plan. For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 8.83 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The Plan’s funds are invested in domestic and international equity and fixed income funds through the Virginia Pooled OPEB Trust Fund established as the investment vehicle for participating employers.

The County is not involved in the administration of these funds. Further information about the Virginia Pooled OPEB Trust Fund sponsored by VML/VACo, including financial statements, can be obtained by writing to VML/VACo Finance Program, 8 East Canal Street, Suite 100, Richmond, Virginia 23219.

Sensitivity Analysis

The following represents the OPEB plan’s net liability using the 7.00 percent discount rate, as well as what the liability would be if the discount rate were decreased or increased by one percent.

Sensitivity of Net OPEB Asset to Changes in Discount Rate

	1.00% Decrease 6.00%	Current Rate 7.00%	1.00% Increase 8.00%
Total OPEB Liability	\$ 506,132,883	438,141,122	383,510,196
Plan Fiduciary Net Position	(468,158,548)	(468,158,548)	(468,158,548)
Net OPEB Asset	\$ 37,974,335	(30,017,426)	(84,648,352)

The following represents the OPEB plan’s net liability calculated using the healthcare trend rates (1.70 percent to 9.40 percent, decreasing to 4.50 percent), as well as the impacts of calculating the rates at one percentage point lower (0.70 percent to 8.40 percent, decreasing to 3.50 percent) or one percentage point higher (2.70 percent to 10.40 percent, decreasing to 5.50 percent):

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

	1.00% Decrease (Varied decreasing to 3.50%)	Trend Rate (Varied decreasing to 4.50%)	1.00% Increase (Varied decreasing to 5.50%)
Total OPEB Liability	\$ 376,136,913	438,141,122	517,495,112
Plan Fiduciary Net Position	(468,158,548)	(468,158,548)	(468,158,548)
Net OPEB Asset	\$ (92,021,635)	(30,017,426)	49,336,564

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

At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 19,733,382	-
Total	\$ 19,733,382	-

Contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or addition to the net OPEB asset, as applicable, in the year ending June 30, 2026.

4. Public Schools OPEB Plan

Plan Description

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

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

A retiree and/or spouse who is at least 55 of years of age and participates in a Public Schools administered health insurance plan will receive an explicit subsidy ranging from \$15 to \$175 per month, based on years of service and the retirement plan in which the retiree is covered. In addition, Public Schools provides an implicit subsidy by allowing retirees to participate in the health insurance plans at the group premium rates calculated on the entire universe of active and retired employees. This subsidy occurs because, on an actuarial basis, the current and future claims of the retiree participants are expected to result in higher per person costs to the insurance plans than will be the experience for active employees.

For fiscal year 2025, required disclosures for the Public Schools OPEB liability and OPEB plan’s fiduciary net position are made simultaneously. Participant data used for the current year is based on June 30, 2023; also shown is the data for the prior fiscal year.

Membership	FY ending June 30, 2023	FY ending June 30, 2022
Medical Members		
<u>Number of active members</u>	18,112	20,528
Average age	47	46
Average service	12	11
<u>Number of inactive members</u>		
Retirees and spouses	10,363	10,174
Average age	73	73
Life Insurance Members		
<u>Number of active members</u>	3,807	4,451
Average age	53	53
Average service	12	12
<u>Number of inactive members</u>		
Retirees and spouses	3,396	3,050
Average age	73	72

Contributions

Contributions to the Public School OPEB Trust Fund are determined and may be amended by the School Board. The contributions are set at a minimum to satisfy the current year’s projected pay-as-you-go benefits costs. The School Board may provide additional amounts to prefund future costs. Contributions to the Plan were \$15,578,650 for the years ended June 30, 2025 and June 30, 2024. The costs of administrating the plan are paid for by the Plan through the use of investment income and employer contributions. The Public Schools’ annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB asset for 2025 are as follows on the next page:

Public Schools OPEB Plan Reporting:

COUNTY OF FAIRFAX, VIRGINIA
OPEB Trust Fund
Statement of Plan Net Position
June 30, 2025

	Component Unit - Public Schools' OPEB Trust Fund
ASSETS	
Receivable, accounts	\$ 37,200
Receivable, securities sold	2,554,599
Investment in pooled funds	<u>262,527,810</u>
Total assets	<u>265,119,609</u>
LIABILITIES	
Accounts payable and accrued liabilities	<u>37,230</u>
Total liabilities	<u>37,230</u>
NET POSITION	
Held in trust for OPEB benefits	<u>\$ 265,082,379</u>

COUNTY OF FAIRFAX, VIRGINIA
OPEB Trust Fund
Statement of Changes in Net Position
For the fiscal year ended June 30, 2025

	Component Unit - Public Schools' OPEB Trust Fund
ADDITIONS	
Contributions:	
Employer	<u>\$ 15,578,650</u>
Total contributions	<u>15,578,650</u>
Investment income:	
From investment activities:	
Net increase in fair value of investments	21,373,398
Interest and dividends	795
Management fees and other administrative expenses	<u>(122,405)</u>
Total income from investment activities	<u>21,251,788</u>
Total additions	<u>36,830,438</u>
DEDUCTIONS	
Benefits payments	<u>10,578,650</u>
Total deductions	<u>10,578,650</u>
Change in net position	26,251,788
Net position, July 1, 2024	<u>238,830,591</u>
Net position, June 30, 2025	<u>\$ 265,082,379</u>

Net OPEB Liability

The Public Schools' net OPEB liability was measured as of June 30, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The components of the net OPEB liability for Fairfax County Public Schools are as follows:

Total OPEB liability	\$ 244,167,561
Plan fiduciary net position (fair value of assets)	(238,830,591)
Net OPEB liability	<u>\$ 5,336,970</u>
Plan fiduciary net position as a percentage of the OPEB liability	97.81%

Actuarial Assumptions

Significant actuarial assumptions used in the valuation include:

Actuarial cost method	Entry age normal
Asset valuation method	Fair value of assets
Salary increases	7.25%, trending down to 2.75%
Investment rate of return	7.00%, prior year rate was 7.00%, net of OPEB plan investment expense, including inflation
Retirement age	Varies by age and pension plan
Mortality	
Active participants	102% of the male rates and 99% of the female rates of the Pub-2010, "Teachers" Classification, Employees Mortality Table, projected using Scale MP-2021, sex-distinct
Current retirees	102% of the male rates and 99% of the female rates of the Pub-2010, "Teachers" Classification, Healthy Annuitant Mortality Table, projected using scale MP-2021, sex-distinct
Surviving spouses	102% of the male rates and 99% of the female rates of the Pub-2010, "Teachers" Classification, Survivor Beneficiary Mortality Table, projected using scale MP-2021, sex-distinct
Disabled retirees	102% of the male rates and 99% of the female rates of the Pub-2010, "Teachers" Classification, Disabled Retirement Mortality Table, projected using scale MP-2021, sex-distinct
Healthcare cost trend rate	7.00% - 12.00%, decreasing to 4.50%

Discount rate

The discount rate used to measure the total OPEB liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that Public Schools contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current inactive and active employees/current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Long-term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments are determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan’s target asset allocation as of June 30, 2025, are summarized in the following table:

Component Unit - Public Schools		
Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
Domestic Equity (Large-Cap)	4.30%	24.68%
Domestic Equity (Small-Cap)	4.79%	12.17%
International Equity	4.20%	12.80%
Emerging Markets Equity	4.50%	5.80%
Cash (Gov't)	1.76%	0.02%
Core U.S. Fixed-Income	2.44%	3.74%
Long-Duration Bonds – Credit	3.62%	14.59%
Non-U.S. Developed Bond (50% Hedged)	1.96%	3.77%
Private Real Estate (Core)	3.42%	8.69%
Private Equity	6.94%	7.97%
Hedge Funds - Equity Long/Short (Buy List)	4.30%	5.77%

There are no concentrations in any one organization that represent 5.00 percent or more of the fiduciary net position in the plan. For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 9.49 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing actual invested amounts. The Plan’s funds are invested in domestic and international equity and fixed income funds through the Virginia Pooled OPEB Trust Fund established as the investment vehicle for participating employers. The Public Schools is not involved in the administration of these funds. Further information about the Virginia Pooled OPEB Trust Fund sponsored by VML/VACo, including financial statements, can be obtained by writing to VML/VACo Finance Program, 8 East Canal Street, Suite 100, Richmond, Virginia 23219.

Sensitivity Analysis

The following represents Public Schools Net OPEB liability calculated using the 7.00 percent discount rate, as well as what the liability would be if the discount rate were calculated using a discount rate is one percentage lower (6.00 percent) or one percentage higher (8.00 percent) than the current rate:

	1.00% Decrease	Current Rate	1.00% Increase
	6.00%	7.00%	8.00%
Total OPEB liability	\$ 269,620,408	244,167,561	222,573,974
Plan fiduciary net position	(238,830,591)	(238,830,591)	(238,830,591)
Net OPEB liability (asset)	\$ 30,789,817	5,336,970	(16,256,617)

The following represents Public Schools net OPEB liability calculated using the healthcare trend rates (varied percentages decreasing to 4.50 percent), as well as what the liability would be if it were calculated using healthcare trend rates at one percentage point lower (varied percentages decreasing to 3.50 percent) or one percentage point higher (varied percentages decreasing to 5.50 percent) than the current healthcare trend rates:

	1.00% Decrease (Varied decreasing to 3.50%)	Trend Rate (Varied decreasing to 4.50%)	1.00% Increase (Varied decreasing to 5.50%)
Total OPEB liability	\$ 235,024,832	244,167,561	255,196,455
Plan fiduciary net position	(238,830,591)	(238,830,591)	(238,830,591)
Net OPEB liability (asset)	<u>\$ (3,805,759)</u>	<u>5,336,970</u>	<u>16,365,864</u>

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

For the year ended June 30, 2025, the Public Schools recognized OPEB expense of \$(11,240,262). At June 30, 2025, the Public Schools reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	\$ 66,908,632	11,421,500
Change in assumptions	-	58,443,987
Net difference between expected and actual earnings on OPEB plan investments	1,418,644	-
Contributions subsequent to the measurement date	15,578,650	-
Total	<u>\$ 83,905,926</u>	<u>69,865,487</u>

Amounts recognized in the deferred outflows of resources and deferred inflows of resources related to the Public Schools' OPEB plan will be recognized in the OPEB plan expense as follows:

Year Ended June 30	Public Schools OPEB
2026	\$ (454,091)
2027	9,086,838
2028	(3,466,192)
2029	(2,750,301)
2030	(1,451,885)
Thereafter	(2,502,580)
Total	<u>\$ (1,538,211)</u>

Changes in the Net OPEB Liability

Due to a change in accounting principle for the measurement date of the FCPS OPEB Plan net liability, the overall amount did not change from fiscal year 2024 to fiscal year 2025. The table below shows the changes enacted during fiscal year 2024 that resulted in the current balance.

	(Dollar amounts in thousands)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a-b)
Balances recognized at 6/30/2023	\$ 247,699	213,448	34,251
Changes for the year:			
Service cost	3,878	-	3,878
Interest cost	17,247	-	17,247
Differences between expected and actual experiences	34,728	-	34,728
Changes in assumptions	(48,805)	-	(48,805)
Benefit payments	(10,579)	(10,579)	-
Contributions - employer	-	15,579	(15,579)
Net investment income	-	20,492	(20,492)
Administrative expense	-	(109)	109
Net changes	(3,531)	25,383	(28,914)
Balances recognized at 6/30/2024 and 6/30/2025	\$ 244,168	238,831	5,337

Investments

The Public Schools invests the School OPEB Trust Fund’s assets with the Virginia Pooled OPEB Trust Fund (Pooled Trust) sponsored by the Virginia Municipal League and the Virginia Association of Counties (VML/VACo). The Pooled Trust is an investment pooling vehicle created to allow participating local governments, school divisions, and authorities in the Commonwealth to accumulate and invest assets to fund other postemployment benefits. Funds of participating jurisdictions are pooled and invested in the name of the Pooled Trust. The Public Schools’ respective shares in the Pooled Trust are reported in the School OPEB Trust Fund’s financial statements. Investment decisions are made by the Board of Trustees (Trustees) of the Pooled Trust. The Trustees adopted an investment policy to establish investment objectives, risk tolerance levels, and asset allocation parameters. The investment objective is to maximize the total long-term rate of return with reasonable risk by seeking capital appreciation and, secondarily, principal protection. The Pooled Trust is segregated and managed as two distinct portfolios that are referred to as Portfolio I and Portfolio II. Portfolio I is structured to achieve a compound annualized total expected rate of return over a market cycle, including current income and capital appreciation, of 7.5 percent. Portfolio II is structured to achieve an expected rate of return of 6.0 percent. The investment performance of each Portfolio is reviewed quarterly and compared on a rolling three-year basis and over other relevant time periods to the following: (a) a composite benchmark comprised of asset classes’ market index benchmarks, weighted by each Portfolio’s long-term policy allocations, and (b) a peer group of other similar-size fund sponsors.

The Pooled Trust’s assets are separately managed by professional investment managers or invested in professionally managed investment vehicles. Each Portfolio is invested in a broadly diversified manner by asset class, style, and capitalization to control volatility levels.

The asset allocation policies for the Portfolios are outlined in the table below:

	Portfolio I		Portfolio II	
	Target Percentages of Total Assets	Allocation Range	Target Percentages of Total Assets	Allocation Range
Total Equity	65%	0% - 26%	40%	0% - 21%
Total Fixed-Income	20%	0% - 16%	50%	0% - 43%
Total Real Assets	15%	0% - 15%	10%	5% - 15%
Cash	0%	0% - 10%	0%	0% - 10%

The Pooled Trust and each Portfolio is monitored on a continual basis for consistency in investment philosophy, return relative to objectives, and investment risk as measured by asset concentrations, exposure to extreme economic conditions, and market volatility. Each Portfolio is reviewed by the Trustees on a regular basis, but results are evaluated over longer time periods. The Trustees regularly review each manager in order to confirm that the factors underlying the performance expectations remain in place.

The Trustees meet a minimum of four times a year to review quarterly performance and asset allocation. The investment policy is reviewed and updated at least annually.

On June 30, 2025, the School OPEB Trust Fund had the following investments in the Pooled Trust:

Investments by Fair Value Level	Fair Value Measurements Using			
	6/30/2024	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Mutual funds	\$ 157,345,387	-	-	157,345,387
Stocks	105,182,423	-	-	105,182,423
Total investment by fair value hierarchy level	\$ 262,527,810	-	-	262,527,810

The Pooled Trust uses the following methods when valuing investments:

Common Stocks, Mutual Funds, Exchange Traded Funds - These are publicly traded investments, and are valued daily at the closing price reported on the active market on which the individual securities are traded. The Pooled Trust invests in commingled accounts for which quoted prices are not available in active markets for identical instruments. The Pooled Trust utilizes the net asset value (NAV) per share, as determined by the respective investment manager, as the estimated fair value. Because quoted prices in active markets for identical assets are not available, these prices are determined using observable market information such as quotes from less active markets and/or quoted prices of securities with similar characteristics.

Limited Partnership - Fund of Hedge Funds - This fund invests in a number of underlying hedge funds which pursue various strategies. The strategies pursued by the underlying hedge funds include: credit, equity, macro, multi-strategy, and relative value. The Pooled Trust's interest in the fund is valued at the NAV of units of the collective partnership. The NAV is used as a practical expedient to estimate fair value. This practical expedient would not be used if it is determined to be probable that the Pooled Trust could not redeem its investment at the NAV per unit reported by the fund. Participant purchases may occur monthly. Redemptions are available quarterly upon 70 days' notice.

Limited Partnership - Private Equity Fund - This fund invests in the equity of a variety of privately held companies. The Pooled Trust's interest in the fund is valued at the Pooled Trust's ownership interest in the collective limited partners' capital. The Pooled Trust's ownership interest in limited partners' capital is used as a practical expedient to estimate fair value. This investment can never be redeemed with the fund. Instead, the nature of investments of this type is that distributions are received through the liquidation of the underlying assets of the fund. It is expected that the underlying assets of the fund will be liquidated over a period of six to twelve years. It is probable that the Pooled Trust's investment in this fund will be sold at an amount different from the Pooled Trust's ownership interest in limited partners' capital as of June 30, 2025. The effective date of this fund is December 1, 2015, and it made its inaugural investment in the same month. Barring unusual circumstances, the fund values recent investments in nonmarketable securities at acquisition cost. The primary valuation methodology used to determine the fair value of the fund's investments at June 30, 2025, was recent arms-length financing rounds in which the partnership or other partnerships managed by the general partner had participated. As of June 30, 2025, all underlying investments of the fund were valued at cost.

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

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

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

5. VRS Health Insurance Credit (HIC) OPEB

Plan Description

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

employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the Virginia General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

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

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

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

Contributions

The contribution requirement for active employees is governed by Section 51.1-1401(E) of the Code, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required contribution rate for the year ended June 30, 2025, was 1.21 percent of covered employee compensation for employees in the HIC OPEB plan. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employer contributions to the HIC OPEB plan were \$24,120,578 and \$22,694,437 for the years ended June 30, 2025 and June 30, 2024, respectively.

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

At June 30, 2025, the Public Schools reported a liability of \$202,309,474 for its proportionate share of the net HIC OPEB liability. The net HIC OPEB liability was measured as of June 30, 2024, and the total HIC OPEB liability used to calculate the net HIC OPEB liability was determined by an actuarial valuation as of that date. The Public Schools' proportion of the net HIC OPEB liability was based on actuarially determined employer contributions to the HIC OPEB plan for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, Public Schools' proportion was 17.51 percent, as compared to 17.53 percent at June 30, 2023.

For the year ended June 30, 2025, Public Schools recognized HIC OPEB expense of \$14,381,303. Since there was a change in proportionate share between measurement dates, a portion of the HIC OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2025, Public Schools reported deferred outflows of resources and deferred inflows of resources related to HIC OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportionate share of contributions	\$ 1,122,127	8,173,205
Changes in assumptions	3,485,209	-
Difference between expected and actual experience	-	9,584,939
Net difference between expected and actual earnings on OPEB plan investment	-	719,622
Contributions subsequent to the measurement date	24,120,578	-
Total	\$ 28,727,914	18,477,766

A total of \$24,120,578 reported as deferred outflows of resources related to HIC OPEB resulting from Public Schools' contributions subsequent to the measurement date will be recognized as a reduction of the net HIC OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to HIC OPEB will be recognized in HIC OPEB expense as follows:

Year Ended June 30	VRC HIC OPEB
2026	\$ (2,800,391)
2027	(2,412,606)
2028	(3,473,999)
2029	(3,342,448)
2030	(1,453,235)
Thereafter	(387,751)
Total	\$ (13,870,430)

Actuarial Assumptions

The total HIC OPEB liability for VRS was based on an actuarial valuation as of June 30, 2023, using the entry age normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2016, through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality rates (pre-retirement, post-retirement healthy, and disabled)	Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability rates	No change
Salary scale	No change
Discount rate	No change

Long-term Expected Rate of Return

The long-term expected rate of return on VRS investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of VRS investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class (Strategy)</u>	<u>Target Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>	<u>Weighted Average Long-term Expected Rate of Return</u>
Public Equity	32.00 %	6.70 %	2.14 %
Fixed-Income	16.00	5.40	0.86
Credit Strategies	16.00	8.10	1.30
Real Assets	15.00	7.20	1.08
Private Equity	15.00	8.70	1.31
Private Investment Partnership	1.00	8.00	0.08
Diversifying Strategies	6.00	5.80	0.35
Cash	2.00	3.00	0.06
Leverage	(3.00)	3.50	(0.11)
Total	<u>100.00 %</u>		<u>7.07 %</u>
	Expected arithmetic nominal return*		<u>7.07 %</u>

* The above allocation provides a one-year return of 7.07% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for VRS, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

* On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% (which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time) providing a median return of 7.14%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total HIC OPEB liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2024, the rate contributed by Public Schools for the VRS HIC plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. Starting July 1, 2024, school divisions are assumed to contribute 100.00 percent of the actuarially determined contribution rates. Based on those assumptions, VRS plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

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

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

	1.00% Decrease	Current Discount Rate	1.00% Increase
	5.75%	6.75%	7.75%
Public Schools' proportionate share of the VRS net HIC OPEB liability	\$ 230,076,341	202,309,474	178,774,514

OPEB Plan Fiduciary Net Position

Detailed information about the HIC OPEB plan’s fiduciary net position is available in the separately issued VRS 2024 ACFR. A copy of the 2024 VRS ACFR may be obtained from the VRS website at <http://www.varetire.org>, or by writing to the VRS Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

6. VRS General Life Insurance (GLI) OPEB

Plan Description

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

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

- Natural Death Benefit - The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled.
- Accidental Death Benefit - The accidental death benefit is double the natural death benefit.
- Other Benefit Provisions - In addition to the basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances. These benefits include accidental dismemberment, safety belt, repatriation, felonious assault, and accelerated death options.

The benefit amounts provided to members covered under the GLI OPEB plan are subject to a reduction factor. The benefit amount reduces by 25.0 percent on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25.0 percent on each subsequent January 1 until it reaches 25.0 percent of its original value. For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the GLI OPEB plan. The minimum benefit was set at \$8,000 by statute in 2015. This amount is increased annually based on the VRS Plan 2 cost-of-living adjustment and is currently \$9,532 effective June 30, 2025.

Contributions

The contribution requirement for active employees is governed by Sections 51.1-506 and 51.1-508 of the Code, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. The total rate for the GLI OPEB plan was 1.18 percent of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.71 percent (1.18 x 60 percent) and the employer component was 0.47 percent (1.18 x 40 percent). Employers may elect to pay all or part of the employee contribution, however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2025, was 0.47 percent of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Employer contributions to the GLI OPEB plan were \$9,413,096 and \$10,177,887 for the years ended June 30, 2025 and June 30, 2024, respectively.

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

At June 30, 2025, Public Schools reported a liability of \$81,915,153 for its proportionate share of the net GLI OPEB liability. The net GLI OPEB liability was measured as of June 30, 2024 and the total GLI OPEB liability used to calculate the net GLI OPEB liability was determined by an actuarial valuation as of June 30, 2023 rolled forward to the measurement date of June 30, 2024. The Public Schools' proportion of the net GLI OPEB liability was based on actuarially determined employer contributions to the GLI OPEB plan for the year ended June 30, 2024. At June 30, 2024, Public Schools' proportion was 7.34 percent as compared to 7.47 percent at June 30, 2023.

For the year ended June 30, 2025, Public Schools recognized GLI OPEB expense of \$1,055,123. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2025, Public Schools reported deferred outflows of resources and deferred inflows of resources related to GLI OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportionate share	\$ 144,663	5,088,283
Difference between expected and actual experience	12,919,903	2,000,913
Changes in assumptions	466,917	4,059,546
Net difference between expected and actual earnings on OPEB plan investment	-	6,904,590
Contributions subsequent to the measurement date	9,413,906	-
Total	\$ 22,945,389	18,053,332

A total of \$9,413,906 reported as deferred outflows of resources related to GLI OPEB resulting from Public Schools' contributions subsequent to the measurement date will be recognized as a reduction of the net GLI OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to GLI OPEB will be recognized in GLI OPEB expense as follows:

Year Ended June 30	VRC GLI OPEB
2026	\$ (4,827,281)
2027	154,740
2028	(1,116,753)
2029	231,732
2030	1,035,713
Total	\$ (4,521,849)

Actuarial Assumptions

The total GLI OPEB liability for VRS was based on an actuarial valuation as of June 30, 2023, using the entry age normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality rates (pre-retirement, post-retirement healthy, and disabled)	Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement rates	Adjusted rates to better fit experience for Plan 1; set separate rates on based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability rates	No change
Salary scale	No change
Discount rate	No change

Long-term Expected Rate of Return

The long-term expected rate of return on VRS investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of VRS investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class (Strategy)</u>	<u>Target Allocation</u>	<u>Arithmetic Long-Term Expected Rate of Return</u>	<u>Weighted Average Long-Term Expected Rate of Return</u>
Public Equity	32.00 %	6.70 %	2.14 %
Fixed Income	16.00	5.40	0.86
Credit Strategies	16.00	8.10	1.30
Real Assets	15.00	7.20	1.08
Private Equity	15.00	8.70	1.31
Private Investment Partnership	1.00	8.00	0.08
Diversifying Strategies	6.00	5.80	0.35
Cash	2.00	3.00	0.06
Leverage	(3.00)	3.50	(0.11)
Total	<u>100.00 %</u>		<u>7.07 %</u>
		Expected arithmetic nominal return*	<u>7.07 %</u>

*The above allocation provides a one-year return of 7.07% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for VRS, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%.

*On June 15, 2023, the VRS Board elected a long-term rate of 6.75% (which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time) providing a medium return of 7.14%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2024, the rate contributed by Public Schools for the GLI OPEB plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100.00 percent of the actuarially determined contribution rate. From July 1, 2024, school divisions are assumed to contribute 100.00 percent of the actuarially determined contribution rates. Based on those assumptions, the VRS plan’s fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

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

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

	1.00% Decrease	Current Discount Rate	1.00% Increase
	5.75%	6.75%	7.75%
Public Schools' proportionate share of the VRS net GLI OPEB liability	\$ 127,388,701	81,915,153	45,178,503

OPEB Plan Fiduciary Net Position

Detailed information about the GLI OPEB plan’s fiduciary net position is available in the separately issued VRS 2024 ACFR. A copy of the 2024 VRS ACFR may be obtained from the VRS website at <http://www.varetire.org> or by writing to the VRS Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

I. RISK MANAGEMENT

The Reporting Entity is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County and Public Schools maintain self-insurance internal service funds for workers’ compensation claims, certain property and casualty risks, and health insurance benefits. The County and Public Schools believe that it is more cost effective to manage certain risks internally rather than purchase commercial insurance. The Park Authority and EDA participate in the County’s self-insurance program. Participating funds and agencies are charged “premiums” that are computed based on the cost of claims and insurance premiums and are administered through the Department of Finance, Risk Management Division.

Liabilities are reported in the self-insurance fund when it is probable that losses have occurred and the amounts of the losses can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported to date. Because actual claims liabilities depend on such complex factors as inflation, changes in governing laws and standards, and court awards, the process used in computing claims liabilities is reevaluated periodically (including an annual actuarial study) to take into consideration

the history, frequency and severity of recent claims and other economic and social factors. These liabilities are computed using a combination of actual claims experience and actuarially determined amounts and include any specific, incremental claim adjustment expenses and estimated recoveries. The liabilities do not include unallocated claims adjustment expenses.

The claims liabilities in the self-insurance funds are discounted at 2.58 and 2.12 percent on June 30, 2025 and 2024, respectively, to reflect anticipated investment income. Changes in the balances of claims liabilities during fiscal years 2025 and 2024 are presented as follows:

	Internal Service Funds			
	Primary Government		Component Unit - Public Schools	
	Self-Insurance	Health Benefits	Insurance	Health Benefits Trust
Liability balances, June 30, 2023	\$ 82,427,000	12,791,000	54,197,735	28,622,000
Claims and changes in estimates	22,645,748	214,849,536	17,917,733	541,145,311
Claims payments	(21,626,748)	(213,451,536)	(15,699,722)	(539,268,311)
Liability balances, June 30, 2024	83,446,000	14,189,000	56,415,746	30,499,000
Claims and changes in estimates	23,457,821	242,415,850	17,457,574	595,445,932
Claims payments	(21,088,821)	(240,320,850)	(16,061,320)	(595,214,932)
Liability balances, June 30, 2025	\$ 85,815,000	16,284,000	57,812,000	30,730,000

Fairfax County maintains a risk financing program to protect County assets and to respond to legal claims from others. The primary layer of coverage is funded through a self-insured program with retention of \$3,000,000 for workers' compensation, \$2,000,000 for liability exposures, \$500,000 for County buildings and contents, and \$100,000 for damage to County-owned vehicles. In addition to the self-insurance program, commercial coverage is obtained for aviation and maritime risk in addition to excess coverage for workers' compensation and liability exposures.

J. LONG-TERM OBLIGATIONS

Presented below and on the next page is a summary of changes in the government-wide long-term obligations of the Primary Government and Component Units for the year ended June 30, 2025 (in thousands):

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Due Within One Year
Primary Government					
Governmental activities:					
General obligation bonds payable:					
Principal amount of bonds payable	2,614,140	378,150	(237,435)	2,754,855	244,120
Premium on bonds payable	198,818	23,298	(31,507)	190,609	28,716
Revenue bonds payable:					
Principal amount of bonds payable	52,495	-	(3,790)	48,705	3,895
Premium on bonds payable	3,350	-	(613)	2,737	543
Principal amount of component unit bonds payable	470,360	36,590	(75,450)	431,500	27,260
Premium on component unit bonds payable	46,193	3,654	(6,261)	43,586	5,543
Arbitrage obligations	-	3,636	-	3,636	-
Component unit direct placements and borrowings	499,492	-	(30,085)	469,407	24,393
Notes payable	25,381	-	(2,383)	22,998	2,482
Component unit notes payable	968	4,105	(646)	4,427	323
Landfill closure and postclosure obligations	57,189	1,259	-	58,448	36
Insurance and benefit claims payable	97,635	4,513	(49)	102,099	29,865
Compensated absences payable*	330,539	150,452	(141,729)	339,262	128,808
Lease liability	117,284	46,116	(28,358)	135,042	15,245
Subscription liability	44,887	15,954	(32,261)	28,580	11,315
Net pension liability	2,816,497	1,166,160	(1,094,368)	2,888,289	-
Net OPEB liability	-	37,665	(37,665)	-	-
Other:					
HUD Section 108 loans	2,407	-	(2,407)	-	-
Library exchange	9,814	-	(875)	8,939	878
Total governmental activities	7,387,449	1,871,552	(1,725,882)	7,533,118	523,423
Business-type activities:					
Sewer revenue bonds payable:					
Principal amount of bonds payable	795,065	23,815	(58,659)	760,221	43,510
Premium on bonds payable	96,290	-	(4,522)	91,768	4,522
EDA revenue bonds payable:					
Principal amount of EDA bonds payable	18,815	-	(670)	18,145	700
Premium on EDA bonds payable	4,372	-	(252)	4,120	252
Arbitrage obligations	-	4,548	-	4,548	-
Compensated absences payable*	5,928	4,375	(3,891)	6,412	3,351
Lease liability	50	-	(13)	37	13
Subscription liability	-	103	(27)	76	25
Net pension liability	55,173	20,529	(18,393)	57,309	-
Net OPEB liability	-	909	(909)	-	-
Total business-type activities	975,693	54,279	(87,336)	942,637	52,373
Total long-term liabilities - Primary Government	\$ 8,363,142	1,925,831	(1,813,218)	8,475,755	575,796

*Fiscal year 2025 beginning balance restated

BASIC FINANCIAL STATEMENTS

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Due Within One Year
Component Units					
Public Schools					
Purchased leases	92,529	14,670	(23,227)	83,972	19,148
Insurance and benefit claims payable	86,915	7,018	(5,391)	88,542	40,756
Compensated absences payable*	230,054	7,760	(1,255)	236,559	176,554
Lease liability	52,096	13,233	(10,734)	54,595	12,063
Subscription liability	55,169	4,894	(17,127)	42,936	9,090
Net pension liability	3,463,723	416,096	(504,261)	3,375,558	-
Net OPEB liability*	336,243	353,747	(400,428)	289,562	-
Total Public Schools	4,316,729	817,418	(962,423)	4,171,724	257,611
FCRHA					
FCRHA lease revenue bonds liability:					
Principal amount of FCRHA bonds payable	53,830	-	(2,250)	51,580	2,858
Premium on FCRHA bonds payable	9,218	-	(1,013)	8,205	968
Mortgage revenue bonds payable	17,389	-	(1,706)	15,683	-
Mortgage notes payable*	61,099	18,343	(1,878)	77,564	620
Compensated absences payable*	1,178	809	(751)	1,236	669
Lease liability	1,164	4,450	(12)	5,602	155
Subscription liability	386	-	(205)	181	180
Net pension liability	32,440	12,572	(10,937)	34,075	-
Net OPEB liability	-	409	(409)	-	-
Total FCRHA	176,704	36,583	(19,161)	194,126	5,450
Park Authority					
Loan from Primary Government	7,740	-	(810)	6,930	815
Notes payable	1,036	-	(697)	339	339
Compensated absences payable*	11,968	4,447	(4,624)	11,791	3,922
Lease liability	1,758	66	(372)	1,452	361
Subscription liability	457	-	(290)	167	167
Net pension liability	75,250	36,969	(27,266)	84,953	-
Net OPEB liability	-	1,456	(1,456)	-	-
Total Park Authority	98,209	42,938	(35,515)	105,632	5,604
EDA					
EDA revenue bonds liability:					
Principal amount of EDA bonds payable	934,837	36,590	(103,955)	867,472	49,988
Premium on EDA bonds payable	41,347	3,654	(5,500)	39,501	4,827
Notes payable	-	4,105	-	4,105	-
Compensated absences payable*	1,003	519	(510)	1,012	466
Lease liability	281	9,235	(281)	9,235	-
Subscription liability	30	81	(75)	36	36
Net pension liability	9,681	3,325	(3,638)	9,368	-
Net OPEB liability	-	82	(82)	-	-
Total EDA	987,179	57,591	(114,041)	930,729	55,317
Total long-term liabilities - Component Units	\$ 5,578,821	954,530	(1,131,140)	5,402,211	323,982

*Fiscal year 2025 beginning balance restated

Compensated absences payable, lease and subscription liabilities, obligations to Component Units, and obligations for claims and judgments for the Primary Government are liquidated by the General Fund and other governmental funds. The landfill closure and postclosure obligation will be liquidated by the I-95 Refuse Disposal Fund, a special revenue fund. In addition, the County, FCRHA, Park Authority, and EDA are required to adhere to and be in compliance with the rebate and reporting requirements of the federal regulations pertaining to arbitrage investment earnings on certain bond proceeds. The General Fund and other governmental funds provide funding to trust funds that have been established for the liquidation of obligations associated with pensions and other postemployment benefits. The Primary Government funding for the employer share contributions to these trusts is primarily provided by the General Fund.

1. General Obligation Bonds

General obligation bonds are issued to provide funding for long-term capital improvements. In addition, they are issued to refund outstanding general obligation bonds when market conditions enable the County to achieve significant reductions in its debt service payments. Such bonds are direct obligations of the County, and the full faith and credit of the County are pledged as security. The County is required to submit to public referendum for authority to issue general obligation bonds.

At June 30, 2025, the amount of general obligation bonds authorized and unissued is summarized to the right.

Bond Purpose	Amount (in Thousands)
School improvements	\$ 549,860
Transportation improvements	168,640
Parks and park facilities	76,070
Human services	110,025
Public safety facilities	293,350
Public library facilities	67,250
Total authorized but unissued bonds	\$ 1,265,195

The Commonwealth does not impose a legal limit on the amount of general obligation indebtedness that the County can incur or have outstanding. The Board, however, has self-imposed bond limits to provide that the County’s net debt may not exceed three percent of the total market value of taxable real and personal property in the County. In addition, the annual debt service may not exceed ten percent of the annual General Fund disbursements. As a financial guideline, the Board also follows a self-imposed limitation in total general obligation bond sales of \$2.0 billion over a five-year period or an average of \$400 million annually, with a maximum of \$425 million in any given year. All self-imposed bond limits have been complied with at June 30, 2025.

The general obligation bonds do not specifically provide any remedies that would be available to a bondholder if the County defaults in the payment of the principal of or the interest on the bonds, nor do they contain a provision for the appointment of a trustee to protect and enforce the interests of the bondholders upon the occurrence of such default. If a bondholder does not receive payment of principal or interest when due, the holder could seek to obtain a writ of mandamus from a court of competent jurisdiction requiring the Board of Supervisors to levy and collect an ad valorem tax, unlimited as to rate or amount, upon all property in the County subject to local taxation sufficient to pay the principal of and the interest on the Bonds as the same shall become due. The mandamus remedy, however, may be impracticable and difficult to enforce. The enforceability of rights or remedies with respect to the bonds may be limited by bankruptcy, insolvency, or other state or federal laws.

In February 2025, the County issued \$378,150,000 of Series 2025A General Obligation Public Improvement Bonds with an average interest rate of 4.40 percent. The bonds were issued to finance projects related to school improvements, public safety, park facilities, and other purposes.

Detailed information regarding the general obligation bonds outstanding as of June 30, 2025, is contained in Section 5 of this note.

2. Revenue Bonds

In June 2003, the EDA issued \$70,830,000 of revenue bonds to finance the development and construction of a public high school and a public golf course and related structures, facilities, and equipment in the Laurel Hill area of the southern part of the County. In April 2012, the EDA issued \$47,745,000 to advance refund a portion of the outstanding Series 2003 Laurel Hill revenue bonds. In November 2021, the EDA issued \$53,475,000 of Fairfax County Facilities Revenue Refunding Bonds Series 2021C (County Facilities Projects) (Federally Taxable) to advance refund certain outstanding maturities of the 2012A Laurel Hill Public Facilities Project Bonds, 2014B County Facilities Project Bonds, and 2017B County Facilities Projects Refunding Bonds. In June 2022, the 2012A Bonds were fully redeemed.

In January 2005, the EDA issued \$60,690,000 of facilities revenue bonds to finance the acquisition of land and an existing office building to enable Fairfax County Public Schools to consolidate numerous administrative offices. In June 2014, the EDA issued \$44,000,000 to advance refund certain outstanding maturities of the Series 2005 facilities revenue bonds. In November 2021, the EDA issued \$110,485,000 of Fairfax County Facilities Revenue Refunding Bonds Series 2021D (County Facilities Projects) (Federally Taxable) to advance refund certain outstanding maturities of the 2014A County Facilities Projects Bonds. In October 2024, EDA entered into a Tax-Exempt Bond Conversion Agreement to exchange the Taxable Series 2021D bonds for newly issued Fairfax County Revenue Refunding Bonds, Series 2021D reflecting a tax-exempt rate.

In March 2010, the EDA issued \$43,390,000 of lease revenue bonds to current refund the FCRHA \$3,365,000 of outstanding Series 1996 lease revenue bonds; \$2,960,000 of outstanding Series 1998 lease revenue bonds, \$835,000 of outstanding Series 1999 lease revenue bonds; and to advance refund the FCRHA \$7,245,000 of outstanding Series 2004 lease revenue bonds, and the County's \$25,580,000 of outstanding Series 2000 certificate of participation bonds. In April 2019, the EDA issued \$18,125,000 of lease revenue bonds to current refund certain outstanding maturities of the Series 2010 lease revenue bonds. Also, in April 2019, the remaining outstanding maturities of the Series 2010 lease revenue bonds were fully redeemed.

In May 2011, the EDA issued \$205,705,000 of transportation district improvement revenue bonds (Silver Line Phase 1 Project) Series 2011 and in September 2012, the EDA issued \$42,390,000 of transportation district improvement revenue bonds (Silver Line Phase 1 Project) Series 2012 to finance a portion of the costs of the construction of the first phase of an extension of the Washington Metropolitan Area Transit Authority's (WMATA) mass transit system in the County. In March 2016, the EDA issued \$173,960,000 to refund a portion of the bonds issued in 2011 and 2012. In December 2019, the County set aside funds of \$19,546,337 into a depository account with the Trustee for purposely partially defeasing certain Series 2016 obligations associated with the transportation district improvement revenue bonds (Silver Line Phase 1 Project) with a principal amount of \$17,495,000. These funds were placed in escrow on April 1, 2020, until the call date of the bonds. In April 2020, the 2011 and 2012 Bonds were fully redeemed. In May 2021, the County partially defeased certain Series 2016 obligations associated with the transportation district improvement revenue bonds (Silver Line Phase 1 Project) with a principal amount of \$11,190,000. In May 2022, the County partially defeased a portion of the Series 2016 Bonds in a principal amount of \$4,780,000. In May 2024, Fairfax County partially defeased a portion of the Series 2016 Bonds with a principal amount of \$6,960,000.

In July 2011, the EDA issued \$99,430,000 of revenue bonds Series 2011 to finance a portion of the costs of the construction of a public parking facility on public lands within the County, to serve the Wiehle Avenue Metrorail Station. In September 2019, the EDA sold \$62,285,000 revenue refunding bonds (Forward Delivery Bonds) for the purpose of refunding certain maturities of the EDA's Revenue Bonds (Wiehle Avenue Metrorail Station Parking Project) Series 2011. The Series 2020 bonds were issued and delivered on May 5, 2020. In August 2020, the remaining outstanding maturities of the Series 2011 Bonds were fully redeemed.

In May 2012, the EDA issued \$65,965,000 of revenue bonds Series 2012 to finance the improvement of certain properties to be used by the County as mental health facilities and as a neighborhood community center. In August 2017, the EDA issued \$31,150,000 of refunding revenue bonds to advance refund certain outstanding maturities of the Series 2012A facilities revenue bonds. In November 2021, the EDA issued \$13,865,000 of Fairfax County Facilities Revenue Refunding Bonds Series 2021B (County Facilities Projects) to current refund all of the outstanding maturities of the 2012A Bonds. Also, in November 2021, the EDA issued \$53,475,000 Fairfax County Facilities Revenue Refunding Bonds Series 2021C (County Facilities Projects) (Federally Taxable) to advance refund certain outstanding maturities of the 2012A Laurel Hill Public Facilities Project Bonds, 2014B County Facilities Project Bonds, and 2017B County Facilities Projects Refunding Bonds. In November 2021, the remaining maturities of the 2012A revenue bonds were fully redeemed.

In June 2014, the EDA issued \$126,690,000 of facilities revenue bonds to finance the costs of the construction of a building to serve as a public safety facility for the County. Also, in June 2014, the EDA issued \$30,175,000 of facilities revenue bonds to finance the leasehold acquisition from LAF, LLC of the Workhouse Arts Center located in Lorton, Virginia. In November 2021, the EDA issued \$110,485,000 Fairfax County Facilities Revenue Refunding Bonds Series 2021D (County Facilities Projects) (Federally Taxable) to advance refund certain outstanding maturities of the 2014A County Facilities Projects Bonds. In October 2024, the EDA entered into a Tax-Exempt Bond Conversion Agreement to exchange the Taxable Series 2021D bonds for newly issued Fairfax County Revenue Refunding Bonds, Series 2021D reflecting a tax-exempt rate. In October 2024, the remaining maturities of the EDA 2014A and 2014B revenue bonds were fully redeemed.

In March 2017, the EDA issued \$69,645,000 of facilities revenue bonds to finance the construction of parking facilities to be owned and operated by the County, located adjacent to WMATA's Herndon and Innovation Center Metrorail Stations.

In August 2017, the EDA issued \$19,060,000 of facilities revenue bonds to finance the costs of the construction and improvement of certain property to be used by the County as an adult day care facility, child day care centers, and a senior center or for other County approved purposes.

In November 2021, the EDA issued \$74,605,000 of Fairfax County Facilities Revenue Bonds Series 2021A (County Facilities Projects) (Green Bonds) to finance the construction and improvement of certain property to be used as a consolidated public works complex for the County's Stormwater and Wastewater divisions. Of the total issuance, Stormwater's portion totals \$54,550,000 and Wastewater's portion totals \$20,055,000.

In November 2023, EDA issued \$41,350,000 of Fairfax County Facilities Revenue Bonds Series 2023 (Tysons Community Center Project) (Federally Taxable). The 2023 Tysons Community Center Bonds were issued to provide short-term interim financing for the costs of the acquisition, construction, and improvement of a public community center known as the Tysons Community Center. The County is obligated by a contract with EDA to pay amounts equal to debt service on the 2023 Tysons Community Center Bonds. The County's obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of sufficient funds for such purpose, if and to the extent that provision for payment is not made from the proceeds of long-term or further interim financing or other sources sufficient to pay the principal of and interest on the 2023 Tysons Community Center Bonds. The final maturity of the 2023 Tysons Community Center Bonds was scheduled October 1, 2024. In August 2024, EDA issued \$26,920,000 of Fairfax County Facilities Revenue Refunding Bonds Series 2024A and \$9,670,000 of Fairfax County Facilities Revenue Refunding Bonds Series 2024B (Federally Taxable) to current refund the 2023 Tysons Community Center Bonds.

As the County is responsible under the related documents and subject to annual appropriation to make payments to a trustee sufficient to pay principal and interest on these bonds, the related transactions (including the liability for the bonds), have been recorded in the County's financial statements. Duplicate entries have been eliminated for reporting purposes.

In the event of default, EDA Revenue Bonds Trustees may declare the principal of all of the Bonds then outstanding to be due and payable immediately, subject to the right of the EDA to cure such default. Bondholders will have the right to direct the method and place of conducting all remedial proceedings to be taken under the agreement. The acceleration clause, if applicable, allows the lender, upon default, to accelerate payment of the entire unpaid Bond principal and interest.

In June 2011, the CDA issued \$46,980,000 of revenue bonds (Mosaic District Project) Series 2011A. Also, in July 2011, the CDA issued \$18,670,000 of revenue bonds (Federally Taxable) Series 2011A-T. The bonds were issued to finance certain public infrastructure improvements within or serving the CDA district. The 2011 Bonds are limited obligations of the CDA, payable solely from and secured by a pledge of certain County Advanced Revenues and certain Special Assessment Revenues. In December 2020, the CDA issued \$37,765,000 of revenue refunding bonds (Mosaic District Project) Series 2020A to current refund the outstanding maturities of the Series 2011A revenue bonds, which resulted in an aggregate decrease in the overall debt service of \$23,940,499 and an economic gain (the difference between the present values of the old and new debt service payments) of \$17,659,695. In December 2020, the CDA issued \$17,885,000 of revenue refunding bonds (Taxable) Series 2020A-T to current refund the outstanding maturities of the Series 2011A-T revenue bonds, which resulted in an aggregate decrease in the overall debt service of \$9,226,274 and an economic gain of \$6,539,005. These bond refundings resulted in a deferred loss of \$161,042. The 2020 Bonds are limited obligations of the CDA, payable solely from and secured by a pledge of certain County Advanced Revenues and certain Special Assessment Revenues.

In November 2013, the County issued a \$11,085,000 special subfund revenue bond (the 2013 VRA Bond) to Virginia Resources Authority (VRA). In return for issuing the 2013 VRA Bond, VRA provided the County with a portion of the proceeds realized from its autumn 2013 pooled financing bond transaction. The 2013 VRA Bond was issued to finance renovations to a complex that serves as a senior housing and assisted living facility, a senior center, and an adult day health care center in the County. The County is obligated by a contract with VRA to pay amounts equal to the debt service on the 2013 VRA Bond. In the event of default, VRA has the right to immediately declare all outstanding bond payments due and payable by the County without further notice or demand and is authorized to take legal action necessary to collect the payments owed. None of these revenue bonds nor the related payment responsibilities of the County are general obligation debt of the County, and the full faith and credit of the County is not pledged to these bonds for such payment responsibility.

In November 2007, the FCRHA issued a \$105,485,000 bond anticipation note (Series 2007B) to finance a portion of the purchase price of a multi-family rental housing property as part of the County's affordable housing initiative. In October 2008, the FCRHA issued a \$104,105,000 bond anticipation note (Series 2008B) to repay the outstanding \$105,485,000 bond anticipation note (Series 2007B). In August 2009, the FCRHA issued \$94,950,000 of revenue bonds to provide funds, together with other funds, sufficient to pay the outstanding \$104,105,000 short-term bond anticipation note (Series 2008B) that matured on October 1, 2009. The bonds bear an average interest rate of 4.53 percent and mature on October 1, 2039. In August 2019, the FCRHA issued \$61,795,000 of Series 2019 Revenue Refunding Bonds (Wedgewood Affordable Housing Acquisition) to refund a portion of the principal amount of the Series 2009 Bonds outstanding. As the County is responsible, under the related documents and subject to annual appropriation, to make payments to a trustee sufficient to pay principal and interest on these bonds, the related transactions, including the liability for these bonds, have been recorded in the County's financial statements and not in those of the FCRHA.

Detailed information regarding the revenue bonds outstanding as of June 30, 2025, is contained in Section 5 of this note.

3. Direct Placements and Borrowings

The County's outstanding obligations from direct borrowings and direct placements related to governmental activities include the County's TIFIA loan and the County's EDA Series 2021D Refunding Bonds.

In December 2014, the EDA utilized its revenue bond structure (Silver Line Phase II) Series 2014 to enter into a loan agreement with the United States Department of Transportation for a Transportation Infrastructure Financing and Innovation Act (TIFIA) loan in the principal amount up to \$403,274,894 (plus capitalized interest). Proceeds from the TIFIA loan were used to finance the County's share of Phase II of the Silver Line Metrorail expansion. The County is obligated by a contract with the EDA to pay amounts equal to debt service on the TIFIA loan. The County's obligation to make such payments is subject to an annual appropriation by the Board of sufficient funds for such purposes. The terms of the TIFIA bond provide for repayment of the loan to begin October 1, 2023, and end April 1, 2046. The County issued prepayments to the loan on November 17, 2022; September 28, 2023; September 30, 2024; and September 30, 2025, in the amounts of \$38,599,999; \$27,700,000; \$15,100,000; and \$8,000,000, respectively. The County's TIFIA loan contains a provision that an event of default (including, but not limited to, payment defaults, covenant defaults, and a default under the TIFIA Loan Agreement) can trigger acceleration of the TIFIA bond as a remedy.

The County's EDA Series 2021D Refunding Bonds contain (1) a provision that an acceleration of maturity of the County's EDA Series 2021D Refunding Bonds can be triggered in the event of a payment default only; (2) a provision that provides for an increase in the interest rate on the County's EDA Series 2021D Refunding Bonds during any period in which there is a default under the Master Trust Agreement or the Installment Purchase Contract; and (3) a gross-up provision relating to the rate of interest on the County's EDA Series 2021D Refunding Bonds if, after conversion to a tax-exempt rate, a determination of taxability occurs. On October 1, 2024, Under the Tax-Exempt Bond Conversion Agreement, the County converted Taxable Series 2021D Bonds with a taxable interest rate of 2.03 percent, for Converted Series 2021D Bonds having a tax-exempt interest rate of 1.56 percent. Due to the conversion the County saved \$2.6 million in future interest payments.

Detailed information regarding the direct placements and borrowings outstanding as of June 30, 2025, is contained in Section 5 of this note.

4. Sewer Revenue Bonds

On October 14, 2004, the Sewer System issued \$94,005,000 of Series 2004 sewer revenue refunding bonds, with an average interest rate of 4.61 percent, to advance refund \$91,430,000 of the outstanding Series 1996 sewer revenue bonds with an average interest rate of 5.82 percent. Net proceeds of the refunding bonds were used mostly to redeem the Series 1996 bonds on July 15, 2006.

On August 8, 2012, the Sewer System issued \$90,710,000 of Series 2012 sewer revenue bonds, with an average interest rate of 4.53 percent, to fund upgrade costs allocable to the System at certain treatment facilities that are owned by or that provide service to the County, the purchase of additional capacity, and the costs for other system improvements.

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

On May 12, 2016, the Sewer System issued \$164,450,000 of Series 2016A sewer revenue bonds, with a weighted average interest rate of 3.92 percent, to advance refund \$123,065,000 of outstanding

Series 2009 revenue bonds with an average interest rate of 4.80 percent and \$46,720,000 of outstanding Series 2012 revenue bonds with an average interest rate of 4.67 percent. This refinancing resulted in a deferred net loss of \$12,406,377, which is being amortized over 24 years, and remaining outstanding amounts of \$13,400,000 unrefunded Series 2009 bonds and \$39,545,000 unrefunded Series 2012 bonds. This refunding resulted in an aggregate decrease in the overall debt service of \$35,116,418 and an economic gain of \$20,440,024.

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

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

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

On April 11, 2024, the Sewer System issued \$124,985,000 of Series 2024A sewer revenue bonds, with an average interest rate of 5.00 percent, to pay the costs of certain additions, extensions and improvements to the County's sewage collection, treatment, and disposal systems; pay for capital improvement costs allocable to the County at certain wastewater treatment facilities that provide service to the County and, if necessary, purchase additional capacity at certain wastewater treatment facilities for the benefit of the County, the costs of issuing the Series 2024A bonds, and the necessary deposit to the reserve subfund.

As of June 30, 2025, the outstanding bonds consist of \$21,935,000 of Series 2014 revenue refunding bonds; \$136,830,000 of Series 2016A revenue refunding bonds; \$75,290,000 of Series 2017 revenue bonds; \$185,570,000 of Series 2021A revenue bonds; \$24,210,000 of Series 2021B revenue refunding bonds; and \$124,985,000 of Series 2024A revenue bonds.

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

Due to the strong financial status of the fund and the balance satisfying the legal reserve requirement, the Sewer System received approval on May 21, 2024, from the Board of Supervisors to release all monies in the fund for future Sewer capital projects or payments for existing Sewer debt service.

In the event of default, Sewer Revenue Bonds Trustees may proceed to protect and enforce its rights and rights of the bondholders under the laws of the Commonwealth, or the General Bond Resolution, or by proceedings in the office of any board having jurisdiction, either for the specific performance of any agreement or for the enforcement of any proper legal or equitable remedy. In the enforcement of any remedy under the General Bond Resolution, the Trustee Bond Holders will be entitled to sue for or enforce payment of, amounts remaining due for principal, interest, interest on overdue payments of principal, all costs and expenses of collection, and all proceedings under the General Bond Resolution. The acceleration clause allows the lender, upon default, to accelerate payment of the entire unpaid Bond principal and interest.

On November 23, 2021, the EDA issued \$74,605,000 of Fairfax County Facilities Revenue Bonds Series 2021A, with an average interest rate of 4.60 percent, to fund the costs of construction of a joint Stormwater/Wastewater facility to be used to consolidate the functions and operations of Fairfax County's Stormwater and Wastewater divisions (the "2021 Public Works Project") and to pay the issuance costs of the Series 2021A bonds. Of the total par value of \$74,605,000, Stormwater's component share is \$54,550,000, while Wastewater's component share is \$20,055,000. The outstanding bonds as of June 30, 2025 consist of \$49,370,000 for the Stormwater component and \$18,145,000 for the Wastewater component. The outstanding bonds as of June 30, 2025, consist of \$49,370,000 for the Stormwater component and \$18,145,000 for the Wastewater component.

In December 2003, UOSA issued \$58,150,000 of regional sewer system revenue refunding bonds (UOSA 2003) to advance refund its outstanding UOSA 1993 bonds, resulting in a deferred net gain of \$1,514,497, which is being amortized over 18 years.

In July 2005, UOSA issued \$82,465,000 of regional sewer system revenue refunding bonds (UOSA 2005), of which the Sewer System's share is \$53,201,198, to advance refund another portion of the outstanding UOSA 1995 bonds. This resulted in a deferred net gain of \$1,909,604, which is being amortized over the life of the UOSA 2005 bonds.

In February 2007, UOSA issued \$90,315,000 of regional sewer system revenue refunding bonds (UOSA 2007A), of which the Sewer System's share is \$58,265,521, to advance refund another portion of the outstanding UOSA 1995 bonds. This resulted in a deferred net loss of \$83,868, which is being amortized over the life of the UOSA 2007A bonds.

In December 2007, UOSA issued \$119,715,000 of regional sewer system revenue bonds (UOSA 2007B), of which the System's share is \$53,925,458, to fund the expansion of its wastewater treatment and conveyance facilities.

In December 2010, UOSA issued \$85,180,000 of regional sewer system revenue bonds (UOSA 2010), of which the System's share is \$34,113,615, to fund certain capital improvements.

In July 2011, UOSA entered into VRA loan Series 2011A to fund costs related to the Energy Service Project. In December 2011, UOSA entered into VRA loan Series 2011B to fund Phase 1 of the Nutrient Compliance Improvement Project.

In May 2013, UOSA issued \$101,615,000 of regional sewer system revenue refunding bonds (UOSA 2013A), of which the System's share is \$65,555,566, to advance refund the outstanding Series 2005 bonds. This refunding resulted in a deferred net loss of \$12,354,368, which is being amortized over the life of the Series 2013A bonds, but an aggregate decrease in the overall debt service of approximately \$4.9 million.

In December 2014, UOSA issued regional sewer system revenue refunding bonds (UOSA 2014) to advance refund the outstanding UOSA 2007A bonds and a portion of the outstanding UOSA 2007B bonds. Of the \$112,190,980 UOSA 2007 bonds outstanding balance, \$93,175,291 was refunded into the UOSA 2014 bonds. This resulted in a net deferred gain of \$2,029,198, which is being amortized over 24 years, and an aggregate decrease in the overall debt service of \$6,359,189.

In June 2016, UOSA issued regional sewer system revenue refunding bonds (UOSA 2016B) to advance refund the \$19,015,689 remaining outstanding UOSA 2007B bonds. This refunding resulted in a deferred net gain of \$533,782, which is being amortized over 22 years, and an aggregate decrease in the overall debt service of \$4,676,694.

In December 2019, UOSA issued \$52,440,000 of regional sewer system revenue bonds (UOSA 2019), of which the Sewer System's share is \$21,410,631, to fund improvements to UOSA's regional advanced wastewater treatment system.

In November 2020, UOSA issued \$199,755,000 of regional sewer system revenue refunding bonds (UOSA 2020), of which the Sewer System's share is \$111,228,596, to advance refund the \$91,146,092 remaining outstanding UOSA 2014 bonds. This refunding resulted in a deferred net loss of \$19,939,089, which is being amortized over 20 years, and an aggregate decrease in the overall debt service of \$2,594,724.

In December 2022, UOSA issued \$48,830,000 of regional sewer system revenue bonds (UOSA 2022), of which the Sewer System's share is \$19,647,019, to fund improvements to UOSA's regional advanced wastewater treatment system.

In November 2024, UOSA issued \$59,465,000 of regional sewer system revenue refunding bonds (UOSA 2024), of which the Sewer System's share is \$23,815,052, to advance refund the \$25,342,916 remaining outstanding UOSA 2010 bonds. This refunding resulted in a net gain of \$1,527,864, which is being amortized over 18 years, and an aggregate increase in the overall debt service of \$245,127.

The Sewer System's share of UOSA's total outstanding debt as of June 30, 2025, is \$191,400,781 and it is subordinate to the Sewer revenue bonds issued by the Sewer System.

In the event of default, UOSA bondholders have the right to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Trust Agreement. Bondholders do not have the right to institute any suit, action, or proceeding in equity or at law for enforcement of the Trust Agreement for the execution trust unless the specific terms of the bond agreement are met. Nothing in the Trust Agreement shall affect or impair the right of any bondholder to enforce legal action for payment of the principal, premium, and interest upon maturity of the bond.

Detailed information regarding the Sewer revenue bonds outstanding as of June 30, 2025 is contained in Section 5 of this note.

5. County Debt and Related Interest to Maturity

The County’s outstanding general obligation bonds, revenue bonds, notes payable, Sewer System revenue bonds, and the related interest to maturity as of June 30, 2025, are comprised of the issues presented below and on the following page:

Series		Interest Rate (%)	Issue Date	Final Maturity Date	Annual Principal Payments (000)	Original Issue (000)	Principal Outstanding (000)	Interest Payable to Maturity (000)	Total Principal Outstanding & Interest Payable to Maturity (000)
Governmental activities:									
General obligation bonds:									
General County:									
Series 2009E	Public Improvement (BABs)	4.90-5.25	10-28-09	10-01-29	\$ 4,247	63,700	21,234	2,740	23,974
Series 2013B	Refunding	3.00	01-24-13	10-01-25	1,242-8,716	54,389	5,132	77	5,209
Series 2014A	Public Improvement	3.00-5.00	02-06-14	10-01-26	6,170	123,426	6,170	277	6,447
Series 2014B	Refunding	3.00-5.00	11-04-14	10-01-26	5,424-6,618	70,399	12,042	410	12,452
Series 2015A	Public Improvement	3.00-5.00	03-04-15	10-01-30	4,300	86,037	17,200	1,462	18,662
Series 2015B	Refunding	3.00-5.00	03-11-15	10-01-26	7,552-8,613	17,989	16,164	673	16,837
Series 2015C	Refunding	5.00	07-07-15	10-01-25	2,717	49,077	2,717	68	2,785
Series 2016A	Public Improvement	3.25-5.00	02-09-16	10-01-29	4,115	82,312	20,575	1,918	22,493
Series 2016A	Refunding	3.25-5.00	02-09-16	10-01-29	2,214-13,840	37,806	33,177	3,436	36,613
Series 2017A	Public Improvement	4.00-5.00	02-07-17	10-01-36	4,565-4,570	91,395	54,835	13,731	68,566
Series 2018A	Public Improvement	4.00-5.00	01-24-18	10-01-37	4,221-4,225	84,481	54,905	15,307	70,212
Series 2019A	Public Improvement	4.00-5.00	02-12-19	10-01-38	2,920-2,925	58,460	40,910	14,181	55,091
Series 2019B	Refunding	3.30-5.00	02-12-19	10-01-32	118-4,056	17,066	16,455	3,310	19,765
Series 2020A	Public Improvement	4.00-5.00	02-11-20	10-01-39	3,515-3,520	70,064	52,770	19,668	72,438
Series 2020A	Refunding	4.00-5.00	02-11-20	10-01-31	1,333-3,423	35,627	21,459	3,899	25,358
Series 2020B	Refunding	0.26-1.83	09-16-20	10-01-35	2,047-15,316	122,271	113,292	9,764	123,056
Series 2021A	Public Improvement	2.00-4.00	02-09-21	10-01-40	4,870-4,875	96,850	77,950	15,588	93,538
Series 2022A	Public Improvement	2.00-4.00	02-08-22	10-01-41	5,450-5,455	109,060	92,695	21,209	113,904
Series 2023A	Public Improvement	4.00-5.00	02-02-23	10-01-42	6,645	132,900	119,610	43,558	163,168
Series 2024A	Public Improvement	4.00-5.00	02-08-24	10-01-43	6,740-6,750	134,875	128,125	52,449	180,574
Series 2025A	Public Improvement	4.00-5.00	02-06-25	10-01-44	7,290-8,080	160,750	160,750	70,289	231,039
Total general obligation bonds - General County						1,698,934	1,068,167	294,014	1,362,181
Schools:									
Series 2009E	Public Improvement (BABs)	4.80-5.25	10-28-09	10-01-29	9,233	138,500	46,166	5,958	52,124
Series 2013B	Refunding	3.00	01-24-13	10-01-25	1,518-11,969	73,611	6,038	91	6,129
Series 2014A	Public Improvement	3.00-5.00	02-06-14	10-01-26	7,045	140,904	7,045	317	7,362
Series 2014B	Refunding	3.00-5.00	11-04-14	10-01-26	6,626-28,423	131,791	15,238	513	15,751
Series 2015A	Public Improvement	3.00-5.00	03-04-15	10-01-30	7,065	141,303	28,260	2,402	30,662
Series 2015B	Refunding	3.00-5.00	03-11-15	10-01-26	14,573-19,772	39,081	34,346	1,368	35,714
Series 2015C	Refunding	5.00	07-07-15	10-01-25	3,328	90,438	3,328	83	3,411
Series 2016A	Public Improvement	3.25-4.00	02-09-16	10-01-29	6,735	134,728	33,675	3,140	36,815
Series 2016A	Refunding	3.25-4.00	02-09-16	10-01-29	5,746-27,125	81,134	69,118	7,338	76,456
Series 2017A	Public Improvement	4.00-5.00	02-07-17	10-01-36	6,845-6,850	136,980	82,180	20,577	102,757
Series 2018A	Public Improvement	4.00-5.00	01-24-18	10-01-37	6,755-6,760	135,160	87,840	24,496	112,336
Series 2019A	Public Improvement	4.00-5.00	02-12-19	10-01-38	7,810	156,200	109,340	37,918	147,258
Series 2019B	Refunding	3.30-5.00	02-12-19	10-01-32	192-6,604	27,784	26,790	5,389	32,179
Series 2020A	Public Improvement	4.00-5.00	02-11-20	10-01-39	7,210-7,215	143,861	108,215	40,346	148,561
Series 2020A	Refunding	4.00-5.00	02-11-20	10-01-31	2,427-6,233	64,833	39,046	7,096	46,142
Series 2020B	Refunding	0.55-1.83	09-16-20	10-01-35	2,863-21,890	171,789	159,233	14,358	173,591
Series 2021A	Public Improvement	2.00-4.00	02-09-21	10-01-40	7,915	157,340	126,640	25,328	151,968
Series 2022A	Public Improvement	2.00-4.00	02-08-22	10-01-41	8,175-8,180	163,590	139,050	31,817	170,867
Series 2023A	Public Improvement	4.00-5.00	02-02-23	10-01-42	9,445-9,455	189,000	170,090	61,927	232,017
Series 2024A	Public Improvement	4.00-5.00	02-08-24	10-01-43	9,350	187,000	177,650	72,743	250,393
Series 2025A	Public Improvement	4.00-5.00	02-06-25	10-01-44	9,755-10,935	217,400	217,400	95,089	312,489
Total general obligation bonds - Schools						2,722,427	1,686,688	458,294	2,144,982
Total general obligation bonds						4,421,361	2,754,855	752,309	3,507,164
Revenue bonds:									
EDA revenue bonds:									
Series 2014A	Public Safety Facility Project	5.00	06-26-14	10-01-24	-	126,690	-	-	-
Series 2014A	County Facilities Refunding	5.00	06-26-14	10-01-24	-	44,000	-	-	-
Series 2014B	County Facilities Project	3.53	06-26-14	10-01-24	-	30,175	-	-	-
Series 2016	Silver Line Phase 1 Project	4.00-5.00	03-16-16	04-01-34	1,640-12,955	173,960	91,930	18,120	110,050
Series 2017	Metrorail Parking System Project	5.00	03-08-17	04-01-47	1,550-4,530	69,645	62,600	42,028	104,628
Series 2017A	County Facilities Project	2.73-3.79	08-10-17	10-01-37	830-1,290	19,060	13,630	3,459	17,089
Series 2017B	County Facilities Refunding	5.00	08-10-17	10-01-28	1,515-1,845	31,150	6,860	707	7,567
Series 2019	Six Public Facilities Refunding	3.50-4.13	04-23-19	04-01-32	1,320-1,725	18,125	10,880	1,956	12,836
Series 2020	Metrorail Station Parking Refunding	5.00	05-05-20	08-01-34	3,660-6,035	62,285	48,680	13,171	61,851
Series 2021A	County Facilities Projects (Stormwater)	4.00-5.00	11-23-21	10-01-41	1,815-4,100	54,550	49,370	21,697	71,067
Series 2021B	County Facilities Refunding	4.00-5.00	11-23-21	10-01-41	2,525-3,020	13,865	13,865	8,851	22,716
Series 2021C	County Facilities Refunding	0.82-2.63	11-23-21	10-01-36	1,470-5,380	53,475	45,515	6,005	51,520
Series 2023	Tysons Community Center	5.59	11-30-23	10-01-24	41,350	41,350	-	-	-
Series 2024A	Tysons Community Center Refunding	5.00	08-29-24	10-01-44	945-2,810	26,920	26,920	19,306	46,226
Series 2024B	Tysons Community Center Refunding	4.28-4.62	08-29-24	10-01-32	596-1,470	9,670	9,670	1,662	11,332

(Continued)

BASIC FINANCIAL STATEMENTS

Series	Interest Rate (%)	Issue Date	Final Maturity Date	Annual Principal Payments (000)	Original Issue (000)	Principal Outstanding (000)	Interest Payable to Maturity (000)	Total Principal Outstanding & Interest Payable to Maturity (000)
FCRHA lease revenue bonds:								
Series 2019 Wedgewood	5.00	08-13-19	10-01-39	\$ 2,240-4,765	\$ 61,795	51,580	21,729	73,309
VRA Subfund Revenue bonds:								
Series 2013C Lincolnia Project	4.40-5.13	11-20-13	10-01-33	555	11,085	4,995	1,033	6,028
CDA revenue bonds:								
Series 2020A Tax-Exempt	4.00	12-03-20	03-01-36	1,550-3,295	37,765	30,035	7,679	37,714
Series 2020A Taxable	0.90-2.99	12-03-20	03-01-36	965-1,410	17,885	13,675	2,297	15,972
Total revenue bonds					903,450	480,205	169,700	649,905
Direct Placements and Borrowings:								
Series 2021D Revenue ICounty Facilities Refunding	2.03	11-23-21	10-01-34	1,695-11,340	110,485	105,050	7,951	113,001
TIFIA Loan	2.73	12-17-14	04-01-46	4,462-8,003	403,275	364,357	116,794	481,151
Total direct placements and borrowings					513,760	469,407	124,745	594,152
Notes payables:								
General County:								
Salona	4.18-4.29	12-27-05	12-31-25	645	12,900	322	7	329
Master credit agreement	6.07	02-14-24	02-12-27	NA	90,000	4,105	61	4,166
Financed purchase agreements	4.15	01-06-23	01-06-33	2,288-3,300	27,669	22,998	4,500	27,498
Schools:								
Financed purchase agreement - Bus	1.10-4.34	04-06-22	05-15-29	135-1,208	35,330	21,459	1,853	23,312
Financed purchase agreement - Gatehouse building	5.00	01-10-05	01-04-35	2,460	60,690	29,520	2,354	31,874
Financed purchase agreement - Laptops	3.52-4.64	09-23-22	04-15-30	584-4,699	40,408	32,993	3,061	36,054
Park Authority:								
Financed purchase agreement	4.50	06-01-22	06-01-26	1,355 - 2,711	153	17	1	18
Total notes payables					267,150	111,414	11,837	123,251
Total governmental activities					6,105,721	3,815,881	1,058,591	4,874,472
Business-type activities:								
Sewer revenue bonds:								
UOSA Bonds Subordinated	0.29-5.60	12-23-10	07-01-54	1,072-24,063	277,621	191,401	54,314	245,715
EDA Series 2021A Subordinated	4.00-5.00	11-23-21	10-01-41	635-1,505	20,055	18,145	7,976	26,121
Series 2014 Refunding	3.00-5.00	04-16-14	07-15-28	4,735-5,770	61,755	21,935	1,515	23,450
Series 2016 Refunding	3.00-5.00	05-12-16	07-15-39	6,615-12,950	164,450	136,830	39,959	176,789
Series 2017 Revenue	4.00-5.00	06-28-17	07-15-47	1,620-5,375	85,785	75,290	51,394	126,684
Series 2021A Revenue	4.00-5.00	06-09-21	07-15-51	3,130-11,545	191,990	185,570	132,434	318,004
Series 2021B Refunding	3.00-4.00	06-09-21	07-15-42	3,585-4,545	24,210	24,210	13,353	37,563
Series 2024A Revenue	5.00	04-11-24	07-15-54	1,840-7,845	124,985	124,985	116,316	241,301
Total business-type activities					950,851	778,366	417,261	1,195,627
Total County bond, note, and loan indebtedness					\$ 7,056,572	4,594,247	1,475,852	6,070,099

Principal and interest to maturity (in thousands) for the County’s general obligation bonds, revenue bonds, loans, and Sewer System revenue bonds outstanding at June 30, 2025 are as follows:

Fiscal Year	Governmental Activities								Business-Type			
	General Obligation Bonds		Revenue Bonds		Direct Placements and Direct Borrowings		Notes and Loans		Sewer System Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 244,120	56,058	31,155	11,158	24,393	11,409	26,074	3,590	44,210	30,876	369,952	113,091
2027	238,180	97,047	32,500	19,729	24,567	10,875	21,456	2,749	39,078	29,485	355,781	159,885
2028	225,840	87,036	33,930	18,311	24,748	10,346	19,874	1,958	40,299	28,256	344,691	145,907
2029	213,280	78,028	35,385	16,844	24,971	9,773	10,204	1,236	41,523	27,045	325,363	132,926
2030	202,180	69,287	36,755	15,355	25,158	9,229	9,041	902	24,664	25,847	297,798	120,620
2031-2035	833,775	238,375	171,135	53,902	129,129	37,521	24,765	1,402	139,473	112,412	1,298,277	443,612
2036-2040	549,790	103,704	85,135	25,043	90,425	24,136	-	-	168,203	81,265	893,553	234,148
2041-2045	247,690	22,774	45,365	8,365	103,565	10,995	-	-	115,042	50,401	511,662	92,535
2046-2050	-	-	8,845	993	22,451	461	-	-	101,329	25,609	132,625	27,063
2051-2055	-	-	-	-	-	-	-	-	64,545	6,065	64,545	6,065
2056-2060	-	-	-	-	-	-	-	-	-	-	-	-
Totals	\$2,754,855	752,309	480,205	169,700	469,407	124,745	111,414	11,837	778,366	417,261	4,594,247	1,475,852

In July 2005, the City of Fairfax (the City) secured funding for the construction of the New Library through the sale of 30-year EDA Lease Revenue Bonds for public improvements. Approximately \$22,940,000 of the bond proceeds were allocated for the construction of the New Library. After the New Library was completed, the City transferred ownership to the County on January 13, 2009, including all land and the new building. On January 22, 2009, the County transferred ownership to the City for the existing library, including all land and the old building.

Annual requirements to amortize long-term obligations related to the library exchange are as follows:

Fiscal Year	Governmental Activities
	Library Exchange
	Contribution
2026	\$ 878,429
2027	881,841
2028	885,265
2029	888,703
2030	892,154
2031-2035	4,513,012
Total	\$ 8,939,404

6. Notes Payable

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

In the event of default, the Park Authority is not obligated to pay the installments on these notes except from the County payments pledged for such purpose. Neither the full faith and credit nor the taxing power of the County or Park Authority is pledged to the payments of installments on these notes. The Park Authority has no taxing power.

In January 2023, the County entered into an equipment master lease agreement with the Bank of America Public Capital Corporation to finance the purchase of portable and mobile radios for the public safety agencies over a ten-year period in the amount of \$27,669,645. The ownership of the equipment will transfer to the County at the end of the lease term. The lease is recognized as a financed-purchase lease and recorded as notes payable.

In February 2024, the County entered into a Master Credit Agreement (the "Agreement") between the Economic Development Authority (EDA) and Wells Fargo Municipal Capital Strategies, LLC, a Delaware limited liability company (the "Bank"). The Agreement provides the EDA with a revolving line of credit in an aggregate principal amount of \$90,000,000 to provide interim financing for the planning, development, acquisition, construction, improvement, renovation, and equipping of facilities for the benefit of the County. Advances under the Agreement for the benefit of the County are subject to material terms, including interest rate, financing term, and prepayment options, selected by the County from those available under the Agreement. The scheduled termination date is February 12, 2027. Although the EDA serves as the legal issuer, the County is ultimately responsible for repayment, subject to the annual appropriation of funds by the Board of Supervisors. Upon project

completion, the outstanding balance is expected to be refinanced or converted into a long-term bond issuance by the EDA in accordance with the County’s financing plan.

Detailed information regarding notes payable outstanding as of June 30, 2025 is contained in Section 5 of this note.

7. FCRHA Bonds, Notes, and Loans Payable

The FCRHA issues various debt instruments, including bonds, notes, and mortgages to finance the cost of acquisition, construction, and equipping of its workforce, and senior, disabled, low income, transient, and homeless affordable housing projects. These debt instruments are usually secured by the properties being financed. Sources of permanent financing include the Federal Department of Housing and Urban Development (HUD), the Virginia Housing Development Authority (VHDA), commercial lenders, and the County.

The FCRHA bonds, notes (including a loan from the County), and loans payable as of June 30, 2025, excluding FCRHA’s Component Units, is presented as follows:

Series	Secured By	Interest Rate (%)	Issue Date	Final Maturity Date	Annual Principal Payments (000)	Original Issue (000)	Total Principal Outstanding (000)
Housing Bonds Payable:							
Tax-exempt revenue bonds	Herndon Harbor I - rental property	6.35	08-01-97	07-01-27	24-30	2,875	149
Multifamily revenue bonds	Herndon Harbor II - rental property	4.88-6.00	05-01-99	05-01-29	44-56	2,000	502
Multifamily revenue bonds	Cedar Ridge Apartments	5.98	03-29-07	10-01-48	62-115	13,200	10,707
Multifamily revenue bonds	Olley Glen - senior rental property	5.37	08-26-08	08-01-51	30-355	12,220	4,325
Lease revenue bonds		5.00	08-13-19	10-01-39	2,140-4,765	61,795	51,580
Total mortgage bonds payable - FCRHA						92,090	67,263
Mortgage Notes Payable and Loan from County:							
Virginia Housing Development Authority	Gum Springs Glen property	4.50	07-22-03	08-31-33	96	1,500	680
Fulton Bank	Morris Glen	8.50	01-01-14	04-01-26	26	322	54
Little River Glen	Little River Glen I	6.52	07-01-24	01-01-45	-	20,000	7,188
	Little River Glen IV	6.52	07-01-24	01-01-45	-	15,300	4,165
Fairfax County Redevelopment and Housing Authority	Herndon Harbour House I	2.00	Variable	08-01-27	-	3,013	2,653
	Herndon Harbour House II	2.00	Variable	05-01-29	-	3,059	3,059
	The Green - rental property	3.37	Variable	11-01-28	-	1,257	907
	Castellani Meadows	4.00	Variable	04-01-28	-	1,920	1,227
	Tavener	7.21	Variable	01-01-27	-	2,042	712
	Morris Glen	1.00-2.00	Variable	01-01-26	-	2,272	1,410
	Stonegate	1.00	Variable	04-01-24	-	1,957	271
	Gum Springs Glen	4.25	Variable	04-01-33	-	655	391
Total mortgage notes payable - FCRHA						57,966	22,717
Total public housing bonds, notes, and loans payable - FCRHA primary government						\$ 150,056	89,980

The FCRHA's annual required principal and interest payments to maturity on the bonds, notes (including a loan from the County), and loans payable, excluding FCRHA's Component Units, on June 30, 2025, are presented below:

Fiscal Year	Component Unit - FCRHA (Primary Government)					
	Housing Bonds Payable		Mortgage Notes Payable and Loan from County		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	2,857,790	4,163,366	99,785	586,114	2,957,575	4,749,480
2027	3,012,445	3,986,251	4,904,655	1,566,889	7,917,100	5,553,140
2028	3,096,801	3,801,733	2,228,188	2,158,054	5,324,989	5,959,787
2029	3,216,060	3,616,762	3,157,124	2,691,517	6,373,184	6,308,279
2030	3,245,349	3,437,131	180,418	19,727	3,425,767	3,456,858
2031-2035	19,090,258	13,461,422	523,294	32,783	19,613,552	13,494,205
2036-2040	24,610,686	7,738,620	270,500	-	24,881,186	7,738,620
2041-2045	3,969,954	3,691,508	11,352,909	-	15,322,863	3,691,508
2046-2050	3,807,345	2,183,637	-	-	3,807,345	2,183,637
2051-2055	356,462	341,424	-	-	356,462	341,424
Totals	\$ 67,263,150	46,421,854	22,716,873	7,055,084	89,980,023	53,476,938

8. Park Authority Bonds, Loans, and Notes Payable

In June 2003, the Park Authority received a \$15,530,000 loan from the County to fund the development and construction of a public golf course and related structures, facilities, and equipment to be located in the Laurel Hill area of the southern part of the County. As a result of the refunding of the Series 2003 Laurel Hill revenue bonds by the Fairfax County Economic Development Authority in April 2012, the outstanding loan payable amount was reduced to \$13,042,200. In November 2021, the County refinanced the Laurel Hill 2012A Bond Series and fully refunded the remaining debt balance of \$9,599,400, with an interest savings of \$257,457 and entered in the 2021C Bond Series. The loan payable amount outstanding as of June 30, 2025 is \$6,930,000.

The debt service requirements to maturity for the outstanding bonds and loan at June 30, 2025, are as follows:

Fiscal Year	Component Unit - Park Authority			
	Loan from Primary Government			
	Int. Rate		Principal	Interest
2026	0.43	% \$	815,000	117,378
2027	0.43		825,000	107,262
2028	0.43		840,000	95,011
2029	0.43		855,000	80,740
2030-2033	0.43		3,595,000	151,528
Totals			\$ 6,930,000	551,919

9. Conduit Debt Obligations

The FCRHA is empowered by the Commonwealth to issue tax-exempt bonds on behalf of qualified businesses to develop or rehabilitate low-income housing within the County. Principal and interest on the tax-exempt bonds are paid entirely by the owners of the properties, who have entered into binding contracts to develop or rehabilitate the subject properties. The terms of the tax-exempt bonds stipulate that neither the FCRHA nor the County guarantees the repayment of principal and interest to the bondholders. The FCRHA has only limited commitments for these conduit debt obligations. A bondholder’s sole recourse in the event of default on the tax-exempt bonds is to the subject property and third-party beneficiaries. Due to the implementation of GASB Statement No. 91 *Conduit Debt Obligations*, these bonds have been recorded in the FCRHA financial statements as long-term obligation. As the County is responsible, under the related documents and subject to annual appropriations, to make payments to a trustee sufficient to pay principal and interest on all these bonds, the related non-current receivables from the County have been recorded in the FCRHA financial statements. As of June 30, 2025, approximately \$115.0 million of such tax-exempt bonds are still outstanding.

In September 2021, the FCRHA issued a total of \$19,680,000 in Multifamily Housing Revenue Bonds (Series 2021) to provide supplemental financing for the construction of a 120-unit affordable multifamily housing development project to be known as One University Senior Apartments. The Project is to be constructed on the land owned by the FCRHA and leased to the borrower pursuant to a Deed of Lease between FCRHA and the borrower. The bonds bearing an interest rate of 1.25 percent and maturing on December 1, 2025, were fully tendered on December 1, 2024.

In September 2022, the FCRHA issued a total of \$7,717,000 in Multifamily Housing Revenue Bonds (Series 2022) to provide supplemental financing for the construction of a 44-unit affordable multifamily housing development project known as Braddock Four Apartments. The Project is to be constructed on the land owned by the FCRHA and leased to the borrower pursuant to a Deed of Lease between FCRHA and the borrower. The bonds bearing an interest rate of 4.00 percent and maturing on April 1, 2025, were fully tendered on January 31, 2025..

On December 12, 2023, the FCRHA issued a total of \$77,760,000 in Multifamily Housing Revenue Bonds (Series 2023) to provide supplemental financing for the construction of a 265-unit affordable multifamily housing development project called The Exchange at Springhill Station, formerly known

as Dominion Square North. The FCRHA is a conduit issuer for these bonds and the bondholders will be paid solely from the project's revenue. The bonds bear an initial interest rate of 5.00 percent and mature on January 1, 2045.

On November 1, 2024, the FCRHA issued \$14,005,000 in Multifamily Housing Revenue Bonds (Series 2025) to provide supplemental financing for the construction of a 74-unit affordable rental housing project located in Fairfax, Virginia, to be known as Residences at Government Center 2. The Project is constructed on the land owned by the FCRHA and leased to the borrower pursuant to a deed of lease between FCRHA and the borrower. The bond bears an interest rate of 4.70% and will mature on December 1, 2044.

On November 1, 2024, the FCRHA issued \$5,345,000 in Multifamily Housing Revenue Bonds (Series 2025) to provide supplemental financing for the construction of a 74-unit affordable rental housing project located in Fairfax, Virginia, to be known as Residences at Government Center 2. The Project is constructed on the land owned by the FCRHA and leased to the borrower pursuant to a deed of lease between FCRHA and the borrower. The bond bears an interest rate of 3.35% and will mature on December 1, 2028.

On November 1, 2024, the FCRHA issued \$12,100,000 in Multifamily Housing Revenue Bonds (Series 2025) to provide supplemental financing for the construction of a 69-unit affordable rental housing project located in Fairfax, Virginia, to be known as Residences at Government Center 2. The Project is constructed on the land owned by the FCRHA and leased to the borrower pursuant to a deed of lease between FCRHA and the borrower. The bond bears an interest rate of 4.70% and will mature on December 1, 2044.

On November 1, 2024, the FCRHA issued \$2,400,000 in Multifamily Housing Revenue Bonds (Series 2025) to provide supplemental financing for the construction of a 69-unit affordable rental housing project located in Fairfax, Virginia, to be known as Residences at Government Center 2. The Project is constructed on the land owned by the FCRHA and leased to the borrower pursuant to a deed of lease between FCRHA and the borrower. The bond bears an interest rate of 3.35% and will mature on December 1, 2028.

The EDA is empowered by the Commonwealth to issue Industrial Revenue Bonds (IRBs) on behalf of businesses relocating and/or expanding their operations within the County. Principal and interest on the IRBs are paid entirely by the businesses. The terms of the IRBs stipulate that neither the EDA nor the County guarantees the repayment of principal and interest to the bondholders. The EDA has only limited commitments for these conduit debt obligations. Accordingly, these bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2025, the cumulative amount of all IRBs outstanding was \$343,804,478.

In October 2003, August 2004, March 2007, and July 2008, the EDA issued \$33,375,000, \$57,410,000, \$41,505,000, and \$51,505,000, respectively, of transportation contract revenue bonds on behalf of the State Route 28 Transportation Improvement District for the purpose of financing a portion of the costs of constructing certain improvements to State Route 28 in the County and in Loudoun County, Virginia. In May 2012, the EDA issued \$86,275,000 of transportation contract revenue refunding bonds Series 2012 on behalf of the State Route 28 Transportation Improvement District to advance refund \$29,285,000 of outstanding Series 2003 bonds and \$52,755,000 of outstanding Series 2004 bonds. In August 2016, the EDA issued \$43,035,000 of transportation contract revenue refunding bonds Series 2016A and \$45,760,000 of transportation contract revenue refunding bonds Series 2016B, on behalf of the State Route 28 Transportation Improvement District to advance refund \$41,505,000 of outstanding Series 2007A bonds and partially refund \$43,660,000 of outstanding principal of the Series 2008 Bonds, respectively, leaving \$3,590,000 of the outstanding principal of the Series 2008 bonds unrefunded. In February 2022, the EDA issued \$49,080,000 of transportation contract revenue refunding bonds Series 2022A on behalf of the State Route 28

Transportation Improvement District to current refund all the outstanding maturities of Series 2012 bonds. In October 2023, Trustees processed a total of \$12,598,086 internal transfers to redeem \$6,425,000 of the Series 2012 bonds and defeased \$1,787,922 and \$4,376,036 outstanding bonds payable for Series 2016A and 2016B, respectively. These bonds are payable primarily from a limited ad valorem real property tax levied by the counties on property owners in the district. The bonds are secured by a reserve subfund, and each County has agreed to cure one-half of any deficiency in the reserve subfund. As neither the EDA nor the Counties are responsible for making principal or interest payments on the bonds, neither reports a liability for the bonds. Rather, this liability for debt service payments on the bonds rests with the State Route 28 Highway Transportation Improvement District. As of June 30, 2025, the total outstanding principal amount of these transportation contract revenue bonds outstanding was \$99,755,000.

In the event of default, Trustees may proceed to protect and enforce its rights and rights of the State Route 28 District's Bond Holders under the Master Indenture, the Bond Acts and the Bonds by such suits, actions, or proceedings provided, that any monetary remedies under the Master Indenture will be limited to amounts, if any, from the Board's Trust Estate, including but limited to civil actions to recover monetary damages. The acceleration clause allows the lender, upon default, to accelerate payment of the entire unpaid Bond principal and interest.

10. Defeasance of Debt

Advance Refundings Resulting in Defeasance of Debt

During fiscal year 2025, the County has certain outstanding defeased bonds in an irrevocable escrow fund to provide for all future debt service payments on the old bonds. Accordingly, the escrow fund assets and the liabilities for the defeased bonds are not included in the financial statements. As of June 30, 2025, the outstanding bonds considered defeased but not yet redeemed are \$91,685,000 in revenue bonds.

11. Sanitary Landfill Closure and Postclosure Obligation

The County is required to present Financial Assurance Requirements for any future closure and postclosure expenditures related to the I-95 Sanitary Landfill, the I-66 Landfill, and the I-66 Transfer Station by reporting an estimated financial assurance liability (closure and postclosure obligation).

The majority of the \$58.4 million closure and postclosure obligation, as of June 30, 2025, is in relation to the I-95 Landfill. State and federal regulations require the County to place final covers on the I-95 Landfill at key points in time during the life of the disposal units, such as when final design grades are reached and, ultimately, when the unit stops accepting solid waste. In addition, maintenance of environmental infrastructure and monitoring of performance parameters are required for 30 years after closure.

The I-95 Landfill consists of two major units: the Municipal Solid Waste (MSW) unit and the Area Three Lined Landfill (ATLL) unit. The MSW unit stopped accepting waste on December 31, 1995 and the final closure cap, Phase IV, was completed during 2007. As of December 31, 2007, all closure costs associated with the MSW unit were complete and no postclosure costs are anticipated until the I-95 Landfill facility reaches capacity. The ATLL unit is active and continues to accept incinerator ash generated from the thermal processing of municipal solid waste at the Fairfax and Arlington/Alexandria Waste-To-Energy facilities. Closure expenditures for approximately 17 percent of the permitted ATLL cap area have been incurred for the ATLL unit. The County holds permits allowing it to continue to dispose of ash in the ATLL unit until it reaches capacity, currently estimated to occur in approximately 2055.

The closure and postclosure obligation for the I-95 Landfill as of June 30, 2025, is \$56.9 million. The amount represents closure and postclosure obligation for the ATLL unit and postclosure obligation for the MSW unit. The actual cost may vary due to inflation, changes in technology, or changes in regulations. It is expected that the landfill closure and postclosure care costs will be funded from existing resources in the I-95 Refuse Disposal Fund.

A \$1.6 million obligation was estimated for long-term operational maintenance expenditures related to the landfill gas collection system at the closed I-66 Landfill and for the closure and postclosure expenditures related to the I-66 Transfer Station.

12. Leases

The County has entered into various lease agreements as lessee for the use of buildings, land, infrastructure, vehicles, and office equipment that are accounted for as long-term leases under GAAP. The County recognizes lease liabilities and intangible right-to-use lease assets in the government-wide financial statements and proprietary fund financial statements. The lease agreements have various terms of up to three years and most leases contain renewals at the County's option. As the interest rate implicit in the County's leases is not readily determinable, the County uses its incremental borrowing rate to discount the lease payments. The variable payments that are not fixed in substance are included in the measurement of lease liability. Information regarding right-to-use assets can be found in Note F.

At June 30, 2025, the annual requirements to amortize long-term liabilities related to leases are as shown on the following page:

BASIC FINANCIAL STATEMENTS

Fiscal Year	Primary Government						Component Units		
	Governmental Activities		Business-Type Activities		Total		Principal	Interest	Total
	Principal	Interest	Principal	Interest	Principal	Interest			
2026	\$ 15,244,712	3,279,002	13,464	709	15,258,176	3,279,711	\$ 12,527,177	2,232,219	14,759,396
2027	15,824,046	2,758,965	13,780	392	15,837,826	2,759,357	12,749,300	1,725,429	14,474,729
2028	15,776,544	2,407,405	9,367	82	15,785,911	2,407,487	11,861,946	1,146,022	13,007,968
2029	13,468,697	2,068,528	-	-	13,468,697	2,068,528	8,606,247	717,307	9,323,554
2030	13,734,992	1,765,509	-	-	13,734,992	1,765,509	3,383,315	581,197	3,964,512
2031-2035	49,462,164	4,625,570	-	-	49,462,164	4,625,570	16,752,996	1,644,197	18,397,193
2036-2040	9,397,888	576,157	-	-	9,397,888	576,157	4,596,310	332,363	4,928,673
2041-2045	1,855,100	138,397	-	-	1,855,100	138,397	185,454	54,546	240,000
2046-2050	277,415	4,994	-	-	277,415	4,994	220,205	19,795	240,000
2051-2055	-	-	-	-	-	-	-	-	-
Totals	\$ 135,041,558	17,624,527	36,611	1,183	135,078,169	17,625,710	\$ 70,882,950	8,453,075	79,336,025

13. Subscription-Based Information Technology Arrangements (SBITA)

The County has entered into various long-term noncancellable subscription arrangements for the use of the vendor’s information technology software. Most of the subscriptions have initial terms of more than one year with up to seven years and contain renewals at the County’s option. The County includes the renewal period in the subscription term when it is reasonably certain that the renewal option will be exercised. The County uses the interest rate charged by the vendor as the discount rate if readily determinable. When the interest rate is not provided, the County generally uses its incremental borrowing rate to discount the subscription payments. The subscriptions had no variable payments that are not fixed in substance and have not been included in the measurement of the Subscription Liability within the Fiscal Year.

At June 30, 2025, the annual requirements to maturity related to long-term subscription liabilities are as follows:

Fiscal Year	Primary Government - Governmental Activities			Component Units		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 11,315,363	745,602	12,060,965	\$ 9,472,713	1,139,936	10,612,649
2027	7,711,185	445,254	8,156,439	8,059,536	889,137	8,948,673
2028	4,653,296	231,411	4,884,707	7,402,556	682,683	8,085,239
2029	2,429,256	111,742	2,540,998	3,966,928	394,546	4,361,474
2030	1,188,399	65,665	1,254,064	4,830,804	391,665	5,222,469
2031-2035	1,282,681	34,085	1,316,766	9,587,262	582,974	10,170,236
Totals	\$ 28,580,180	1,633,759	30,213,939	\$ 43,319,799	4,080,941	47,400,740

K. LONG-TERM COMMITMENTS

1. Washington Metropolitan Area Transit Authority (WMATA)

The County's commitments to WMATA are comprised of agreements to make capital contributions for the construction of rail lines and for the acquisition, replacement, and renovation of transit equipment and facilities and to provide operating subsidies for its rail, bus, and paratransit systems. The County's commitments in each of these areas are summarized as follows:

Capital Contributions – Transit Equipment and Facilities

Each fiscal year, the County and other local jurisdictions make contributions for WMATA's acquisition, replacement, and rehabilitation of transit equipment and facilities and for the debt service on federally guaranteed transit revenue bonds issued by WMATA. The County's obligation of approximately \$49.8 million for fiscal year 2025 was funded with \$44.0 million of County general obligation bond proceeds, \$0.2 million of County funds, and \$5.6 million of state aid and regional gas taxbond premium credits, state aid, and regional gasoline tax receipts. It is anticipated that the County's obligation for fiscal year 2026 will amount to \$48.1 million to be funded with \$41.9 million from County general obligation bond proceeds and \$6.2 million of County funds.

Operating Subsidies

The County and other local jurisdictions contribute annually toward WMATA's deficits resulting from the operation of its rail, bus, and paratransit systems. For fiscal year 2025, the County's obligation of approximately \$191.5 million for operating subsidies was funded with \$59.2 million of County funds and \$132.3 million from state aid and regional gasoline tax receipts provided through the Northern Virginia Transportation Commission (NVTC). It is anticipated that the County's obligation for fiscal year 2026 will amount to \$241.3 million and be funded with \$187.7 million of state aid and regional gasoline tax receipts provided through the NVTC and \$53.6 million of County funds.

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

2. Virginia Railway Express (VRE)

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

In October 1989, the Board approved the Commuter Rail Master Agreement and financial plans. These have subsequently been amended to reflect voting criteria for member jurisdictions, new member requirements, and fairness in the subsidy allocation formula which took effect for fiscal year 2008. The Board approved this Amended Master Agreement on September 10, 2007, which required the County to contribute to capital, operating, and debt service costs of the VRE on a pro rata basis according to its share of ridership. The County's fiscal year 2025 contribution to the VRE was \$5.5 million.

3. Intermunicipal Agreements

City of Alexandria, Virginia Renew Enterprises

The Sewer System is obligated under an agreement with the City of Alexandria, Virginia Renew Enterprises (AlexRenew) to share in the construction and operating costs and debt service requirements for AlexRenew's sewage treatment facility. Currently, the Sewer System has a capacity entitlement of 32.4 millions of gallons per day (MGD), which is 60.00 percent of the facility's total capacity of 54.0 MGD. Although the Sewer System is allowed one nonvoting representative at the meetings of ARE, the Sewer System has no significant influence in the management of the treatment facility. In addition, the Sewer System has no direct ongoing equity interest in the assets or liabilities of AlexRenew.

The AlexRenew facility is currently undergoing major improvements to meet new water quality standards. The Sewer System paid AlexRenew \$23.3 million for purchased capacity in fiscal year 2025 to fund its share of the construction and land acquisition costs. The Sewer System estimates its share of the remaining construction costs to be \$550.7 million, of which \$82.9 million is expected to be incurred in fiscal year 2026 and the remaining balance over fiscal years 2027 to 2036. In addition, the Sewer System made payments of \$12.1 million to AlexRenew during fiscal year 2025 for its share of AlexRenew's operating costs.

District of Columbia Water and Sewer Authority

The Sewer System is obligated under the 2012 Blue Plains Intermunicipal Agreement, between the County; the District of Columbia (District); District of Columbia Water and Sewer Authority (DC Water); Montgomery County, Maryland; Prince George's County, Maryland; and the Washington Suburban Sanitary Commission, to share the construction and operating costs of the Blue Plains Wastewater Treatment Plant, which is operated by DC Water. Currently, the Sewer System has a capacity entitlement of 31.0 MGD, which is approximately 8.38 percent of the Plant's total capacity of 370.0 MGD. DC Water has a Board of Directors comprised of six members from the District, two each from Montgomery and Prince George's Counties, and one from the County. The County has no significant control over plant operations and construction and no ownership interest in the assets of DC Water.

The Blue Plains Plant is currently undergoing a major renovation of its nitrogen removal facilities along with the construction of new wet weather flow facilities. The Sewer System paid DC Water \$12.4 million for purchased capacity during fiscal year 2025 to fund its share of construction costs. The Sewer System estimates its share of the remaining construction costs to be \$538.0 million, of which \$37.4 million is expected to be incurred in fiscal year 2026 and the remaining balance over fiscal years 2027 to 2036. In addition, the Sewer System made payments of \$21.4 million to DC Water during fiscal year 2025 for its share of the Blue Plains Plant's operating costs.

Upper Occoquan Sewage Authority

As described in Note A, UOSA is a joint venture created under the provisions of the Virginia Water and Waste Authorities Act to be the single regional entity to finance, construct, and operate the regional sewage treatment facility for the upper portion of the Occoquan Watershed. Currently, the Sewer System has a capacity entitlement of 22.1 MGD, which is approximately 40.93 percent of this facility's total capacity of 54.0 MGD. The governing body of UOSA is an eight-member board of directors consisting of two members from each participating jurisdiction appointed to four year terms.

UOSA's current operating expenses, construction costs, and annual debt service payments are funded by each of the participating jurisdictions based on their allocated capacity, with certain modifications. The Sewer System made contractual service payments to UOSA of \$17.6 million in fiscal year 2025 to pay its share of UOSA's operating costs.

Summarized UOSA financial information as of and for the years ended June 30, 2024 and 2023 (the most recent audited financial information available), is as follows:

	2024	2023
Total assets	\$ 519,556,446	\$ 539,544,913
Deferred outflows of resources	16,647,039	19,477,411
Total liabilities	(513,845,864)	(536,140,787)
Deferred inflows of resources	(2,031,305)	(3,789,886)
Net position	\$ 20,326,316	\$ 19,091,651
Operating revenues	\$ 39,361,812	\$ 34,919,216
Operating expenses	(68,603,064)	(63,710,132)
Nonoperating revenues, net	1,629,077	1,355,596
Capital contributions	28,846,840	26,415,665
Increase/(decrease) in net position	\$ 1,234,665	\$ (1,019,655)
Total net position, beginning of year	19,091,651	20,111,306
Total net position, end of year	\$ 20,326,316	\$ 19,091,651

Arlington County, Virginia

The Sewer System is obligated under an agreement with Arlington County, Virginia to share the construction and operating costs of the sewage treatment facility owned and operated by Arlington County. Currently, the Sewer System has a capacity entitlement of 3.0 MGD, which is 7.50 percent of the facility’s total capacity of 40.0 MGD. The Sewer System has no significant influence over the management of the treatment facility and no direct ongoing equity interest in the facility’s assets and liabilities.

The Arlington facility has recently completed a major upgrade to meet new water quality standards. The Sewer System paid Arlington \$1.1 million for purchased capacity in fiscal year 2025. The Sewer System estimates its share of the remaining construction costs to be \$21.9 million, of which \$5.3 million is expected to be incurred in fiscal year 2026 and the remaining balance over fiscal years 2027 to 2036. In addition, the Sewer System made payments of \$3.4 million for contractual services to Arlington during fiscal year 2025 for its share of Arlington’s operating costs.

Loudoun County, Virginia

The Sewer System is obligated under an agreement with Loudoun County, Virginia to share the construction costs, operating costs, and debt service payments for the sewage treatment facility owned and operated by Loudoun Water. Currently, the Sewer System has a capacity entitlement of 1.0 MGD, which is 8.7 percent of the facility’s total capacity of 11.5 MGD. The Sewer System has no significant influence over the management of the treatment facility and no direct on-going equity interest in the facility’s assets and liabilities.

The System did not pay any operating cost to Loudoun Water in fiscal year 2025. The System will incur operating costs once it starts to deliver flows to Loudoun Water’s facilities, which is not expected to start in the near future. The Broad Run Plan is a new facility; therefore, no construction or debt service requirements are expected in the near future.

4. Long-term Contracts

At June 30, 2025, the Primary Government had contractual commitments of \$204,061,885 in the capital projects funds and \$65,308,832 in the Integrated Sewer System for the construction of various sewer projects. At June 30, 2025, the Component Units had contractual commitments of \$296,871,609 and \$9,938,199 in the capital projects funds of the Public Schools and the Park Authority, respectively, for the construction of various projects.

L. CONTINGENT LIABILITIES

The County is contingently liable with respect to lawsuits and other claims that arise in the ordinary course of its operations. Although the outcome of these matters is not presently determinable, in the opinion of County management, the resolution of these matters will not have a material adverse effect on the County's financial condition.

The County receives grant funds, principally from the federal government, which benefit programs across many functional areas. Certain expenditures of these funds are subject to audit by the grantor, and the County is contingently liable to refund amounts received in excess of allowable expenditures. In the opinion of County management, no material refunds will be required as a result of expenditures disallowed by the grantors.

M. IMPLEMENTATION OF NEW ACCOUNTING PRONOUNCEMENTS

In fiscal year 2025 the County implemented the following GASB Standard:

No. 101, *Compensated Absences*

This Statement supersedes GASB Statement 16 and establishes accounting and financial reporting requirements for compensated absences. It defines compensated absences as leave for which employees receive paid time off, including vacation, sick leave, and other types of leave, and it outlines the recognition and measurement criteria for such liabilities. The Statement also provides guidance for disclosures to ensure transparency and comparability in reporting these obligations.

The table on the following page summarizes the impact to the beginning net position as of July 1, 2024, due to the implementation of GASB Statement no. 101.

No. 102, *Certain Risk Disclosures*

This Statement establishes accounting and financial reporting requirements related to risks arising from certain concentrations and constraints. The Statement requires governments to assess and disclose when certain conditions make them vulnerable to a substantial impact within 12 months of issuing financial statements. The Statement also aims to improve transparency and consistency in financial reporting.

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

N. RESTATEMENTS AND OTHER ITEMS

1. Prior Year Adjustments

Primary Government

During fiscal year 2025, management identified a prior-year reporting error related to the classification of an adjustment between the governmental funds and government-wide financial statements. As a result, governmental activities' revenues and ending net position were understated by \$81,391,804. The error has been corrected by restating the beginning net position of governmental activities as of July 1, 2024.

Component Units

Public Schools implemented a change in accounting principle for the measurement date of the Public Schools OPEB Plan. Prior to fiscal year 2025, the measurement date for was current fiscal year. Effective in fiscal year 2025, the measurement date changed to prior fiscal year. This change in accounting principle is preferable for consistency and comparability to the VRS HIC OPEB and VRS GLIC OPEB plans as reported by Public Schools.

The following table summarizes the impact to beginning net position as of July 1, 2024, due to the implementation of GASB Statement no. 101 and the adjustments noted above.

	Governmental Activities	Business-type Activities	Total Primary Government
Net Position, July 1, 2024, as previously reported	\$ 529,599,583	1,507,011,180	2,036,610,763
Adjustment for Implementation of GASB 101	(152,298,741)	(2,088,416)	(154,387,157)
Error Correction	81,391,804	-	81,391,804
Total Restatement	(70,906,937)	(2,088,416)	(72,995,353)
Net Position, July 1, 2024, as restated	\$ 458,692,646	1,504,922,764	1,963,615,410

	Public Schools	Redevelopment and Housing Authority	Park Authority	Economic Development Authority	Total Component Units
Net Position, July 1, 2024, as previously reported	\$ 556,955,492	266,859,627	739,824,779	(6,385,083)	1,557,254,815
Adjustment for Implementation of GASB 101	(184,028,649)	(483,330)	(4,901,533)	(436,216)	(189,849,728)
Change in Accounting Principle	(26,818,912)	-	-	-	(26,818,912)
Total Restatement	(210,847,561)	(483,330)	(4,901,533)	(436,216)	(216,668,640)
Net Position, July 1, 2024, as restated	\$ 346,107,931	266,376,297	734,923,246	(6,821,299)	1,340,586,175

2. Fund Reclassification

During fiscal year 2025, the Early Childhood Birth to 5 fund was combined with the General Fund because it no longer met the criteria for separate reporting as a Special Revenue fund. As a result, the activity of this fund is now reported within the General Fund on the Statement of Revenues, Expenditures, and Changes in Fund Balance.

The following table summarizes the impact of this change on beginning fund balance as of July 1, 2024.

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund balances, July 1, 2024, as previously reported	\$ 859,649,953	1,630,007,796	2,489,657,749
Change within the reporting entity	24,063,082	(24,063,082)	-
Fund balances, July 1, 2024, as restated	\$ 883,713,035	1,605,944,714	2,489,657,749

3. Special Item

During fiscal year 2025, the FCRHA dissolved the Little River Glen Limited Partnership (LRG), a blended component unit. Upon dissolution, the FCRHA assumed all assets, liabilities, and operations of the LRG. As a result, net position increased by \$773,200, representing the net carrying amount of assets and liabilities transferred.

Required

Supplementary Information

The Required Supplementary Information subsection includes the budgetary comparison schedule for the County of Fairfax's major fund, the General Fund. It also includes trend data, related to the pension trust funds and OPEB plans of the County of Fairfax and the Fairfax County Public Schools component unit. The notes to required supplementary information are also included in this subsection.

COUNTY OF FAIRFAX, VIRGINIA
Budgetary Comparison Schedule - General Fund (Budget Basis)
For the fiscal year ended June 30, 2025

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 4,797,334,687	4,811,218,445	4,818,803,747	7,585,302
Permits, privilege fees, and regulatory licenses	11,430,461	11,470,802	11,031,357	(439,445)
Intergovernmental	369,461,156	378,198,247	385,994,753	7,796,506
Charges for services	69,024,437	70,980,758	72,641,370	1,660,612
Fines and forfeitures	9,214,101	9,214,101	9,175,729	(38,372)
Revenue from the use of money and property	166,146,069	182,103,949	192,952,240	10,848,291
Recovered costs	20,363,644	20,837,232	21,643,707	806,475
Total revenues	5,442,974,555	5,484,023,534	5,512,242,903	28,219,369
EXPENDITURES				
General government administration	161,872,540	169,239,106	158,169,959	11,069,147
Judicial administration	55,922,525	61,310,967	59,535,839	1,775,128
Public safety	661,467,831	681,148,143	662,368,457	18,779,686
Public works	87,506,358	93,614,959	84,339,992	9,274,967
Health and welfare	373,247,853	387,794,647	365,266,952	22,527,695
Community development	80,703,215	89,949,450	79,173,997	10,775,453
Parks, recreation, and cultural	71,077,313	73,498,258	71,106,917	2,391,341
Nondepartmental	552,173,776	618,535,147	591,098,807	27,436,340
Total expenditures	2,043,971,411	2,175,090,677	2,071,060,920	104,029,757
Excess of revenues over expenditures	3,399,003,144	3,308,932,857	3,441,181,983	132,249,126
OTHER FINANCING SOURCES (USES)				
Transfers in from other Primary Government funds	10,344,474	27,344,474	27,344,474	-
Transfers out to other Primary Government funds	(809,337,743)	(957,970,897)	(957,970,897)	-
Transfers out to component units	(2,600,009,875)	(2,609,544,847)	(2,609,544,847)	-
Total other financing uses, net	(3,399,003,144)	(3,540,171,270)	(3,540,171,270)	-
Net change in fund balance	\$ -	(231,238,413)	(98,989,287)	132,249,126

See accompanying notes to required supplementary information.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF FAIRFAX, VIRGINIA
Schedule of Changes in Net Pension Liability and Related Ratios - Employees' Retirement System
Last Ten Fiscal Years
(Dollar amounts in thousands)

ACFR Reporting Year Measurement Date June 30 of prior year	2025	2024	2023	2022	2021
Total Pension Liability					
Service cost	\$ 131,224	128,856	119,242	108,644	103,313
Interest	464,387	450,350	422,967	427,327	415,149
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	246,783	31,646	236,424	(43,616)	(5,461)
Changes in assumptions	-	-	-	233,720	-
Benefit payments, including refunds of member contributions	(417,247)	(393,694)	(371,807)	(357,332)	(343,616)
Net change in total pension liability	425,147	217,158	406,826	368,743	169,385
Total pension liability - beginning	6,953,793	6,736,635	6,329,809	5,961,066	5,791,681
Total pension liability - ending	\$ 7,378,940	6,953,793	6,736,635	6,329,809	5,961,066
Plan Fiduciary Net Position					
Contributions - employer	\$ 300,112	266,536	229,114	227,846	234,743
Contributions - member	51,102	46,535	40,269	39,914	40,327
Net investment income	413,571	(122,094)	(184,212)	1,096,260	111,442
Benefit payments, including refunds of member contributions	(417,247)	(393,694)	(371,807)	(357,332)	(343,616)
Administrative expense	(3,351)	(2,566)	(2,477)	(2,519)	(2,471)
Net change in plan fiduciary net position	344,187	(205,283)	(289,113)	1,004,169	40,425
Plan fiduciary net position - beginning	4,651,836	4,857,119	5,146,232	4,142,063	4,101,638
Plan fiduciary net position - ending	\$ 4,996,023	4,651,836	4,857,119	5,146,232	4,142,063
Net pension liability - ending	\$ 2,382,917	2,301,957	1,879,516	1,183,577	1,819,003
Plan fiduciary net position as a percentage of the total pension liability	67.71 %	66.90 %	72.10 %	81.30 %	69.49 %
Covered payroll	\$ 998,045	922,908	793,331	803,691	828,020
Net pension liability as a percentage of covered payroll	238.76 %	249.42 %	236.91 %	147.27 %	219.68 %

See accompanying notes to required supplementary information.

2020	2019	2018	2017	2016	
					Total Pension Liability
99,759	96,662	93,128	85,499	84,154	Service cost
400,860	385,505	367,586	361,074	353,622	Interest
-	603	582	773	1,463	Changes in benefit terms
29,355	41,363	74,948	(104,260)	(8,617)	Differences between expected and actual experience
-	-	-	68,573	-	Changes in assumptions
(329,517)	(300,641)	(284,929)	(274,902)	(258,835)	Benefit payments, including refunds of member contributions
200,457	223,492	251,315	136,757	171,787	Net change in total pension liability
5,591,224	5,367,732	5,116,417	4,979,660	4,807,873	Total pension liability - beginning
5,791,681	5,591,224	5,367,732	5,116,417	4,979,660	Total pension liability - ending
					Plan Fiduciary Net Position
210,964	188,578	167,312	155,780	138,493	Contributions - employer
37,916	36,358	35,476	34,627	33,194	Contributions - member
243,546	269,418	243,496	(16,668)	16,342	Net investment income
(329,517)	(300,641)	(284,931)	(274,902)	(258,835)	Benefit payments, including refunds of member contributions
(2,198)	(2,171)	(2,050)	(2,112)	(1,897)	Administrative expense
160,711	191,542	159,303	(103,275)	(72,703)	Net change in plan fiduciary net position
3,940,927	3,749,385	3,590,082	3,693,357	3,766,060	Plan fiduciary net position - beginning
4,101,638	3,940,927	3,749,385	3,590,082	3,693,357	Plan fiduciary net position - ending
1,690,043	1,650,297	1,618,347	1,526,335	1,286,303	Net pension liability - ending
70.82 %	70.48 %	69.85 %	70.17 %	74.17 %	Plan fiduciary net position as a percentage of the total pension liability
777,319	745,664	730,618	708,415	686,289	Covered payroll
217.42 %	221.32 %	221.50 %	215.46 %	187.43 %	Net pension liability as a percentage of covered payroll

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF FAIRFAX, VIRGINIA
Schedule of Changes in Net Pension Liability and Related Ratios - Police Officers Retirement System
Last Ten Fiscal Years
(Dollar amounts in thousands)

ACFR Reporting Year	2025	2024	2023	2022	2021
Measurement Date June 30 of prior year					
Total Pension Liability					
Service cost	\$ 35,344	39,530	35,635	32,981	32,944
Interest	148,600	146,629	134,451	133,441	128,461
Differences between expected and actual experience	83,650	(42,709)	109,416	20,396	(5,785)
Changes in assumptions	-	-	-	55,913	-
Benefit payments, including refunds of member contributions	(112,745)	(107,475)	(98,631)	(89,580)	(84,449)
Net change in total pension liability	154,849	35,975	180,871	153,151	71,171
Total pension liability - beginning	2,221,584	2,185,609	2,004,738	1,851,587	1,780,416
Total pension liability - ending	\$ 2,376,433	2,221,584	2,185,609	2,004,738	1,851,587
Plan Fiduciary Net Position					
Contributions - employer	\$ 68,285	57,592	52,066	50,348	50,781
Contributions - member	12,363	11,166	10,242	14,688	10,570
Net investment income	183,718	(69,458)	15,536	432,834	(59,355)
Benefit payments, including refunds of member contributions	(112,745)	(107,475)	(98,631)	(89,580)	(84,449)
Administrative expense	(799)	(682)	(664)	(666)	(656)
Net change in plan fiduciary net position	150,822	(108,857)	(21,451)	407,624	(83,109)
Plan fiduciary net position - beginning	1,677,881	1,786,738	1,808,189	1,400,565	1,483,674
Plan fiduciary net position - ending	\$ 1,828,703	1,677,881	1,786,738	1,808,189	1,400,565
Net pension liability - ending	\$ 547,730	543,703	398,871	196,549	451,022
Plan fiduciary net position as a percentage of the total pension liability	76.95 %	75.53 %	81.75 %	90.20 %	75.64 %
Covered payroll	\$ 134,235	125,092	113,089	121,029	122,071
Net pension liability as a percentage of covered payroll	408.04 %	434.64 %	352.71 %	162.40 %	369.48 %

See accompanying notes to required supplementary

2020	2019	2018	2017	2016	
					Total Pension Liability
31,993	30,744	29,052	30,913	30,390	Service cost
123,663	118,405	112,638	110,362	106,740	Interest
(7,959)	1,315	11,638	(30,821)	(11,516)	Differences between expected and actual experience
-	-	-	9,895	-	Changes in assumptions
(80,576)	(77,838)	(73,175)	(70,750)	(67,757)	Benefit payments, including refunds of member contributions
67,121	72,626	80,153	49,599	57,857	Net change in total pension liability
1,713,295	1,640,669	1,560,516	1,510,917	1,453,060	Total pension liability - beginning
1,780,416	1,713,295	1,640,669	1,560,516	1,510,917	Total pension liability - ending
					Plan Fiduciary Net Position
47,183	44,505	43,381	40,647	37,867	Contributions - employer
10,177	9,896	9,632	9,324	8,890	Contributions - member
71,578	94,135	116,099	10,764	41,601	Net investment income
(80,576)	(77,838)	(73,176)	(70,750)	(67,757)	Benefit payments, including refunds of member contributions
(611)	(619)	(481)	(511)	(443)	Administrative expense
47,751	70,079	95,455	(10,526)	20,158	Net change in plan fiduciary net position
1,435,923	1,365,844	1,270,389	1,280,915	1,260,757	Plan fiduciary net position - beginning
1,483,674	1,435,923	1,365,844	1,270,389	1,280,915	Plan fiduciary net position - ending
296,742	277,372	274,825	290,127	230,002	Net pension liability - ending
83.33 %	83.81 %	83.25 %	81.41 %	84.78 %	Plan fiduciary net position as a percentage of the total pension liability
117,663	114,173	111,291	107,022	102,844	Covered payroll
252.20 %	242.94 %	246.94 %	271.09 %	223.64 %	Net pension liability as a percentage of covered payroll

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF FAIRFAX, VIRGINIA
Schedule of Changes in Net Pension Liability and Related Ratios - Uniformed Retirement System
Last Ten Fiscal Years
(Dollar amounts in thousands)

ACFR Reporting Year Measurement Date June 30 of prior year	2025	2024	2023	2022	2021
Total Pension Liability					
Service cost	\$ 46,914	49,401	44,932	45,463	43,435
Interest	182,946	178,613	163,743	165,370	159,360
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	74,558	(19,331)	136,998	(4,253)	(6,625)
Changes in assumptions	-	-	-	60,742	-
Benefit payments, including refunds of member contributions	(148,956)	(135,273)	(124,617)	(119,190)	(111,543)
Net change in total pension liability	155,462	73,410	221,056	148,132	84,627
Total pension liability - beginning	2,736,655	2,663,245	2,442,189	2,294,057	2,209,430
Total pension liability - ending	\$ 2,892,117	2,736,655	2,663,245	2,442,189	2,294,057
Plan Fiduciary Net Position					
Contributions - employer	\$ 89,168	74,989	65,793	69,464	69,931
Contributions - member	13,535	13,690	12,071	12,980	12,810
Net investment income	202,955	152,217	(193,071)	440,347	(22,161)
Benefit payments, including refunds of member contributions	(148,956)	(135,273)	(124,617)	(119,190)	(111,543)
Administrative expense	(849)	(704)	(665)	(678)	(667)
Net change in plan fiduciary net position	155,853	104,919	(240,489)	402,923	(51,630)
Plan fiduciary net position - beginning	2,029,456	1,924,537	2,165,026	1,762,103	1,813,733
Plan fiduciary net position - ending	\$ 2,185,309	2,029,456	1,924,537	2,165,026	1,762,103
Net pension liability - ending	\$ 706,808	707,199	738,708	277,163	531,954
Plan fiduciary net position as a percentage of the total pension liability	75.56 %	74.16 %	72.26 %	88.65 %	76.81 %
Covered payroll	\$ 190,570	190,764	167,370	178,847	180,049
Net pension liability as a percentage of covered payroll	370.89 %	370.72 %	441.36 %	154.97 %	295.45 %

See accompanying notes to required supplementary information.

2020	2019	2018	2017	2016	
					Total Pension Liability
43,537	42,115	39,668	43,408	41,721	Service cost
153,521	147,114	140,286	136,679	132,951	Interest
-	956	839	806	1,702	Changes in benefit terms
(7,935)	(1,128)	6,048	(54,054)	11,019	Differences between expected and actual experience
-	-	-	20,479	-	Changes in assumptions
(105,543)	(96,896)	(93,609)	(90,536)	(84,849)	Benefit payments, including refunds of member contributions
83,580	92,161	93,232	56,782	102,544	Net change in total pension liability
2,125,850	2,033,689	1,940,457	1,883,675	1,781,131	Total pension liability - beginning
2,209,430	2,125,850	2,033,689	1,940,457	1,883,675	Total pension liability - ending
					Plan Fiduciary Net Position
69,246	67,895	67,410	65,548	60,928	Contributions - employer
12,605	12,262	12,223	12,020	11,473	Contributions - member
78,142	131,997	161,014	(13,447)	21,800	Net investment income
(105,543)	(96,896)	(93,609)	(90,536)	(84,849)	Benefit payments, including refunds of member contributions
(620)	(618)	(477)	(500)	(455)	Administrative expense
53,830	114,640	146,561	(26,915)	8,897	Net change in plan fiduciary net position
1,759,903	1,645,263	1,498,702	1,525,617	1,516,720	Plan fiduciary net position - beginning
1,813,733	1,759,903	1,645,263	1,498,702	1,525,617	Plan fiduciary net position - ending
395,697	365,947	388,426	441,755	358,058	Net pension liability - ending
82.09 %	82.79 %	80.90 %	77.23 %	80.99 %	Plan fiduciary net position as a percentage of the total pension liability
178,285	174,808	173,559	168,808	160,762	Covered payroll
221.95 %	209.34 %	223.80 %	261.69 %	222.73 %	Net pension liability as a percentage of covered payroll

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF FAIRFAX, VIRGINIA
Schedule of Changes in Net Pension Liability and Related Ratios - Educational Employees Supplementary Retirement System
Last Ten Fiscal Years
(Dollar amounts in thousands)

ACFR Reporting Year Measurement Date June 30 of prior year	2025	2024	2023**	2022	2021
Total Pension Liability					
Service cost	\$ 102,290	97,264	92,063	91,770	92,719
Interest	293,866	279,596	268,463	253,330	243,579
Changes in benefit terms	161,938	-	-	-	-
Differences between expected and actual experience	(165,400)	33,028	(5,133)	29,759	(12,696)
Changes in assumptions	-	-	133,042	(17,342)	-
Benefit payments, including refunds of member contributions	(216,085)	(206,045)	(198,655)	(191,266)	(185,986)
Net change in total pension liability	176,609	203,843	289,780	166,251	137,616
Total pension liability - beginning	4,203,831	3,999,988	3,710,208	3,543,957	3,406,341
Total pension liability - ending	\$ 4,380,440	4,203,831	3,999,988	3,710,208	3,543,957
Plan Fiduciary Net Position					
Contributions - employer	\$ 121,646	117,156	111,119	104,784	104,741
Contributions - member	56,450	52,543	50,017	48,934	49,096
Net investment income	180,366	120,795	(232,237)	720,739	108,472
Benefit payments, including refunds of member contributions	(216,085)	(206,045)	(198,655)	(191,266)	(185,986)
Administrative expense	(5,685)	(5,626)	(4,481)	(4,423)	(4,381)
Net change in plan fiduciary net position	136,692	78,823	(274,237)	678,768	71,942
Plan fiduciary net position - beginning	3,076,733	2,997,910	3,272,147	2,593,384	2,521,442
Plan fiduciary net position - ending	\$ 3,213,425	3,076,733	2,997,910	3,272,152	2,593,384
Net pension liability - ending	\$ 1,167,015	1,127,098	1,002,078	438,056	950,573
Plan fiduciary net position as a percentage of the total pension liability	73.36 %	73.19 %	74.95 %	88.19 %	73.18 %
Covered payroll	\$ 1,877,250	1,748,597	1,658,499	1,627,086	1,626,417
Net pension liability as a percentage of covered payroll	62.17 %	64.46 %	60.43 %	26.92 %	58.45 %

* Restated from prior year to reflect measurement date presentation.

**Beginning net position for fiscal year 2023 was restated due to a correction of a prior year calculation error.

See accompanying notes to required supplementary information.

2020	2019	2018	2017	2016 *	
					Total Pension Liability
90,633	88,599	78,926	77,761	77,494	Service cost
231,477	221,107	209,516	205,720	198,939	Interest
-	-	(1,039)	-	-	Changes in benefit terms
27,727	12,141	19,857	(11,012)	(17,051)	Differences between expected and actual experience
-	-	23,334	45,752	-	Changes in assumptions
(181,932)	(177,720)	(173,386)	(170,348)	(167,843)	Benefit payments, including refunds of member contributions
167,905	144,127	157,208	147,873	91,539	Net change in total pension liability
3,238,436	3,094,309	2,937,101	2,789,228	2,697,689	Total pension liability - beginning
3,406,341	3,238,436	3,094,309	2,937,101	2,789,228	Total pension liability - ending
					Plan Fiduciary Net Position
96,983	91,705	80,094	76,600	74,324	Contributions - employer
46,645	44,169	43,063	41,384	39,983	Contributions - member
117,728	188,145	250,982	(15,767)	32,084	Net investment income
(181,932)	(177,720)	(173,386)	(170,348)	(167,842)	Benefit payments, including refunds of member contributions
(4,262)	(4,300)	(4,060)	(4,005)	(3,752)	Administrative expense
75,162	141,999	196,693	(72,136)	(25,203)	Net change in plan fiduciary net position
2,446,280	2,304,281	2,107,588	2,179,724	2,204,927	Plan fiduciary net position - beginning
2,521,442	2,446,280	2,304,281	2,107,588	2,179,724	Plan fiduciary net position - ending
884,899	792,156	790,028	829,513	609,504	Net pension liability - ending
74.02 %	75.54 %	74.47 %	71.76 %	78.15 %	Plan fiduciary net position as a percentage of the total pension liability
1,549,248	1,469,629	1,430,260	1,374,735	1,328,420	Covered payroll
57.12 %	53.90 %	55.24 %	60.34 %	45.88 %	Net pension liability as a percentage of covered payroll

REQUIRED SUPPLEMENTARY INFORMATION

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

ACFR Reporting Year Measurement Date June 30 of prior year	2025	2024	2023	2022	2021
Employees' Retirement System:					
Total pension liability	\$ 7,378,940	6,953,793	6,736,636	6,329,809	5,961,066
Pension plan's fiduciary net position	4,996,023	4,651,836	4,857,120	5,146,232	4,142,063
Net pension liability	\$ 2,382,917	2,301,957	1,879,516	1,183,577	1,819,003
Plan fiduciary net position as a percentage of the total pension liability	67.71 %	66.90 %	72.10 %	81.30 %	69.49 %
Covered payroll	\$ 998,045	922,908	793,331	803,691	828,020
Net pension liability as a percentage of covered payroll	238.76 %	249.42 %	236.91 %	147.27 %	219.68 %
Police Officers Retirement System:					
Total pension liability	\$ 2,376,433	2,221,584	2,185,609	2,004,738	1,851,587
Pension plan's fiduciary net position	1,828,703	1,677,881	1,786,738	1,808,189	1,400,565
Net pension liability	\$ 547,730	543,703	398,871	196,549	451,022
Plan fiduciary net position as a percentage of the total pension liability	76.95 %	75.53 %	81.75 %	90.20 %	75.64 %
Covered payroll	\$ 134,235	125,092	113,089	121,029	122,071
Net pension liability as a percentage of covered payroll	408.04 %	434.64 %	352.71 %	162.40 %	369.48 %
Uniformed Retirement System:					
Total pension liability	\$ 2,892,117	2,736,655	2,663,245	2,442,189	2,294,057
Pension plan's fiduciary net position	2,185,309	2,029,456	1,924,537	2,165,026	1,762,103
Net pension liability	\$ 706,808	707,199	738,708	277,163	531,954
Plan fiduciary net position as a percentage of the total pension liability	75.56 %	74.16 %	72.26 %	88.65 %	76.81 %
Covered payroll	\$ 190,570	190,764	167,370	178,847	180,049
Net pension liability as a percentage of covered payroll	370.89 %	370.72 %	441.36 %	154.97 %	295.45 %
Educational Employees' Supplementary Retirement System					
Total pension liability	\$ 4,380,440	4,203,831	3,999,988	3,710,208	3,543,957
Pension plan's fiduciary net position	3,213,425	3,076,733	2,997,910	3,272,152	2,593,384
Net pension liability	\$ 1,167,015	1,127,098	1,002,078	438,056	950,573
Plan fiduciary net position as a percentage of the total pension liability	73.36 %	73.19 %	74.95 %	88.19 %	73.18 %
Covered payroll	\$ 1,877,250	1,748,597	1,658,499	1,627,086	1,626,417
Net pension liability as a percentage of covered payroll	62.17 %	64.46 %	60.42 %	26.92 %	58.45 %

See accompanying notes to required supplementary information.

2020	2019	2018	2017	2016	
5,791,681	5,591,224	5,367,732	5,116,416	4,979,660	Employees' Retirement System:
4,101,638	3,940,927	3,749,385	3,590,081	3,693,357	Total pension liability
1,690,043	1,650,297	1,618,347	1,526,335	1,286,303	Pension plan's fiduciary net position
					Net pension liability
70.82 %	70.48 %	69.85 %	70.17 %	74.17 %	Plan fiduciary net position as a percentage of the total pension liability
777,319	745,664	730,618	708,415	686,289	Covered payroll
217.42 %	221.32 %	221.50 %	215.46 %	187.43 %	Net pension liability as a percentage of covered payroll
1,780,416	1,713,295	1,640,669	1,560,516	1,510,917	Police Officers Retirement System:
1,483,674	1,435,923	1,365,844	1,270,389	1,280,915	Total pension liability
296,742	277,372	274,825	290,127	230,002	Pension plan's fiduciary net position
					Net pension liability
83.33 %	83.81 %	83.25 %	81.41 %	84.78 %	Plan fiduciary net position as a percentage of the total pension liability
117,663	114,173	111,291	107,022	102,844	Covered payroll
252.20 %	242.94 %	246.94 %	271.09 %	223.64 %	Net pension liability as a percentage of covered payroll
2,209,430	2,125,850	2,033,689	1,940,457	1,883,675	Uniformed Retirement System:
1,813,733	1,759,903	1,645,263	1,498,702	1,525,617	Total pension liability
395,697	365,947	388,426	441,755	358,058	Pension plan's fiduciary net position
					Net pension liability
82.09 %	82.79 %	80.90 %	77.23 %	80.99 %	Plan fiduciary net position as a percentage of the total pension liability
178,285	174,808	173,604	168,808	160,762	Covered payroll
221.95 %	209.34 %	223.74 %	261.69 %	222.73 %	Net pension liability as a percentage of covered payroll
3,406,341	3,238,436	3,094,309	2,937,101	2,789,228	Educational Employees' Supplementary Retirement System
2,521,442	2,446,280	2,304,281	2,107,588	2,179,724	Total pension liability
884,899	792,156	790,028	829,513	609,504	Pension plan's fiduciary net position
					Net pension liability
74.02 %	75.54 %	74.47 %	71.76 %	78.15 %	Plan fiduciary net position as a percentage of the total pension liability
1,549,248	1,469,629	1,430,260	1,374,735	1,328,420	Covered payroll
57.12 %	53.90 %	55.24 %	60.34 %	45.88 %	Net pension liability as a percentage of covered payroll

REQUIRED SUPPLEMENTARY INFORMATION

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

	2025	2024	2023	2022	2021
Employees' Retirement Systems:					
Actuarial determined contribution	\$ 350,899	300,112	266,536	229,114	227,846
Contributions in relations to the actuarial determined contribution	350,899	300,112	266,536	229,114	227,846
Contribution (deficiency) excess	\$ -	-	-	-	-
Covered payroll	\$ 1,077,038	998,045	922,908	793,331	803,691
Contributions as a percentage of covered payroll	32.58%	30.07%	28.88%	28.88%	28.35%
Police Officers Retirement System:					
Actuarial determined contribution	\$ 86,014	68,285	57,592	52,066	50,348
Contributions in relations to the actuarial determined contribution	86,014	68,285	57,592	52,066	50,348
Contribution (deficiency) excess	\$ -	-	-	-	-
Covered payroll	\$ 149,407	134,235	125,092	113,089	121,029
Contributions as a percentage of covered payroll	57.57%	50.87%	46.04%	46.04%	41.60%
Uniformed Retirement System:					
Actuarial determined contribution	\$ 106,902	89,168	74,989	65,793	69,464
Contributions in relations to the actuarial determined contribution	106,902	89,168	74,989	65,793	69,464
Contribution (deficiency) excess	\$ -	-	-	-	-
Covered payroll	\$ 203,313	190,570	190,764	167,370	178,847
Contributions as a percentage of covered payroll	52.58%	46.79%	39.31%	39.31%	38.84%
Educational Employees' Supplementary Retirement System:					
Actuarial determined contribution	\$ 129,279	121,646	117,156	111,119	104,784
Contributions in relations to the actuarial determined contribution	129,279	121,646	117,156	111,119	104,784
Contribution (deficiency) excess	\$ -	-	-	-	-
Covered payroll	\$ 1,995,041	1,877,250	1,748,597	1,658,499	1,627,086
Contributions as a percentage of covered payroll	6.48%	6.48%	6.70%	6.70%	6.44%

See accompanying notes to required supplementary information.

2020	2019	2018	2017	2016	
234,744	210,964	188,578	167,312	155,780	Employees' Retirement Systems:
234,744	210,964	188,578	167,312	155,780	Actuarial determined contribution
-	-	-	-	-	Contributions in relations to the
					actuarial determined contribution
					Contribution (deficiency) excess
828,021	777,319	745,664	730,618	708,415	Covered payroll
28.35%	27.14%	25.29%	22.90%	21.99%	Contributions as a percentage of
					covered payroll
50,781	47,183	44,505	43,381	40,647	Police Officers Retirement System:
50,781	47,183	44,505	43,381	40,647	Actuarial determined contribution
-	-	-	-	-	Contributions in relations to the
					actuarial determined contribution
					Contribution (deficiency) excess
122,071	117,663	114,173	111,291	107,022	Covered payroll
41.60%	40.10%	38.98%	38.98%	37.98%	Contributions as a percentage of
					covered payroll
69,931	69,246	67,895	67,410	65,548	Uniformed Retirement System:
69,931	69,246	67,895	67,410	65,548	Actuarial determined contribution
-	-	-	-	-	Contributions in relations to the
					actuarial determined contribution
					Contribution (deficiency) excess
180,049	178,285	174,853	173,604	168,808	Covered payroll
38.84%	38.84%	38.83%	38.83%	38.83%	Contributions as a percentage of
					covered payroll
104,741	96,983	93,543	80,305	76,070	Educational Employees' Supplementary Retirement System:
104,741	96,983	91,705	80,094	76,600	Actuarial determined contribution
-	-	(1,838)	(211)	530	Contributions in relations to the
					actuarial determined contribution
					Contribution (deficiency) excess
1,626,417	1,549,248	1,469,629	1,430,260	1,374,735	Covered payroll
6.44%	6.26%	6.24%	5.60%	5.57%	Contributions as a percentage of
					covered payroll

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF FAIRFAX, VIRGINIA
Schedule of Proportionate Share of Net Pension Liability in VRS Pension Plan
Last Ten Fiscal Years
(Dollar amounts in thousands)

	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	17.53 %	\$ 1,645,084	\$ 1,875,160	87.73 %	84.52 %
2024	17.54	1,772,808	1,747,762	101.43	82.45
2023	17.79	1,694,052	1,657,850	102.18	82.61
2022	18.40	1,428,168	1,626,372	87.81	85.46
2021	18.51	2,693,016	1,626,469	165.57	71.47
2020	18.47	2,430,715	1,549,185	156.90	73.51
2019	18.19	2,139,027	1,470,716	145.44	74.81
2018	18.16	2,232,727	1,432,051	155.91	0.7292
2017	17.95	2,515,447	1,368,572	183.80	0.6828
2016	17.89	2,251,917	1,330,241	169.29	0.7088

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

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

	Actuarial Determined Contribution	Contributions in Relations to the Actuarial Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 283,207	\$ 283,207	\$ -	\$ 1,993,010	14.21 %
2024	311,652	311,652	-	1,875,160	16.62
2023	290,478	290,478	-	1,747,762	16.62
2022	275,535	275,535	-	1,657,850	16.62
2021	270,303	270,303	-	1,626,372	16.62
2020	255,030	255,030	-	1,626,469	15.68
2019	242,912	242,912	-	1,549,185	15.68
2018	240,021	240,021	-	1,470,716	16.32
2017	233,711	209,939	23,772	1,432,051	14.66
2016	192,421	192,421	-	1,368,572	14.06

See accompanying notes to required supplementary information.



REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF FAIRFAX, VIRGINIA
Schedule of Changes in the Net OPEB (Asset) Liability and Related Ratios *
Last Ten Fiscal Years **
(Dollar amounts in thousands)

	Fiscal Year				
	2025	2024	2023	2022	2021
Total OPEB liability					
Service cost	\$ 8,121	6,838	9,938	13,532	11,679
Interest	25,001	25,451	27,277	26,912	24,392
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experiences	1,645	7,834	(11,092)	36,029	21,576
Changes in assumptions	65,546	(26,747)	(27,951)	(45,521)	(791)
Benefit payments	(22,057)	(20,152)	(22,127)	(22,146)	(23,252)
Net change in total OPEB liability	78,256	(6,776)	(23,955)	8,806	33,604
Total OPEB liability - beginning	359,885	366,661	390,616	381,810	348,206
Total OPEB liability - ending	\$ 438,141	359,885	366,661	390,616	381,810
Plan fiduciary net position					
Contributions - employer	\$ 19,733	12,135	15,372	19,004	18,072
Net investment income	37,389	37,619	28,318	(38,248)	98,443
Benefit payments	(22,057)	(20,152)	(22,127)	(22,146)	(23,252)
Administrative expense	(156)	(150)	(140)	(132)	(131)
Net change in plan fiduciary net position	34,909	29,452	21,423	(41,522)	93,132
Plan fiduciary net position - beginning	433,250	403,798	382,375	423,897	330,765
Plan fiduciary net position - ending	\$ 468,159	433,250	403,798	382,375	423,897
Net OPEB (asset) liability - ending	\$ (30,018)	(73,365)	(37,137)	8,241	(42,087)
Plan fiduciary net position as a percentage of the total OPEB liability	106.85%	120.39%	110.13%	97.89%	111.02%
Covered payroll	\$ 1,183,579	1,162,790	1,075,607	1,027,575	1,027,104
Net OPEB (asset) liability as a percentage of covered payroll	(2.54%)	(6.31%)	(3.45%)	0.80%	(4.10)%

* Dates presented are based on the Plan reporting year. One year prior represents the perspective of the Reporting Entity, therefore 11 years will be presented.

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

See accompanying notes to required supplementary information.

Ending June 30				
2020	2019	2018	2017	
				Total OPEB liability
15,608	13,994	9,987	7,582	Service cost
33,195	28,235	22,517	23,024	Interest
-	-	(387)	-	Changes of benefit terms
(1,518)	17,956	(10,412)	3,389	Differences between expected and actual experiences
(145,858)	32,078	78,188	(22,671)	Changes in assumptions
(23,254)	(22,798)	(21,670)	(20,278)	Benefit payments
(121,827)	69,465	78,223	(8,954)	Net change in total OPEB liability
470,033	400,568	322,345	331,299	Total OPEB liability - beginning
348,206	470,033	400,568	322,345	Total OPEB liability - ending
				Plan fiduciary net position
19,677	25,659	24,367	27,992	Contributions - employer
9,633	13,837	26,160	30,711	Net investment income
(23,254)	(22,827)	(21,670)	(20,278)	Benefit payments
(131)	(127)	(123)	(118)	Administrative expense
5,925	16,542	28,734	38,307	Net change in plan fiduciary net position
324,840	308,298	279,564	241,257	Plan fiduciary net position - beginning
330,765	324,840	308,298	279,564	Plan fiduciary net position - ending
17,441	145,193	92,270	42,781	Net OPEB (asset) liability - ending
94.99%	69.11%	76.96%	86.73%	Plan fiduciary net position as a percentage of the total OPEB liability
961,557	932,764	911,923	908,162	Covered payroll
1.81%	15.57%	10.11%	4.71%	Net OPEB (asset) liability as a percentage of covered payroll

REQUIRED SUPPLEMENTARY INFORMATION

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

	Actuarially Determined Contribution	Contributions Made in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 16,982	\$ 19,733	\$ (2,751)	\$ 1,183,579	1.67 %
2024	8,731	12,135	(3,404)	1,162,790	1.04
2023	9,276	15,372	(6,096)	1,075,607	1.43
2022	11,873	19,004	(7,131)	1,027,575	1.85
2021	18,864	18,072	792	1,027,104	1.76
2020	16,220	19,677	(3,457)	961,557	2.05
2019	23,866	25,659	(1,793)	910,307	2.82
2018	20,060	24,367	(4,307)	911,923	2.67
2017	14,123	27,992	(13,869)	908,162	3.08

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

See accompanying notes to required supplementary information.

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

	Annual Money-weighted Rate of Return, Net of Investment Expense
2025	8.83%
2024	9.86
2023	6.72
2022	(8.19)
2021	30.61
2020	2.55
2019	4.57
2018	9.55
2017	12.85

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

See accompanying notes to required supplementary information.



REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF FAIRFAX, VIRGINIA
Schedule of Changes in the Net OPEB Liability and Related Ratios - Public Schools OPEB Plan
Last Ten Fiscal Years *
(Dollar amounts in thousands)

ACFR Reporting Year	Measurement Date June 30 of prior year				
	2025**	2024	2023	2022	2021
Total OPEB Liability					
Service cost	\$ 3,877	\$ 3,877	3,623	4,150	3,878
Interest	17,247	17,247	17,048	15,413	15,321
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	34,728	34,728	(7,539)	33,747	(6,731)
Changes in assumptions	(48,805)	(48,805)	-	(18,881)	(999)
Benefit payments, including refunds of member contributions	(10,579)	(10,579)	(10,536)	(10,528)	(10,349)
Net change in total OPEB liability	(3,532)	(3,532)	2,596	23,901	1,120
Total OPEB liability - beginning	247,700	247,700	245,104	221,203	220,083
Total OPEB liability - ending	\$ 244,168	\$ 244,168	247,700	245,104	221,203
Plan Fiduciary Net Position					
Contributions - employer	\$ 15,579	\$ 15,579	15,536	15,528	15,349
Net investment income	20,492	20,492	14,986	(19,692)	47,507
Benefit payments, including refunds of member contributions	(10,579)	(10,579)	(10,536)	(10,528)	(10,349)
Administrative expense	(109)	(109)	(100)	(121)	(101)
Net change in plan fiduciary net position	25,383	25,383	19,886	(14,813)	52,406
Plan fiduciary net position - beginning	213,448	213,448	193,562	208,375	155,969
Plan fiduciary net position - ending	\$ 238,831	\$ 238,831	213,448	193,562	208,375
Net OPEB liability - ending	\$ 5,337	\$ 5,337	34,252	51,542	12,828
Plan fiduciary net position as a percentage of the total OPEB liability	97.81 %	97.81 %	86.17 %	78.97 %	94.20 %
Covered payroll	\$ 1,779,345	1,779,345	1,862,772	1,765,660	1,750,085
Net OPEB liability as a percentage of covered payroll	0.30 %	0.30 %	1.84 %	2.92 %	0.73 %

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

**In FY 2025, the OPEB Plan measurement date was updated to reflect the prior fiscal year (refer to Notes to the Financial Statements for additional information).

See accompanying notes to required supplementary information.

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

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF FAIRFAX, VIRGINIA
Schedule of Public Schools' Proportionate Share of Net OPEB Liability
VRS HIC OPEB Plan
Last Ten Fiscal Years *
(Dollar amounts in thousands)

	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2025	17.51 %	\$ 202,309	\$ 1,875,573	10.79 %	21.82 %
2024	17.53	212,387	1,748,142	12.15	17.90
2023	17.79	222,176	1,657,839	13.40	15.08
2022	18.39	236,047	1,626,394	14.51	13.15
2021	18.55	242,022	1,626,466	14.88	9.95
2020	18.47	241,787	1,549,185	15.61	8.97
2019	18.18	230,889	1,470,712	15.70	8.08
2018	18.15	230,217	1,432,191	16.07	7.04

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

See accompanying notes to required supplementary information.

COUNTY OF FAIRFAX, VIRGINIA
Schedule of Public Schools' Proportionate Share of Net OPEB Liability
VRS GLI OPEB Plan
Last Ten Fiscal Years *
(Dollar amounts in thousands)

	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2025	7.34 %	\$ 81,915	\$ 1,884,794	4.35 %	73.41 %
2024	7.47	89,604	1,759,898	5.09	69.30
2023	7.67	92,296	1,667,366	5.54	67.21
2022	7.94	92,481	1,639,978	5.64	67.45
2021	7.95	132,610	1,635,371	8.11	52.64
2020	7.96	129,575	1,560,950	8.30	52.00
2019	7.79	118,262	1,480,801	7.99	51.22
2018	7.80	117,380	1,438,996	8.16	48.86

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

See accompanying notes to required supplementary information.

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

	Actuarial Determined Contribution	Contributions in Relation to the Actuarial Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2025**	\$ 10,579	\$ 15,579	\$ (5,000)	\$ 1,779,345	0.88 %
2024	10,579	15,579	(5,000)	1,779,345	0.88
2023	10,537	15,537	(5,000)	1,862,772	0.83
2022	10,528	15,528	(5,000)	1,765,660	0.88
2021	10,349	15,349	(5,000)	1,750,085	0.88
2020	23,875	28,875	(5,000)	1,699,112	1.70
2019	29,287	34,287	(5,000)	1,393,959	2.46
2018	54,806	59,806	(5,000)	1,340,335	4.46

* The schedule is intended to show information for 10 years. Fiscal year 2018 is the first year implemented, additional years will be displayed as they become available.
 ***In FY 2025, the OPEB Plan measurement date was updated to reflect the prior fiscal year (refer to Notes to the Financial Statements for additional information).

See accompanying notes to required supplementary information.

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

	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 24,121	\$ 24,121	\$ -	\$ 1,993,437	1.21 %
2024	22,694	22,694	-	1,875,573	1.21
2023	21,153	21,153	-	1,748,142	1.21
2022	20,060	20,060	-	1,657,839	1.21
2021	19,679	19,679	-	1,626,394	1.21
2020	19,518	19,518	-	1,626,466	1.20
2019	18,590	18,590	-	1,549,185	1.20
2018	18,090	18,090	-	1,470,712	1.23
2017	17,616	15,897	1,719	1,432,191	1.11
2016	16,152	14,510	1,642	1,368,852	1.06

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

REQUIRED SUPPLEMENTARY INFORMATION

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

	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 9,414	\$ 9,414	\$ -	\$ 2,002,959	0.47 %
2024	10,178	10,178	-	1,884,794	0.54
2023	9,503	9,503	-	1,759,898	0.54
2022	9,004	9,004	-	1,667,366	0.54
2021	8,856	8,856	-	1,639,978	0.54
2020	8,504	8,504	-	1,635,371	0.52
2019	8,117	8,117	-	1,560,950	0.52
2018	7,700	7,700	-	1,480,801	0.52
2017	7,483	7,483	-	1,438,996	0.52
2016	7,286	6,599	687	1,374,776	0.48

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

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

Annual Money-weighted Rate of Return, Net of Investment Expense	
2025**	9.49%
2024	9.49%
2023	7.66%
2022	(9.36)%
2021	30.09%
2020	3.05%
2019	4.66%
2018	9.50%
2017	12.86%

See accompanying notes to required supplementary information.

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

** In FY 2025, the OPEB Plan measurement date was updated to reflect the prior fiscal year (refer to Notes to the Financial Statements for additional information).

COUNTY OF FAIRFAX, VIRGINIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025

A. BUDGETARY DATA

The Board of Supervisors adheres to the following procedures in establishing the annual budgetary data reflected in the financial statements:

- a. By March 1, the County Executive submits to the Board of Supervisors a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. During April, public hearings are conducted to obtain taxpayer comments. By May 1, the budget is legally enacted through passage of an appropriation resolution.
- b. The operating budget includes all County appropriated funds and certain non-appropriated funds. The non-appropriated funds include certain funds of the Park Authority and the FCRHA that are not financed by the County.
- c. Budget reviews are held during the fiscal year. Public hearings are held if the recommended increase in the appropriated budget is greater than one percent of expenditures.
- d. The budget is controlled at certain legal and administrative levels. The *Code of Virginia* requires that the County annually adopt a balanced budget. The adopted Fiscal Planning Resolution places legal restrictions on expenditures at the agency (e.g., County organizations in the General Fund) or fund level and identifies administrative controls at the character (i.e., personnel services, operating expenses, recovered costs, and capital equipment) or project level. The County's Department of Management and Budget is authorized to transfer budgeted amounts between characters or projects within any agency or fund as a management function. Any revisions that alter the total expenditures of any agency or fund must be approved by the Board of Supervisors.
- e. Annual operating budgets are adopted for all appropriated governmental funds, except for the capital projects funds in which budgetary control is achieved on a project-by-project basis. The budgets are on a basis consistent with GAAP for the General Fund, except that:
 - Certain purchase order transactions that qualify as current expenditures under GAAP, are not recognized as expenditures in the current budget due to the timing of the receipt of goods or services.
 - Offsetting revenues and expenditures related to donated food are not budgeted.
 - Lease transactions when initiated are not budgeted as offsetting expenditures and other financing sources.
 - Certain capital outlays are budgeted as functional expenditures.
 - Payments from or to component units are budgeted as transfers rather than functional revenues and expenditures.
 - Inventories of supplies are not included in the fund balance for budget purposes.
 - Nondepartmental expenditures are reported for budgeting purposes, but are included in functional expenditures for reporting purposes.

REQUIRED SUPPLEMENTARY INFORMATION

- The Gift Fund, which is included in the County’s General Fund for reporting purposes, is treated as an custodial fund for budgeting purposes.
- The Information Technology Fund, Consolidated Community Funding Pool Fund, Contributory Fund, Revenue Stabilization Fund, Northern Virginia Regional Identification System (NOVARIS), Economic Opportunity Reserve Fund, and Early Childhood Birth to 5 Fund, all of which are included in the County’s General Fund for reporting purposes, are budgeted as separate funds.

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

	Primary Government
	General Fund
Net change in fund balance (Budget basis)	\$ (98,989,287)
Basis difference - Unrealized gain on investments	27,276,383
Basis difference - Appropriated reserve fund balance deferral	53,315,596
Basis difference - Other	6,270
Timing difference - Goods/Invoice receipts	(81,816,369)
Perspective differences:	
The Gift Fund is treated as a custodial fund for budget purposes	(126,701)
The Northern Virginia Regional Identification System (NOVARIS) is treated as a separate fund for budget purposes	(37,172)
The Revenue Stabilization Fund is treated as a separate fund for budget purposes	11,042,963
The Economic Opportunity Reserve Fund is treated as a separate fund for budget purposes	4,564,261
The Consolidated Community Funding Pool Fund is treated as a separate fund for budget purposes	213,226
The Contributory Fund is treated as a separate fund for budget purposes	(2,781)
The Information Technology Fund is treated as a separate fund for budget purposes	(8,575,154)
The Early Childhood Birth to 5 Fund is treated as a separate fund for budget purposes	(7,577,186)
Net change in fund balance (GAAP basis)	\$ (100,705,951)

- f. Original and final budgeted amounts are shown on the Budgetary Comparison Schedule; amendments were not significant in relation to the original budget.
- g. Appropriations lapse at June 30 unless the Board of Supervisors approves carrying them forward to the next fiscal year.

B. PENSION TREND DATA

Ten-year historical trend information of the retirement systems administered by the County is presented as required supplementary information. This information is intended to help users assess each system’s funding status on a going concern basis, assess progress made in accumulating assets to pay benefits when due, and make comparisons with other public employee retirement systems.

Analysis of the dollar amounts of plan fiduciary net position, total pension liability, and net pension liability in isolation can be misleading. Expressing plan net position as a percentage of the total pension liability provides one indication of each system’s funding status. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage is, the stronger the system. Trends in the net pension liability and covered payroll are both affected by inflation. Expressing the net pension liability as a percentage of covered payroll approximately adjusts for the effects of inflation and aids in the analysis of the systems’ progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller the percentage is, the stronger the system.

The Schedule of Changes in Net Pension Liability and Related Ratios illustrates whether each plan's net position is increasing or decreasing over time relative to the total pension liability, and the net pension liability as it relates to covered payroll.

The Schedule of Employer Contributions provides historical context for the amount of contributions in the current period. The actuarially determined contribution rates are calculated as of June 30, one year prior to the beginning of the fiscal year in which contributions are reported. Significant methods and assumptions used to determine the contributions for County administered systems include:

Discount rate, net of plan investment expenses	6.75%
Inflation	2.25%
Salary increases, including inflation	2.25% + merit
Investment rate of return, net of plan investment expenses	6.75%
Mortality	Healthy and Disabled Mortality Table PubG-2010 & PubS-2010 projected using the MP-2020 model

Information pertaining to the retirement systems administered by the reporting entity can be found in Note G to the financial statements.

C. OTHER POSTEMPLOYMENT BENEFITS (OPEB) TREND DATA

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Changes in net OPEB Liability and Related Ratios presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Beginning in fiscal year 2017, information provided in relation to the GASB 74 requirements include information related to the total and net OPEB liability, information associated with the actuarially determined contribution, and investment returns. Significant methods and assumptions used to determine the contributions for net OPEB liability include:

Investment rate of return	7.00%, net of OPEB plan investment expense, including inflation
Retirement age	Varies by age and pension plan
Mortality	Pub-2010, "General" classification, Employees & Healthy Annuitant mortality table, projected using scale MP-2021, sex-distinct. Disabled mortality table Pub-2010, "General" classification, Disabled Retirement mortality table, projected using scale MP-2021, sex distinct.
Healthcare cost trend rate	6.9% - 11.1%, decreasing to 4.50%

Disclosures associated with the County reporting of OPEB and OPEB Plan reporting are found in Note H to the financial statements.



Other

Supplementary Information

The Other Supplementary Information subsection includes the combining and individual fund statements and schedules for the following:

- Governmental Funds
- Internal Service Funds
- Fiduciary Funds
- Component Units:
 - Fairfax County Public Schools
 - Fairfax County Redevelopment and Housing Authority
 - Fairfax County Park Authority
 - Fairfax County Economic Development Authority

The **General Fund** is used to account for all revenues and expenditures of the County not required to be accounted for in other funds.

Revenues are derived primarily from real estate and personal property taxes; local sales and use taxes; utility taxes; business, professional, and occupational license taxes; the use of money and property; license and permit fees; and state shared taxes.

Expenditures and transfers out include the costs of the general County government and transfers to component units and other funds (principally made to fund the operations of Public Schools) and the debt service requirements of the County and Public Schools.

The General Fund Group contains funds which are included in the General Fund for GAAP reporting purposes, but are budgeted separately. Prior to fiscal year 2017, these funds were included in the budget as special revenue funds:

Consolidated Community Funding Pool Fund is used to account for money awarded on a competitive basis to community-based nonprofit organizations to provide certain services to County citizens.

Contributory Fund is used to account for money awarded to certain contributory organizations to provide human services to County citizens.

Northern Virginia Regional Identification System (NOVARIS) Fund is used to account for contributions received from the County and six other participating Northern Virginia jurisdictions to enhance the Northern Virginia Regional Identification System. Program operations are decentralized among the participating Northern Virginia jurisdictions.

Information Technology Projects Fund is used to account for the acquisition of computer hardware and software for information technology projects which are designed to improve the County's management information system, its operational efficiency, and customer service.

Revenue Stabilization Reserve is used to reserve funds that could be utilized in the event of a significant unexpected downturn in the economy.

Economic Opportunity Reserve is used as a reserve to stimulate economic growth and to provide for strategic investment opportunities identified as priorities by the Board.

In fiscal year 2025, the following fund was moved from the Special Revenue Funds to the General Fund. It will be reported in the General Fund for GAAP purposes but will remain separately budgeted.

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



COUNTY OF FAIRFAX, VIRGINIA
Budgetary Comparison Schedule Detail - General Fund (Budget Basis)
For the fiscal year ended June 30, 2025

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Real property	\$3,574,204,859	3,564,839,593	3,567,823,688	2,984,095
Personal property	600,998,045	606,435,073	608,175,044	1,739,971
Business licenses	211,443,177	219,520,198	221,457,474	1,937,276
Local sales and use	311,786,365	314,790,043	313,185,729	(1,604,314)
Consumers utility	44,880,523	44,880,523	45,314,733	434,210
Recordation	17,375,946	22,573,444	23,687,905	1,114,461
Occupancy, tobacco, and other	36,645,772	38,179,571	39,159,174	979,603
Total taxes	4,797,334,687	4,811,218,445	4,818,803,747	7,585,302
Permits, privilege fees, and regulatory licenses	11,430,461	11,470,802	11,031,357	(439,445)
Intergovernmental	369,461,156	378,198,247	385,994,753	7,796,506
Charges for services	69,024,437	70,980,758	72,641,370	1,660,612
Fines and forfeitures	9,214,101	9,214,101	9,175,729	(38,372)
Revenue from the use of money and property	166,146,069	182,103,949	192,952,240	10,848,291
Recovered costs	20,363,644	20,837,232	21,643,707	806,475
Total revenues	5,442,974,555	5,484,023,534	5,512,242,903	28,219,369
EXPENDITURES				
General government administration:				
Board of Supervisors	8,051,992	8,051,992	7,397,186	654,806
Financial and Program Auditor	506,351	506,351	488,795	17,556
County Executive	9,531,590	10,258,141	8,664,634	1,593,507
Clerk Services	2,224,503	2,316,380	2,139,105	177,275
Tax Administration	35,066,632	35,567,580	33,632,257	1,935,323
Finance	10,255,628	10,350,958	9,926,264	424,694
Human Resources	11,250,920	11,825,781	11,525,540	300,241
Procurement and Material Management	9,213,085	10,398,579	8,891,143	1,507,436
Public Affairs	2,947,650	2,953,519	2,551,823	401,696
Elections	9,498,304	11,994,779	9,832,766	2,162,013
County Attorney	11,012,695	11,909,277	10,934,730	974,547
Information Technology	42,666,085	43,137,375	43,060,485	76,890
Management and Budget	8,505,484	8,786,719	8,081,161	705,558
Civil Service Commission	520,131	520,131	415,783	104,348
Independent Police Auditor	358,252	364,202	343,573	20,629
Independent Police Civilian Review Panel	263,238	297,342	284,714	12,628
Total general government administration	161,872,540	169,239,106	158,169,959	11,069,147
Judicial administration:				
Circuit Court and Records	15,036,252	15,391,193	14,901,298	489,895
Commonwealth Attorney	9,135,660	9,448,296	8,589,043	859,253
General District Court	6,740,277	6,942,803	5,745,214	1,197,589
Sheriff	25,010,336	29,528,675	30,300,284	(771,609)
Total judicial administration	55,922,525	61,310,967	59,535,839	1,775,128
Public safety:				
Cable and Consumer Services	867,009	867,578	703,085	164,493
Juvenile and Domestic Relations District Court	30,897,888	30,075,852	28,564,595	1,511,257
Police Department	284,182,351	290,377,792	285,037,448	5,340,344
Sheriff	57,581,930	56,645,887	53,522,970	3,122,917
Fire and Rescue	267,907,923	281,649,748	276,193,065	5,456,683
Emergency Management and Security	8,555,193	10,207,180	7,706,948	2,500,232
Animal Services	5,933,406	5,981,975	5,560,023	421,952
Code Compliance	5,542,131	5,342,131	5,080,323	261,808
Total public safety	\$ 661,467,831	681,148,143	662,368,457	18,779,686

continued

EXHIBIT B

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget
	Original	Final		Positive (Negative)
Public works:				
Facilities Management	\$ 67,317,096	74,236,804	68,468,002	5,768,802
Business Planning and Support	1,516,108	1,625,452	1,324,664	300,788
Capital Facilities	18,673,154	17,752,703	14,547,326	3,205,377
Total public works	87,506,358	93,614,959	84,339,992	9,274,967
Health and welfare:				
Family Services	172,580,550	179,922,123	168,338,679	11,583,444
Health Department	90,797,029	90,253,480	86,011,652	4,241,828
Neighborhood and Community Services	109,870,274	117,619,044	110,916,621	6,702,423
Total health and welfare	373,247,853	387,794,647	365,266,952	22,527,695
Community development:				
Economic Development Authority	9,456,853	9,466,061	9,462,781	3,280
Economic Initiatives	2,256,869	2,618,292	1,980,505	637,787
Planning and Development	16,981,336	17,974,074	16,314,456	1,659,618
Housing and Community Development	36,965,654	44,244,359	37,693,955	6,550,404
Human Rights and Equity Programs	2,033,897	2,157,997	1,689,598	468,399
Transportation	13,008,606	13,488,667	12,032,702	1,455,965
Total community development	80,703,215	89,949,450	79,173,997	10,775,453
Parks, recreation, and cultural:				
Park Authority	36,081,623	37,710,072	36,744,055	966,017
Public Library	34,995,690	35,788,186	34,362,862	1,425,324
Total parks, recreation, and cultural	71,077,313	73,498,258	71,106,917	2,391,341
Nondepartmental:				
Unclassified Administrative Expenses	-	70,760,832	51,655,680	19,105,152
Employee Benefits	552,173,776	547,774,315	539,443,127	8,331,188
Total nondepartmental	552,173,776	618,535,147	591,098,807	27,436,340
Total expenditures	2,043,971,411	2,175,090,677	2,071,060,920	104,029,757
Excess of revenues over expenditures	\$3,399,003,144	3,308,932,857	3,441,181,983	132,249,126

continued

COUNTY OF FAIRFAX, VIRGINIA
Budgetary Comparison Schedule Detail - General Fund (Budget Basis)
For the fiscal year ended June 30, 2025

EXHIBIT B
concluded

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
OTHER FINANCING SOURCES (USES)				
Transfers in:				
From other Primary Government funds:				
Special Revenue Funds:				
Cable Communications	\$ 2,250,467	2,250,467	2,250,467	-
Integrated Pest Management	159,824	159,824	159,824	-
Stormwater Services	1,609,462	1,609,462	1,609,462	-
Leaf Collection	44,193	44,193	44,193	-
Refuse Collection and Recycling Operations	539,815	539,815	539,815	-
Refuse Disposal	802,437	802,437	802,437	-
I-95 Refuse Disposal	249,596	249,596	249,596	-
Land Development Services	433,852	433,852	433,852	-
Capital Projects Funds:				
County Construction	-	2,000,000	2,000,000	-
Enterprise Funds:				
Sewer Operation and Maintenance	3,434,828	3,434,828	3,434,828	-
Component Units	820,000	820,000	820,000	-
Total transfers in from other Primary Government funds	10,344,474	27,344,474	27,344,474	-
Transfers out:				
To other Primary Government funds:				
Special Revenue Funds:				
County Transit Systems	(46,396,047)	(46,464,283)	(46,464,283)	-
Federal/State Grants	(5,084,920)	(5,084,920)	(5,084,920)	-
Information Technology Projects	-	(15,396,010)	(15,396,010)	-
Fairfax-Falls Church Community Services Board	(181,435,866)	(181,406,295)	(181,406,295)	-
Consolidated Community Funding Pool	(13,542,806)	(13,557,281)	(13,557,281)	-
Contributory Fund	(19,667,330)	(21,222,330)	(21,222,330)	-
E-911	(16,750,642)	(17,882,242)	(17,882,242)	-
Alcohol Safety Action Program	(1,166,896)	(1,166,896)	(1,166,896)	-
Early Childhood Birth to 5	(34,784,561)	(34,784,561)	(34,784,561)	-
Affordable Housing Development and Investment	-	-	-	-
Economic Opportunity Reserve	-	(1,915,139)	(1,915,139)	-
Land Development Services	-	-	-	-
Debt Service Fund:				
Debt Service Fund	(358,308,948)	(358,308,948)	(358,308,948)	-
Capital Projects Funds:				
General Construction and Contributions	(28,658,933)	(59,074,817)	(59,074,817)	-
Environmental and Energy Program	(1,298,767)	(9,348,767)	(9,348,767)	-
Infrastructure Replacement and Upgrades	(2,500,000)	(41,977,949)	(41,977,949)	-
Public Safety Construction	-	(7,000,000)	(7,000,000)	-
Metro Operations and Construction	(63,046,270)	(63,046,270)	(63,046,270)	-
Transportation Improvements	-	(25,926,590)	(25,926,590)	-
Internal Service Funds:				
Department of Vehicle Services	-	(4,587,636)	(4,587,636)	-
County Insurance	(24,439,550)	(24,439,550)	(24,439,550)	-
Document Services	(4,589,474)	(4,589,474)	(4,589,474)	-
Technology Infrastructure Services	(6,666,733)	(14,240,939)	(14,240,939)	-
OPEB Trust Fund	(1,000,000)	(6,550,000)	(6,550,000)	-
Total transfers out to other Primary Government funds	(809,337,743)	(957,970,897)	(957,970,897)	-
To component units:				
Public Schools:				
School Operation	(2,584,409,875)	(2,584,409,875)	(2,584,409,875)	-
School Construction	(15,600,000)	(25,134,972)	(25,134,972)	-
Total transfers out to component units	(2,600,009,875)	(2,609,544,847)	(2,609,544,847)	-
Total transfers out	(3,409,347,618)	(3,567,515,744)	(3,567,515,744)	-
Total other financing uses, net	(3,399,003,144)	(3,540,171,270)	(3,540,171,270)	-
Net change in fund balance	\$ -	(231,238,413)	(98,989,287)	132,249,126

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT B-1A

General Fund Group

Budgetary Comparison Schedule - Consolidated Community Funding Pool Fund (Budget Basis)

For the fiscal year ended June 30, 2025

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES				
Health and welfare	\$ 13,542,806	14,220,001	13,344,055	875,946
Total expenditures	13,542,806	14,220,001	13,344,055	875,946
Excess (deficiency) of revenues over (under) expenditures	(13,542,806)	(14,220,001)	(13,344,055)	875,946
OTHER FINANCING SOURCES				
Transfers in	13,542,806	13,557,281	13,557,281	-
Total other financing sources	13,542,806	13,557,281	13,557,281	-
Net change in fund balance	\$ -	(662,720)	213,226	875,946

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT B-1B

General Fund Group

Budgetary Comparison Schedule - Contributory Fund (Budget Basis)

For the fiscal year ended June 30, 2025

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES				
General government administration	\$ 2,702,898	2,702,898	2,679,968	22,930
Public safety	19,577	19,577	19,577	-
Health and welfare	4,255,741	4,355,741	4,355,741	-
Community development	6,771,649	7,726,649	7,726,649	-
Parks, recreation, and cultural	5,721,519	6,221,519	6,221,519	-
Nondepartmental	221,657	221,657	221,657	-
Total expenditures	19,693,041	21,248,041	21,225,111	22,930
Excess (deficiency) of revenues over (under) expenditures	(19,693,041)	(21,248,041)	(21,225,111)	22,930
OTHER FINANCING SOURCES				
Transfers in	19,667,330	21,222,330	21,222,330	-
Total other financing sources	19,667,330	21,222,330	21,222,330	-
Net change in fund balance	\$ (25,711)	(25,711)	(2,781)	22,930

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT B-1c

General Fund Group

Budgetary Comparison Schedule - Northern Virginia Regional Identification System (Budget Basis)

For the fiscal year ended June 30, 2025

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 206	206	2,233	2,027
Recovered costs	18,593	18,593	18,593	-
Total revenues	18,799	18,799	20,826	2,027
EXPENDITURES				
Public safety	18,799	81,262	57,998	23,264
Total expenditures	18,799	81,262	57,998	23,264
Excess (deficiency) of revenues over (under) expenditures	-	(62,463)	(37,172)	25,291
Net change in fund balance	\$ -	(62,463)	(37,172)	25,291

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT B-1d

General Fund Group

Budgetary Comparison Schedule - Information Technology Projects Fund (Budget Basis)

For the fiscal year ended June 30, 2025

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	193,440	386,881	193,441
Charges for services	-	189,498	328,622	139,124
Revenue from the use of money and property	-	-	1,363,148	1,363,148
Recovered costs	-	234,398	417,853	183,455
Total revenues	-	617,336	2,496,504	1,879,168
EXPENDITURES				
General government administration	-	83,903,778	28,357,811	55,545,967
Total expenditures	-	83,903,778	28,357,811	55,545,967
Excess (deficiency) of revenues over (under) expenditures	-	(83,286,442)	(25,861,307)	57,425,135
OTHER FINANCING SOURCES				
Transfers in	-	17,286,153	17,286,153	-
Total other financing sources	-	17,286,153	17,286,153	-
Net change in fund balance	\$ -	(66,000,289)	(8,575,154)	57,425,135

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT B-1E

General Fund Group

Budgetary Comparison Schedule - Revenue Stabilization Reserve (Budget Basis)

For the fiscal year ended June 30, 2025

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 9,000,000	9,000,000	11,042,963	2,042,963
Total revenues	9,000,000	9,000,000	11,042,963	2,042,963
Excess of revenues over expenditures	9,000,000	9,000,000	11,042,963	2,042,963
Net change in fund balance	\$ 9,000,000	9,000,000	11,042,963	2,042,963

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT B-1F

General Fund Group

Budgetary Comparison Schedule - Economic Opportunity Reserve (Budget Basis)

For the fiscal year ended June 30, 2025

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 1,000,000	1,000,000	3,558,359	2,558,359
Total revenues	1,000,000	1,000,000	3,558,359	2,558,359
EXPENDITURES				
Community development	-	1,794,596	909,237	885,359
Nondepartmental	-	55,024,231	-	55,024,231
Total expenditures	-	56,818,827	909,237	55,909,590
Excess (deficiency) of revenues over (under) expenditures	1,000,000	(55,818,827)	2,649,122	58,467,949
OTHER FINANCING SOURCES				
Transfers in	-	1,915,139	1,915,139	-
Total other financing sources	-	1,915,139	1,915,139	-
Net change in fund balance	\$ 1,000,000	(53,903,688)	4,564,261	58,467,949

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT B-1G

General Fund Group

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

For the fiscal year ended June 30, 2025

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Permits, privilege fees, and regulatory licenses	\$ 15,353	15,353	9,311	(6,042)
Intergovernmental	44,689	44,689	84,660	39,971
Fines and forfeitures	-	-	477	477
Recovered costs	155,918	155,918	4,240	(151,678)
Total revenues	215,960	215,960	98,688	(117,272)
EXPENDITURES				
Health and welfare	35,000,521	35,511,357	31,963,778	3,547,579
Total expenditures	35,000,521	35,511,357	31,963,778	3,547,579
Excess (deficiency) of revenues over (under) expenditures	(34,784,561)	(35,295,397)	(31,865,090)	3,430,307
OTHER FINANCING SOURCES (USES)				
Transfers in	34,784,561	34,784,561	34,784,561	-
Transfers out	-	(10,500,000)	(10,500,000)	-
Total other financing sources (uses), net	34,784,561	24,284,561	24,284,561	-
Net change in fund balance	\$ -	(11,010,836)	(7,580,529)	3,430,307

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

COUNTY OF FAIRFAX, VIRGINIA
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2025

EXHIBIT C

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Equity in pooled cash and temporary investments	\$ 959,966,354	4,200,183	657,221,908	1,621,388,445
Receivables (net of allowances):				
Accounts	27,034,802	-	5,344,567	32,379,369
Leases	178,400	-	-	178,400
Accrued interest	2,590,531	18,842	8,620,514	11,229,887
Loans	10,309,863	-	116,154,910	126,464,773
Notes	-	29,520,000	-	29,520,000
Due from intergovernmental units	107,430,558	-	50,888	107,481,446
Due from component units	1,817,044	-	-	1,817,044
Loan to component unit	-	6,930,000	-	6,930,000
Prepaid and other assets	362,943	-	-	362,943
Restricted assets:				
Equity in pooled cash and temporary investments	-	-	19,764,646	19,764,646
Cash with fiscal agents	83,566,084	5,778,057	29,938,882	119,283,023
Property held for sale	947,135	-	-	947,135
Total assets	<u>1,194,203,714</u>	<u>46,447,082</u>	<u>837,096,315</u>	<u>2,077,747,111</u>
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	\$ 1,194,203,714	46,447,082	837,096,315	2,077,747,111
LIABILITIES				
Accounts payable and accrued liabilities	\$ 75,277,766	301,674	15,426,306	91,005,746
Accrued salaries and benefits	17,655,980	-	40,916	17,696,896
Contract retainages	5,095,888	-	9,019,866	14,115,754
Due to intergovernmental units	8,677,471	-	-	8,677,471
Due to component units	196,313	-	3,512,083	3,708,396
Unearned revenues	8,256,518	-	23,066,018	31,322,536
Performance and other deposits	33,910,401	-	62,263,784	96,174,185
Total liabilities	<u>149,070,337</u>	<u>301,674</u>	<u>113,328,973</u>	<u>262,700,984</u>
DEFERRED INFLOWS OF RESOURCES				
Lease revenue	164,558	-	-	164,558
Unavailable revenue	21,528,295	29,520,000	8,620,514	59,668,809
Total deferred inflows of resources	<u>21,692,853</u>	<u>29,520,000</u>	<u>8,620,514</u>	<u>59,833,367</u>
Total liabilities and deferred inflows of resources	170,763,190	29,821,674	121,949,487	322,534,351
FUND BALANCES				
Nonspendable:				
Prepaid amounts	361,751	-	-	361,751
Total nonspendable	<u>361,751</u>	<u>-</u>	<u>-</u>	<u>361,751</u>
Restricted for:				
Public safety, courts, and judicial	77,789,992	-	-	77,789,992
General public works	98,257,868	-	-	98,257,868
Stormwater management	179,750,302	-	-	179,750,302
Transportation	393,584,165	-	-	393,584,165
Social services, health and welfare	85,478,657	-	-	85,478,657
Housing and community development	67,264,624	-	-	67,264,624
Parks, recreation, and cultural	20,312,427	-	-	20,312,427
Debt service	-	5,913,737	-	5,913,737
Capital projects	-	-	180,727,865	180,727,865
Other purposes	5,502,381	-	-	5,502,381
Total restricted	<u>927,940,416</u>	<u>5,913,737</u>	<u>180,727,865</u>	<u>1,114,582,018</u>
Committed to:				
Public safety, courts, and judicial	2,334,021	-	-	2,334,021
Transportation	15,662,867	-	-	15,662,867
Social services, health and welfare	69,858,852	-	-	69,858,852
Housing and community development	7,282,617	-	-	7,282,617
Debt service	-	10,711,671	-	10,711,671
Capital projects	-	-	534,418,963	534,418,963
Total committed	<u>95,138,357</u>	<u>10,711,671</u>	<u>534,418,963</u>	<u>640,268,991</u>
Total fund balances	<u>1,023,440,524</u>	<u>16,625,408</u>	<u>715,146,828</u>	<u>1,755,212,760</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,194,203,714	46,447,082	837,096,315	2,077,747,111

COUNTY OF FAIRFAX, VIRGINIA
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the fiscal year ended June 30, 2025

EXHIBIT C-1

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 44,755,796	-	34,785,485	79,541,281
Permits, privilege fees, and regulatory licenses	69,693,849	-	-	69,693,849
Intergovernmental	418,519,941	3,858,915	7,001,753	429,380,609
Charges for services	382,836,238	-	3,394,277	386,230,515
Fines and forfeitures	221,813	-	-	221,813
Developers' contributions	2,979,267	-	8,753,930	11,733,197
Revenue from the use of money and property	31,258,914	1,109,191	5,062,139	37,430,244
Recovered costs	5,918,255	-	3,706,223	9,624,478
Gifts, donations, and contributions	396,341	-	-	396,341
Total revenues	956,580,414	4,968,106	62,703,807	1,024,252,327
EXPENDITURES				
Current:				
General government administration	2,852,687	-	12,819,565	15,672,252
Judicial administration	857,555	-	-	857,555
Public safety	103,865,738	-	922,348	104,788,086
Public works	144,372,536	-	5,040,719	149,413,255
Health and welfare	338,926,020	-	4,708,075	343,634,095
Community development	300,272,466	-	21,249,897	321,522,363
Parks, recreation, and cultural	17,658,170	-	3,205,495	20,863,665
Intergovernmental:				
Community development	5,567,087	4,104,662	103,779,830	113,451,579
Parks, recreation, and cultural	-	-	69,682,028	69,682,028
Education - for Public Schools	2,600,467	-	230,000,000	232,600,467
Capital outlay:				
General government administration	291,418	-	14,204,522	14,495,940
Judicial administration	-	-	5,338,981	5,338,981
Public safety	4,299,154	-	43,169,139	47,468,293
Public works	68,670,137	-	1,384,351	70,054,488
Health and welfare	2,987,365	-	11,275,306	14,262,671
Community development	76,200,782	-	18,373,642	94,574,424
Parks, recreation, and cultural	2,513,334	-	24,056,696	26,570,030
Debt service:				
Principal retirement	54,399,534	300,255,000	2,895,000	357,549,534
Interest and other charges	25,638,557	111,250,259	2,669,790	139,558,606
Total expenditures	1,151,973,007	415,609,921	574,775,384	2,142,358,312
Excess (deficiency) of revenues over (under) expenditures	(195,392,593)	(410,641,815)	(512,071,577)	(1,118,105,985)
OTHER FINANCING SOURCES (USES)				
Transfers in	319,580,371	367,852,122	218,759,393	906,191,886
Transfers out	(77,921,502)	(3,000,000)	(25,954,816)	(106,876,318)
General obligation bonds issued	-	-	378,150,000	378,150,000
Premium on general obligation bonds issued	-	-	23,298,319	23,298,319
Revenue refunding bonds issued	-	36,590,000	-	36,590,000
Premium on revenue refunding bonds issued	-	3,653,688	-	3,653,688
Notes issued	-	4,104,662	-	4,104,662
Leases and installment purchases	22,261,794	-	-	22,261,794
Total other financing sources (uses), net	263,920,663	409,200,472	594,252,896	1,267,374,031
Net change in fund balances	68,528,070	(1,441,343)	82,181,319	149,268,046
Fund balances, July 1, 2024*	954,912,454	18,066,751	632,965,509	1,605,944,714
Fund balances, June 30, 2025	\$ 1,023,440,524	16,625,408	715,146,828	1,755,212,760

*Fiscal year 2025 beginning balance restated.

See accompanying notes to the financial statements.



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

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

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

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

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

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

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

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

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

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

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

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

Mosaic Community Development Authority (CDA) Fund is the main operating fund of the CDA. The CDA was established as a separate corporate entity and all operational aspects are handled by administrators and trustees outside the County. The CDA is funded through a special assessment on property located within the Mosaic District. This fund is not an appropriated fund within the operating budget and thus has no budgetary comparison schedule.

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

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

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

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

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

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

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

Land Development Services Fund focuses on the safe and sustainable building of communities throughout Fairfax County. The fund is committed to the protection of the environment and the health, safety, and welfare of all who live in, work in, and visit Fairfax County.

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

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

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

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

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

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

Early Childhood Birth to 5 Fund Effective FY2025, this fund was reclassified and is now reported within the General Fund, as it no longer meets the criteria for separate reporting as a Special Revenue Fund.



COUNTY OF FAIRFAX, VIRGINIA
Special Revenue Funds
Combining Balance Sheet
June 30, 2025

	County Transit Systems	Dulles Rail Phase I Transportation Improvement District	Dulles Rail Phase II Transportation Improvement District	County and Regional Transportation Projects	Tysons Service District
ASSETS					
Equity in pooled cash and temporary investments	\$ 28,863,182	9,420,182	12,709,932	169,485,156	78,910,441
Receivables (net of allowances):					
Accounts	1,010,428	22,930	38,360	268,085	24,769
Leases	-	-	-	-	-
Accrued interest	-	-	-	-	-
Loans	-	-	-	-	-
Due from intergovernmental units	9,586,157	-	-	61,982,425	383,638
Due from component units	-	-	-	-	-
Prepaid and other assets	-	-	-	-	-
Restricted assets:					
Cash with fiscal agents	-	29,482,801	16,750,597	6,659,706	-
Property held for sale	-	-	-	-	-
Total assets	<u>39,459,767</u>	<u>38,925,913</u>	<u>29,498,889</u>	<u>238,395,372</u>	<u>79,318,848</u>
DEFERRED OUTFLOWS OF RESOURCES					
Total deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 39,459,767	38,925,913	29,498,889	238,395,372	79,318,848
LIABILITIES					
Accounts payable and accrued liabilities	\$ 23,588,452	550	281	10,523,423	2,790
Accrued salaries and benefits	-	-	-	405,727	-
Contract retainages	-	-	-	860,762	-
Due to intergovernmental units	-	-	-	8,677,471	-
Due to component units	-	-	-	-	-
Unearned revenues	-	22,930	38,360	268,271	24,770
Performance and other deposits	208,448	-	-	-	-
Total liabilities	<u>23,796,900</u>	<u>23,480</u>	<u>38,641</u>	<u>20,735,654</u>	<u>27,560</u>
DEFERRED INFLOWS OF RESOURCES					
Lease revenue	-	-	-	-	-
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Total liabilities and deferred inflows of resources	23,796,900	23,480	38,641	20,735,654	27,560
FUND BALANCES					
Nonspendable:					
Prepaid amounts	-	-	-	-	-
Total nonspendable	-	-	-	-	-
Restricted for:					
Public safety, courts, and judicial	-	-	-	-	-
General public works	-	-	-	-	-
Stormwater management	-	-	-	-	-
Transportation	-	38,902,433	29,460,248	217,659,718	79,291,288
Social services, health and welfare	-	-	-	-	-
Housing and community development	-	-	-	-	-
Parks, recreation, and cultural	-	-	-	-	-
Other purposes	-	-	-	-	-
Total restricted	-	<u>38,902,433</u>	<u>29,460,248</u>	<u>217,659,718</u>	<u>79,291,288</u>
Committed to:					
Public safety, courts, and judicial	-	-	-	-	-
Transportation	15,662,867	-	-	-	-
Social services, health and welfare	-	-	-	-	-
Housing and community development	-	-	-	-	-
Total committed	<u>15,662,867</u>	-	-	-	-
Total fund balances	<u>15,662,867</u>	<u>38,902,433</u>	<u>29,460,248</u>	<u>217,659,718</u>	<u>79,291,288</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ 39,459,767	38,925,913	29,498,889	238,395,372	79,318,848

EXHIBIT D

Reston Service District	Metrorail Parking System Pledged Revenues	Federal/ State Grant	Cable Communications	Fairfax- Falls Church Community Services Board	
					ASSETS
18,108,662	2,772,596	111,334,397	6,700,818	80,309,793	Equity in pooled cash and temporary investments
					Receivables (net of allowances):
3,918	-	13,577,024	1,141,443	-	Accounts
-	-	-	-	-	Leases
-	-	-	-	-	Accrued interest
-	-	-	-	-	Loans
-	-	27,039,299	628,579	-	Due from intergovernmental units
-	-	-	-	-	Due from component units
-	-	-	-	106,835	Prepaid and other assets
-	5,146,503	-	-	-	Restricted assets:
-	-	-	-	-	Cash with fiscal agents
-	-	-	-	-	Property held for sale
18,112,580	7,919,099	151,950,720	8,470,840	80,416,628	Total assets
					DEFERRED OUTFLOWS OF RESOURCES
-	-	-	-	-	Total deferred outflows of resources
18,112,580	7,919,099	151,950,720	8,470,840	80,416,628	Total assets and deferred outflows of resources
					LIABILITIES
635	152,322	7,258,508	322,345	5,023,399	Accounts payable and accrued liabilities
-	-	2,580,604	237,299	7,258,508	Accrued salaries and benefits
-	-	100,000	-	-	Contract retainages
-	-	-	-	-	Due to intergovernmental units
-	-	196,313	-	-	Due to component units
3,918	-	6,255,013	-	-	Unearned revenues
-	-	-	-	-	Performance and other deposits
4,553	152,322	16,390,438	559,644	12,281,907	Total liabilities
					DEFERRED INFLOWS OF RESOURCES
-	-	-	-	-	Lease revenue
-	-	13,211,327	628,579	-	Unavailable revenue
-	-	13,211,327	628,579	-	Total deferred inflows of resources
4,553	152,322	29,601,765	1,188,223	12,281,907	Total liabilities and deferred inflows of resources
					FUND BALANCES
					Nonspendable:
-	-	-	-	105,643	Prepaid amounts
-	-	-	-	105,643	Total nonspendable
					Restricted for:
-	-	30,916,370	-	-	Public safety, courts, and judicial
-	-	-	-	-	General public works
-	-	12,353	-	-	Stormwater management
18,108,027	7,766,777	2,395,674	-	-	Transportation
-	-	82,110,274	-	-	Social services, health and welfare
-	-	17,773	-	-	Housing and community development
-	-	1,200	-	-	Parks, recreation, and cultural
-	-	5,502,381	-	-	Other purposes
18,108,027	7,766,777	120,956,025	-	-	Total restricted
					Committed to:
-	-	-	-	-	Public safety, courts, and judicial
-	-	-	-	-	Transportation
-	-	1,392,930	-	68,029,078	Social services, health and welfare
-	-	-	7,282,617	-	Housing and community development
-	-	1,392,930	7,282,617	68,029,078	Total committed
18,108,027	7,766,777	122,348,955	7,282,617	68,134,721	Total fund balances
18,112,580	7,919,099	151,950,720	8,470,840	80,416,628	Total liabilities, deferred inflows of resources, and fund balances

continued

COUNTY OF FAIRFAX, VIRGINIA
Special Revenue Funds
Combining Balance Sheet
June 30, 2025

	Reston Community Center	Mosaic Community Development Authority	McLean Community Center	Burgundy Village Community Center	E-911
ASSETS					
Equity in pooled cash and temporary investments	\$ 13,435,029	-	7,922,641	666,326	47,518,399
Receivables (net of allowances):					
Accounts	44,789	-	83,293	472	(1,380)
Leases	-	-	-	-	-
Accrued interest	-	10,766	-	-	-
Loans	-	-	-	-	-
Due from intergovernmental units	-	-	-	-	7,317,525
Due from component units	-	-	-	-	-
Prepaid and other assets	-	-	116,041	-	-
Restricted assets:					
Cash with fiscal agents	-	3,248,000	-	-	-
Property held for sale	-	-	-	-	-
Total assets	<u>13,479,818</u>	<u>3,258,766</u>	<u>8,121,975</u>	<u>666,798</u>	<u>54,834,544</u>
DEFERRED OUTFLOWS OF RESOURCES					
Total deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 13,479,818</u>	<u>3,258,766</u>	<u>8,121,975</u>	<u>666,798</u>	<u>54,834,544</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 169,658	1,565	261,270	989	626,084
Accrued salaries and benefits	327,745	-	232,195	833	1,705,895
Contract retainages	-	-	-	-	-
Due to intergovernmental units	-	-	-	-	-
Due to component units	-	-	-	-	-
Unearned revenues	363,747	-	468,014	13,272	-
Performance and other deposits	3,600	-	-	-	-
Total liabilities	<u>864,750</u>	<u>1,565</u>	<u>961,479</u>	<u>15,094</u>	<u>2,331,979</u>
DEFERRED INFLOWS OF RESOURCES					
Lease revenue	-	-	-	-	-
Unavailable revenue	-	-	-	-	3,294,922
Total deferred inflows of resources	-	-	-	-	<u>3,294,922</u>
Total liabilities and deferred inflows of resources	<u>864,750</u>	<u>1,565</u>	<u>961,479</u>	<u>15,094</u>	<u>5,626,901</u>
FUND BALANCES					
Nonspendable:					
Prepaid amounts	-	-	116,041	-	-
Total nonspendable	-	-	<u>116,041</u>	-	-
Restricted for:					
Public safety, courts, and judicial	-	-	-	-	46,873,622
General public works	-	-	-	-	-
Stormwater management	-	-	-	-	-
Transportation	-	-	-	-	-
Social services, health and welfare	-	-	-	-	-
Housing and community development	-	3,257,201	-	-	-
Parks, recreation, and cultural	12,615,068	-	7,044,455	651,704	-
Other purposes	-	-	-	-	-
Total restricted	<u>12,615,068</u>	<u>3,257,201</u>	<u>7,044,455</u>	<u>651,704</u>	<u>46,873,622</u>
Committed to:					
Public safety, courts, and judicial	-	-	-	-	2,334,021
Transportation	-	-	-	-	-
Social services, health and welfare	-	-	-	-	-
Housing and community development	-	-	-	-	-
Total committed	-	-	-	-	<u>2,334,021</u>
Total fund balances	<u>12,615,068</u>	<u>3,257,201</u>	<u>7,160,496</u>	<u>651,704</u>	<u>49,207,643</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 13,479,818</u>	<u>3,258,766</u>	<u>8,121,975</u>	<u>666,798</u>	<u>54,834,544</u>

EXHIBIT D

Integrated Pest Management Program	Stormwater Services	Leaf Collection	Refuse Collection and Recycling Operations	Land Development Services	
6,438,643	176,098,347	5,749,496	6,485,947	54,601,215	ASSETS
					Equity in pooled cash and temporary investments
15,490	1,412,524	27,046	224,900	1,313,336	Receivables (net of allowances):
-	-	-	-	-	Accounts
-	-	-	-	-	Leases
-	-	-	-	-	Accrued interest
-	-	-	-	-	Loans
-	-	-	2,200	9,055	Due from intergovernmental units
-	-	-	-	-	Due from component units
-	140,067	-	-	-	Prepaid and other assets
-	21,499,401	-	-	779,076	Restricted assets:
-	-	-	-	-	Cash with fiscal agents
-	-	-	-	-	Property held for sale
6,454,133	199,150,339	5,776,542	6,713,047	56,702,682	Total assets
					DEFERRED OUTFLOWS OF RESOURCES
-	-	-	-	-	Total deferred outflows of resources
6,454,133	199,150,339	5,776,542	6,713,047	56,702,682	Total assets and deferred outflows of resources
					LIABILITIES
60,177	12,932,755	122,867	1,016,160	972,423	Accounts payable and accrued liabilities
114,517	1,204,934	2,451	506,516	1,848,824	Accrued salaries and benefits
-	4,049,623	-	-	-	Contract retainages
-	-	-	-	-	Due to intergovernmental units
-	-	-	-	-	Due to component units
15,454	495,820	27,041	259,908	-	Unearned revenues
-	589,191	-	-	33,109,162	Performance and other deposits
190,148	19,272,323	152,359	1,782,584	35,930,409	Total liabilities
					DEFERRED INFLOWS OF RESOURCES
-	-	-	-	-	Lease revenue
-	-	-	-	-	Unavailable revenue
-	-	-	-	-	Total deferred inflows of resources
190,148	19,272,323	152,359	1,782,584	35,930,409	Total liabilities and deferred inflows of resources
					FUND BALANCES
					Nonspendable:
-	140,067	-	-	-	Prepaid amounts
-	140,067	-	-	-	Total nonspendable
					Restricted for:
-	-	-	-	-	Public safety, courts, and judicial
-	-	5,624,183	4,930,463	-	General public works
-	179,737,949	-	-	-	Stormwater management
-	-	-	-	-	Transportation
3,368,383	-	-	-	-	Social services, health and welfare
2,895,602	-	-	-	20,772,273	Housing and community development
-	-	-	-	-	Parks, recreation, and cultural
-	-	-	-	-	Other purposes
6,263,985	179,737,949	5,624,183	4,930,463	20,772,273	Total restricted
					Committed to:
-	-	-	-	-	Public safety, courts, and judicial
-	-	-	-	-	Transportation
-	-	-	-	-	Social services, health and welfare
-	-	-	-	-	Housing and community development
-	-	-	-	-	Total committed
6,263,985	179,878,016	5,624,183	4,930,463	20,772,273	Total fund balances
6,454,133	199,150,339	5,776,542	6,713,047	56,702,682	Total liabilities, deferred inflows of resources, and fund balances

continued

COUNTY OF FAIRFAX, VIRGINIA
Special Revenue Funds
Combining Balance Sheet
June 30, 2025

	Refuse Disposal	I-95 Refuse Disposal	Community Development Block Grant	Housing Trust
ASSETS				
Equity in pooled cash and temporary investments	\$ 37,375,830	51,781,963	2,163,476	30,032,496
Receivables (net of allowances):				
Accounts	6,823,191	1,004,184	-	-
Leases	178,400	-	-	-
Accrued interest	3,342	-	-	2,576,423
Loans	-	-	127,971	9,350,805
Due from intergovernmental units	143,352	-	236,346	-
Due from component units	-	-	1,817,044	-
Prepaid and other assets	-	-	-	-
Restricted assets:				
Cash with fiscal agents	-	-	-	-
Property held for sale	-	-	-	947,135
Total assets	<u>44,524,115</u>	<u>52,786,147</u>	<u>4,344,837</u>	<u>42,906,859</u>
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 44,524,115</u>	<u>52,786,147</u>	<u>4,344,837</u>	<u>42,906,859</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 7,655,427	630,131	25,394	3,927,606
Accrued salaries and benefits	813,918	257,503	73,366	-
Contract retainages	81,169	4,334	-	-
Due to intergovernmental units	-	-	-	-
Due to component units	-	-	-	-
Unearned revenues	-	-	-	-
Performance and other deposits	-	-	-	-
Total liabilities	<u>8,550,514</u>	<u>891,968</u>	<u>98,760</u>	<u>3,927,606</u>
DEFERRED INFLOWS OF RESOURCES				
Lease revenue	164,558	-	-	-
Unavailable revenue	-	-	1,817,044	2,576,423
Total deferred inflows of resources	<u>164,558</u>	<u>-</u>	<u>1,817,044</u>	<u>2,576,423</u>
Total liabilities and deferred inflows of resources	<u>8,715,072</u>	<u>891,968</u>	<u>1,915,804</u>	<u>6,504,029</u>
FUND BALANCES				
Nonspendable:				
Prepaid amounts	-	-	-	-
Total nonspendable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Restricted for:				
Public safety, courts, and judicial	-	-	-	-
General public works	35,809,043	51,894,179	-	-
Stormwater management	-	-	-	-
Transportation	-	-	-	-
Social services, health and welfare	-	-	-	-
Housing and community development	-	-	2,429,033	36,402,830
Parks, recreation, and cultural	-	-	-	-
Other purposes	-	-	-	-
Total restricted	<u>35,809,043</u>	<u>51,894,179</u>	<u>2,429,033</u>	<u>36,402,830</u>
Committed to:				
Public safety, courts, and judicial	-	-	-	-
Transportation	-	-	-	-
Social services, health and welfare	-	-	-	-
Housing and community development	-	-	-	-
Total committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>35,809,043</u>	<u>51,894,179</u>	<u>2,429,033</u>	<u>36,402,830</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 44,524,115</u>	<u>52,786,147</u>	<u>4,344,837</u>	<u>42,906,859</u>

EXHIBIT D

concluded

HOME Investment Partnerships Grant	Alcohol Safety Action Program	Early Childhood Birth-5	Total Special Revenue Funds	
569,284	512,103	-	959,966,354	ASSETS
-	-	-	27,034,802	Equity in pooled cash and temporary investments
-	-	-	178,400	Receivables (net of allowances):
-	-	-	2,590,531	Accounts
831,087	-	-	10,309,863	Leases
101,982	-	-	107,430,558	Accrued interest
-	-	-	1,817,044	Loans
-	-	-	362,943	Due from intergovernmental units
-	-	-	83,566,084	Due from component units
-	-	-	947,135	Prepaid and other assets
1,502,353	512,103	-	1,194,203,714	Restricted assets:
				Cash with fiscal agents
				Property held for sale
				Total assets
				DEFERRED OUTFLOWS OF RESOURCES
				Total deferred outflows of resources
1,502,353	512,103	-	1,194,203,714	Total assets and deferred outflows of resources
				LIABILITIES
-	2,555	-	75,277,766	Accounts payable and accrued liabilities
12,441	72,704	-	17,655,980	Accrued salaries and benefits
-	-	-	5,095,888	Contract retainages
-	-	-	8,677,471	Due to intergovernmental units
-	-	-	196,313	Due to component units
-	-	-	8,256,518	Unearned revenues
-	-	-	33,910,401	Performance and other deposits
12,441	75,259	-	149,070,337	Total liabilities
				DEFERRED INFLOWS OF RESOURCES
-	-	-	164,558	Lease revenue
-	-	-	21,528,295	Unavailable revenue
-	-	-	21,692,853	Total deferred inflows of resources
12,441	75,259	-	170,763,190	Total liabilities and deferred inflows of resources
				FUND BALANCES
				Nonspendable:
-	-	-	361,751	Prepaid amounts
-	-	-	361,751	Total nonspendable
				Restricted for:
-	-	-	77,789,992	Public safety, courts, and judicial
-	-	-	98,257,868	General public works
-	-	-	179,750,302	Stormwater management
-	-	-	393,584,165	Transportation
-	-	-	85,478,657	Social services, health and welfare
1,489,912	-	-	67,264,624	Housing and community development
-	-	-	20,312,427	Parks, recreation, and cultural
-	-	-	5,502,381	Other purposes
1,489,912	-	-	927,940,416	Total restricted
				Committed to:
-	-	-	2,334,021	Public safety, courts, and judicial
-	-	-	15,662,867	Transportation
-	436,844	-	69,858,852	Social services, health and welfare
-	-	-	7,282,617	Housing and community development
-	436,844	-	95,138,357	Total committed
1,489,912	436,844	-	1,023,440,524	Total fund balances
				Total liabilities, deferred inflows of resources, and fund balances
1,502,353	512,103	-	1,194,203,714	

COUNTY OF FAIRFAX, VIRGINIA
Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the fiscal year ended June 30, 2025

	County Transit Systems	Dulles Rail Phase I Transportation Improvement District	Dulles Rail Phase II Transportation Improvement District	County and Regional Transportation Projects	Tysons Service District
REVENUES					
Taxes	\$ -	-	-	-	-
Permits, privilege fees, and regulatory licenses	-	-	-	-	-
Intergovernmental	58,768,083	-	-	133,703,505	-
Charges for services	6,220,891	15,596,102	16,961,889	62,376,243	8,853,664
Fines and forfeitures	-	-	-	-	-
Developers' contributions	-	-	-	-	-
Revenue from the use of money and property	2,086,508	1,728,867	1,481,309	3,437,460	1,665,576
Recovered costs	-	-	-	140,102	383,638
Gifts, donations, and contributions	-	-	-	-	-
Total revenues	67,075,482	17,324,969	18,443,198	199,657,310	10,902,878
EXPENDITURES					
Current:					
General government administration	-	-	-	-	-
Judicial administration	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Community development	133,642,592	-	-	105,600,797	67,791
Parks, recreation, and cultural	-	-	-	-	-
Intergovernmental:					
Community development	5,567,087	-	-	-	-
Education - for Public Schools	-	-	-	-	-
Capital outlay:					
General government administration	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Community development	4,441,432	-	-	61,109,510	-
Parks, recreation, and cultural	-	-	-	-	-
Debt service:					
Principal retirement	26,637	9,155,000	20,701,421	8,751,505	-
Interest and other charges	685	4,393,850	4,509,831	6,363,336	-
Total expenditures	143,678,433	13,548,850	25,211,252	181,825,148	67,791
Excess (deficiency) of revenues over (under) expenditures	(76,602,951)	3,776,119	(6,768,054)	17,832,162	10,835,087
OTHER FINANCING SOURCES (USES)					
Transfers in	91,207,697	-	-	-	-
Transfers out	-	-	-	(44,867,990)	-
Leases and installment purchases	-	-	-	21,102,927	-
Total other financing sources	91,207,697	-	-	(23,765,063)	-
Net change in fund balances	14,604,746	3,776,119	(6,768,054)	(5,932,901)	10,835,087
Fund balances, July 1, 2024	1,058,121	35,126,314	36,228,302	223,592,619	68,456,201
Fund balances, June 30, 2025	\$ 15,662,867	38,902,433	29,460,248	217,659,718	79,291,288

EXHIBIT D-1

Reston Service District	Metrorail Parking System Pledged Revenues	Federal/ State Grant	Cable Communications	Fairfax- Falls Church Community Services Board	
					REVENUES
-	-	-	-	-	Taxes
-	-	-	16,671,264	-	Permits, privilege fees, and regulatory licenses
-	-	180,384,609	-	25,212,966	Intergovernmental
2,535,395	3,174,889	4,807,416	90	30,208,031	Charges for services
-	-	-	7,400	12,622	Fines and forfeitures
-	-	-	-	-	Developers' contributions
379,576	4,571,485	134,776	-	124,800	Revenue from the use of money and property
-	-	2,916,946	-	-	Recovered costs
-	-	396,341	-	-	Gifts, donations, and contributions
<u>2,914,971</u>	<u>7,746,374</u>	<u>188,640,088</u>	<u>16,678,754</u>	<u>55,558,419</u>	<u>Total revenues</u>
					EXPENDITURES
					Current:
-	-	-	2,852,687	-	General government administration
-	-	857,555	-	-	Judicial administration
-	-	32,412,369	1,109,761	-	Public safety
-	-	-	-	-	Public works
-	-	116,366,599	-	219,229,311	Health and welfare
-	2,520,627	11,052,336	5,462,557	-	Community development
-	-	-	-	-	Parks, recreation, and cultural
					Intergovernmental:
-	-	-	-	-	Community development
-	-	-	2,600,467	-	Education - for Public Schools
					Capital outlay:
-	-	-	291,418	-	General government administration
-	-	1,945,143	-	-	Public safety
-	-	-	-	-	Public works
-	-	2,241,086	-	758,629	Health and welfare
-	-	2,162,378	406,586	-	Community development
-	-	-	-	-	Parks, recreation, and cultural
					Debt service:
-	5,210,000	-	-	2,039,065	Principal retirement
-	5,733,000	-	-	949,261	Interest and other charges
-	<u>13,463,627</u>	<u>167,037,466</u>	<u>12,723,476</u>	<u>222,976,266</u>	<u>Total expenditures</u>
<u>2,914,971</u>	<u>(5,717,253)</u>	<u>21,602,622</u>	<u>3,955,278</u>	<u>(167,417,847)</u>	Excess (deficiency) of revenues over (under) expenditures
					OTHER FINANCING SOURCES (USES)
-	9,429,775	5,532,674	-	181,406,295	Transfers in
-	-	-	(5,564,569)	(18,775,143)	Transfers out
-	-	-	-	758,629	Leases and installment purchases
-	<u>9,429,775</u>	<u>5,532,674</u>	<u>(5,564,569)</u>	<u>163,389,781</u>	<u>Total other financing sources (uses), net</u>
2,914,971	3,712,522	27,135,296	(1,609,291)	(4,028,066)	Net change in fund balances
15,193,056	4,054,255	95,213,659	8,891,908	72,162,787	Fund balances, July 1, 2024
<u>18,108,027</u>	<u>7,766,777</u>	<u>122,348,955</u>	<u>7,282,617</u>	<u>68,134,721</u>	<u>Fund balances, June 30, 2025</u>

continued

COUNTY OF FAIRFAX, VIRGINIA
Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the fiscal year ended June 30, 2025

	Reston Community Center	Mosaic Community Development Authority	McLean Community Center	Burgundy Village Community Center	E-911
REVENUES					
Taxes	\$ -	4,878,700	-	-	39,877,096
Permits, privilege fees, and regulatory licenses	-	-	-	-	-
Intergovernmental	-	-	-	-	4,316,668
Charges for services	11,193,421	-	7,667,842	42,026	1,317
Fines and forfeitures	-	-	-	-	-
Developers' contributions	-	-	-	-	-
Revenue from the use of money and property	758,012	191,051	321,362	97,166	1,155,588
Recovered costs	-	-	-	-	251,157
Gifts, donations, and contributions	-	-	-	-	-
Total revenues	11,951,433	5,069,751	7,989,204	139,192	45,601,826
EXPENDITURES					
Current:					
General government administration	-	-	-	-	-
Judicial administration	-	-	-	-	-
Public safety	-	-	-	-	52,477,556
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Community development	-	52,446	-	-	-
Parks, recreation, and cultural	10,104,981	-	7,524,270	28,919	-
Intergovernmental:					
Community development	-	-	-	-	-
Education - for Public Schools	-	-	-	-	-
Capital outlay:					
General government administration	-	-	-	-	-
Public safety	-	-	-	-	2,354,011
Public works	-	-	-	-	-
Health and welfare	-	-	-	(12,350)	-
Community development	-	-	-	-	-
Parks, recreation, and cultural	1,458,821	-	1,054,513	-	-
Debt service:					
Principal retirement	188,144	-	-	-	3,674,300
Interest and other charges	94,114	-	-	-	1,062,542
Total expenditures	11,846,060	52,446	8,578,783	16,569	59,568,409
Excess (deficiency) of revenues over (under) expenditures	105,373	5,017,305	(589,579)	122,623	(13,966,583)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	17,882,242
Transfers out	-	(4,811,621)	-	-	-
Leases and installment purchases	299,716	-	-	-	52,782
Total other financing sources (uses),	299,716	(4,811,621)	-	-	17,935,024
Net change in fund balances	405,089	205,684	(589,579)	122,623	3,968,441
Fund balances, July 1, 2024	12,209,979	3,051,517	7,750,075	529,081	45,239,202
Fund balances, June 30, 2025	\$ 12,615,068	3,257,201	7,160,496	651,704	49,207,643

EXHIBIT D-1

Integrated Pest Management Program	Stormwater Services	Leaf Collection	Refuse Collection and Recycling Operations	Land Development Services	
					REVENUES
-	-	-	-	-	Taxes
-	-	-	-	52,903,547	Permits, privilege fees, and regulatory licenses
-	9,548,366	-	240,745	-	Intergovernmental
3,192,458	104,196,431	4,262,688	25,030,705	3,942,661	Charges for services
-	-	-	50	93,065	Fines and forfeitures
-	-	-	-	-	Developers' contributions
159,368	2,595,139	142,632	283,310	1,078,278	Revenue from the use of money and property
-	2,172,474	-	-	7,616	Recovered costs
-	-	-	-	-	Gifts, donations, and contributions
<u>3,351,826</u>	<u>118,512,410</u>	<u>4,405,320</u>	<u>25,554,810</u>	<u>58,025,167</u>	Total revenues
					EXPENDITURES
					Current:
-	-	-	-	-	General government administration
-	-	-	-	-	Judicial administration
-	-	-	-	17,866,052	Public safety
-	48,495,643	2,437,967	22,594,946	-	Public works
1,634,021	-	-	-	-	Health and welfare
1,425,625	-	-	-	33,416,703	Community development
-	-	-	-	-	Parks, recreation, and cultural
					Intergovernmental:
-	-	-	-	-	Community development
-	-	-	-	-	Education - for Public Schools
					Capital outlay:
-	-	-	-	-	General government administration
-	-	-	-	-	Public safety
-	59,936,175	438,125	702,683	-	Public works
-	-	-	-	-	Health and welfare
-	-	-	-	-	Community development
-	-	-	-	-	Parks, recreation, and cultural
					Debt service:
-	1,815,000	-	57,544	-	Principal retirement
-	2,366,375	-	2,456	-	Interest and other charges
<u>3,059,646</u>	<u>112,613,193</u>	<u>2,876,092</u>	<u>23,357,629</u>	<u>51,282,755</u>	Total expenditures
292,180	5,899,217	1,529,228	2,197,181	6,742,412	Excess (deficiency) of revenues over (under) expenditures
					OTHER FINANCING SOURCES (USES)
-	12,954,792	-	-	-	Transfers in
(159,824)	(1,609,462)	(44,193)	(539,815)	(433,852)	Transfers out
-	-	-	-	-	Leases and installment purchases
<u>(159,824)</u>	<u>11,345,330</u>	<u>(44,193)</u>	<u>(539,815)</u>	<u>(433,852)</u>	Total other financing sources (uses), net
132,356	17,244,547	1,485,035	1,657,366	6,308,560	Net change in fund balances
6,131,629	162,633,469	4,139,148	3,273,097	14,463,713	Fund balances, July 1, 2024
<u>6,263,985</u>	<u>179,878,016</u>	<u>5,624,183</u>	<u>4,930,463</u>	<u>20,772,273</u>	Fund balances, June 30, 2025

continued

COUNTY OF FAIRFAX, VIRGINIA
Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the fiscal year ended June 30, 2025

	Refuse Disposal	I-95 Refuse Disposal	Community Development Block Grant	Housing Trust
REVENUES				
Taxes	\$ -	-	-	-
Permits, privilege fees, and regulatory licenses	115,956	3,082	-	-
Intergovernmental	-	-	5,089,656	-
Charges for services	59,947,185	11,980,209	-	-
Fines and forfeitures	108,676	-	-	-
Developers' contributions	-	-	-	2,979,267
Revenue from the use of money and property	2,824,327	1,164,482	1,596,928	2,675,462
Recovered costs	917	-	-	45,405
Gifts, donations, and contributions	-	-	-	-
Total revenues	62,997,061	13,147,773	6,686,584	5,700,134
EXPENDITURES				
Current:				
General government administration	-	-	-	-
Judicial administration	-	-	-	-
Public safety	-	-	-	-
Public works	63,543,852	7,300,128	-	-
Health and welfare	-	-	-	-
Community development	-	-	3,575,392	2,065,811
Parks, recreation, and cultural	-	-	-	-
Intergovernmental:				
Community development	-	-	-	-
Education - for Public Schools	-	-	-	-
Capital outlay:				
General government administration	-	-	-	-
Public safety	-	-	-	-
Public works	4,639,305	2,953,849	-	-
Health and welfare	-	-	-	-
Community development	-	-	-	8,080,876
Parks, recreation, and cultural	-	-	-	-
Debt service:				
Principal retirement	373,918	-	2,407,000	-
Interest and other charges	59,871	-	103,236	-
Total expenditures	68,616,946	10,253,977	6,085,628	10,146,687
Excess (deficiency) of revenues over (under) expenditures	(5,619,885)	2,893,796	600,956	(4,446,553)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(802,437)	(249,596)	-	(63,000)
Leases and installment purchases	47,740	-	-	-
Total other financing sources (uses)	(754,697)	(249,596)	-	(63,000)
Net change in fund balances	(6,374,582)	2,644,200	600,956	(4,509,553)
Fund balances, July 1, 2024	42,183,625	49,249,979	1,828,077	40,912,383
Fund balances, June 30, 2025	\$35,809,043	51,894,179	2,429,033	36,402,830

EXHIBIT D-1

concluded

HOME Investment Partnerships Grant	Alcohol Safety Action Program	Early Childhood Birth-5	Total Special Revenue Funds	
				REVENUES
-	-	-	44,755,796	Taxes
-	-	-	69,693,849	Permits, privilege fees, and regulatory licenses
1,254,497	846	-	418,519,941	Intergovernmental
-	644,685	-	382,836,238	Charges for services
-	-	-	221,813	Fines and forfeitures
-	-	-	2,979,267	Developers' contributions
583,239	22,213	-	31,258,914	Revenue from the use of money and property
-	-	-	5,918,255	Recovered costs
-	-	-	396,341	Gifts, donations, and contributions
1,837,736	667,744	-	956,580,414	Total revenues
				EXPENDITURES
				Current:
-	-	-	2,852,687	General government administration
-	-	-	857,555	Judicial administration
-	-	-	103,865,738	Public safety
-	-	-	144,372,536	Public works
-	1,696,089	-	338,926,020	Health and welfare
1,389,789	-	-	300,272,466	Community development
-	-	-	17,658,170	Parks, recreation, and cultural
				Intergovernmental:
-	-	-	5,567,087	Community development
-	-	-	2,600,467	Education - for Public Schools
				Capital outlay:
-	-	-	291,418	General government administration
-	-	-	4,299,154	Public safety
-	-	-	68,670,137	Public works
-	-	-	2,987,365	Health and welfare
-	-	-	76,200,782	Community development
-	-	-	2,513,334	Parks, recreation, and cultural
				Debt service:
-	-	-	54,399,534	Principal retirement
-	-	-	25,638,557	Interest and other charges
1,389,789	1,696,089	-	1,151,973,007	Total expenditures
447,947	(1,028,345)	-	(195,392,593)	Excess (deficiency) of revenues over (under) expenditures
				OTHER FINANCING SOURCES (USES)
-	1,166,896	-	319,580,371	Transfers in
-	-	-	(77,921,502)	Transfers out
-	-	-	22,261,794	Leases and installment purchases
-	1,166,896	-	263,920,663	Total other financing sources (uses), net
447,947	138,551	-	68,528,070	Net change in fund balances
1,041,965	298,293	-	954,912,454	Fund balances, July 1, 2024
1,489,912	436,844	-	1,023,440,524	Fund balances, June 30, 2025

COUNTY OF FAIRFAX, VIRGINIA
Special Revenue Fund
Budgetary Comparison Schedule - County Transit Systems Fund (Budget Basis)
For the fiscal year ended June 30, 2025

EXHIBIT D-2A

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$78,839,026	112,323,901	58,768,083	(53,555,818)
Charges for services	5,033,351	5,633,351	6,220,891	587,540
Revenue from the use of money and property	496,000	496,000	2,086,508	1,590,508
Total revenues	84,368,377	118,453,252	67,075,482	(51,377,770)
EXPENDITURES				
Community development	177,358,888	209,904,311	143,678,433	66,225,878
Total expenditures	177,358,888	209,904,311	143,678,433	66,225,878
Excess (deficiency) of revenues over (under) expenditures	(92,990,511)	(91,451,059)	(76,602,951)	14,848,108
OTHER FINANCING SOURCES				
Transfers in	91,139,461	91,207,697	91,207,697	-
Total other financing sources	91,139,461	91,207,697	91,207,697	-
Net change in fund balance	\$(1,851,050)	(243,362)	14,604,746	14,848,108

COUNTY OF FAIRFAX, VIRGINIA
Special Revenue Fund
Budgetary Comparison Schedule - Dulles Rail Phase I Transportation Improvement
District Fund (Budget Basis)
For the fiscal year ended June 30, 2025

EXHIBIT D-2B

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$15,590,343	15,590,343	15,596,102	5,759
Revenue from the use of money and property	-	-	1,728,867	1,728,867
Total revenues	15,590,343	15,590,343	17,324,969	1,734,626
EXPENDITURES				
Debt service:				
Principal retirement	8,720,000	8,720,000	9,155,000	(435,000)
Interest and other charges:				
Interest	5,106,300	5,106,300	4,392,900	713,400
Bond issuance costs and other	-	-	950	(950)
Total expenditures	13,826,300	13,826,300	13,548,850	277,450
Excess of revenues over expenditures	1,764,043	1,764,043	3,776,119	2,012,076
Net change in fund balance	\$ 1,764,043	1,764,043	3,776,119	2,012,076

COUNTY OF FAIRFAX, VIRGINIA
Special Revenue Fund
Budgetary Comparison Schedule - Dulles Rail Phase II Transportation Improvement
District Fund (Budget Basis)
For the fiscal year ended June 30, 2025

EXHIBIT D-2C

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive Negative
	Original	Final		
REVENUES				
Charges for services	\$ 17,220,290	17,220,290	16,961,889	(258,401)
Revenue from the use of money and property	-	-	1,481,309	1,481,309
Total revenues	17,220,290	17,220,290	18,443,198	1,222,908
EXPENDITURES				
Debt service:				
Principal retirement	6,585,245	25,985,245	20,701,421	5,283,824
Interest and other charges:				
Interest	3,976,319	3,976,319	4,493,581	(517,262)
Bond issuance costs and other	100,000	100,000	16,250	83,750
Total expenditures	10,661,564	30,061,564	25,211,252	4,850,312
Excess (deficiency) of revenues over (under) expenditures	6,558,726	(12,841,274)	(6,768,054)	6,073,220
Net change in fund balance	\$ 6,558,726	(12,841,274)	(6,768,054)	6,073,220

COUNTY OF FAIRFAX, VIRGINIA
Special Revenue Fund
Budgetary Comparison Schedule - County and Regional Transportation Projects (Budget Basis)
For the fiscal year ended June 30, 2025

EXHIBIT D-2D

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive Negative
	Original	Final		
REVENUES				
Intergovernmental	\$ 56,653,720	647,632,367	135,840,127	(511,792,240)
Charges for services	62,634,265	62,057,199	62,376,243	319,044
Revenue from the use of money and property	-	(1,404)	3,618,862	3,620,266
Recovered costs	-	-	140,102	140,102
Total revenues	119,287,985	709,688,162	201,975,334	(507,712,828)
EXPENDITURES				
Public works	-	88,082	-	88,082
Community development	62,765,128	965,570,432	147,643,624	817,926,808
Debt service:				
Principal retirement	7,169,400	7,169,400	7,373,310	(203,910)
Interest and other charges:				
Interest	6,130,600	6,130,600	5,910,201	220,399
Total expenditures	76,065,128	978,958,514	160,927,135	818,031,379
Excess (deficiency) of revenues over (under) expenditures	43,222,857	(269,270,352)	41,048,199	310,318,551
OTHER FINANCING SOURCES (USES)				
Transfers out	(43,222,857)	(44,867,990)	(44,867,990)	-
Revenue bonds issued	-	100,000,000	-	(100,000,000)
Total other financing sources (uses), n	(43,222,857)	55,132,010	(44,867,990)	(100,000,000)
Net change in fund balance	\$ -	(214,138,342)	(3,819,791)	210,318,551

COUNTY OF FAIRFAX, VIRGINIA
Special Revenue Fund
Budgetary Comparison Schedule - Tysons Service District Fund (Budget Basis)
For the fiscal year ended June 30, 2025

EXHIBIT D-2E

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 8,913,369	8,913,369	8,853,664	(59,705)
Revenue from the use of money and property	-	-	1,665,576	1,665,576
Total revenues	8,913,369	8,913,369	10,902,878	1,605,871
EXPENDITURES				
Community development	-	42,922,890	67,791	42,855,099
Total expenditures	-	42,922,890	67,791	42,855,099
Excess (deficiency) of revenues over (under) expenditures	8,913,369	(34,009,521)	10,835,087	44,460,970
Net change in fund balance	\$ 8,913,369	(34,009,521)	10,835,087	44,460,970

COUNTY OF FAIRFAX, VIRGINIA
Special Revenue Fund
Budgetary Comparison Schedule - Reston Service District Fund (Budget Basis)
For the fiscal year ended June 30, 2025

EXHIBIT D-2F

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$2,557,505	2,557,505	2,535,395	(22,110)
Revenue from the use of money and property	-	-	379,576	379,576
Total revenues	2,557,505	2,557,505	2,914,971	357,466
EXPENDITURES				
Community development	-	4,332,914	-	4,332,914
Total expenditures	-	4,332,914	-	4,332,914
Excess (deficiency) of revenues over (under) expenditures	2,557,505	(1,775,409)	2,914,971	4,690,380
Net change in fund balance	\$2,557,505	(1,775,409)	2,914,971	4,690,380

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2G

Special Revenue Fund

Budgetary Comparison Schedule - Metrorail Parking System Pledged Revenue Fund(Budget Basis)

For the fiscal year ended June 30, 2025

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 2,204,398	2,471,647	3,174,889	703,242
Revenue from the use of money and property	3,646,262	3,846,262	4,571,485	725,223
Total revenues	5,850,660	6,317,909	7,746,374	1,428,465
EXPENDITURES				
Community development	2,566,830	2,957,885	2,520,627	437,258
Debt service:				
Principal retirement	4,956,375	4,956,375	5,210,000	(253,625)
Interest and other charges:				
Interest	5,986,625	5,986,625	5,733,000	253,625
Total expenditures	13,509,830	13,900,885	13,463,627	437,258
Excess (deficiency) of revenues over (under) expenditures	(7,659,170)	(7,582,976)	(5,717,253)	1,865,723
OTHER FINANCING SOURCES				
General obligation bonds issued	-	-	-	-
Transfers in	2,354,867	9,429,775	9,429,775	-
Total other financing sources	2,354,867	9,429,775	9,429,775	-
Net change in fund balance	\$ (5,304,303)	1,846,799	3,712,522	1,865,723

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2H

Special Revenue Fund

Budgetary Comparison Schedule - Federal/State Grant Fund (Budget Basis)

For the fiscal year ended June 30, 2025

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$141,120,136	391,947,609	180,384,609	(211,563,000)
Charges for services	-	-	4,807,416	4,807,416
Revenue from the use of money and property	-	-	134,776	134,776
Recovered costs	-	-	2,916,946	2,916,946
Gifts, donations, and contributions	-	-	396,341	396,341
Total revenues	141,120,136	391,947,609	188,640,088	(203,307,521)
EXPENDITURES				
General government administration	146,205,056	251,684,975	-	251,684,975
Judicial administration	-	1,029,087	857,555	171,532
Public safety	-	35,985,623	34,357,512	1,628,111
Public works	-	2,719,935	-	2,719,935
Health and welfare	-	156,866,022	118,607,685	38,258,337
Community development	-	41,644,576	13,214,714	28,429,862
Parks, recreation, and cultural	-	1,573,704	-	1,573,704
Total expenditures	146,205,056	491,503,922	167,037,466	324,466,456
Excess (deficiency) of revenues over (under) expenditures	(5,084,920)	(99,556,313)	21,602,622	121,158,935
OTHER FINANCING SOURCES (USES)				
Transfers in	5,084,920	21,793,770	5,532,674	(16,261,096)
Total other financing sources (uses), net	5,084,920	21,793,770	5,532,674	(16,261,096)
Net change in fund balance	\$ -	(77,762,543)	27,135,296	104,897,839

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2I

Special Revenue Fund

Budgetary Comparison Schedule - Cable Communications Fund (Budget Basis)

For the fiscal year ended June 30, 2025

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Permits, privilege fees, and regulatory licenses	\$ 17,771,228	16,197,433	16,671,264	473,831
Charges for services	-	-	90	90
Fines and forfeitures	-	-	7,400	7,400
Total revenues	17,771,228	16,197,433	16,678,754	481,321
EXPENDITURES				
Community development	11,996,234	16,527,969	10,123,009	6,404,960
Total expenditures	11,996,234	16,527,969	10,123,009	6,404,960
Excess (deficiency) of revenues over (under) expenditures	5,774,994	(330,536)	6,555,745	6,886,281
OTHER FINANCING USES				
Transfers out	(8,165,036)	(8,165,036)	(8,165,036)	-
Total other financing uses	(8,165,036)	(8,165,036)	(8,165,036)	-
Net change in fund balance	\$ (2,390,042)	(8,495,572)	(1,609,291)	6,886,281

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2J

Special Revenue Fund

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

For the fiscal year ended June 30, 2025

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 16,262,898	24,512,912	25,212,966	700,054
Charges for services	22,607,936	25,094,123	30,208,031	5,113,908
Fines and forfeitures	-	-	12,622	12,622
Revenue from the use of money and property	124,800	124,800	124,800	-
Total revenues	38,995,634	49,731,835	55,558,419	5,826,584
EXPENDITURES				
Health and welfare	220,431,500	241,200,644	222,217,637	18,983,007
Total expenditures	220,431,500	241,200,644	222,217,637	18,983,007
Excess (deficiency) of revenues over (under) expenditures	(181,435,866)	(191,468,809)	(166,659,218)	24,809,591
OTHER FINANCING SOURCES (USES)				
Transfers in	181,435,866	181,406,295	181,406,295	-
Transfers out	-	(18,775,143)	(18,775,143)	-
Total other financing sources (uses), net	181,435,866	162,631,152	162,631,152	-
Net change in fund balance	\$ -	(28,837,657)	(4,028,066)	24,809,591

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2K

Special Revenue Fund

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

For the fiscal year ended June 30, 2025

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$11,186,916	11,482,374	11,193,421	(288,953)
Revenue from the use of money and property	382,362	347,762	758,012	410,250
Total revenues	11,569,278	11,830,136	11,951,433	121,297
EXPENDITURES				
Parks, recreation, and cultural	13,395,774	15,215,401	11,546,344	3,669,057
Total expenditures	13,395,774	15,215,401	11,546,344	3,669,057
Excess (deficiency) of revenues over (under) expenditures	(1,826,496)	(3,385,265)	405,089	3,790,354
Net change in fund balance	\$(1,826,496)	(3,385,265)	405,089	3,790,354

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2L

Special Revenue Fund

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

For the fiscal year ended June 30, 2025

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 7,285,922	7,285,922	7,667,842	381,920
Revenue from the use of money and property	257,480	257,480	321,362	63,882
Total revenues	7,543,402	7,543,402	7,989,204	445,802
EXPENDITURES				
Parks, recreation, and cultural	8,244,216	10,090,063	8,578,783	1,511,280
Total expenditures	8,244,216	10,090,063	8,578,783	1,511,280
Excess (deficiency) of revenues over (under) expenditures	(700,814)	(2,546,661)	(589,579)	1,957,082
Net change in fund balance	\$(700,814)	(2,546,661)	(589,579)	1,957,082

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2M

Special Revenue Fund

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

For the fiscal year ended June 30, 2025

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 43,551	43,551	42,026	(1,525)
Revenue from the use of money and property	63,156	63,156	97,166	34,010
Total revenues	106,707	106,707	139,192	32,485
EXPENDITURES				
Parks, recreation, and cultural	49,321	49,532	16,569	32,963
Total expenditures	49,321	49,532	16,569	32,963
Excess of revenues over expenditures	57,386	57,175	122,623	65,448
Net change in fund balance	\$ 57,386	57,175	122,623	65,448

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2N

Special Revenue Fund

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

For the fiscal year ended June 30, 2025

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Local sales and use taxes	\$ 40,568,880	40,568,880	39,877,096	(691,784)
Intergovernmental	3,396,251	3,396,251	4,316,668	920,417
Charges for Services	-	-	1,317	1,317
Revenue from the use of money and property	10,000	10,000	1,155,588	1,145,588
Recovered costs	150,000	150,000	251,157	101,157
Total revenues	44,125,131	44,125,131	45,601,826	1,476,695
EXPENDITURES				
Public safety	63,941,583	86,123,821	59,515,627	26,608,194
Total expenditures	63,941,583	86,123,821	59,515,627	26,608,194
Excess (deficiency) of revenues over (under) expenditures	(19,816,452)	(41,998,690)	(13,913,801)	28,084,889
OTHER FINANCING SOURCES				
Transfers in	16,750,642	17,882,242	17,882,242	-
Total other financing sources	16,750,642	17,882,242	17,882,242	-
Net change in fund balance	\$ (3,065,810)	(24,116,448)	3,968,441	28,084,889

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2o

Special Revenue Fund

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

For the fiscal year ended June 30, 2025

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Charges for services	\$ 3,227,550	3,227,550	3,192,458	(35,092)
Revenue from the use of money and property	7,691	7,691	159,368	151,677
Total revenues	3,235,241	3,235,241	3,351,826	116,585
EXPENDITURES				
Health and welfare	2,006,565	2,025,036	1,634,022	391,014
Community development	1,652,357	1,761,325	1,425,624	335,701
Total expenditures	3,658,922	3,786,361	3,059,646	726,715
Excess (deficiency) of revenues over (under) expenditures	(423,681)	(551,120)	292,180	843,300
OTHER FINANCING USES				
Transfers out	(159,824)	(159,824)	(159,824)	-
Total other financing uses	(159,824)	(159,824)	(159,824)	-
Net change in fund balance	\$ (583,505)	(710,944)	132,356	843,300

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2p

Special Revenue Fund

Budgetary Comparison Schedule - Stormwater Services Fund (Budget Basis)

For the fiscal year ended June 30, 2025

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$ -	16,072,310	9,548,367	(6,523,943)
Charges for services	103,877,482	103,877,482	104,196,431	318,949
Revenue from the use of money and property	-	-	2,595,139	2,595,139
Recovered costs	-	-	2,172,473	2,172,473
Total revenues	103,877,482	119,949,792	118,512,410	(1,437,382)
EXPENDITURES				
Public works	101,310,406	307,385,544	108,431,828	198,953,716
Debt service:				
Principal retirement	957,614	6,787,294	1,815,000	4,972,294
Interest and other charges:				
Interest	-	4,775,495	2,366,375	2,409,120
Total expenditures	102,268,020	318,948,333	112,613,203	206,335,130
Excess (deficiency) of revenues over (under) expenditures	1,609,462	(198,998,541)	5,899,207	204,897,748
OTHER FINANCING USES				
Transfers out	(1,609,462)	(1,609,462)	(1,609,462)	-
Total other financing uses	(1,609,462)	(1,609,462)	(1,609,462)	-
Net change in fund balance	\$ -	(200,608,003)	4,289,745	204,897,748

COUNTY OF FAIRFAX, VIRGINIA
Special Revenue Fund
Budgetary Comparison Schedule - Leaf Collection Fund (Budget Basis)
For the fiscal year ended June 30, 2025

EXHIBIT D-2Q

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Charges for services	\$ 4,223,359	4,234,461	4,262,688	28,227
Revenue from the use of money and property	79,697	79,697	142,632	62,935
Total revenues	4,303,056	4,314,158	4,405,320	91,162
EXPENDITURES				
Public works	4,810,464	4,810,464	2,876,092	1,934,372
Total expenditures	4,810,464	4,810,464	2,876,092	1,934,372
Excess (deficiency) of revenues over (under) expenditures	(507,408)	(496,306)	1,529,228	2,025,534
OTHER FINANCING USES				
Transfers out	(44,193)	(44,193)	(44,193)	-
Total other financing uses	(44,193)	(44,193)	(44,193)	-
Net change in fund balance	\$ (551,601)	(540,499)	1,485,035	2,025,534

COUNTY OF FAIRFAX, VIRGINIA
Special Revenue Fund
Budgetary Comparison Schedule - Refuse Collection and Recycling Operations Fund (Budget Basis)
For the fiscal year ended June 30, 2025

EXHIBIT D-2R

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$ 189,668	189,668	240,745	51,077
Charges for services	24,745,187	24,807,616	25,030,705	223,089
Fines and forfeitures	-	-	50	50
Revenue from the use of money and property	292,550	292,550	283,310	(9,240)
Recovered costs	18,761	18,761	-	(18,761)
Total revenues	25,246,166	25,308,595	25,554,810	246,215
EXPENDITURES				
Public works	26,584,987	27,414,839	23,650,869	3,763,970
Total expenditures	26,584,987	27,414,839	23,650,869	3,763,970
Excess (deficiency) of revenues over (under) expenditures	(1,338,821)	(2,106,244)	1,903,941	4,010,185
OTHER FINANCING USES				
Transfers out	(539,815)	(539,815)	(539,815)	-
Total other financing uses	(539,815)	(539,815)	(539,815)	-
Net change in fund balance	\$ (1,878,636)	(2,646,059)	1,364,126	4,010,185

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2s

Special Revenue Fund

Budgetary Comparison Schedule - Land Development Services Fund (Budget Basis)

For the fiscal year ended June 30, 2025

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Permits, privilege fees, and regulatory licenses	\$ 52,237,487	52,237,487	52,903,547	666,060
Charges for services	5,828,990	5,828,990	3,942,661	(1,886,329)
Fines and forfeitures	170,000	170,000	93,065	(76,935)
Revenue from the use of money and property	350,000	350,000	1,078,278	728,278
Recovered costs	11,000	11,000	7,616	(3,384)
Total revenues	58,597,477	58,597,477	58,025,167	(572,310)
EXPENDITURES				
Public safety	19,773,380	19,050,209	17,866,052	1,184,157
Community development	35,473,482	36,329,810	33,416,703	2,913,107
Total expenditures	55,246,862	55,380,019	51,282,755	4,097,264
Excess of revenues over expenditures	3,350,615	3,217,458	6,742,412	3,524,954
OTHER FINANCING USES				
Transfers out	(433,852)	(433,852)	(433,852)	-
Total other financing uses	(433,852)	(433,852)	(433,852)	-
Net change in fund balance	\$ 2,916,763	2,783,606	6,308,560	3,524,954

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2t

Special Revenue Fund

Budgetary Comparison Schedule - Refuse Disposal Fund (Budget Basis)

For the fiscal year ended June 30, 2025

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Permits, privilege fees, and regulatory licenses	\$ 108,000	108,000	115,956	7,956
Charges for services	62,773,791	57,521,536	59,947,185	2,425,649
Revenue from the use of money and property	1,948,863	1,948,863	2,836,709	887,846
Recovered costs	-	-	917	917
Fines and forfeitures	-	-	108,676	108,676
Total revenues	64,830,654	59,578,399	63,009,443	3,431,044
EXPENDITURES				
Public works	70,560,769	75,006,015	68,276,589	6,729,426
Total expenditures	70,560,769	75,006,015	68,276,589	6,729,426
Excess (deficiency) of revenues over (under) expenditures	(5,730,115)	(15,427,616)	(5,267,146)	10,160,470
OTHER FINANCING USES				
Transfers out	(802,437)	(802,437)	(802,437)	-
Total other financing uses	(802,437)	(802,437)	(802,437)	-
Net change in fund balance	\$ (6,532,552)	(16,230,053)	(6,069,583)	10,160,470

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2U

Special Revenue Fund

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

For the fiscal year ended June 30, 2025

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Permits, privilege fees, and regulatory licenses	\$ -	-	3,082	3,082
Charges for services	11,833,348	10,500,000	11,980,209	1,480,209
Revenue from the use of money and property	700,269	700,269	1,164,482	464,213
Total revenues	12,533,617	11,200,269	13,147,773	1,947,504
EXPENDITURES				
Public works	13,680,541	23,867,594	10,253,977	13,613,617
Total expenditures	13,680,541	23,867,594	10,253,977	13,613,617
Excess (deficiency) of revenues over (under) expenditures	(1,146,924)	(12,667,325)	2,893,796	15,561,121
OTHER FINANCING USES				
Transfers out	(249,596)	(249,596)	(249,596)	-
Total other financing uses	(249,596)	(249,596)	(249,596)	-
Net change in fund balance	\$ (1,396,520)	(12,916,921)	2,644,200	15,561,121

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2V

Special Revenue Fund

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

For the fiscal year ended June 30, 2025

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 5,682,469	13,309,637	6,748,239	(6,561,398)
Charges for services	-	2,813	-	(2,813)
Total revenues	5,682,469	13,312,450	6,748,239	(6,564,211)
EXPENDITURES				
Community development	3,172,233	12,424,919	3,575,392	8,849,527
Debt service:				
Principal retirement	2,407,000	2,407,000	2,407,000	-
Interest and other charges:				
Interest	103,236	103,236	103,236	-
Total expenditures	5,682,469	14,935,155	6,085,628	8,849,527
Excess (deficiency) of revenues over (under) expenditures	-	(1,622,705)	662,611	2,285,316
Net change in fund balance	\$ -	(1,622,705)	662,611	2,285,316

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2w

Special Revenue Fund

Budgetary Comparison Schedule - Housing Trust Fund (Budget Basis)

For the fiscal year ended June 30, 2025

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Developers' contributions	\$ -	-	2,979,267	2,979,267
Revenue from the use of money and property	4,211,206	4,211,206	2,653,985	(1,557,221)
Recovered costs	-	-	45,405	45,405
Total revenues	4,211,206	4,211,206	5,678,657	1,467,451
EXPENDITURES				
Community development	4,211,206	29,515,061	10,920,526	18,594,535
Total expenditures	4,211,206	29,515,061	10,920,526	18,594,535
Excess (deficiency) of revenues over (under) expenditures	-	(25,303,855)	(5,241,869)	20,061,986
OTHER FINANCING USES				
Transfers out	-	(63,000)	(63,000)	-
Total other financing uses	-	(63,000)	(63,000)	-
Net change in fund balance	\$ -	(25,366,855)	(5,304,869)	20,061,986

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2x

Special Revenue Fund

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

For the fiscal year ended June 30, 2025

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 2,385,371	13,619,191	1,870,662	(11,748,529)
Total revenues	2,385,371	13,619,191	1,870,662	(11,748,529)
EXPENDITURES				
Community development	2,385,371	13,447,896	1,389,789	12,058,107
Total expenditures	2,385,371	13,447,896	1,389,789	12,058,107
Excess of revenues over expenditures	-	171,295	480,873	309,578
Net change in fund balance \$	-	171,295	480,873	309,578



The **Debt Service Funds** are used to account for the accumulation of resources for and the payments of bond principal, interest, and related expenses.

Debt Service Fund is used to account for the funds accumulated and expended for the payment of principal, interest, and other costs applicable to general obligation bond issues, certain lease revenue bonds, and loans received from the Literary Fund of Virginia.

Debt Service Fund Mosaic Community Development Authority Fund is used to account for the accumulation of resources for and the payments of bond principal, interest, and related expenses on debt of the Mosaic Community Development Authority. This fund is not appropriated in the County's operating budget.

COUNTY OF FAIRFAX, VIRGINIA
Debt Service Funds
Combining Balance Sheet
June 30, 2025

EXHIBIT E

	Debt Service	Mosaic Community Development Authority	Total Debt Service Funds
ASSETS			
Equity in pooled cash and temporary investments	\$ 4,200,183	-	4,200,183
Receivables:			
Accrued interest	-	18,842	18,842
Notes receivable	29,520,000	-	29,520,000
Loan to component unit	6,930,000	-	6,930,000
Restricted assets:			
Cash with fiscal agents	330,607	5,447,450	5,778,057
Total assets	<u>40,980,790</u>	<u>5,466,292</u>	<u>46,447,082</u>
DEFERRED OUTFLOWS OF RESOURCES			
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 40,980,790</u>	<u>5,466,292</u>	<u>46,447,082</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 301,674	-	301,674
Total liabilities	<u>301,674</u>	<u>-</u>	<u>301,674</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	29,520,000	-	29,520,000
Total deferred inflows of resources	<u>29,520,000</u>	<u>-</u>	<u>29,520,000</u>
Total liabilities and deferred inflows of resources	<u>29,821,674</u>	<u>-</u>	<u>29,821,674</u>
FUND BALANCES			
Restricted for:			
Debt service	328,453	5,466,292	5,794,745
Total restricted	<u>328,453</u>	<u>5,466,292</u>	<u>5,794,745</u>
Committed to:			
Debt service	10,830,663	-	10,830,663
Total committed	<u>10,830,663</u>	<u>-</u>	<u>10,830,663</u>
Total fund balances	<u>11,159,116</u>	<u>5,466,292</u>	<u>16,625,408</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 40,980,790</u>	<u>5,466,292</u>	<u>46,447,082</u>

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT E-1

Debt Service Funds

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

For the fiscal year ended June 30, 2025

	Debt Service	Mosaic Community Development Authority	Total Debt Service Funds
REVENUES			
Intergovernmental	\$ 3,858,915	-	3,858,915
Revenue from the use of money and property	864,142	245,049	1,109,191
Total revenues	4,723,057	245,049	4,968,106
EXPENDITURES			
Intergovernmental:			
Community development	4,104,662	-	4,104,662
Principal retirement:			
County	147,754,500	3,235,000	150,989,500
Schools	149,265,500	-	149,265,500
Interest:			
County	44,650,779	1,643,700	46,294,479
Schools	61,413,231	-	61,413,231
Other charges:			
Bond issuance costs and other charges	3,513,730	-	3,513,730
Arbitrage rebate payments	28,819	-	28,819
Total expenditures	410,731,221	4,878,700	415,609,921
Deficiency of revenues under expenditures	(406,008,164)	(4,633,651)	(410,641,815)
OTHER FINANCING SOURCES (USES)			
Transfers in from:			
General Fund	358,308,948	-	358,308,948
Special revenue funds	63,000	4,811,621	4,874,621
Capital projects funds	4,668,553	-	4,668,553
Transfers out	(3,000,000)	-	(3,000,000)
Lease revenue refunding bonds issued	36,590,000	-	36,590,000
Premium on lease revenue refunding bonds issued	3,653,688	-	3,653,688
Notes Issued	4,104,662	-	4,104,662
Total other financing sources	404,388,851	4,811,621	409,200,472
Net change in fund balance	(1,619,313)	177,970	(1,441,343)
Fund balances, July 1, 2024	12,778,429	5,288,322	18,066,751
Fund balances, June 30, 2025	\$ 11,159,116	5,466,292	16,625,408

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT E-2

Debt Service Fund

Budgetary Comparison Schedule - Debt Service Fund (Budget Basis)

For the fiscal year ended June 30, 2025

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$ 1,805,500	1,805,500	1,248,915	(556,585)
Revenue from the use of money and property	-	-	27,998	27,998
Total revenues	1,805,500	1,805,500	1,276,913	(528,587)
EXPENDITURES				
Principal retirement:				
County	110,027,500	108,716,664	106,404,500	2,312,164
Schools	149,575,500	148,953,336	149,265,500	(312,164)
Interest:				
County	41,506,214	43,191,642	44,650,779	(1,459,137)
Schools	61,794,767	61,794,767	61,413,231	381,536
Bond issuance costs and other charges	2,000,000	3,801,255	2,755,996	1,045,259
Total expenditures	364,903,981	366,457,664	364,490,006	1,967,658
Excess (deficiency) of revenues over (under) expenditures	(363,098,481)	(364,652,164)	(363,213,093)	1,439,071
OTHER FINANCING SOURCES (USES)				
General obligation bonds issued	588,100	588,100	661,767	73,667
Transfers in from:				
General Fund	358,308,948	358,308,948	358,308,948	-
Special revenue funds	935,243	998,243	998,243	-
Other funds	3,266,190	5,056,749	4,987,377	(69,372)
Transfers out	-	(3,000,000)	(3,000,000)	-
Total other financing sources (uses), net	363,098,481	361,952,040	361,956,335	4,295
Net change in fund balance, net	\$ -	(2,700,124)	(1,256,758)	1,443,366



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

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

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

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

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

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

Metro Operations and Construction Fund is used to account for subsidies to the WMATA for Metrobus/ Metrorail operations and Metrorail construction. The cost of the operations and construction is shared by all local jurisdictions in the Washington, D.C. metropolitan area.

Public Safety Construction Fund is used to account for the funding of public safety projects, including the design and construction of fire stations, police stations, and the Public Safety Academy. Projects are funded by the sale of bonds.

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

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

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

COUNTY OF FAIRFAX, VIRGINIA
Capital Projects Funds
Combining Balance Sheet
June 30, 2025

	Contributed Roadway Improvements	Library Construction	County Construction
ASSETS			
Equity in pooled cash and temporary investments	\$ 112,988,077	6,399,815	137,895,387
Receivables:			
Accounts	-	-	144,567
Accrued interest	-	-	-
Loans	-	-	-
Due from intergovernmental units	-	-	50,888
Restricted assets:			
Equity in pooled cash and temporary investments	-	2,723,176	7,110,882
Cash with fiscal agents	-	-	29,938,882
Total assets	<u>112,988,077</u>	<u>9,122,991</u>	<u>175,140,606</u>
DEFERRED OUTFLOWS OF RESOURCES			
Total deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	\$ 112,988,077	9,122,991	175,140,606
LIABILITIES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 10,393	1,470,950	3,797,662
Accrued salaries and benefits	-	-	40,916
Contract retainages	-	1,389,482	1,171,310
Due to component units	-	-	3,456,912
Unearned revenues	-	-	23,066,018
Performance and other deposits	60,506,476	-	1,751,246
Total liabilities	<u>60,516,869</u>	<u>2,860,432</u>	<u>33,284,064</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	-	-
Total deferred inflows of resources	-	-	-
Total liabilities and deferred inflows of resources	60,516,869	2,860,432	33,284,064
FUND BALANCES			
Restricted for:			
Capital projects	52,471,208	6,262,559	-
Total restricted	<u>52,471,208</u>	<u>6,262,559</u>	<u>-</u>
Committed to:			
Capital projects	-	-	141,856,542
Total committed	<u>-</u>	<u>-</u>	<u>141,856,542</u>
Total fund balances	<u>52,471,208</u>	<u>6,262,559</u>	<u>141,856,542</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ 112,988,077	9,122,991	175,140,606

EXHIBIT F

Capital Renewal Construction	Transportation Improvements	Metro Operations and Construction	
123,049,908	85,806,667	172,887	ASSETS
-	-	-	Equity in pooled cash and temporary investments
-	-	-	Receivables:
-	-	-	Accounts
-	-	-	Accrued interest
-	-	-	Loans
-	-	-	Due from intergovernmental units
-	7,480,756	427,113	Restricted assets:
-	-	-	Equity in pooled cash and temporary investments
-	-	-	Cash with fiscal agents
123,049,908	93,287,423	600,000	Total assets
-	-	-	DEFERRED OUTFLOWS OF RESOURCES
-	-	-	Total deferred outflows of resources
123,049,908	93,287,423	600,000	Total assets and deferred outflows of resources
934,789	802,536	-	LIABILITIES
-	-	-	Liabilities:
-	322,697	-	Accounts payable and accrued liabilities
-	-	-	Accrued salaries and benefits
-	-	-	Contract retainages
-	-	-	Due to component units
-	-	-	Unearned revenues
-	-	-	Performance and other deposits
934,789	1,125,233	-	Total liabilities
-	-	-	DEFERRED INFLOWS OF RESOURCES
-	-	-	Unavailable revenue
-	-	-	Total deferred inflows of resources
934,789	1,125,233	-	Total liabilities and deferred inflows of resources
-	92,162,190	600,000	FUND BALANCES
-	92,162,190	600,000	Restricted for:
-	-	-	Capital projects
-	-	-	Total restricted
122,115,119	-	-	Committed to:
122,115,119	-	-	Capital projects
122,115,119	92,162,190	600,000	Total committed
122,115,119	92,162,190	600,000	Total fund balances
123,049,908	93,287,423	600,000	Total liabilities, deferred inflows of resources, and fund balances

COUNTY OF FAIRFAX, VIRGINIA
Capital Projects Funds
Combining Balance Sheet
June 30, 2025

	Public Safety Construction	Pro Rata Drainage Construction	Environmental and Energy Program
ASSETS			
Equity in pooled cash and temporary investments	\$ 40,075,148	-	34,198,000
Receivables:			
Accounts	-	-	-
Accrued interest	-	-	-
Loans	-	-	-
Due from intergovernmental units	-	-	-
Restricted assets:			
Equity in pooled cash and temporary investments	2,022,719	-	-
Cash with fiscal agents	-	-	-
Total assets	<u>42,097,867</u>	-	<u>34,198,000</u>
DEFERRED OUTFLOWS OF RESOURCES			
Total deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	\$ 42,097,867	-	34,198,000
LIABILITIES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 6,768,823	-	600,705
Accrued salaries and benefits	-	-	-
Contract retainages	6,091,074	-	45,303
Due to component units	-	-	55,171
Unearned revenues	-	-	-
Performance and other deposits	6,062	-	-
Total liabilities	<u>12,865,959</u>	-	<u>701,179</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	-	-
Total deferred inflows of resources	-	-	-
Total liabilities and deferred inflows of resources	12,865,959	-	701,179
FUND BALANCES			
Restricted for:			
Capital projects	29,231,908	-	-
Total restricted	<u>29,231,908</u>	-	-
Committed to:			
Capital projects	-	-	33,496,821
Total committed	-	-	<u>33,496,821</u>
Total fund balances	<u>29,231,908</u>	-	<u>33,496,821</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ 42,097,867	-	34,198,000

EXHIBIT F

concluded

The Penny for Affordable Housing	Total Capital Projects Funds	
		ASSETS
116,636,019	657,221,908	Equity in pooled cash and temporary investments
		Receivables:
5,200,000	5,344,567	Accounts
8,620,514	8,620,514	Accrued interest
116,154,910	116,154,910	Loans
-	50,888	Due from intergovernmental units
		Restricted assets:
-	19,764,646	Equity in pooled cash and temporary investments
-	29,938,882	Cash with fiscal agents
246,611,443	837,096,315	Total assets
		DEFERRED OUTFLOWS OF RESOURCES
-	-	Total deferred outflows of resources
246,611,443	837,096,315	Total assets and deferred outflows of resources
		LIABILITIES AND FUND BALANCES
		Liabilities:
1,040,448	15,426,306	Accounts payable and accrued liabilities
-	40,916	Accrued salaries and benefits
-	9,019,866	Contract retainages
-	3,512,083	Due to component units
-	23,066,018	Unearned revenues
-	62,263,784	Performance and other deposits
1,040,448	113,328,973	Total liabilities
		DEFERRED INFLOWS OF RESOURCES
8,620,514	8,620,514	Unavailable revenue
8,620,514	8,620,514	Total deferred inflows of resources
9,660,962	121,949,487	Total liabilities and deferred inflows of resources
		FUND BALANCES
		Restricted for:
-	180,727,865	Capital projects
-	180,727,865	Total restricted
		Committed to:
236,950,481	534,418,963	Capital projects
236,950,481	534,418,963	Total committed
236,950,481	715,146,828	Total fund balances
246,611,443	837,096,315	Total liabilities, deferred inflows of resources, and fund balances

COUNTY OF FAIRFAX, VIRGINIA

Capital Projects Funds

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

For the fiscal year ended June 30, 2025

	Contributed Roadway Improvements	Library Construction	County Construction
REVENUES			
Taxes	\$ -	-	-
Intergovernmental	-	1,409,055	-
Charges for services	-	-	3,394,277
Developers' contributions	8,668,849	-	-
Revenue from the use of money and property	2,354,978	-	2,087,177
Recovered costs	-	-	988,850
Total revenues	11,023,827	1,409,055	6,470,304
EXPENDITURES			
Current:			
General government administration	-	-	825,077
Public safety	-	-	567,766
Public works	-	88,520	4,952,199
Health and welfare	-	-	4,708,075
Community development	4,408,910	-	5,001,699
Parks, recreation, and cultural	-	-	3,205,495
Intergovernmental:			
Community development	-	-	-
Parks, recreation, and cultural	-	-	67,227,733
Education - for Public Schools	-	-	230,000,000
Capital outlay:			
General government administration	-	-	3,949,591
Judicial administration	-	-	5,338,981
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	11,275,306
Community development	7,531,040	-	6,332,104
Parks, recreation, and cultural	-	11,125,724	12,930,972
Debt service:			
Principal retirement	-	-	645,000
Interest and other charges	-	-	34,540
Total expenditures	11,939,950	11,214,244	356,994,538
Excess (deficiency) of revenues over (under) expenditures	(916,123)	(9,805,189)	(350,524,234)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	71,459,817
Transfers out	(186,350)	-	(6,668,553)
General obligation bonds issued	-	18,750,000	263,400,000
Premium on general obligation bonds issued	-	2,250,000	18,048,319
Total other financing sources (uses), net	(186,350)	21,000,000	346,239,583
Net change in fund balances	(1,102,473)	11,194,811	(4,284,651)
Fund balances, July 1, 2024	53,573,681	(4,932,252)	146,141,193
Fund balances, June 30, 2025	\$ 52,471,208	6,262,559	141,856,542

EXHIBIT F-1

Capital Renewal Construction	Transportation Improvements	Metro Operations and Construction	
REVENUES			
-	-	-	- Taxes
392,698	-	-	- Intergovernmental
-	-	-	- Charges for services
-	-	-	- Developers' contributions
-	-	-	- Revenue from the use of money and property
-	762,766	-	- Recovered costs
392,698	762,766	-	- Total revenues
EXPENDITURES			
Current:			
6,630,637	-	-	- General government administration
-	-	-	- Public safety
-	-	-	- Public works
-	-	-	- Health and welfare
-	8,381,505	-	- Community development
-	-	-	- Parks, recreation, and cultural
Intergovernmental:			
-	-	103,357,196	- Community development
-	1,147,038	-	- Parks, recreation, and cultural
-	-	-	- Education - for Public Schools
Capital outlay:			
8,876,488	-	-	- General government administration
-	-	-	- Judicial administration
-	46,436	-	- Public safety
-	-	-	- Public works
-	-	-	- Health and welfare
-	4,018,071	-	- Community development
-	-	-	- Parks, recreation, and cultural
Debt service:			
-	-	-	- Principal retirement
-	-	-	- Interest and other charges
15,507,125	13,593,050	103,357,196	Total expenditures
Excess (deficiency) of revenues over (under) expenditures			
(15,114,427)	(12,830,284)	(103,357,196)	
OTHER FINANCING SOURCES (USES)			
41,977,949	25,926,590	63,046,270	Transfers in
-	(26,271)	(6,118,849)	Transfers out
-	-	44,000,000	General obligation bonds issued
-	-	-	Premium on general obligation bonds issued
41,977,949	25,900,319	100,927,421	Total other financing sources (uses), net
26,863,522	13,070,035	(2,429,775)	Net change in fund balances
95,251,597	79,092,155	3,029,775	Fund balances, July 1, 2024
122,115,119	92,162,190	600,000	Fund balances, June 30, 2025

continued

COUNTY OF FAIRFAX, VIRGINIA

Capital Projects Funds

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

For the fiscal year ended June 30, 2025

	Public Safety Construction	Pro Rata Drainage Construction	Environmental and Energy Program
REVENUES			
Taxes	\$ -	-	2,466,735
Intergovernmental	-	-	-
Charges for services	-	-	-
Developers' contributions	85,081	-	-
Revenue from the use of money and property	186,522	-	-
Recovered costs	-	-	31,299
Total revenues	271,603	-	2,498,034
EXPENDITURES			
Current:			
General government administration	-	-	5,363,851
Public safety	354,582	-	-
Public works	-	-	-
Health and welfare	-	-	-
Community development	-	-	-
Parks, recreation, and cultural	-	-	-
Intergovernmental:			
Community development	-	-	-
Parks, recreation, and cultural	-	-	1,307,257
Education - for Public Schools	-	-	-
Capital outlay:			
General government administration	-	-	1,378,443
Judicial administration	-	-	-
Public safety	43,122,703	-	-
Public works	-	-	1,384,351
Health and welfare	-	-	-
Community development	-	-	-
Parks, recreation, and cultural	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and other charges	-	-	-
Total expenditures	43,477,285	-	9,433,902
Excess (deficiency) of revenues over (under) expenditures	(43,205,682)	-	(6,935,868)
OTHER FINANCING SOURCES (USES)			
Transfers in	7,000,000	-	9,348,767
Transfers out	-	(12,954,793)	-
General obligation bonds issued	52,000,000	-	-
Premium on general obligation bonds issued	3,000,000	-	-
Total other financing sources (uses), net	62,000,000	(12,954,793)	9,348,767
Net change in fund balances	18,794,318	(12,954,793)	2,412,899
Fund balances, July 1, 2024	10,437,590	12,954,793	31,083,922
Fund balances, June 30, 2025	\$ 29,231,908	-	33,496,821

EXHIBIT F-1
concluded

The Penny for Affordable Housing	Total Capital Projects Funds	
REVENUES		
32,318,750	34,785,485	Taxes
5,200,000	7,001,753	Intergovernmental
-	3,394,277	Charges for services
-	8,753,930	Developers' contributions
433,462	5,062,139	Revenue from the use of money and property
1,923,308	3,706,223	Recovered costs
<u>39,875,520</u>	<u>62,703,807</u>	Total revenues
EXPENDITURES		
Current:		
-	12,819,565	General government administration
-	922,348	Public safety
-	5,040,719	Public works
-	4,708,075	Health and welfare
3,457,783	21,249,897	Community development
-	3,205,495	Parks, recreation, and cultural
Intergovernmental:		
422,634	103,779,830	Community development
-	69,682,028	Parks, recreation, and cultural
-	230,000,000	Education - for Public Schools
Capital outlay:		
-	14,204,522	General government administration
-	5,338,981	Judicial administration
-	43,169,139	Public safety
-	1,384,351	Public works
-	11,275,306	Health and welfare
492,427	18,373,642	Community development
-	24,056,696	Parks, recreation, and cultural
Debt service:		
2,250,000	2,895,000	Principal retirement
2,635,250	2,669,790	Interest and other charges
<u>9,258,094</u>	<u>574,775,384</u>	Total expenditures
Excess (deficiency) of revenues over (under) expenditures		
<u>30,617,426</u>	<u>(512,071,577)</u>	
OTHER FINANCING SOURCES (USES)		
-	218,759,393	Transfers in
-	(25,954,816)	Transfers out
-	378,150,000	General obligation bonds issued
-	23,298,319	Premium on general obligation bonds issued
-	594,252,896	Total other financing sources (uses), net
<u>30,617,426</u>	<u>82,181,319</u>	Net change in fund balances
<u>206,333,055</u>	<u>632,965,509</u>	Fund balances, July 1, 2024
<u>236,950,481</u>	<u>715,146,828</u>	Fund balances, June 30, 2025



The **Internal Service Funds** are used to account for the financing of goods or services provided by a department to another department on a cost reimbursement basis.

Vehicle Services Fund is used to account for the acquisition of certain motor vehicles and the costs associated with the operation thereof by various departments of the County.

Self-Insurance Fund is used to account for the costs associated with managing claims and providing coverage to the County for losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and citizens; and natural disasters. It is also used to operate various loss-prevention, safety, and rehabilitation programs.

Document Services Fund is used to account for the costs associated with providing printing, copying, and micrographic services to various departments of the County.

Technology Infrastructure Services Fund is used to account for the costs associated with providing data center and network services to County departments through the operation and maintenance of a mainframe computer, data communications equipment, and radio networks.

Health Benefits Fund is used to account for the provision of a comprehensive health insurance benefits program to County employees.

COUNTY OF FAIRFAX, VIRGINIA
Internal Service Funds
Combining Statement of Net Position
June 30, 2025

	Vehicle Services	Self- Insurance	Document Services
ASSETS			
Current assets:			
Equity in pooled cash and temporary investments	\$ 125,706,279	123,967,213	1,510,563
Accounts receivable	694	-	5,873
Due from intergovernmental units	11,007	-	74,292
Interfund receivables	-	-	-
Inventories of supplies	3,773,469	-	-
Total unrestricted current assets	<u>129,491,449</u>	<u>123,967,213</u>	<u>1,590,728</u>
Total current assets	<u>129,491,449</u>	<u>123,967,213</u>	<u>1,590,728</u>
Long-term assets:			
Capital assets:			
Non-depreciable/non-amortizable:			
Land	1,938,688	-	-
Construction in progress	42,544,468	-	-
Equipment under construction	7,633,477	-	-
Depreciable/amortizable:			
Vehicles and equipment	200,417,063	-	357,427
Software	-	-	-
Buildings and improvements	20,855,984	-	-
Infrastructure	4,597,790	-	-
Right-to-use lease assets	-	-	4,197,156
Right-to-use subscription assets	1,709,627	1,344,025	-
Accumulated depreciation	(172,656,177)	-	(320,848)
Accumulated amortization	(936,933)	(357,926)	(4,197,156)
Total capital assets, net	<u>106,103,987</u>	<u>986,099</u>	<u>36,579</u>
Total assets	<u>235,595,436</u>	<u>124,953,312</u>	<u>1,627,307</u>
DEFERRED OUTFLOWS OF RESOURCES			
Total deferred outflows of resources	-	-	-
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	4,877,971	1,815,218	446,148
Accrued salaries and benefits	1,195,486	54,552	80,583
Accrued interest payable	16,855	5,028	-
Compensated absences payable	1,666,460	75,700	137,755
Lease liability	-	-	-
Subscription liability	351,265	215,367	-
Insurance and benefit claims payable	-	13,581,000	-
Total current liabilities	<u>8,108,037</u>	<u>15,746,865</u>	<u>664,486</u>
Long-term liabilities:			
Compensated absences payable	3,773,461	97,627	183,909
Lease liability	-	-	-
Subscription liability	385,571	445,590	-
Insurance and benefit claims payable	-	72,234,000	-
Total long-term liabilities	<u>4,159,032</u>	<u>72,777,217</u>	<u>183,909</u>
Total liabilities	<u>12,267,069</u>	<u>88,524,082</u>	<u>848,395</u>
DEFERRED INFLOWS OF RESOURCES			
Total deferred inflows of resources	-	-	-
NET POSITION			
Net investment in capital assets	105,367,151	325,141	36,579
Unrestricted	117,961,216	36,104,089	742,333
Net position	<u>\$ 223,328,367</u>	<u>36,429,230</u>	<u>778,912</u>

EXHIBIT G

Technology Infrastructure Services	Health Benefits	Total Internal Service Funds	
ASSETS			
Current assets:			
22,701,227	83,201,537	357,086,819	Equity in pooled cash and temporary investments
10,398	-	16,965	Accounts receivable
-	-	85,299	Due from intergovernmental units
-	1,457,465	1,457,465	Interfund receivables
-	-	3,773,469	Inventories of supplies
<u>22,711,625</u>	<u>84,659,002</u>	<u>362,420,017</u>	Total unrestricted current assets
<u>22,711,625</u>	<u>84,659,002</u>	<u>362,420,017</u>	Total current assets
Long-term assets:			
Capital assets:			
Non-depreciable/non-amortizable:			
-	-	1,938,688	Land
-	-	42,544,468	Construction in progress
2,318,060	-	9,951,537	Equipment under construction
Depreciable/amortizable:			
37,751,641	55,603	238,581,734	Vehicles and equipment
2,200,587	-	2,200,587	Software
1,086,205	273,548	22,215,737	Buildings and improvements
-	-	4,597,790	Infrastructure
2,933,097	-	7,130,253	Right-to-use lease assets
24,100,721	-	27,154,373	Right-to-use subscription assets
(28,991,627)	(168,310)	(202,136,962)	Accumulated depreciation
(16,707,877)	-	(22,199,892)	Accumulated amortization
<u>24,690,807</u>	<u>160,841</u>	<u>131,978,313</u>	Total capital assets, net
<u>47,402,432</u>	<u>84,819,843</u>	<u>494,398,330</u>	Total assets
DEFERRED OUTFLOWS OF RESOURCES			
-	-	-	Total deferred outflows of resources
LIABILITIES			
Current liabilities:			
1,303,621	8,759,739	17,202,697	Accounts payable and accrued liabilities
471,764	21,069	1,823,454	Accrued salaries and benefits
214,334	-	236,217	Accrued interest payable
685,368	-	2,565,283	Compensated absences payable
566,398	-	566,398	Lease liability
4,918,647	-	5,485,279	Subscription liability
-	16,284,000	29,865,000	Insurance and benefit claims payable
<u>8,160,132</u>	<u>25,064,808</u>	<u>57,744,328</u>	Total current liabilities
Long-term liabilities:			
2,160,159	-	6,215,156	Compensated absences payable
1,192,110	-	1,192,110	Lease liability
3,075,672	-	3,906,833	Subscription liability
-	-	72,234,000	Insurance and benefit claims payable
<u>6,427,941</u>	-	<u>83,548,099</u>	Total long-term liabilities
<u>14,588,073</u>	<u>25,064,808</u>	<u>141,292,427</u>	Total liabilities
DEFERRED INFLOWS OF RESOURCES			
-	-	-	Total deferred inflows of resources
NET POSITION			
14,937,979	160,841	120,827,691	Net investment in capital assets
<u>17,876,380</u>	<u>59,594,194</u>	<u>232,278,212</u>	Unrestricted
<u>32,814,359</u>	<u>59,755,035</u>	<u>353,105,903</u>	Net position

COUNTY OF FAIRFAX, VIRGINIA
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
For the fiscal year ended June 30, 2025

	Vehicle Services	Self- Insurance	Document Services
OPERATING REVENUES:			
Charges for services	\$ 110,510,954	25,264,547	5,662,429
Recovered costs	204,502	-	-
Total operating revenues	110,715,456	25,264,547	5,662,429
OPERATING EXPENSES:			
Personnel services	29,683,804	1,469,644	1,897,138
Materials and supplies	53,458	280,928	3,770,916
Equipment operation and maintenance	36,551,031	96	1,598,065
Risk financing and benefit payments	-	27,362,825	-
Depreciation and amortization	12,751,470	268,936	1,061,223
Professional consultant and contractual services	8,394,399	258,022	1,678,204
Other	46,414	61,110	50,057
Total operating expenses	87,480,576	29,701,561	10,055,603
Operating income (loss)	23,234,880	(4,437,014)	(4,393,174)
NONOPERATING REVENUES (EXPENSES):			
Interest revenue	-	2,899,179	-
Interest expense	(33,979)	(11,378)	(3,966)
Gain (loss) on disposal of capital assets	668,756	-	(6,127)
Total nonoperating revenues (expenses), net	634,777	2,887,801	(10,093)
Income (loss) before transfers and contributions	23,869,657	(1,549,213)	(4,403,267)
Transfers in	4,587,636	-	4,589,474
Change in net position	28,457,293	(1,549,213)	186,207
Net position, July 1, 2024, as previously stated	196,777,834	38,044,555	760,205
Restatements (Note N)	(1,906,760)	(66,112)	(167,500)
Net position, July 1, 2024, restated	194,871,074	37,978,443	592,705
Net position, June 30, 2025	\$ 223,328,367	\$ 36,429,230	\$ 778,912

EXHIBIT G-1

Technology Infrastructure Services	Health Benefits	Total Internal Service Funds	
45,595,053	203,094,182	390,127,165	OPERATING REVENUES:
-	-	204,502	Charges for services
45,595,053	203,094,182	390,331,667	Recovered costs
			Total operating revenues
10,396,564	-	43,447,150	OPERATING EXPENSES:
280,714	5,945	4,391,961	Personnel services
3,036,400	175,839	41,361,431	Materials and supplies
-	215,560,418	242,923,243	Equipment operation and maintenance
23,192,212	17,121	37,290,962	Risk financing and benefit payments
20,586,909	49,702	30,967,236	Depreciation and amortization
159,993	8,522,728	8,840,302	Professional consultant and contractual services
57,652,792	224,331,753	409,222,285	Other
(12,057,739)	(21,237,571)	(18,890,618)	Total operating expenses
			Operating income (loss)
-	1,930,146	4,829,325	NONOPERATING REVENUES (EXPENSES):
(274,502)	-	(323,825)	Interest revenue
(2,138,770)	(6,186)	(1,482,327)	Interest expense
(2,413,272)	1,923,960	3,023,173	Gain (loss) on disposal of capital assets
(14,471,011)	(19,313,611)	(15,867,445)	Total nonoperating revenues (expenses), net
17,555,041	-	26,732,151	Income (loss) before transfers and contributions
3,084,030	(19,313,611)	10,864,706	Transfers in
31,488,589	79,068,646	346,139,829	Change in net position
(1,758,260)	-	(3,898,632)	Net position, July 1, 2024, as previously stated
29,730,329	79,068,646	342,241,197	Restatements (Note N)
\$ 32,814,359	\$ 59,755,035	\$ 353,105,903	Net position, July 1, 2024, restated
			Net position, June 30, 2025

COUNTY OF FAIRFAX, VIRGINIA
Internal Service Funds
Combining Statement of Cash Flows
For the fiscal year ended June 30, 2025

	Vehicle Services	Self- Insurance	Document Services
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund services provided	\$ 110,732,013	25,264,547	5,661,436
Payments to suppliers and contractors	(36,277,666)	-	(7,104,155)
Payments to employees	(29,064,831)	(1,465,233)	(1,856,254)
Claims and benefits paid	-	(23,795,578)	-
Payments for interfund services used	(8,184,308)	(600,156)	-
Net cash provided by (used in) operating activities	37,205,208	(596,420)	(3,298,973)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	4,587,636	-	4,589,474
Net cash provided by noncapital financing activities	4,587,636	-	4,589,474
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from sale of capital assets	719,587	-	-
Purchase of capital assets	(28,675,370)	-	-
Principal payments on obligations under leases	(370,596)	(331,843)	(1,061,411)
Interest payments on obligations under leases	-	(13,832)	(4,686)
Net cash used in capital and related financing activities	(28,326,379)	(345,675)	(1,066,097)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	-	2,899,179	-
Net cash provided by investing activities	-	2,899,179	-
Net increase (decrease) in cash and cash equivalents	13,466,465	1,957,084	224,404
Cash and cash equivalents, July 1, 2024	112,239,814	122,010,129	1,286,159
Cash and cash equivalents, June 30, 2025	\$ 125,706,279	123,967,213	1,510,563
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 23,234,880	(4,437,014)	(4,393,174)
Adjustments to reconcile operating income (loss) by operating activities:			
Depreciation and amortization	12,751,470	268,936	1,061,223
Change in assets and liabilities:			
Decrease (increase) in accounts receivable	828	-	(5,158)
Decrease in intergovernmental receivables	15,729	-	4,165
Increase in interfund receivables	-	-	-
Increase in inventories of supplies	(440,975)	-	-
Increase (decrease) in accounts payable and accrued liabilities	1,024,303	3,567,247	(6,913)
Increase in accrued salaries and benefits	618,973	4,411	40,884
Total adjustments to operating income (loss)	13,970,328	3,840,594	1,094,201
Net cash provided by (used in) operating activities	\$ 37,205,208	(596,420)	(3,298,973)
Noncash capital and financing activities:			
Initiations of lease or subscription-based IT arrangement obligations	\$ 937,809	9,168	-
Capital contributions - equipment	-	-	-
Gain (loss) on disposals of capital assets	668,756	-	(6,127)

EXHIBIT G-2

Technology Infrastructure Services	Health Benefits	Total Internal Service Funds	
CASH FLOWS FROM OPERATING ACTIVITIES			
45,592,773	202,835,401	390,086,170	Receipts from interfund services provided
(26,486,349)	(5,160,551)	(75,028,721)	Payments to suppliers and contractors
(10,622,480)	-	(43,008,798)	Payments to employees
-	(216,651,015)	(240,446,593)	Claims and benefits paid
-	-	(8,784,464)	Payments for interfund services used
8,483,944	(18,976,165)	22,817,594	Net cash provided by (used in) operating activities
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
17,555,041	-	26,732,151	Transfers from other funds
17,555,041	-	26,732,151	Net cash provided by noncapital financing activities
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
-	(6,189)	713,398	Proceeds from sale of capital assets
(6,743,954)	-	(35,419,324)	Purchase of capital assets
(21,634,197)	-	(23,398,047)	Principal payments on obligations under leases
(274,502)	-	(293,020)	Interest payments on obligations under leases
(28,652,653)	(6,189)	(58,396,993)	Net cash used in capital and related financing activities
CASH FLOWS FROM INVESTING ACTIVITIES			
-	1,930,146	4,829,325	Interest received
-	1,930,146	4,829,325	Net cash provided by investing activities
(2,613,668)	(17,052,208)	(4,017,923)	Net increase (decrease) in cash and cash equivalents
25,314,895	100,253,745	361,104,742	Cash and cash equivalents, July 1, 2024
22,701,227	83,201,537	357,086,819	Cash and cash equivalents, June 30, 2025
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
(12,057,739)	(21,237,571)	(18,890,618)	Operating income (loss)
Adjustments to reconcile operating income (loss)			
by operating activities:			
23,192,212	17,121	37,290,962	Depreciation and amortization
Change in assets and liabilities:			
(7,590)	-	(11,920)	Decrease (increase) in accounts receivable
5,310	-	25,204	Decrease in intergovernmental receivables
-	(258,781)	(258,781)	Increase in interfund receivables
-	-	(440,975)	Increase in inventories of supplies
(2,422,333)	2,500,620	4,662,924	Increase (decrease) in accounts payable and accrued liabilities
(225,916)	2,446	440,798	Increase in accrued salaries and benefits
20,541,683	2,261,406	41,708,212	Total adjustments to operating income (loss)
8,483,944	(18,976,165)	22,817,594	Net cash provided by (used in) operating activities
Noncash capital and financing activities:			
10,171,449	-	11,118,426	Initiations of lease or subscription-based IT arrangement obligations
-	(6,186)	(6,186)	Capital contributions - equipment
(2,138,770)	(6,186)	(1,482,327)	Gain (loss) on disposals of capital assets

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

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

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

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

Special Welfare Fund is a custodial fund used to account for regular assistance payments to recipients in the Temporary Assistance for Needy Families (TANF) Program. These funds include money from the Commonwealth, individuals, organizations, and churches.

State Taxes Fund is a custodial fund used to account for the collection of sheriff's fees and local taxes and their subsequent remittances to the Commonwealth of Virginia or other local governmental entities.

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

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

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

Toll Road Violations Fund is a custodial fund used to account for the collection of toll road and High Occupancy Toll (HOT)/Express Lane violation fees and the subsequent remittances to the Metropolitan Washington Airports Authority and Transurban, respectively.

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

COUNTY OF FAIRFAX, VIRGINIA
Trust Funds
Combining Statement of Fiduciary Net Position
June 30, 2025

	Uniformed Retirement	Employees' Retirement	Police Officers Retirement
ASSETS			
Equity in pooled cash and temporary investments	\$ 3,417,504	17,950,084	2,793,280
Cash collateral for securities lending	6,395,316	137,223,398	668,974
Contributions receivable	5,105,833	13,243,485	4,244,060
Accrued interest and dividends receivable	2,555,870	8,945,318	1,707,906
Receivable from sale of pension investments	5,449,154	765,362,919	149,379,529
Capital assets:			
Buildings and improvements	4,297	20,054	4,297
Vehicles and equipment	1,969	9,190	1,969
Right-to-use subscription assets, net	74,366	262,277	74,366
Investments:			
U.S. Government securities	46,408,633	557,861,812	168,520,047
Asset-backed securities	88,736,619	120,415,999	31,710,012
Corporate and other bonds	81,738,811	529,503,106	105,052,343
Common and preferred stock	686,403,751	1,114,255,088	337,700,513
Natural Resources	-	-	5,615,338
Short-term investments	134,508,043	(155,096,211)	(23,360,210)
Investment in pooled funds	1,319,111,050	3,186,300,162	1,345,851,260
Total assets	2,379,911,216	6,296,256,681	2,129,963,684
DEFERRED OUTFLOWS OF RESOURCES			
Total deferred outflows of resources	-	-	-
LIABILITIES			
Accounts payable and accrued liabilities	7,216,611	18,700,250	6,674,939
Payable for purchase of pension investments	5,856,263	751,923,893	155,950,611
Liabilities for collateral received under securities lending agreements	6,395,316	137,223,398	668,974
Compensated absences, short-term	40,881	150,039	29,452
Subscription liabilities, short-term	37,351	174,306	37,351
Long-term liabilities:			
Compensated absences, long-term	225,005	844,233	183,606
Subscription liabilities, long-term	1,588	7,413	1,588
Total liabilities	19,773,015	909,023,532	163,546,521
DEFERRED INFLOWS OF RESOURCES			
Total deferred inflows of resources	-	-	-
NET POSITION			
Net position restricted for OPEB benefits	-	-	-
Net position restricted for pension benefits	2,360,138,201	5,387,233,149	1,966,417,163
Net position	\$ 2,360,138,201	5,387,233,149	1,966,417,163

EXHIBIT H

Total Pension Trust Funds	OPEB Trust Fund	Total Trust Funds	
24,160,868	5,072,824	29,233,692	ASSETS
144,287,688	-	144,287,688	Equity in pooled cash and temporary investments
22,593,378	791,165	23,384,543	Cash collateral for securities lending
13,209,094	22,866	13,231,960	Contributions receivable
920,191,602	-	920,191,602	Accrued interest and dividends receivable
			Receivable from sale of pension investments
			Capital assets:
28,648	-	28,648	Buildings and improvements
13,128	-	13,128	Vehicles and equipment
411,009	-	411,009	Right-to-use subscription assets, net
			Investments:
772,790,492	-	772,790,492	U.S. Government securities
240,862,630	-	240,862,630	Asset-backed securities
716,294,260	-	716,294,260	Corporate and other bonds
2,138,359,352	-	2,138,359,352	Common and preferred stock
5,615,338	-	5,615,338	Natural Resources
(43,948,378)	-	(43,948,378)	Short-term investments
5,851,262,472	462,271,760	6,313,534,232	Investment in pooled funds
10,806,131,581	468,158,615	11,274,290,196	Total assets
			DEFERRED OUTFLOWS OF RESOURCES
-	-	-	Total deferred outflows of resources
			LIABILITIES
32,591,800	67	32,591,867	Accounts payable and accrued liabilities
913,730,767	-	913,730,767	Payable for purchase of pension investments
			Liabilities for collateral received under securities
144,287,688	-	144,287,688	lending agreements
220,372	-	220,372	Compensated absences, short-term
249,008	-	249,008	Subscription liabilities, short-term
			Long-term liabilities:
1,252,844	-	1,252,844	Compensated absences, long-term
10,589	-	10,589	Subscription liabilities, long-term
1,092,343,068	67	1,092,343,135	Total liabilities
			DEFERRED INFLOWS OF RESOURCES
-	-	-	Total deferred inflows of resources
			NET POSITION
-	468,158,548	468,158,548	Net position restricted for OPEB benefits
9,713,788,513	-	9,713,788,513	Net position restricted for pension benefits
9,713,788,513	468,158,548	10,181,947,061	Net position

COUNTY OF FAIRFAX, VIRGINIA
Trust Funds
Combining Statement of Changes in Fiduciary Net Position
For the fiscal year ended June 30, 2025

	Uniformed Retirement	Employees' Retirement	Police Officers Retirement
ADDITIONS			
Contributions:			
Employer	\$ 106,901,813	350,898,820	86,013,744
Plan members	16,171,371	54,967,371	16,606,701
Other	-	-	-
Total contributions	<u>123,073,184</u>	<u>405,866,191</u>	<u>102,620,445</u>
Investment income:			
From investment activities:			
Net appreciation (depreciation) in fair value of investments	203,907,214	436,148,120	174,505,430
Interest	15,206,858	27,910,809	4,128,634
Dividends	16,244,665	18,337,044	7,562,027
Total income from investment activities	<u>235,358,737</u>	<u>482,395,973</u>	<u>186,196,091</u>
Less investment activities expenses:			
Management fees	17,223,889	54,542,863	25,337,048
Other	1,549,075	2,685,049	1,130,318
Total investment activities expenses	<u>18,772,964</u>	<u>57,227,912</u>	<u>26,467,366</u>
Net income from investment activities	<u>216,585,773</u>	<u>425,168,061</u>	<u>159,728,725</u>
From securities lending activities:			
Securities lending income	<u>109,303</u>	<u>1,253,381</u>	<u>33,250</u>
Less securities lending expenses:			
Management fees	<u>36,676</u>	<u>361,943</u>	<u>11,625</u>
Total securities lending activities expenses	<u>36,676</u>	<u>361,943</u>	<u>11,625</u>
Net income from securities lending activities	<u>72,627</u>	<u>891,438</u>	<u>21,625</u>
Net investment income	<u>216,658,400</u>	<u>426,059,499</u>	<u>159,750,350</u>
Total additions	<u>339,731,584</u>	<u>831,925,690</u>	<u>262,370,795</u>
DEDUCTIONS			
Benefits payments	162,187,616	432,620,196	123,504,084
Refunds of contributions	1,660,085	4,058,995	232,067
Administrative expenses	1,054,594	4,035,969	920,907
Total deductions	<u>164,902,295</u>	<u>440,715,160</u>	<u>124,657,058</u>
Net increase in fiduciary net position	174,829,289	391,210,530	137,713,737
Net position, July 1, 2024	2,185,308,912	4,996,022,619	1,828,703,426
Net position, June 30, 2025	<u>\$ 2,360,138,201</u>	<u>5,387,233,149</u>	<u>1,966,417,163</u>

EXHIBIT H-1

Total Pension Trust Funds	OPEB Trust Fund	Total Trust Funds	
543,814,377	15,590,953	559,405,330	ADDITIONS
87,745,443	-	87,745,443	Contributions:
-	4,142,429	4,142,429	Employer
631,559,820	19,733,382	651,293,202	Plan members
			Other
			Total contributions
			Investment income:
			From investment activities:
814,560,764	37,644,752	852,205,516	Net appreciation (depreciation) in fair value of investments
47,246,301	44,322	47,290,623	Interest
42,143,736	-	42,143,736	Dividends
903,950,801	37,689,074	941,639,875	Total income from investment activities
			Less investment activities expenses:
97,103,800	299,915	97,403,715	Management fees
5,364,442	251	5,364,693	Other
102,468,242	300,166	102,768,408	Total investment activities expenses
801,482,559	37,388,908	838,871,467	Net income from investment activities
			From securities lending activities:
1,395,934	-	1,395,934	Securities lending income
			Less securities lending expenses:
410,244	-	410,244	Management fees
410,244	-	410,244	Total securities lending activities expenses
985,690	-	985,690	Net income from securities lending activities
802,468,249	37,388,908	839,857,157	Net investment income
1,434,028,069	57,122,290	1,491,150,359	Total additions
			DEDUCTIONS
718,311,896	22,057,498	740,369,394	Benefits payments
5,951,147	-	5,951,147	Refunds of contributions
6,011,470	155,514	6,166,984	Administrative expenses
730,274,513	22,213,012	752,487,525	Total deductions
703,753,556	34,909,278	738,662,834	Net increase in fiduciary net position
9,010,034,957	433,249,270	9,443,284,227	Net position, July 1, 2024
9,713,788,513	468,158,548	10,181,947,061	Net position, June 30, 2025

COUNTY OF FAIRFAX, VIRGINIA
Custodial Funds
Combining Statement of Fiduciary Net Position
June 30, 2025

	Sanitary Reimbursement	Special Welfare	State Taxes	Route 28
ASSETS				
Equity in pooled cash and temporary investments	\$ 1,832,507	711,307	345,703	5,181
Accounts receivable	-	-	155,105	21,560
Total assets	1,832,507	711,307	500,808	26,741
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources	-	-	-	-
LIABILITIES				
Accounts payable and accrued liabilities	-	-	-	32
Due to intergovernmental units	-	-	164,655	21,560
Performance and other deposits	790,526	-	-	-
Total liabilities	790,526	-	164,655	21,592
DEFERRED INFLOWS OF RESOURCES				
Total deferred inflows of resources	-	-	-	-
NET POSITION				
Net position restricted for individuals, organizations, and other governments	\$ 1,041,981	711,307	336,153	5,149

EXHIBIT H-2

Lake Barcroft	Friends of Library	Toll Road Violations	Police Evidence Fund	Total Custodial Funds	
					ASSETS
-	10,026	426	765,445	3,670,595	Equity in pooled cash and temporary investments
6,970	-	-	-	183,635	Accounts receivable
6,970	10,026	426	765,445	3,854,230	Total assets
					DEFERRED OUTFLOWS OF RESOURCES
-	-	-	-	-	Total deferred outflows of resources
					LIABILITIES
-	-	-	-	32	Accounts payable and accrued liabilities
6,970	-	-	-	193,185	Due to intergovernmental units
-	-	-	-	790,526	Performance and other deposits
6,970	-	-	-	983,743	Total liabilities
					DEFERRED INFLOWS OF RESOURCES
-	-	-	-	-	Total deferred inflows of resources
					NET POSITION
-	10,026	426	765,445	2,870,487	Net position restricted for individuals, organizations, and other governments

COUNTY OF FAIRFAX, VIRGINIA
Custodial Funds
Combining Statement of Changes in Fiduciary Net Position
For the fiscal year ended June 30, 2025

	Sanitary Reimbursement	Special Welfare	State Taxes	Route 28
ADDITIONS				
Investment income:				
From investment activities:				
Interest	\$ 39,897	15,284	-	17,698
Total income from investment activities	39,897	15,284	-	17,698
Less investment activities expenses:				
Management fees	196	73	-	96
Total investment activities expenses	196	73	-	96
Net income from investment activities	39,701	15,211	-	17,602
Collections:				
Taxes and fees for other governments	-	-	21,849,183	10,581,510
Intergovernmental for individuals	-	642,822	-	-
Penalty for other governments and organizations	-	-	-	-
Other for organizations and individuals	-	10,592	-	-
Total collections	-	653,414	21,849,183	10,581,510
Total additions	39,701	668,625	21,849,183	10,599,112
DEDUCTIONS				
Administrative expenses	-	-	66,271	-
Payments:				
Taxes and fees to other governments	-	-	21,744,203	10,599,232
Intergovernmental collections to individuals	-	645,659	-	-
Penalties to other governments and organizations	-	-	-	-
Other collections to organizations and individuals	-	31,324	-	-
Total payments	-	676,983	21,744,203	10,599,232
Total deductions	-	676,983	21,810,474	10,599,232
Net increase (decrease) in fiduciary net position	39,701	(8,358)	38,709	(120)
Net position, June 30, 2024	1,002,280	719,665	297,444	5,269
Net position, June 30, 2025	\$ 1,041,981	711,307	336,153	5,149

EXHIBIT H-3

Lake Barcroft	Friends of Library	Toll Road Violations	Police Evidence Fund	Total Custodial Funds	
					ADDITIONS
					Investment income:
					From investment activities:
-	-	-	-	72,879	Interest
-	-	-	-	72,879	Total income from investment activities
					Less investment activities expenses:
-	-	-	-	365	Management fees
-	-	-	-	365	Total investment activities expenses
-	-	-	-	72,514	Net income from investment activities
					Collections:
1,468,678	-	-	-	33,899,371	Taxes and fees for other governments
-	-	-	-	642,822	Intergovernmental for individuals
-	-	803,715	-	803,715	Penalty for other governments and organizations
-	107,820	-	576,977	695,389	Other for organizations and individuals
1,468,678	107,820	803,715	576,977	36,041,297	Total collections
1,468,678	107,820	803,715	576,977	36,113,811	Total additions
					DEDUCTIONS
-	-	-	-	66,271	Administrative expenses
					Payments:
1,468,678	-	-	-	33,812,113	Taxes and fees to other governments
-	-	-	-	645,659	Intergovernmental collections to individuals
-	-	803,802	-	803,802	Penalties to other governments and organizations
-	107,374	-	331,340	470,038	Other collections to organizations and individuals
1,468,678	107,374	803,802	331,340	35,731,612	Total payments
1,468,678	107,374	803,802	331,340	35,797,883	Total deductions
-	446	(87)	245,637	315,928	Net increase (decrease) in fiduciary net position
-	9,580	513	519,808	2,554,559	Net position, June 30, 2024
-	10,026	426	765,445	2,870,487	Net position, June 30, 2025

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

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

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

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

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

Adult and Community Education Fund is a special revenue fund used to account for programs pertaining to basic skills education, high school completion, English for Speakers of Other Languages (ESOL), apprenticeship and occupation skills instruction, family literacy, driver education, SAT preparation, and business contracts.

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

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

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

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

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Public Schools
Balance Sheet - Governmental Funds
June 30, 2025

	General Fund	Capital Projects Fund	Nonmajor Governmental Special Revenue	
			Food and Nutrition Services	Grants and Self-Supporting Programs
ASSETS				
Equity in pooled cash and temporary investments	\$ 435,509,801	59,371,167	17,263,049	31,991,376
Cash with fiscal agents	94,143	-	-	-
Receivables:				
Accounts	1,767,808	-	2,194,688	8,436
Accrued interest	-	-	156,906	28,254
Lease	1,821,686	-	944,125	-
Due from intergovernmental units	41,267,849	-	7,937,540	19,822,187
Due from Primary Government	100,606	-	109,844	9,750
Inventories of supplies	-	-	827,776	-
Prepaid and other assets	198,443	-	-	-
Restricted assets - investments	-	240,445,507	-	-
Total assets	<u>480,760,336</u>	<u>299,816,674</u>	<u>29,433,928</u>	<u>51,860,003</u>
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	\$ 480,760,336	299,816,674	29,433,928	51,860,003
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 21,233,316	33,825,174	75,146	830,952
Accrued salaries and benefits	54,238,907	-	158,836	11,889
Contract retainages	-	18,738,954	-	-
Unearned revenues	256,580	-	2,390,984	3,212,290
Performance and other deposits	-	36,251,812	-	-
Total liabilities	<u>75,728,803</u>	<u>88,815,940</u>	<u>2,624,966</u>	<u>4,055,131</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - leases	1,766,609	-	942,129	-
Total deferred inflows of resources	<u>1,766,609</u>	<u>-</u>	<u>942,129</u>	<u>-</u>
Total liabilities and deferred inflows of resources	\$ 77,495,412	88,815,940	3,567,095	4,055,131
FUND BALANCES				
Nonspendable	198,443	-	827,776	-
Restricted	-	211,000,734	25,039,057	47,804,872
Committed	36,736,741	-	-	-
Assigned	365,063,296	-	-	-
Unassigned	1,266,444	-	-	-
Total fund balances	<u>403,264,924</u>	<u>211,000,734</u>	<u>25,866,833</u>	<u>47,804,872</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ 480,760,336	299,816,674	29,433,928	51,860,003

Reconciliation of the Balance Sheet to the Statement of Net Position

Fund balances - Total governmental funds	\$ 687,964,536
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental fund activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$6,150,481,028 and accumulated depreciation/amortization is \$3,177,590,196.	2,972,890,832
OPEB liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. The deferred outflows related to OPEB are \$135,579,229, and the net OPEB liability is \$289,561,597. The deferred inflows related to OPEB are \$106,396,585.	(260,378,953)
Internal service funds are used by management to provide certain goods and services to governmental funds. The assets and liabilities of the internal service funds are included in governmental activities section of the Statement of Net Position.	30,599,152
Compensated absences and accrued interests on long-term debt related to governmental fund activities are not due and payable in the current period and, therefore, are not reported in the funds.	(238,117,092)
Leases, subscription liabilities, and notes payable are not due and payable in the current period and, therefore, are not reported in the funds.	(180,962,487)
Revisions of debt agreements resulting in an increase of debt obligations are reported as deferred inflows in the Statement of Net Position.	2,654,038
Pension liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. The deferred outflows related to pensions are \$1,325,686,891, and the net pension liability is \$3,375,558,413. The deferred inflows related to pensions are \$596,141,450.	<u>(2,646,012,972)</u>
Net position of governmental activities	<u>\$ 368,637,054</u>

EXHIBIT I

Funds		
Adult and Community Education	Total Governmental Funds	
4,358	544,139,751	ASSETS
-	94,143	Equity in pooled cash and temporary investments
		Cash with fiscal agents
		Receivables:
6,694	3,977,626	Accounts
15,758	200,918	Accrued interest
-	2,765,811	Lease
692,125	69,719,701	Due from intergovernmental units
-	220,200	Due from Primary Government
-	827,776	Inventories of supplies
51,282	249,725	Prepaid and other assets
-	240,445,507	Restricted assets - investments
770,217	862,641,158	Total assets
		DEFERRED OUTFLOWS OF RESOURCES
-	-	Total deferred outflows of resources
770,217	862,641,158	Total assets and deferred outflows of resources
		LIABILITIES AND FUND BALANCES
		Liabilities:
151,365	56,115,953	Accounts payable and accrued liabilities
325,376	54,735,008	Accrued salaries and benefits
-	18,738,954	Contract retainages
266,303	6,126,157	Unearned revenues
-	36,251,812	Performance and other deposits
743,044	171,967,884	Total liabilities
		DEFERRED INFLOWS OF RESOURCES
-	2,708,738	Deferred inflows of resources - leases
-	2,708,738	Total deferred inflows of resources
743,044	174,676,622	Total liabilities and deferred inflows of resources
		FUND BALANCES
51,282	1,077,501	Nonspendable
-	283,844,663	Restricted
-	36,736,741	Committed
-	365,063,296	Assigned
(24,109)	1,242,335	Unassigned
27,173	687,964,536	Total fund balances
770,217	862,641,158	Total liabilities, deferred inflows of resources, and fund balances

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Public Schools
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
For the fiscal year ended June 30, 2025

	General Fund	Capital Projects Fund	Nonmajor Food and Nutrition Services
REVENUES			
Intergovernmental	\$ 3,658,337,590	255,156,972	58,392,967
Charges for services	15,268,063	-	35,563,411
Revenue from the use of money and property	4,491,226	-	910,256
Recovered costs	66,214,951	528,389	-
Other	57,564,278	2,268,677	53,949
Total revenues	3,801,876,108	257,954,038	94,920,583
EXPENDITURES			
Current:			
Education	3,655,265,137	52,668,792	104,149,966
Capital outlay	82,461,254	188,082,153	4,403,410
Debt service:			
Principal retirement	48,201,645	-	1,029,923
Interest and other charges	5,466,283	-	84,809
Total expenditures	3,791,394,319	240,750,945	109,668,108
Excess (deficiency) of revenues over (under) expenditures	10,481,789	17,203,093	(14,747,525)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	22,048,097	-
Transfers out	(46,297,560)	-	-
Leases	13,232,721	-	-
Other financed leases/notes payable	14,670,060	-	-
Right-to-use subscriptions	3,621,135	-	1,190,270
Total other financing sources (uses), net	(14,773,644)	22,048,097	1,190,270
Net change in fund balances	(4,291,855)	39,251,190	(13,557,255)
Fund balances, July 1, 2024	407,556,779	171,749,544	40,052,559
Increase (Decrease) in reserve for inventories	-	-	(628,471)
Fund balances, June 30, 2025	\$ 403,264,924	211,000,734	25,866,833

EXHIBIT I-1

Governmental Special Revenue Grants and Self-Supporting Programs	Funds Funds Adult and Community Education	Total Governmental Funds	
			REVENUES
87,463,745	2,258,906	4,061,610,180	Intergovernmental
2,691,505	3,037,330	56,560,309	Charges for services
184,394	118,647	5,704,523	Revenue from the use of money and property
-	-	66,743,340	Recovered costs
475,692	3,610	60,366,206	Other
90,815,336	5,418,493	4,250,984,558	Total revenues
			EXPENDITURES
			Current:
146,666,781	6,808,711	3,965,559,387	Education
141,407	-	275,088,224	Capital outlay
			Debt service:
7,902	2,367	49,241,837	Principal retirement
970	71	5,552,133	Interest and other charges
146,817,060	6,811,149	4,295,441,581	Total expenditures
(56,001,724)	(1,392,656)	(44,457,023)	Excess (deficiency) of revenues over (under) expenditures
			OTHER FINANCING SOURCES (USES)
22,853,213	1,396,250	46,297,560	Transfers in
-	-	(46,297,560)	Transfers out
-	-	13,232,721	Leases
-	-	14,670,060	Other financed leases/notes payable
-	-	4,811,405	Right-to-use subscriptions
22,853,213	1,396,250	32,714,186	Total other financing sources (uses), net
(33,148,511)	3,594	(11,742,837)	Net change in fund balances
80,953,383	23,579	700,335,844	Fund balances, July 1, 2024
-	-	(628,471)	Increase (Decrease) in reserve for inventories
47,804,872	27,173	687,964,536	Fund balances, June 30, 2025

continued

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Public Schools
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities
For the fiscal year ended June 30, 2025

EXHIBIT I-1
concluded

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

Net change in fund balances - Total governmental funds \$ (11,742,837)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of these assets are allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceed depreciation/amortization expense in the current period:

Capital outlay	\$ 275,088,224	
Less depreciation/amortization expense	<u>(217,034,428)</u>	\$ 58,053,796

Donations of capital assets increase net position in the Statement of Activities, but do not appear in the governmental funds because they are not financial resources. \$ 1,473,389

Losses on the disposition of capital assets are reported in the Statement of Activities. However, in the governmental funds, only the proceeds from sales are reported. The difference is the net depreciated/amortized value of the disposed capital assets. \$ (16,298)

Obligations for leases and subscriptions are reported as expenditures in governmental funds when they are due. In the government-wide statements, the effects of deferred inflows relating to lease obligations are amortized over the life of each lease and expensed. \$ (32,714,186)

Principal payments on leases and installment purchases are reported as expenditures in the governmental funds. However, the principal payments reduce the liabilities in the Statement of Net Position and do not result in an expense in the Statement of Activities. \$ 49,241,837

the refinancing of the Gatehouse Administrative Building are amortized over the life of each lease and expensed. \$ (286,923)

Under the modified accrual basis of accounting used in the governmental funds, expenditures for compensated absences are not recognized until they mature. In the Statement of Activities, however, they are reported as expenses and liabilities as they accrue. \$ (6,476,107)

Internal service funds are used by management to provide certain goods and services to governmental funds. The change in net position of these funds is reported within the governmental activities section of the Statement of Activities. \$ (17,140,288)

Interest on leases and installment purchases is reported as an expenditure in the governmental funds when it is due. However, in the Statement of Activities, interest is expensed as it accrues. This amount represents the net change in accrued interest on long-term debt. \$ (330,594)

Inventory changes impact net position in government-wide statements, but purchases are recorded as expenditures in the governmental fund statements. \$ (628,471)

Contributions for pension benefits are reported as expenditures in governmental funds when they are due. In the government-wide statements, the effects of the net pension liability, as well as deferred outflows and inflows relating to pension accounting, are expensed. \$ (77,399,813)

Contributions for OPEB benefits are reported as expenditures in governmental funds when they are due. In the government-wide statements, the effects of the net OPEB asset or liability, as well as deferred outflows and inflows relating to OPEB accounting, are expensed. \$ 60,495,618

Change in net position of governmental activities \$ 22,529,123

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Public Schools
Budgetary Comparison Schedule - General Fund (Budget Basis)
For the fiscal year ended June 30, 2025

EXHIBIT I-2

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,047,523,059	1,079,415,308	1,073,052,715	(6,362,593)
Charges for services	15,560,706	15,560,706	15,268,063	(292,643)
Revenue from the use of money and property	3,686,259	3,686,259	4,491,226	804,967
Recovered costs	55,564,732	55,564,732	66,214,951	10,650,219
Other	9,323,373	11,485,504	11,351,591	(133,913)
Total revenues	1,131,658,129	1,165,712,509	1,170,378,546	4,666,037
EXPENDITURES				
Education	3,704,986,441	4,058,367,760	3,711,290,999	347,076,761
Total expenditures	3,704,986,441	4,058,367,760	3,711,290,999	347,076,761
Excess (deficiency) of revenues over (under) expenditures	(2,573,328,312)	(2,892,655,251)	(2,540,912,453)	351,742,798
OTHER FINANCING SOURCES (USES)				
Transfers in	2,585,284,875	2,585,284,875	2,585,284,875	-
Transfers out	(40,062,780)	(49,563,750)	(49,494,378)	69,372
Total other financing sources	2,545,222,095	2,535,721,125	2,535,790,497	69,372
Net change in fund balance	\$ (28,106,217)	(356,934,126)	(5,121,956)	351,812,170

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Public Schools
Budgetary Comparison Schedule - Food and Nutrition Services Fund (Budget Basis)
For the fiscal year ended June 30, 2025

EXHIBIT I-3A

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 61,188,355	61,205,462	58,392,967	(2,812,495)
Charges for services	36,706,438	36,706,438	35,563,411	(1,143,027)
Revenue from the use of money and property	20,211	20,211	910,256	890,045
Other	10,000	41,000	53,949	12,949
Total revenues	97,925,004	97,973,111	94,920,583	(3,052,528)
EXPENDITURES				
Education	148,784,280	138,025,669	108,477,838	29,547,831
Total expenditures	148,784,280	138,025,669	108,477,838	29,547,831
Excess (deficiency) of revenues over (under) expenditures	(50,859,276)	(40,052,558)	(13,557,255)	26,495,303
Net change in fund balance	\$ (50,859,276)	(40,052,558)	(13,557,255)	26,495,303

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Public Schools
Budgetary Comparison Schedule - Grants and Self-Supporting Programs Fund (Budget Basis)
For the fiscal year ended June 30, 2025

EXHIBIT I-3B

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 67,781,579	129,678,874	85,738,278	(43,940,596)
Charges for services	2,874,250	2,874,250	2,691,505	(182,745)
Revenue from the use of money and property	80,000	80,000	184,394	104,394
Other	380,107	790,987	475,692	(315,295)
Total revenues	71,115,936	133,424,111	89,089,869	(44,334,242)
EXPENDITURES				
Education	98,626,803	238,956,175	146,817,060	92,139,115
Total expenditures	98,626,803	238,956,175	146,817,060	92,139,115
Excess (deficiency) of revenues over (under) expenditures	(27,510,867)	(105,532,064)	(57,727,191)	47,804,873
OTHER FINANCING SOURCES (USES)				
Transfers in from other governmental funds	22,853,213	22,853,213	22,853,213	-
Transfers in from primary government	1,725,467	1,725,467	1,725,467	-
Total other financing sources	24,578,680	24,578,680	24,578,680	-
Net change in fund balance	\$ (2,932,187)	(80,953,384)	(33,148,511)	47,804,873

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Public Schools
Budgetary Comparison Schedule - Adult and Community Education Fund (Budget Basis)
For the fiscal year ended June 30, 2025

EXHIBIT I-3C

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 2,156,072	2,156,072	2,258,906	102,834
Charges for services	4,624,912	4,624,912	3,037,330	(1,587,582)
Revenue from the use of money and property	137,833	137,833	118,647	(19,186)
Other	9,385	9,385	3,610	(5,775)
Total revenues	6,928,202	6,928,202	5,418,493	(1,509,709)
EXPENDITURES				
Education	8,030,176	8,053,756	6,811,149	1,242,607
Total expenditures	8,030,176	8,053,756	6,811,149	1,242,607
Excess (deficiency) of revenues over (under) expenditures	(1,101,974)	(1,125,554)	(1,392,656)	(267,102)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,396,250	1,396,250	1,396,250	-
Total other financing sources	1,396,250	1,396,250	1,396,250	-
Net change in fund balance	\$ 294,276	270,696	3,594	(267,102)

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Public Schools
Combining Statement of Net Position - Internal Service Funds
June 30, 2025

EXHIBIT I-4

	Health Benefits Trust	Insurance	Total Internal Service Funds
ASSETS			
Current assets:			
Equity in pooled cash and temporary investments	60,122,324	68,033,928	128,156,252
Cash in escrow	-	635,335	635,335
Accounts receivable	21,661,141	-	21,661,141
Accrued interest receivable	71,960	-	71,960
Total current assets	81,855,425	68,669,263	150,524,688
Long-term assets - Capital assets:			
Right-to-use subscription assets	-	1,014,275	1,014,275
Accumulated depreciation and amortization	-	(306,787)	(306,787)
Total long-term assets	-	707,488	707,488
Total assets	81,855,425	69,376,751	151,232,176
DEFERRED OUTFLOWS OF RESOURCES			
Total deferred outflows of resources	-	-	-
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	16,486,872	313,677	16,800,549
Interest payable	-	6,633	6,633
Compensated absences payable	368,268	181,870	550,138
Insurance and benefit claims payable	29,193,500	11,562,400	40,755,900
Unearned revenue	13,951,445	-	13,951,445
Subscription liability	-	99,995	99,995
Total current liabilities	60,000,085	12,164,575	72,164,660
Long-term liabilities:			
Compensated absences payable	162,061	79,366	241,427
Insurance and benefit claims payable	1,536,500	46,249,600	47,786,100
Subscription liability	-	440,837	440,837
Total long-term liabilities	1,698,561	46,769,803	48,468,364
Total liabilities	61,698,646	58,934,378	120,633,024
DEFERRED INFLOWS OF RESOURCES			
Total deferred inflows of resources	-	-	-
NET POSITION			
Net investment in capital assets	-	166,656	166,656
Unrestricted	20,156,779	10,275,717	30,432,496
Net position	20,156,779	10,442,373	30,599,152

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT I-5

Fairfax County Public Schools

Combining Statement of Revenues, Expenses, and Changes in Net Position - Internal Service Funds

For the fiscal year ended June 30, 2025

	Health Benefits Trust	Insurance	Total Internal Service Funds
OPERATING REVENUES:			
Charges for services	\$ 590,434,168	24,275,472	614,709,640
Total operating revenues	590,434,168	24,275,472	614,709,640
OPERATING EXPENSES:			
Personnel services	4,085,096	1,647,287	5,732,383
Depreciation and amortization expenses	-	127,479	127,479
Claims and benefit payments	595,787,947	17,604,254	613,392,201
Professional consultant and contractual services	10,099,089	3,353,835	13,452,924
Other	20,218	293,675	313,893
Total operating expenses	609,992,350	23,026,530	633,018,880
Operating income (loss)	(19,558,182)	1,248,942	(18,309,240)
NONOPERATING REVENUES (EXPENSES):			
Interest revenue	1,168,551	401	1,168,952
Total nonoperating revenues	1,168,551	401	1,168,952
Income (loss) before transfers	(18,389,631)	1,249,343	(17,140,288)
Change in net position	(18,389,631)	1,249,343	(17,140,288)
Net position, July 1, 2024	38,546,410	9,193,030	47,739,440
Net position, June 30, 2025	\$ 20,156,779	10,442,373	30,599,152

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Public Schools
Combining Statement of Cash Flows - Internal Service Funds
For the fiscal year ended June 30, 2025

EXHIBIT I-6

	Health Benefits Trust	Insurance	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund services provided	\$ 588,698,038	24,275,472	612,973,510
Payments to employees	(4,085,096)	(1,647,287)	(5,732,383)
Claims and benefits paid	(595,214,932)	(16,061,320)	(611,276,252)
Payments for professional services	(6,392,720)	(3,347,167)	(9,739,887)
Payments for other operating expenses	(20,218)	(293,675)	(313,893)
Net cash provided by (used in) operating activities	(17,014,928)	2,926,023	(14,088,905)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal payments on leases and installment purchases	-	(110,436)	(110,436)
Interest payments on leases and installment purchases	-	(420)	(420)
Net cash provided by (used in) capital and related financing activities	(330,471)	(240,153)	(570,624)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	1,184,191	-	1,184,191
Net cash provided by investing activities	1,184,191	-	1,184,191
Net increase (decrease) in cash and cash equivalents	(16,161,208)	2,685,870	(13,475,338)
Cash and cash equivalents, July 1, 2024	76,283,532	65,983,393	142,266,925
Cash and cash equivalents, June 30, 2025	\$ 60,122,324	68,669,263	128,791,587
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (19,558,182)	1,248,942	(18,309,240)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	-	127,479	127,479
Change in assets and liabilities:			
Increase in accounts receivable	(3,084,575)	-	(3,084,575)
Increase in accounts payable and accrued liabilities	3,706,369	6,668	3,713,037
Increase in insurance and benefits claims payable	231,000	1,396,254	1,627,254
Increase in compensated absences	342,015	146,680	488,695
Increase in unearned revenues	1,348,445	-	1,348,445
Total adjustments to operating income (loss)	2,543,254	1,677,081	4,220,335
Net cash provided by (used in) operating activities	\$ (17,014,928)	2,926,023	(14,088,905)

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Public Schools
Fiduciary Funds
Statement of Fiduciary Net Position - Trust Funds
June 30, 2025

EXHIBIT I-7

	Pension Trust Fund -	Educational Employees' Supplementary Retirement System	OPEB Trust Fund	Total Pension and OPEB Trust Funds
ASSETS				
Cash and cash equivalents		2,622,257	-	2,622,257
Cash with fiscal agents		23,710,557	-	23,710,557
Cash collateral for securities lending		119,201,065	-	119,201,065
Short-term investments		59,387,722	-	59,387,722
Accounts receivable		13,518	37,200	50,718
Accrued interest and dividends receivable		2,336,901	-	2,336,901
Receivable from sale of pension investments		18,642,817	2,554,599	21,197,416
Investments:				
Commingled funds	1,015,429,201		-	1,015,429,201
U.S. government obligations	260,967,495		-	260,967,495
Asset and mortgage-backed securities	228,672,358		-	228,672,358
Corporate and international bonds	418,259,486		-	418,259,486
Convertible and preferred securities	3,388,211		-	3,388,211
Stocks	191,503,176		-	191,503,176
Real estate	291,587,674		-	291,587,674
Multi-asset class solutions	69,848,848		-	69,848,848
Hedge funds	285,582,462		-	285,582,462
Private equity	347,488,368		-	347,488,368
Private debt	106,358,603		-	106,358,603
Infrastructure	78,724,684		-	78,724,684
Investment in pooled funds	-		262,527,810	262,527,810
Natural resources	58,921,801		-	58,921,801
Right-to-use lease assets, net of amortization	2,141,753		-	2,141,753
Total assets	<u>3,584,788,957</u>	<u>265,119,609</u>		<u>3,849,908,566</u>
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources	-	-	-	-
LIABILITIES				
Accounts payable and accrued liabilities	1,938,337		37,230	1,975,567
Payable for purchase of pension investments	21,812,930		-	21,812,930
Liabilities for collateral received under securities lending agreements	119,201,065		-	119,201,065
Right-to-use lease liabilities	2,696,227		-	2,696,227
Total liabilities	<u>145,648,559</u>		<u>37,230</u>	<u>145,685,789</u>
DEFERRED INFLOWS OF RESOURCES				
Total deferred inflows of resources	-	-	-	-
NET POSITION				
Held in trust for pension/OPEB benefits	3,439,140,398		265,082,379	3,704,222,777

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Public Schools
Statement of Changes in Fiduciary Net Position - Trust Funds
For the fiscal year ended June 30, 2025

EXHIBIT I-8

	Pension Trust Fund - Educational Employees' Supplementary Retirement System	OPEB Trust Fund	Total Pension and OPEB Trust Funds
ADDITIONS			
Contributions:			
Employer	\$ 129,278,658	15,578,650	144,857,308
Plan members	59,011,733	-	59,011,733
Total contributions	188,290,391	15,578,650	203,869,041
Investment income:			
From investment activities:			
Net appreciation in fair value of investments	228,319,435	21,373,398	249,692,833
Interest and dividends	47,152,402	795	47,153,197
Total gain from investment activities	275,471,837	21,374,193	296,846,030
Less investment activities expenses:			
Management fees	5,387,433	122,226	5,509,659
Other	1,887,670	179	1,887,849
Total investment activities expenses	7,275,103	122,405	7,397,508
Net gain from investment activities	268,196,734	21,251,788	289,448,522
From securities lending activities:			
Securities lending income	6,942,714	-	6,942,714
Less securities lending expenses:			
Management fees	(6,492,807)	-	(6,492,807)
Total securities lending activities expenses	(6,492,807)	-	(6,492,807)
Net income from securities lending activities	449,907	-	449,907
Net investment income	268,646,641	21,251,788	289,898,429
Total additions	456,937,032	36,830,438	493,767,470
DEDUCTIONS			
Benefits payments	219,607,894	10,578,650	230,186,544
Refunds of contributions	5,070,399	-	5,070,399
Administrative expenses	6,326,994	-	6,326,994
Depreciation expense	215,975	-	215,975
Total deductions	231,221,262	10,578,650	241,799,912
Change in net position	225,715,770	26,251,788	251,967,558
Net position, July 1, 2024	3,213,424,628	238,830,591	3,452,255,219
Net position, June 30, 2025	\$ 3,439,140,398	265,082,379	3,704,222,777



The **Fairfax County Redevelopment and Housing Authority** (FCRHA) is responsible for low-income housing and community development programs within the County. FCRHA was approved by a voter referendum in November 1965 and was activated by the County Board of Supervisors in February 1966. FCRHA is a political subdivision of and reports to the Commonwealth of Virginia. The County Board of Supervisors appoints the FCRHA Board of Commissioners and the County provides certain managerial and other related assistance to FCRHA.

Housing Authority represents FCRHA's use of an enterprise fund to report its activities. FCRHA activities are funded by federal grants from the U.S. Department of Housing and Urban Development, rents, and other user charges resulting from operations of subsidized housing, development and financing fees, investment income, and loan proceeds. These funds provide rental housing, housing for the elderly/group homes, loans for home ownership and home improvement, tenant assistance, community development, and administration of these programs.

Component Units are real estate limited partnerships of FCRHA. FCRHA is the managing general partner and has certain rights which enable it to impose its will on the limited partnerships. FCRHA is legally obligated to fund operating deficits, making FCRHA financially accountable for the partnerships.

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Redevelopment and Housing Authority
Statement of Net Position
June 30, 2025

EXHIBIT J

	Housing Authority	Component Units	Total Entity
ASSETS			
Current assets:			
Equity in pooled cash and temporary investments	\$ 51,378,138	-	51,378,138
Cash in bank	45,460,473	4,319,272	49,779,745
Cash reserves	3,793,140	-	3,793,140
Receivables (net of allowances):			
Accounts	13,158,679	381,500	13,540,179
Accrued interest	128,802	-	128,802
Notes	300,681	25,517	326,198
Due from Primary Government	59,784,910	-	59,784,910
Prepaid and other assets	759,854	64,509	824,363
Restricted assets:			
Cash reserves	5,337,611	-	5,337,611
Performance and other deposits	12,049,178	365,788	12,414,966
Total current assets	192,151,466	5,156,586	197,308,052
Long-term assets:			
Restricted assets:			
Cash reserves	37,291,432	5,824,452	43,115,884
Net OPEB asset	924,395	-	924,395
Total restricted assets	38,215,827	5,824,452	44,040,279
Capital assets:			
Non-depreciable/non-amortizable:			
Land	85,171,497	6,989,815	92,161,312
Construction in progress	22,821,326	9,631,124	32,452,450
Depreciable/amortizable:			
Vehicles and equipment	1,954,733	6,419,699	8,374,432
Buildings and improvements	200,832,858	48,548,018	249,380,876
Right-to-use lease assets	1,112,019	21,922,622	23,034,641
Right-to-use subscription assets	751,703	-	751,703
Accumulated depreciation/amortization	(153,076,300)	(21,109,981)	(174,186,281)
Total capital assets, net	159,567,836	72,401,297	231,969,133
Other long-term assets:			
Notes receivable	68,499,363	-	68,499,363
Lease receivable	21,911,815	-	21,911,815
Prepaid and other assets	1,673,209	251,746	1,924,955
Total other long-term assets	92,084,387	251,746	92,336,133
Total long-term assets	289,868,050	78,477,495	368,345,545
Total assets	482,019,516	83,634,081	565,653,597
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows for pensions	14,561,078	-	14,561,078
Deferred outflows for OPEB	989,073	-	989,073
Total deferred outflows of resources	15,550,151	-	15,550,151
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 15,185,268	4,105,967	19,291,235
Accrued salaries and benefits	581,077	-	581,077
Due to FCRHA	-	48,273	48,273
Due to Fairfax County	1,817,044	-	1,817,044
Unearned revenues	1,642,093	166,344	1,808,437
Performance and other deposits	2,200,515	308,516	2,509,031
Other current liabilities	482,117	-	482,117
Loans, notes, and bonds payable, net of deferred financing fees	3,925,694	520,023	4,445,717
Compensated absences payable	669,273	-	669,273
Lease liability	155,062	-	155,062
Subscription liability	179,897	-	179,897
Total current liabilities	26,838,040	5,149,123	31,987,163
Long-term liabilities:			
Loans, notes, and bonds payable, net of deferred financing fees	94,235,183	54,351,282	148,586,465
Compensated absences payable	567,212	-	567,212
Lease liability	1,025,263	4,421,672	5,446,935
Subscription liability	756	-	756
Net pension liability	34,075,454	-	34,075,454
Other accrued long-term interest	16,367,899	5,585,652	21,953,551
Total long-term liabilities	146,271,767	64,358,606	210,630,373
Total liabilities	173,109,807	69,507,729	242,617,536
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows for pension	1,889,509	-	1,889,509
Deferred inflows for OPEB	1,884,351	-	1,884,351
Deferred inflows related to leases	42,843,748	-	42,843,748
Total deferred inflows of resources	46,617,608	-	46,617,608
NET POSITION			
Net investment in capital assets	146,871,593	17,529,992	164,401,585
Restricted	52,477,706	5,881,724	58,359,430
Unrestricted	78,492,953	(9,285,364)	69,207,589
Net position	\$ 277,842,252	14,126,352	291,968,604

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Redevelopment and Housing Authority
Statement of Revenues, Expenses, and Changes in Net Position
For the fiscal year ended June 30, 2025

EXHIBIT J-1

	Housing Authority	Component Units	Total Entity
OPERATING REVENUES:			
Dwelling rentals	\$ 36,704,498	5,161,929	41,866,427
Other	8,045,985	705,872	8,751,857
Total operating revenues	44,750,483	5,867,801	50,618,284
OPERATING EXPENSES:			
Personnel services	16,446,902	983,912	17,430,814
Materials and supplies	7,631,515	1,804,027	9,435,542
Repairs and maintenance	10,871,197	1,202,047	12,073,244
Housing assistance payments	70,383,741	-	70,383,741
Depreciation and amortization	4,412,189	2,188,425	6,600,614
Contractual services	3,164,653	221,927	3,386,580
Utilities	6,501,548	760,448	7,261,996
Total operating expenses	119,411,745	7,160,786	126,572,531
Operating income	(74,661,262)	(1,292,985)	(75,954,247)
NONOPERATING REVENUES (EXPENSES):			
Intergovernmental revenue	80,857,709	1,902,254	82,759,963
Owner distribution	-	(1,058,147)	(1,058,147)
Interest revenue	5,556,769	233,283	5,790,052
Contribution from General Partner	-	17,432,725	17,432,725
Interest expense	(900,602)	(2,440,439)	(3,341,041)
Other nonoperating revenue (expense)	(1,875,338)	(143,165)	(2,018,503)
Contribution from County	8,162,899	-	8,162,899
Contribution to County	(5,408,194)	-	(5,408,194)
Total nonoperating revenues, net	86,393,243	15,926,511	102,319,754
Income before contributions	11,731,981	14,633,526	26,365,507
Special item	(773,200)		(773,200)
Change in net position	10,958,781	14,633,526	25,592,307
Net position, July 1, 2024, as previously stated	267,366,801	(507,174)	266,859,627
Restatement	(483,330)	-	(483,330)
Net position, July 1, 2024, as restated	266,883,471	(507,174)	266,376,297
Net position, June 30, 2025	\$ 277,842,252	\$ 14,126,352	\$ 291,968,604

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Redevelopment and Housing Authority
Statement of Cash Flows
For the fiscal year ended June 30, 2025

EXHIBIT J-2

	Housing Authority	Component Units	Total Entity
CASH FLOWS FROM OPERATING ACTIVITIES			
Rental receipts	\$ 31,566,272	5,092,817	36,659,089
Other operating cash receipts	29,579,603	705,872	30,285,475
Payments to employees for services	(16,128,053)	(983,912)	(17,111,965)
Payments made for housing assistance	(70,383,741)	-	(70,383,741)
Payments to suppliers for goods and services	(15,317,836)	(339,349)	(15,657,185)
Net cash provided by (used in) operating activities	(40,683,755)	4,475,428	(36,208,327)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Owner distribution	-	(1,058,147)	(1,058,147)
Contribution from FCRHA	-	(143,165)	(143,165)
Contribution From Partner	10,731,825	17,432,725	28,164,550
Intergovernmental revenue received	80,857,709	1,902,254	82,759,963
Contribution to County	1,795,754	-	1,795,754
Net cash provided by noncapital financing activities	93,385,288	18,133,667	111,518,955
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(22,681,874)	(27,216,615)	(49,898,489)
Issuance of Debt	11,352,908	6,990,381	18,343,289
Interest payments	(2,968,443)	(1,953,697)	(4,922,140)
Debt principal payments	(3,322,742)	(597,410)	(3,920,152)
Net cash used in capital and related financing activities	(17,620,151)	(22,777,341)	(40,397,492)
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipt of loan and advance repayments	319,654	-	319,654
Disbursement of loans and advances receivable	(40,848,868)	-	(40,848,868)
Interest received	5,556,769	233,283	5,790,052
Net cash provided by (used in) investing activities	(34,972,445)	233,283	(34,739,162)
Net increase in cash and cash equivalents	108,937	65,037	173,974
Cash and cash equivalents, July 1, 2024	155,201,035	10,444,475	165,645,510
Cash and cash equivalents, June 30, 2025	\$ 155,309,972	10,509,512	165,819,484
Reconciliation of operating loss to net cash provided by (used in) operating activities:			
Operating loss	\$ (74,661,262)	(1,292,985)	(75,954,247)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:			
Depreciation and amortization	4,412,189	2,188,425	6,600,614
Special Item	(773,200)	-	(773,200)
Provision for doubtful accounts	172,231	-	172,231
Deferred inflows related to lease receivable	22,691,165	-	22,691,165
Change in assets and liabilities:			
Increase in accounts receivable	(5,359,952)	(96,714)	(5,456,666)
Decrease in other assets	995,148	29,752	1,024,900
Increase in pension- and OPEB-related deferred outflows/inflows	208,841	-	208,841
Increase in accounts payable and accrued liabilities	11,871,124	3,615,231	15,486,355
Increase (decrease) in performance and other deposits	(25,887)	52,665	26,778
Increase in unearned revenues	84,509	27,602	112,111
Increase in lease receivable	(384,347)	-	(384,347)
Increase (decrease) in other liabilities	85,686	(48,548)	37,138
Total adjustments to operating income (loss)	33,977,507	5,768,413	39,745,920
Net cash provided by (used in) operating activities	\$ (40,683,755)	4,475,428	(36,208,327)
Noncash investing, capital, and financing activities:			
Contributions from County, net	\$ 8,162,899	-	8,162,899
Asset acquired from financing	-	21,811,917	21,811,917
Amortization of debt issuance costs	-	40,088	40,088

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

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

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

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

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

Financed from County Transportation Improvement Fund is a capital projects fund that supports the land acquisition, design, and construction of county transportation improvements as well as sidewalk and trail improvements.

Financed from County Federal/State Grant Fund is a capital projects fund that provides reserves for unanticipated and anticipated grants awarded to the County from federal, state, and other funding sources.

Park Construction Bond Fund is a capital projects fund used to account for all construction projects and capital improvements of the Park Authority financed by County general obligation bonds.

Park Capital Improvement Fund is a capital projects fund used to account for all Park Authority construction projects and capital improvements financed through interest earned and transfers from the Park Revenue and Operating Fund.

Park Foundation - Component Unit is a blended component unit of the Park Authority that raises private funds, obtains grants, and creates partnerships.

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Park Authority
Balance Sheet
June 30, 2025

	Major Governmental Funds			
	General Fund (Financed from County General Fund)	Special Revenue Fund - Park Revenue	Financed from County Federal-State Grant Fund	Financed from County Construction Fund
ASSETS				
Equity in pooled cash and temporary investments	\$ -	27,470,799	-	-
Receivables:				
Accounts	-	135,183	-	-
Accrued interest	-	14,759	-	-
Leases	-	62,602	-	-
Interfund receivable	-	253,150	-	-
Due from Primary Government	4,413,717	8,975	196,313	3,456,912
Due from intergovernmental units	-	-	56,837	-
Prepaid and other assets	14,780	351,540	-	5,536
Restricted assets:				
Equity in pooled cash and temporary investments	-	-	-	-
Total assets	4,428,497	28,297,008	253,150	3,462,448
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	\$ 4,428,497	28,297,008	253,150	3,462,448
LIABILITIES				
Accounts payable and accrued liabilities	\$ 973,675	2,433,602	-	2,786,000
Accrued salaries and benefits	1,934,317	2,237,489	-	-
Due to intergovernmental units	-	3,916	-	-
Due to Primary Government	195,705	2,200	-	-
Interfund payables	-	-	253,150	-
Contract retainages	1,324,800	-	-	676,448
Unearned revenues	-	19,507,825	-	-
Performance and other deposits	-	45,313	-	-
Total liabilities	4,428,497	24,230,345	253,150	3,462,448
DEFERRED INFLOWS OF RESOURCES				
Deferred lease revenue	-	61,320	-	-
Total deferred inflows of resources	-	61,320	-	-
Total liabilities and deferred inflows of resources	4,428,497	24,291,665	253,150	3,462,448
FUND BALANCES				
Nonspendable:				
Prepaid	14,780	21,000	-	5,536
Inventory	-	330,540	-	-
Donation-perpetuity	-	-	-	-
Restricted for:				
With donor restrictions	-	-	-	-
With donor restrictions-purpose	-	-	-	-
Capital projects	-	-	-	-
Committed to:				
E.C. Lawrence Trust	-	-	-	-
Revenue and operating fund stabilization	-	4,325,523	-	-
Other capital projects	-	-	-	-
Unassigned	(14,780)	(671,720)	-	(5,536)
Total fund balances	-	4,005,343	-	-
Total liabilities, deferred inflows of resources, and fund balances	\$ 4,428,497	28,297,008	253,150	3,462,448

Reconciliation of the Balance Sheet to the Statement of Net Position

Fund balances - Total governmental funds \$ 49,404,709

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is \$1,177,889,870 and the accumulated depreciation is \$376,835,192. 801,054,678

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Lease, subscription, and notes liabilities payable	\$ (1,635,087)	
Compensated absences payable	(11,791,266)	
Accrued interest payable	(24,473)	
Loan from Primary Government	(6,930,000)	(20,380,826)

Pension and other postemployment benefit liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds. The deferred outflows related to pensions are \$39,569,386, and the net pension liability is \$84,953,481. The deferred inflows related to pensions are \$808,287. The deferred outflows related to OPEB are \$3,619,281 and the net OPEB asset is \$3,119,464. The deferred inflows related to OPEB are \$5,585,861. (45,039,498)

Net position of governmental activities \$ 785,039,063

EXHIBIT K

Capital Projects Funds						
Financed from County Environmental and Energy Program Fund	Financed from County Transportation Improvement Fund	Park Construction Bond	Park Capital Improvement	Park Foundation - Component Unit	Total Governmental Funds	
-	-	-	11,528,163	798,165	39,797,127	ASSETS
-	-	-	10,179	364,662	510,024	Equity in pooled cash and temporary investments
-	-	-	92,146	-	106,905	Receivables:
-	-	-	-	-	62,602	Accounts
-	-	-	-	-	253,150	Accrued interest
55,171	-	-	-	-	8,131,088	Leases
-	-	-	-	-	56,837	Interfund receivable
10,782	-	-	38,200	-	420,838	Due from Primary Government
-	-	5,209,801	30,083,035	4,213,651	39,506,487	Due from intergovernmental units
65,953	-	5,209,801	41,751,723	5,376,478	88,845,058	Prepaid and other assets
-	-	-	-	-	-	Restricted assets:
-	-	-	-	-	-	Equity in pooled cash and temporary investments
-	-	-	-	-	-	Total assets
-	-	-	-	-	-	DEFERRED OUTFLOWS OF RESOURCES
-	-	-	-	-	-	Total deferred outflows of resources
65,953	-	5,209,801	41,751,723	5,376,478	88,845,058	Total assets and deferred outflows of resources
15,953	-	3,782,175	493,082	-	10,484,487	LIABILITIES
-	-	-	-	-	4,171,806	Accounts payable and accrued liabilities
-	-	-	-	-	3,916	Accrued salaries and benefits
-	-	-	-	-	197,905	Due to intergovernmental units
-	-	-	-	-	253,150	Due to Primary Government
50,000	-	1,415,793	11,140	-	3,478,181	Interfund payables
-	-	-	407,387	-	19,915,212	Contract retainages
-	-	-	829,059	-	874,372	Unearned revenues
65,953	-	5,197,968	1,740,668	-	39,379,029	Performance and other deposits
-	-	-	-	-	61,320	Total liabilities
-	-	-	-	-	61,320	DEFERRED INFLOWS OF RESOURCES
-	-	-	-	-	61,320	Deferred lease revenue
-	-	-	-	-	61,320	Total deferred inflows of resources
65,953	-	5,197,968	1,740,668	-	39,440,349	Total liabilities and deferred inflows of resources
10,782	-	-	38,200	-	90,298	FUND BALANCES
-	-	-	-	100,000	430,540	Nonspendable:
-	-	-	-	-	-	Prepaid
-	-	-	-	-	-	Inventory
-	-	-	-	-	-	Donation-perpetuity
-	-	-	-	-	-	Restricted for:
-	-	-	-	4,939,789	4,939,789	With donor restrictions
-	-	11,833	28,526,730	-	28,538,563	With donor restrictions-purpose
-	-	-	-	-	-	Capital projects
-	-	-	1,507,926	-	1,507,926	Committed to:
-	-	-	-	-	4,325,523	E.C. Lawrence Trust
-	-	-	9,938,199	-	9,938,199	Revenue and operating fund stabilization
(10,782)	-	-	-	336,689	(366,129)	Other capital projects
-	-	11,833	40,011,055	5,376,478	49,404,709	Unassigned
65,953	-	5,209,801	41,751,723	5,376,478	88,845,058	Total fund balances
-	-	-	-	-	-	Total liabilities, deferred inflows of resources, and fund balances

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Park Authority
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the fiscal year ended June 30, 2025

	Major Governmental Funds				
	General Fund (Financed from County General Fund)	Special Revenue Fund - Park Revenue	Financed from County Federal-State Grant Fund	Financed from County Construction Fund	Capital Projects Funds Financed from County Environmental and Energy Program Fund
REVENUES					
Intergovernmental	\$ 58,334,677	-	471,674	42,227,733	1,307,257
Charges for services	-	55,421,098	-	-	-
Developers' contributions	-	-	-	-	-
Revenue from the use of money and property	-	4,829,477	-	-	-
Gifts, donations, and contributions	-	-	-	-	-
Other	-	573,397	-	-	-
Total revenues	58,334,677	60,823,972	471,674	42,227,733	1,307,257
EXPENDITURES					
Current:					
Parks, recreation, and cultural	50,557,446	57,554,398	-	12,361,699	1,255,264
Intergovernmental	-	820,000	-	-	-
Capital outlay	7,769,195	38,579	471,674	29,792,747	51,993
Debt service:					
Principal retirement	-	810,000	-	-	-
Interest and other charges	-	125,243	-	-	-
Lease:					
Principal	7,707	330,145	-	72,751	-
Interest	329	1,794	-	536	-
Total expenditures	58,334,677	59,680,159	471,674	42,227,733	1,307,257
Excess (deficiency) of revenues over (under) expenditures	-	1,143,813	-	-	-
OTHER FINANCING SOURCES (USES)					
Total other financing sources (uses), net	-	-	-	-	-
Net change in fund balances	-	1,143,813	-	-	-
Fund balances, July 1, 2024	-	2,861,530	-	-	-
Fund balances, June 30, 2025	\$ -	4,005,343	-	-	-

EXHIBIT K-1

Financed from County Transportation Improvement Fund	Park Construction Bond	Park Capital Improvement	Park Foundation - Component Unit	Total Governmental Funds	
					REVENUES
1,147,038	25,019,773	9,650	394,683	128,912,485	Intergovernmental
-	-	-	-	55,421,098	Charges for services
-	-	5,229,322	-	5,229,322	Developers' contributions
-	-	2,818,410	217,604	7,865,491	Revenue from the use of money and property
-	-	1,123,548	4,857,103	5,980,651	Gifts, donations, and contributions
-	-	-	-	573,397	Other
1,147,038	25,019,773	9,180,930	5,469,390	203,982,444	Total revenues
					EXPENDITURES
					Current:
1,147,038	1,104,640	3,057,268	489,831	127,527,584	Parks, recreation, and cultural
-	-	-	1,110,509	1,930,509	Intergovernmental
-	27,984,002	3,197,778	-	69,305,968	Capital outlay
					Debt service:
-	-	-	-	810,000	Principal retirement
-	-	-	-	125,243	Interest and other charges
					Lease:
-	-	209,411	-	620,014	Principal
-	-	8,939	-	11,598	Interest
1,147,038	29,088,642	6,473,396	1,600,340	200,330,916	Total expenditures
-	(4,068,869)	2,707,534	3,869,050	3,651,528	Excess (deficiency) of revenues over (under) expenditures
					OTHER FINANCING SOURCES (USES)
					Total other financing sources (uses), net
-	(4,068,869)	2,707,534	3,869,050	3,651,528	Net change in fund balances
-	4,080,702	37,303,521	1,507,428	45,753,181	Fund balances, July 1, 2024
-	11,833	40,011,055	5,376,478	49,404,709	Fund balances, June 30, 2025

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Park Authority
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to
the Statement of Activities
For the fiscal year ended June 30, 2025

EXHIBIT K-1
concluded

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

Net change in fund balances - Total governmental funds	\$	3,651,528
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period:		
Capital outlay	\$ 69,305,968	
Depreciation expense	<u>(26,320,845)</u>	42,985,123
Donations of capital assets increase net position in the Statement of Activities, but do not appear in the governmental funds because they are not financial resources.		7,222,300
In the Statement of Activities, the gain or loss on the disposition of capital assets is reported. However, in the governmental funds, only the proceeds from sales are reported, which increases fund balance. Thus, the difference is the depreciated cost of the capital assets dispositions.		(3,448,211)
Certain costs reported in prior year construction in progress balances were determined not to be capital		1,620,634
Increase in fund balance reserve		(29,403)
Interest on long-term debt is reported as an expenditure in the governmental funds when it is due. In the Statement of Activities, however, interest expense is affected as this interest accrues and as bond-related items are amortized. This difference in interest reported is as follows:		
Interest Expense	\$ (24,473)	
Long Term Lease Liability	<u>(1,635,087)</u>	(1,659,560)
Repayment of the principal amount of long-term debt is reported as an expenditure or as an other financing use when debt is refunded in governmental funds and thus reduces fund balance. However, the principal payment reduces the liabilities in the Statement of Net Position and does not affect the Statement of Activities.		
Principal payments of notes and leases		1,522,167
Under the modified accrual basis of accounting used in the governmental funds, expenditures for the following are not recognized until they mature. In the Statement of Activities, however, they are reported as expenses and liabilities as they accrue. The timing differences are as follows:		
Compensated absences		177,224
Pension and OPEB assets and liabilities do not require the use of current financial resources and, therefore, are not reported in governmental funds:		
Pension expense	\$ (3,121,480)	
OPEB-related activity	<u>1,195,495</u>	(1,925,985)
Change in net position of governmental activities	<u>\$</u>	<u>50,115,817</u>

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT K-2A

Fairfax County Park Authority

Budgetary Comparison Schedule - General Fund (Financed from County General Fund) (Budget Basis)

For the fiscal year ended June 30, 2025

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 42,727,547	44,269,056	43,346,755	(922,301)
Total revenues	42,727,547	44,269,056	43,346,755	(922,301)
EXPENDITURES				
Parks, recreation, and cultural	42,727,547	44,269,056	43,346,755	922,301
Total expenditures	42,727,547	44,269,056	43,346,755	922,301
Net change in fund balance	\$ -	-	-	-

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT K-2B

Fairfax County Park Authority

Budgetary Comparison Schedule - Park Revenue Fund (Budget Basis)

For the fiscal year ended June 30, 2025

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 95,000	95,000	-	(95,000)
Charges for services	55,496,792	59,785,840	56,337,817	(3,448,023)
Revenue from the use of money and property	3,436,243	3,436,243	3,912,759	476,516
Other	440,500	719,615	573,396	(146,219)
Total revenues	59,468,535	64,036,698	60,823,972	(3,212,726)
EXPENDITURES				
Parks, recreation, and cultural	58,289,631	64,551,982	59,680,159	4,871,823
Total expenditures	58,289,631	64,551,982	59,680,159	4,871,823
Excess (deficiency) of revenues over (under) expenditures	1,178,904	(515,284)	1,143,813	1,659,097
Net change in fund balance	\$ 1,178,904	(515,284)	1,143,813	1,659,097

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

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

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Economic Development Authority
Balance Sheet
June 30, 2025

EXHIBIT L

	Governmental Funds
ASSETS	
Restricted cash and cash equivalents	\$ 681,000
Due from Primary Government	329,028
Prepays	116,314
Total assets	<u>1,126,342</u>
DEFERRED OUTFLOWS OF RESOURCES	
Total deferred outflows of resources	<u>-</u>
Total assets and deferred outflows of resources	\$ 1,126,342
LIABILITIES	
Accounts payable and accrued liabilities	\$ 182,702
Accrued salaries and benefits	262,640
Unearned revenue	681,000
Total liabilities	<u>1,126,342</u>
DEFERRED INFLOWS OF RESOURCES	
Total deferred inflows of resources	<u>-</u>
Total liabilities and deferred inflows of resources	1,126,342
FUND BALANCE	
Unassigned	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	\$ 1,126,342
Reconciliation of the Balance Sheet to the Statement of Net Position	
Fund balance - Governmental Funds	\$ -
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The cost of the assets is \$9,431,106 and the accumulated depreciation and amortization is \$594,499.	8,836,607
Long-term liabilities, including compensated absences payable of \$1,011,958, lease liability and accrued interest of \$9,256,569, and subscription liability and accrued interest of \$36,941, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(10,305,468)
Pension liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. The deferred outflows related to pensions are \$3,914,825 and the net pension liability is \$9,367,866. The deferred inflows related to pensions are \$404,371.	(5,857,412)
OPEB assets and liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. The deferred outflows related to OPEB are \$255,518 and the net OPEB asset is \$182,679. The deferred inflows related to OPEB are \$578,289.	<u>(140,092)</u>
Net position of governmental activities	\$ <u>(7,466,365)</u>

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Economic Development Authority
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the fiscal year ended June 30, 2025

EXHIBIT L-1

	Governmental Funds
REVENUES	
Revenue from use of money and property	\$ 41,530
Intergovernmental	12,132,990
Total revenues	<u>12,174,520</u>
EXPENDITURES	
Current:	
Community development	11,620,476
Capital outlay	9,315,537
Debt service:	
Principal retirement	297,869
Interest and other charges	198,018
Total expenditures	<u>21,431,900</u>
Excess/(Deficiency) of revenues over (under) expenditures	<u>(9,257,380)</u>
OTHER FINANCING SOURCES	
Leases	9,176,736
Subscription-based information technology arrangements	80,644
Total other financing sources	<u>9,257,380</u>
Net change in fund balance	-
Fund balance, July 1, 2024	-
Fund balance, June 30, 2025	<u>\$ -</u>

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

Net change in fund balance - governmental funds \$ -

Amounts reported for governmental activities in the Statement of Activities are different because:

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Depreciation and amortization expense	\$ (774,307)	
Increase in liability for compensated absences	(8,568)	
Lease payments	356,026	
Accrued interest	(22,240)	
Pension expense	(265,954)	
OPEB activity	<u>69,977</u>	<u>(645,066)</u>
Change in net position of governmental activities		<u>\$ (645,066)</u>

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT L-2

Fairfax County Economic Development Authority

Budgetary Comparison Schedule - General Fund (Financed from County General Fund) (Budget Basis)

For the fiscal year ended June 30, 2025

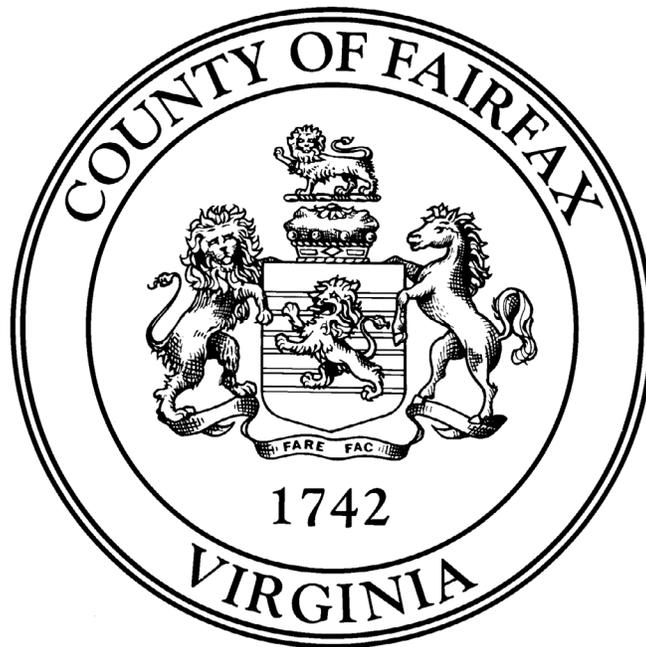
	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 9,456,853	9,466,061	9,520,938	54,877
Total revenues	9,456,853	9,466,061	9,520,938	54,877
EXPENDITURES				
Community development	9,456,853	9,466,061	9,520,938	(54,877)
Total expenditures	9,456,853	9,466,061	9,520,938	(54,877)
Net change in fund balance	\$ -	-	-	-



Statistical Section

The Statistical Section provides financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, including the accompanying notes, and required supplementary information to understand and assess the County's economic condition. Information is presented in the following five categories:

- 1.0 Financial trends information
- 2.0 Revenue capacity information
- 3.0 Debt capacity information
- 4.0 Demographic and economic information
- 5.0 Operating information



1.0 - Financial trends information is intended to assist users in understanding and assessing how the County’s financial position has changed over time. There are four tables presented in this section.

**COUNTY OF FAIRFAX, VA
TABLE 1.1 - Net Position by Component
Last Ten Fiscal Years**

	Fiscal Year				
	2025	2024	2023	2022	2021
<i>Governmental activities:</i>					
Net investment in capital assets	\$ 2,896,383,265	2,787,297,274	2,637,152,244	2,411,445,112	2,347,835,603
Restricted	588,442,122	525,629,983	434,340,989	442,814,210	355,681,686
Unrestricted (deficit) ⁽¹⁾	(2,964,894,800)	(2,783,327,674)	(2,766,096,941)	(2,896,772,667)	(3,143,115,712)
Net position, governmental activities	\$ 519,930,587	529,599,583	305,396,292	(42,513,345)	(439,598,423)
<i>Business-type activities:</i>					
Net investment in capital assets	\$ 1,277,336,082	1,244,645,549	1,186,134,177	1,181,439,831	1,207,780,108
Restricted	99,572,473	60,591,440	54,235,528	48,522,726	17,941,505
Unrestricted	188,905,991	201,774,191	198,694,137	148,116,348	98,648,390
Net position, business-type activities	\$ 1,565,814,546	1,507,011,180	1,439,063,842	1,378,078,905	1,324,370,003
<i>Total Primary Government:</i>					
Net investment in capital assets	\$ 4,173,719,347	4,031,942,823	3,823,286,421	3,592,884,943	3,555,615,711
Restricted	688,014,595	586,221,423	488,576,517	491,336,936	373,623,191
Unrestricted (deficit)	(2,775,988,809)	(2,581,553,483)	(2,567,402,804)	(2,748,656,319)	(3,044,467,322)
Net position, Primary Government	\$ 2,085,745,133	2,036,610,763	1,744,460,134	1,335,565,560	884,771,580

Source: Fairfax County Department of Finance

Notes:

(1) The County issues debt for the construction of Public Schools and Park Authority facilities. The County reports this debt, whereas Public Schools and the Park Authority report the related capital assets and unspent bond proceeds. As a result, the debt reduces unrestricted net position for the Primary Government. The amount of this debt related to investments in capital assets and unspent bond proceeds for these component units that is outstanding for each fiscal year is as follows:

	Fiscal Year				
	2025	2024	2023	2022	2021
	\$ 2,005,494,696	1,952,441,308	1,903,188,772	2,051,038,452	1,782,043,298

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

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

Fiscal Year				
2020	2019	2018 ⁽²⁾	2017 ⁽²⁾	2016
<u>1,741,833,436</u>	<u>1,715,069,054</u>	<u>1,726,348,892</u>	<u>1,715,069,179</u>	<u>1,674,949,073</u>

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

	Fiscal Year				
	2025	2024	2023	2022	2021
Expenses					
<i>Governmental activities:</i>					
General government administration	\$ 260,748,007	274,735,977	228,764,017	192,501,537	258,112,138
Judicial administration	102,503,953	96,588,748	81,284,343	61,798,750	71,191,932
Public safety	1,126,169,935	1,044,060,684	888,165,848	801,632,044	882,293,607
Public works	353,839,444	331,174,148	303,510,108	223,892,691	282,251,099
Health and welfare	911,134,001	875,117,944	778,592,446	775,306,233	797,755,569
Community development	585,214,680	512,368,794	572,725,232	443,003,734	569,687,675
Parks, recreation, and cultural	214,269,347	201,688,837	158,136,482	195,329,785	133,178,188
Education - for Public Schools	2,842,256,663	2,653,083,164	2,515,855,422	2,368,929,073	2,339,297,904
Interest on long-term debt	109,174,775	106,544,238	98,934,751	96,141,979	99,955,370
Total expenses, governmental activities	6,505,310,805	6,095,362,534	5,625,968,649	5,158,535,826	5,433,723,482
<i>Business-type activities:</i>					
Public works - Sewer	\$ 252,786,686	237,275,417	216,032,050	196,623,266	195,221,272
Total expenses, business-type activities	252,786,686	237,275,417	216,032,050	196,623,266	195,221,272
Total expenses, Primary Government	6,758,097,491	6,332,637,951	5,842,000,699	5,355,159,092	5,628,944,754
Program Revenues					
<i>Governmental activities:</i>					
Charges for services:					
Public safety	\$ 88,347,835	91,520,369	75,596,380	78,013,235	73,317,201
Public works	226,433,061	215,880,229	202,047,154	184,156,413	176,467,547
Health and welfare	85,778,663	79,829,443	80,272,433	62,217,830	42,688,380
Other activities	571,697,845	597,879,524	469,552,745	333,787,294	332,441,013
Operating grants and contributions	457,962,562	462,368,511	447,619,767	522,275,034	504,962,481
Capital grants and contributions	17,557,929	10,690,768	25,612,657	38,793,723	64,416,721
Total program revenues, governmental activities	1,447,777,895	1,458,168,844	1,300,701,136	1,219,243,529	1,194,293,343
<i>Business-type activities:</i>					
Charges for services:					
Public works - Sewer	\$ 300,369,300	289,941,392	266,239,423	247,569,058	251,162,619
Capital grants and contributions	3,388,669	5,371,121	4,235,838	2,283,276	1,475,624
Total program revenues, business-type activities	303,757,969	295,312,513	270,475,261	249,852,334	252,638,243
Total program revenues, Primary Government	1,751,535,864	1,753,481,357	1,571,176,397	1,469,095,863	1,446,931,586
Net Revenue (Expense)					
Governmental activities	(5,057,532,910)	(4,637,193,690)	(4,325,267,513)	(3,939,292,297)	(4,239,430,139)
Business-type activities	50,971,283	58,037,096	54,443,211	53,229,068	57,416,971
Total Primary Government	\$ (5,006,561,627)	(4,579,156,594)	(4,270,824,302)	(3,886,063,229)	(4,182,013,168)

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

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

	Fiscal Year				
	2025	2024	2023	2022	2021
General Revenues and Other Changes in Net Position					
<i>Governmental activities:</i>					
Taxes:					
Real property	\$ 3,569,457,483	3,383,918,702	3,219,943,695	3,053,617,253	3,008,700,940
Personal property	610,703,663	556,426,521	564,348,311	475,145,763	432,944,446
Business licenses	221,359,039	218,590,881	205,131,120	190,004,446	180,132,797
Local sales and use	314,270,784	310,855,889	305,938,564	294,262,843	263,801,220
Consumers utility	124,973,009	122,472,258	123,521,957	106,582,505	104,787,720
Recordation	23,687,905	19,026,210	20,852,846	36,659,136	42,977,172
Occupancy, tobacco, and other	39,159,174	35,286,062	33,739,992	30,164,116	20,532,652
Unrestricted grants and contributions	211,438,824	211,428,563	211,421,093	211,422,169	211,422,769
Revenue from the use of money	3,720,970	3,391,895	(11,720,428)	(61,502,432)	(5,159,355)
Total general revenues and other changes in net position, governmental activities	5,118,770,851	4,861,396,981	4,673,177,150	4,336,355,799	4,260,140,361
<i>Business-type activities:</i>					
Revenue from the use of money	\$ 9,920,499	9,910,242	6,541,726	479,834	790,769
Special item	-	-	-	-	-
Total general revenues and other changes in net position, business-type activities	9,920,499	9,910,242	6,541,726	479,834	790,769
Total general revenues and other changes in net position, Primary Government	5,128,691,350	4,871,307,223	4,679,718,876	4,336,835,633	4,260,931,130
Change in Net Position					
Governmental activities	61,237,941	224,203,291	347,909,637	397,063,502	20,710,222
Business-type activities	60,891,782	67,947,338	60,984,937	53,708,902	58,207,740
Total Primary Government	\$ 122,129,723	292,150,629	408,894,574	450,772,404	78,917,962

Source: Fairfax County Department of Finance

Notes:

(1) In July 2019, the Sewer System completed a sale of 0.5 MGD purchased capacity with the City of Manassas, reducing the Sewer System's capacity entitlement in UOSA to 22.1 MGD, or 41%. Per the agreement, the City of Manassas paid \$8,220,297 in cash and has assumed the future debt service payments of \$5,932,557 owed to UOSA with respect to the purchased capacity. As a result, a special item - Gain from sale of purchased capacity - of \$9,898,401 was recognized.

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

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

	Fiscal Year				
	2025	2024	2023	2022	2021
<i>General Fund:</i>					
Nonspendable	\$ 1,755,277	1,876,394	1,840,235	1,755,384	1,702,289
Committed	652,954,718	619,952,119	575,074,992	532,150,215	500,612,871
Assigned	63,122,281	82,091,928	77,453,107	47,493,932	36,762,530
Unassigned	65,174,808	155,729,512	124,675,080	154,902,645	145,469,633
Total General Fund	<u>\$ 783,007,084</u>	<u>859,649,953</u>	<u>779,043,414</u>	<u>736,302,176</u>	<u>684,547,323</u>
<i>All Other Governmental Funds:</i>					
Nonspendable	\$ 361,751	448,592	480,500	471,507	332,994
Restricted	1,114,582,018	1,027,973,760	974,833,331	937,295,555	763,480,427
Committed	640,268,991	601,585,444	477,251,866	344,034,709	259,808,373
Unassigned	-	-	-	-	(16,718,127)
Total all other governmental funds	<u>\$ 1,755,212,760</u>	<u>1,630,007,796</u>	<u>1,452,565,697</u>	<u>1,281,801,771</u>	<u>1,006,903,667</u>

Source: Fairfax County Department of Finance

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

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

	Fiscal Year				
	2025	2024	2023	2022	2021
Revenues					
Taxes	\$ 4,898,345,028	4,638,736,587	4,467,363,632	4,185,778,288	4,048,525,783
Permits, privilege fees, and regulatory licenses	80,734,517	74,881,127	73,097,150	79,480,379	76,665,984
Intergovernmental	877,706,030	813,789,074	789,746,535	866,765,465	843,948,812
Charges for services	461,183,583	439,774,907	424,253,094	390,008,383	361,333,426
Fines and forfeitures	10,895,261	10,191,596	9,460,292	8,356,053	6,379,279
Revenue from the use of money and property	192,777,507	288,578,153	171,026,252	35,431,232	38,624,526
Recovered costs	22,070,161	20,690,327	20,291,010	15,695,088	17,700,423
Contributions and other	12,778,468	8,397,638	3,959,688	13,867,917	27,213,405
Total revenues	<u>6,556,490,555</u>	<u>6,295,039,409</u>	<u>5,959,197,653</u>	<u>5,595,382,805</u>	<u>5,420,391,638</u>
Expenditures					
Current:					
General government administration	238,032,326	228,714,793	194,495,038	187,885,157	211,763,383
Judicial administration	90,479,922	81,047,731	76,224,509	68,378,721	62,253,981
Public safety	1,053,996,819	952,127,152	877,177,729	824,640,344	802,618,717
Public works	238,149,394	229,381,782	215,211,283	194,738,517	207,017,475
Health and welfare	876,441,318	828,036,748	768,630,244	778,800,261	754,667,957
Community development	426,461,455	367,445,644	403,530,852	339,312,326	342,620,638
Parks, recreation, and cultural	71,018,117	65,185,494	62,184,115	61,816,244	52,281,283
Intergovernmental: ⁽¹⁾					
Community development	125,584,569	112,778,523	146,751,347	86,741,816	176,821,619
Parks, recreation, and cultural	128,411,388	117,348,174	89,239,275	68,704,328	66,283,648
Education	2,842,256,663	2,653,083,164	2,515,855,422	2,368,929,073	2,339,297,904
Capital outlay	369,043,092	356,972,096	352,545,652	365,420,368	199,624,409
Debt service:					
Principal retirement	376,675,410	336,565,742	321,888,618	290,153,315	318,572,023
Interest and other charges	141,394,846	136,531,154	120,681,145	123,093,738	128,931,225
Total expenditures	<u>6,977,945,319</u>	<u>6,465,218,197</u>	<u>6,144,415,229</u>	<u>5,758,614,208</u>	<u>5,662,754,262</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(421,454,764)</u>	<u>(170,178,788)</u>	<u>(185,217,576)</u>	<u>(163,231,403)</u>	<u>(242,362,624)</u>
Other Financing Sources (Uses)					
Transfers in	931,171,675	890,192,502	903,514,038	812,629,350	734,745,924
Transfers out	(957,903,826)	(909,642,001)	(928,586,781)	(828,646,789)	(750,239,673)
Bonds issued	401,448,319	392,627,173	351,042,774	300,730,444	290,739,140
Refunding bonds issued	40,243,688	-	-	249,465,161	355,392,049
Payments to escrow agent	-	-	-	(163,535,669)	(293,126,253)
Leases, installment purchases, and other	55,057,003	55,049,752	72,752,709	119,241,863	1,274,161
Total other financing sources (uses), net	<u>470,016,859</u>	<u>428,227,426</u>	<u>398,722,740</u>	<u>489,884,360</u>	<u>338,785,348</u>
Net change in fund balances	<u>\$ 48,562,095</u>	<u>258,048,638</u>	<u>213,505,164</u>	<u>326,652,957</u>	<u>96,422,724</u>
Debt service as a percentage of noncapital expenditures	<u>7.8%</u>	<u>7.7%</u>	<u>7.6%</u>	<u>7.7%</u>	<u>8.2%</u>

Source: Fairfax County Department of Finance

Note:

(1) Intergovernmental expenditures represent payments to component units including Public Schools, the Park Authority, and the Economic Development Authority, as well as certain other government authorities.

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

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

COUNTY OF FAIRFAX, VA

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

Fiscal Year	Residential (000s)	Commercial (000s)	Public Service Corporations (000s)	Total Taxable Assessed Value (000s)	Tax-Exempt (000s)	Total Direct Tax Rate ⁽²⁾
2025	\$ 250,099,696	73,788,898	1,420,873	325,309,467	24,544,188	1.125
2024	241,874,337	73,395,724	1,389,592	316,659,653	22,998,993	1.095
2023	224,340,511	71,429,938	1,259,106	297,029,555	21,243,437	1.110
2022	203,305,684	69,112,808	1,205,759	273,624,251	20,230,937	1.140
2021	193,599,518	71,194,127	1,146,136	265,939,781	19,624,810	1.150
2020	187,371,027	67,820,928	1,088,148	256,280,103	18,948,829	1.150
2019	181,857,973	64,476,359	977,297	247,311,629	18,276,651	1.150
2018	177,009,973	60,781,189	969,415	238,760,577	17,878,071	1.130
2017	175,187,489	58,185,653	899,206	234,272,348	17,485,097	1.130
2016	171,409,697	55,199,289	892,919	227,501,905	16,791,394	1.090

Source: Fairfax County Department of Tax Administration

Notes:

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

COUNTY OF FAIRFAX, VA

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

Fiscal Year	County Direct Rate ⁽²⁾	Overlapping Rates ⁽³⁾	
		Town of Herndon	Town of Vienna
2025	\$ 1.125	0.260	0.195
2024	1.095	0.260	0.195
2023	1.110	0.265	0.205
2022	1.140	0.265	0.225
2021	1.150	0.265	0.225
2020	1.150	0.265	0.225
2019	1.150	0.265	0.225
2018	1.130	0.265	0.225
2017	1.130	0.265	0.225
2016	1.090	0.265	0.225

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

Notes:

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

COUNTY OF FAIRFAX, VA
TABLE 2.3 - Principal Real Property Taxpayers
Current Year and Nine Years Ago

Fiscal Year 2025			
Rank	Taxpayer	Taxable Assessed Value ⁽¹⁾	Percent of Total Taxable Assessed Value ⁽²⁾
1	Tysons Corner Property Holdings LLC	\$ 1,676,981,960	0.52 %
2	Capital One NA	892,767,230	0.28
3	Washington Gas Light Co	582,907,322	0.18
4	Amazon Data Services Inc	509,636,980	0.16
5	Reston Corporate Center LP	453,951,730	0.14
6	Camden Summit Partnership LP	439,522,040	0.14
7	Tysons Galleria LLC	367,943,960	0.11
8	PR Springfield Town Center LLC	337,769,890	0.11
9	Federal Home Loan Mortgage Corporat	324,615,260	0.10
10	INOVA Health Care Services	312,565,950	0.10
Totals		<u>\$ 5,898,662,322</u>	<u>1.83 %</u>

Source: Fairfax County Department of Tax Administration

Notes:

⁽¹⁾ Assessed values are as of January 1 of the prior calendar year.

⁽²⁾ Total taxable assessed value for fiscal year 2025 is \$ 323,888,593,610.
 Total taxable assessed value for fiscal year 2016 was \$226,608,986,400. These assessments exclude Public Service Corporations.

COUNTY OF FAIRFAX, VA
TABLE 2.4 - Real Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year Original Levy ⁽¹⁾	Collected within the Fiscal Year of the Levy		Adjustments to Original Levy in Subsequent Years ⁽²⁾	Total Adjusted Levy
		Amount	Percent of Original Levy		
2025	3,602,837,913	3,591,710,058	99.69 %	-	3,602,837,913
2024	3,414,353,959	3,403,532,946	99.68	(2,957,649)	3,411,396,310
2023	3,246,015,284	3,236,378,736	99.70	(2,216,677)	3,243,798,607
2022	3,082,470,114	3,073,452,749	99.71	(6,879,048)	3,075,591,066
2021	3,022,677,499	3,012,104,497	99.65	(5,922,362)	3,016,755,137
2020	2,911,713,956	2,903,982,237	99.73	(3,378,071)	2,908,335,885
2019	2,810,924,242	2,803,550,146	99.74	(3,345,979)	2,807,578,263
2018	2,665,889,198	2,657,434,969	99.68	(1,573,141)	2,664,316,057
2017	2,614,861,824	2,607,565,912	99.72	(1,741,620)	2,613,120,204
2016	2,450,462,549	2,443,167,137	99.70	(1,518,985)	2,448,943,564

Source: Fairfax County Department of Tax Administration

Notes:

⁽¹⁾ Taxes are levied on assessed property values as of January 1 of prior calendar year; i.e., FY2025 taxes are levied for calendar year 2024.

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

Fiscal Year 2016			
Rank	Taxpayer	Taxable Assessed Value ⁽¹⁾	Percent of Total Taxable Assessed Value ⁽²⁾
1	Tysons Corner Property Holdings LLC	\$ 1,551,258,220	0.68 %
2	Fairfax Company of Virginia LLC	460,532,490	0.20
3	Franconia Two LP	405,449,680	0.18
4	Camden Summit Partnership LP	334,793,120	0.15
5	CEC Skyline LLC	323,405,480	0.14
6	Federal Home Loan Mortgage Corporat	310,210,100	0.14
7	Washington Gas Loght CO	300,886,547	0.13
8	Capital One Bank	264,279,340	0.12
9	Homart Newco One Inc	256,537,790	0.11
10	SRI Seven Fair Lakes LLC	255,580,530	0.11
Totals		<u>\$ 4,462,933,297</u>	<u>1.97 %</u>

Collections in Subsequent Years	Total Collections to Date	
	Amount	Percent of Adjusted Levy ⁽³⁾
-	3,591,710,058	99.69 %
4,543,110	3,408,076,056	99.90
4,664,269	3,241,043,005	99.92
865,373	3,074,318,122	99.96
4,049,293	3,016,153,790	99.98
4,033,428	2,908,015,665	99.99
3,897,844	2,807,447,990	100.00
6,796,951	2,664,231,920	100.00
5,516,261	2,613,082,173	100.00
5,738,586	2,448,905,723	100.00

⁽³⁾ This table includes real estate taxes only and does not include penalty and interest. There is a difference in the collection rate reported here and the rate reported in the County's Budget Overview document resulting from a difference in accounting basis. Taxes receivable reflects only the actual levy and collections and does not include the accrual of taxes.

3.0 - Debt capacity information is intended to assist users in understanding and assessing the County’s debt burden and its ability to issue additional debt. There are five tables presented in this section.

COUNTY OF FAIRFAX, VA
TABLE 3.1 - Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities						
	Revenue Bonds			Direct Placements and Borrowings			
	General Obligation Bonds (000s)	Revenue- Backed Bonds (000s)	Lease Revenue Bonds ⁽¹⁾ (000s)	Direct Placements ⁽²⁾ (000s)	Direct Borrowings ⁽²⁾ (000s)	Notes ⁽²⁾ (000s)	Leases ⁽³⁾ (000s)
2025	\$ 2,945,464	326,693	199,835	105,050	364,357	27,425	135,042
2024	2,812,958	350,840	221,559	107,060	392,432	26,349	117,284
2023	2,719,585	382,294	200,582	108,790	433,427	29,283	117,432
2022	2,623,847	405,482	225,966	110,485	459,780	2,258	108,925
2021	2,573,717	362,750	357,837	-	-	450,383	2,993
2020	2,503,048	392,665	384,497	-	-	439,073	7,526
2019	2,480,827	429,761	409,108	-	-	430,071	13,134
2018	2,474,659	444,433	443,757	-	-	352,861	18,535
2017	2,450,071	458,552	445,445	-	-	236,239	21,504
2016	2,404,587	391,517	470,579	-	-	145,996	25,938

Source: Fairfax County Department of Finance

Notes:

- ⁽¹⁾ Lease revenue bonds have been issued by County component units, using receipt of lease payments as the revenue source. The associated lease payments for the outstanding lease revenue bonds are made using general government resources.
- ⁽²⁾ Beginning in fiscal year 2022, the TIFIA loan was reclassified from Notes Payable to Direct Borrowings due to the implementation of GASB 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Placements*. The outstanding bonds for direct placements are the Economic Development Authority Series 2021D Revenue Refunding Bonds. See Note K, Section 3, for additional details.
- ⁽³⁾ Due to the implementation of GASB 87, debt previously known as Capital Leases are defined as Leases.
- ⁽⁴⁾ Due to the implementation of GASB 96, long-term Subscription-Based Information Technology Arrangements have been included effective fiscal year 2024.
- ⁽⁵⁾ See Table 4.1 for personal income data. The percentage is calculated using personal income data for the prior calendar year.
- ⁽⁶⁾ See Table 4.1 for population data. The ratio is calculated using population data for the prior calendar year.

Business-type Activities ⁽¹⁾

SBITAs ⁽⁴⁾ (000s)	HUD Section 108 Loan (000s)	Revenue Bonds (000s)	Leases ⁽³⁾ (000s)	Total Primary Government (000s)	Percent of Personal Income ⁽⁵⁾	Debt Per Capita ⁽⁶⁾
28,580	-	874,367	37	5,006,850	4.127 %	4,185
44,887	2,407	914,542	50	4,990,368	4.150	4,208
43,932	2,751	810,834	-	4,804,978	4.328	4,098
-	3,095	823,813	-	4,763,651	4.503	4,071
-	3,554	835,345	-	4,586,579	4.544	3,914
-	4,013	610,541	-	4,341,363	4.513	3,720
-	7,385	620,111	-	4,390,397	4.859	3,808
-	8,088	649,572	-	4,391,905	5.058	3,843
-	8,783	676,804	-	4,297,398	5.037	3,778
-	9,471	600,266	-	4,048,354	4.960	3,559

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

General Bonded Debt Outstanding							
Fiscal Year	General Obligation Bonds (000s)	Lease Revenue Bonds ⁽¹⁾ (000s)	Direct Placements ⁽²⁾ (000s)	Total (000s)	Percent of Actual Taxable Value of Real Property ⁽³⁾	Debt Per Capita ⁽⁴⁾	
2025	\$ 2,945,464	199,835	105,050	3,250,349	1.00 %	2,717	
2024	2,812,958	221,559	107,060	3,141,577	0.99	2,649	
2023	2,719,585	200,582	108,790	3,028,957	1.02	2,583	
2022	2,623,847	225,966	110,485	2,960,298	1.08	2,530	
2021	2,573,717	357,837	-	2,931,554	1.10	2,502	
2020	2,503,048	384,497	-	2,887,545	1.13	2,474	
2019	2,480,827	409,108	-	2,889,935	1.17	2,507	
2018	2,474,659	443,757	-	2,918,416	1.22	2,554	
2017	2,450,071	445,445	-	2,895,516	1.24	2,543	
2016	2,404,587	470,579	-	2,875,166	1.26	2,517	

Source: Fairfax County Department of Finance

Notes:

⁽¹⁾ Lease revenue bonds have been issued by County component units, using receipt of lease payments as the revenue source. The associated lease payments for the outstanding lease revenue bonds are made using general government resources.

⁽²⁾ Beginning in fiscal year 2022, the TIFIA loan was reclassified from Notes Payable to Direct Borrowings due to the implementation of GASB 88 (Certain disclosures related to debt, including direct borrowings and placements). The outstanding bonds for direct placements are the Economic Development Authority Series 2021D Revenue Refunding Bonds. See Note K, Section 3, for additional details.

⁽³⁾ See Table 2.1 for actual taxable value of real property data. This percentage is calculated using levied values for each fiscal year.

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

COUNTY OF FAIRFAX, VA
TABLE 3.3 - Direct and Overlapping Governmental Activities Debt
As of June 30, 2025

	Debt Outstanding (000s)	Percentage Applicable ⁽¹⁾	Share of Overlapping Debt (000s) ⁽²⁾
<i>Overlapping debt :</i>			
Town of Herndon			
General obligation bonds	\$ 7,414	100.0 %	<u>\$ 7,414</u>
Total overlapping debt, Town of Herndon			7,414
Town of Vienna			
General obligation bonds	67,855	100.0	<u>67,855</u>
Total overlapping debt, Town of Vienna			<u>67,855</u>
Total overlapping debt			<u>75,269</u>
<i>County direct debt: ⁽³⁾</i>			
General obligation bonds			2,945,464
Revenue-backed bonds			326,693
Lease revenue bonds			199,835
Direct placements ⁽⁴⁾			105,050
Direct borrowings ⁽⁴⁾			364,357
Notes			27,425
Leases ⁽⁵⁾			135,042
SBITAs ⁽⁶⁾			<u>28,580</u>
Total direct debt			<u>4,132,446</u>
Total direct and overlapping debt			<u>\$ 4,207,715</u>

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

Notes:

- (1) The percentage of overlapping debt applicable is determined using taxable assessed property values. The Towns of Herndon and Vienna are situated entirely within the geographic boundaries of the County, and their residents and businesses bear the governmental activities debt burdens of both the County and their respective Towns.
- (2) Amounts for bonds are reported net of premiums and/or discounts.
- (3) The County's direct debt is also presented in Table 3.1.
- (4) Beginning in fiscal year 2022, the TIFIA loan was reclassified from Notes Payable to Direct Borrowings due to the implementation of GASB 88. The outstanding bonds for direct placements are the Economic Development Authority Series 2021D Revenue Refunding Bonds. See Note K, Section 3, for additional details.
- (5) Due to the implementation of GASB 87 in the beginning of fiscal year 2022, debt previously known as Capital Leases are defined as Leases.
- (6) Due to the implementation of GASB 96, long-term Subscription-Based Information Technology Arrangements (SBITAs) have been added effective fiscal year 2024.

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

The Commonwealth of Virginia does not impose a legal limit on the amount of long-term indebtedness that the County can at any time incur or have outstanding. The Board of Supervisors, however, has imposed limits which provide that the County's (a) long-term general bonded debt should not exceed three percent of the total assessed value of taxable real and personal property in the County and (b) annual debt service should not exceed ten percent of the annual general fund expenditures and transfers out, excluding leases and installment purchases in the year initiated. Relevant information pertaining to these self-imposed debt margins is provided below.

	Fiscal Year (000s)				
	2025	2024	2023	2022	2021
(a) Debt limit ⁽¹⁾	\$ 10,437,840	10,125,341	9,542,473	8,789,510	8,518,781
Total debt applicable to limit ⁽²⁾	3,250,349	3,141,577	3,028,957	2,960,298	2,931,554
Self-imposed debt margin	\$ 7,187,491	6,983,764	6,513,516	5,829,212	5,587,227
Total debt applicable to limit as a percentage of debt limit	31.14%	31.03%	31.74%	33.68%	34.41%
Total debt applicable to limit as a percentage of assessed value	0.93%	0.93%	0.95%	1.01%	1.03%

Debt Margin Calculation for Fiscal Year 2025:

Assessed value ⁽¹⁾	\$ 347,927,988
Debt limit (3% of assessed value)	10,437,840
Debt applicable to limit: ⁽²⁾	
General obligation bonds ⁽³⁾	2,945,464
Lease revenue bonds ⁽³⁾	199,835
Direct placements ^{(3) (4)}	105,050
Total debt applicable to limit	3,250,349
Self-imposed debt margin	\$ 7,187,491

	Fiscal Year (000s)				
	2025	2024	2023	2022	2021
(b) Debt service limit	\$ 568,661	530,228	509,356	475,027	454,590
Total debt service requirements applicable to limit ⁽⁵⁾	365,839	345,213	338,053	331,034	325,402
Self-imposed debt service margin	\$ 202,823	185,015	171,303	143,993	129,188
Total debt service requirements applicable to limit as a percentage of the debt service limit	64.33%	65.11%	66.37%	69.69%	71.58%
Total debt service requirements applicable to limit as a percentage of annual General Fund expenditures and transfers out	6.43%	6.51%	6.64%	6.97%	7.16%

Source: Fairfax County Department of Finance

Notes:

- (1) See Table 2.1 for assessed taxable value of real property data. The amounts used to determine debt limits include values levied for each period and include both real and personal property.
- (2) See Table 3.2 for debt applicable to limit amounts.
- (3) Amounts for bonds are reported net of premiums and/or discounts.
- (4) Beginning in fiscal year 2022, the TIFIA loan was reclassified from Notes Payable to Direct Borrowings due to the implementation of GASB 88 (Certain disclosures related to debt, including direct borrowings and placements). The outstanding bonds for direct placements are the Economic Development Authority Series 2021D Revenue Refunding Bonds. See Note K, Section 3, for additional details.
- (5) Debt service requirements exclude "bond issuance costs and other" expenditures recorded in the debt service funds and payments to refunded escrow agent (current refundings) of \$41.35 million in FY 2025, \$17.15 million in FY 2022, \$121.38 million in FY 2020, \$30.74 million in FY 2019, and \$154.54 million in FY 2016.

Fiscal Year (000s)					
2020	2019	2018	2017	2016	
8,244,479	7,955,879	7,687,822	7,551,723	7,331,913	Debt limit ⁽¹⁾
2,887,545	2,889,935	2,918,416	2,895,516	2,875,166	Total debt applicable to limit ⁽²⁾
5,356,934	5,065,944	4,769,406	4,656,207	4,456,747	Self-imposed debt margin
35.02%	36.32%	37.96%	38.34%	39.21%	Total debt applicable to limit as a percentage of debt limit
1.05%	1.09%	1.14%	1.15%	1.18%	Total debt applicable to limit as a percentage of assessed value

Fiscal Year (000s)					
2020	2019	2018	2017	2016	
444,986	430,048	411,255	400,584	386,066	Debt service limit
332,257	345,310	337,077	313,389	323,859	Total debt service requirements applicable to limit ⁽⁵⁾
112,729	84,738	74,178	87,195	62,207	Self-imposed debt service margin
74.67%	80.30%	81.96%	78.23%	83.89%	Total debt service requirements applicable to limit as a percentage of the debt service limit
7.47%	8.03%	8.20%	7.82%	8.39%	Total debt service requirements applicable to limit as a percentage of annual General Fund expenditures and transfers

COUNTY OF FAIRFAX, VA
**TABLE 3.5 - Pledged Revenue Coverage for the Integrated Sewer System
 Last Ten Fiscal Years**

Fiscal Year	Gross Revenues (1) (000s)	Operating Expenses (2) (000s)	Net Available Revenue (000s)	Debt Service (3)			Coverage
				Principal (000s)	Interest (000s)	Total (000s)	
2025	\$ 310,290	146,548	163,742	33,086	30,379	63,465	2.58 %
2024	299,852	138,199	161,653	36,560	21,201	57,761	2.80
2023	242,725	121,114	121,611	33,483	21,300	54,783	2.22
2022	248,049	103,546	144,503	29,137	23,659	52,796	2.74
2021	251,953	109,195	142,758	29,088	20,886	49,974	2.86
2020	242,894	107,460	135,434	27,475	22,214	49,689	2.73
2019	236,111	101,359	134,752	26,898	23,131	50,029	2.69
2018	228,259	100,996	127,263	21,192	22,152	43,344	2.94
2017	221,982	94,166	127,816	23,953	19,178	43,131	2.96
2016	206,287	92,453	113,834	23,070	24,046	47,116	2.42

Source: Fairfax County Department of Finance

Notes:

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

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

COUNTY OF FAIRFAX, VA
TABLE 4.1 - Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population ⁽¹⁾	Personal Income ^{(2) (6)} (000s)	Per Capita Personal Income ^{(2) (6)}	Median Age ⁽³⁾ (yrs)	Percent of People ≥ 25 Years Old with a Bachelor's Degree ⁽³⁾	Public School Enrollment ⁽⁴⁾	Unemployment Rate ⁽⁵⁾
2024	1,196,475	\$ 121,322,565	\$ 101,400	39.4	65.5 %	180,527	3.6 %
2023	1,185,980	120,258,372	101,400	39.4	65.5	179,795	2.1
2022	1,172,646	111,022,605	94,677	38.8	64.9	178,421	2.5
2021	1,170,033	105,777,709	88,971	38.1	62.1	179,748	3.5
2020	1,171,848	100,944,159	86,141	38.4	61.6	188,355	5.6
2019	1,166,965	96,205,762	82,441	38.4	61.1	187,474	2.3
2018	1,152,873	90,357,574	78,376	37.9	60.7	188,403	2.4
2017	1,142,888	86,834,344	75,978	38.1	60.3	187,484	3.0
2016	1,138,652	85,311,224	74,923	38.0	59.9	185,979	3.2
2015	1,142,234	85,675,546	75,007	37.7	59.2	185,914	3.1

Notes:

- (1) Population data is obtained from the Fairfax County Department of Management and Budget.
- (2) Personal income data is obtained from the Bureau of Economic Analysis, U.S. Department of Commerce and includes the Cities of Fairfax and Falls Church. Data for only Fairfax County is not available; however, it is believed that the inclusion of these Cities does not significantly affect the County's data.
- (3) Median age and educational attainment information are obtained from the Fairfax County Economic Development Authority.
- (4) Public school enrollment is obtained from Fairfax County Public Schools.
- (5) Unemployment rates are obtained from the Fairfax County Department of Management and Budget.

COUNTY OF FAIRFAX, VA
TABLE 4.2 - Principal Employers
Current Year and Nine Years Ago

Employer	Fiscal Year 2025 ⁽¹⁾			Fiscal Year 2016 ⁽¹⁾		
	Number of Employees	Rank	Percent of Total County Employment ⁽³⁾	Number of Employees ⁽²⁾	Rank	Percent of Total County Employment ⁽³⁾
Federal Government	28,126	1	4.41	23,664	2	3.79
Fairfax County Public Schools	26,829	2	4.20 %	24,581	1	3.93 %
Inova Health System	26,000	3	4.07	7,000-10,000	4	1.36
Fairfax County Government	12,000	4	1.88	12,335	3	1.97
George Mason University	5,000-9,999	5	1.18	5,000-10,000	5	1.20
Booz Allen Hamilton	5,000-9,999	6	1.18	4,000-6,999	6	0.88
Amazon	5,000-9,999	7	1.18			
Capital One	5,000-9,999	8	1.18			
Science Applications International Corporation	5,000-9,999	9	1.18	1,000-3,999	9	0.40
Federal Home Loan Mortgage	5,000-9,999	10	1.18	4,000-6,999	7	0.88
General Dynamics				4,000-6,999	8	0.88
Northrop Grumman				1,000-3,999	10	0.40
			<u>21.62 %</u>			<u>15.69 %</u>

Notes:

- ⁽¹⁾ Employment information for fiscal year 2025, excluding data for Fairfax County Government and Fairfax County Public Schools, is from the 4th quarter of calendar year 2024 Virginia Employment Commission (VEC) and Fairfax County's Economic Development Authority (January 24). Employment information for fiscal year 2016 is as was presented in that fiscal year's Fairfax County ACFR.
- ⁽²⁾ Employment estimates for separate facilities of the same firm have been combined to create company totals. Employment ranges for the private sector are given to ensure confidentiality.
- ⁽³⁾ Percentages are based on the midpoint of the employment range. Average total County employment for fiscal year 2025 is estimated at 638,100 based on VEC. Average total County employment for fiscal year 2016 was estimated at 625,030.



5.0 - Operating information is intended to provide contextual information about a government’s operations and resources to assist readers in using financial statement information to understand and assess a government’s economic condition. There are three tables presented in this section.

COUNTY OF FAIRFAX, VA
TABLE 5.1 - Full-Time Equivalent County Government Employees by Function
Last Ten Fiscal Years

Function/Program	Full-Time Equivalent Employees as of June 30				
	2025	2024	2023	2022	2021
Primary Government:					
General government administration	1,282	1,268	1,228	1,196	1,206
Judicial administration	468	437	441	408	383
Public safety	4,304	4,256	4,233	4,255	4,349
Public works	1,110	1,076	1,048	1,069	1,074
Health and welfare	4,076	4,107	3,951	3,668	3,729
Community development	570	497	466	517	516
Parks, recreation, and cultural	483	464	471	318	297
Total	12,293	12,105	11,838	11,431	11,554
Component Units:					
<i>Public Schools:</i>					
Education	26,829	26,235	25,526	25,570	25,389
<i>Redevelopment and Housing Authority:</i>					
Community development	167	152	150	141	160
<i>Park Authority:</i>					
Parks, recreation, and cultural	495	464	438	412	414

Sources: Fairfax County Department of Management and Budget, Fairfax County Department of Human Resources, Fairfax County Public Schools

*In fiscal year 2019, an improvement was made to the method used to identify positions by function which better represents actual staffing levels. The table was restated for fiscal years 2018 and 2017 to also reflect this improvement.

Full-Time Equivalent Employees as of June 30					Function/Program
2020	2019*	2018*	2017*	2016	
					<u>Primary Government:</u>
1,237	1,227	1,201	1,190	2,259	General government administration
378	360	362	377	398	Judicial administration
4,429	4,437	4,367	4,385	4,398	Public safety
1,063	1,043	1,066	1,069	551	Public works
3,510	3,550	3,526	3,366	3,464	Health and welfare
531	514	543	524	529	Community development
470	307	307	470	736	Parks, recreation, and cultural
<u>11,618</u>	<u>11,438</u>	<u>11,372</u>	<u>11,381</u>	<u>12,335</u>	Total
					<u>Component Units:</u>
					<i>Public Schools:</i>
25,041	24,936	24,715	24,688	24,581	Education
					<i>Redevelopment and Housing Authority:</i>
189	172	187	196	226	Community development
					<i>Park Authority:</i>
417	424	437	447	582	Parks, recreation, and cultural

COUNTY OF FAIRFAX, VA
TABLE 5.2 - Operating Indicators by Function
Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2025	2024	2023	2022	2021
Primary Government:					
<i>General government administration:</i>					
Real property parcels assessed	367,551	366,866	365,647	364,262	363,157
Personal property vehicles assessed	979,297	969,369	937,676	959,763	954,075
Businesses licensed	38,018	43,431	45,305	46,104	47,392
Best-qualified job applicants forwarded to departments	19,588	21,101	22,165	22,017	14,972
<i>Judicial administration:</i>					
Cases filed in General District Court	209,677	192,798	167,409	133,626	118,662
Booking transactions	27,395	32,046	28,195	22,003	19,445
General District Court probation program new adult enrollment	717	894	912	942	730
<i>Public safety:</i>					
Police:					
Recruits graduating					
Criminal Justice Academy	130	119	76	84	67
Total cases assigned ⁽¹⁾	5,161	4,806	2,371	2,036	2,478
Total cases cleared ⁽¹⁾	2,225	3,001	1,905	1,662	1,930
Parking tickets issued	52,844	43,208	24,118	36,123	24,874
Sheriff:					
Court cases heard annually	279,789	236,577	238,661	203,233	137,042
Average daily Adult Detention Center inmate population	594	666	659	639	588
Fire and rescue:					
Fire investigations conducted	385	348	267	232	205
Fire inspection activities conducted	27,301	28,849	25,169	25,210	37,445
EMS incidents	98,682	98,178	93,415	86,781	74,103
Animal Shelter – Total live animal intake	4,810	4,645	4,092	3,122	2,856
<i>Public works:</i>					
Gross square feet of facilities maintained	9,772,090	9,722,206	11,953,865	11,930,365	11,842,769
Tons of County waste disposed	746,062	727,415	698,772	728,205	723,078
Total tons recycled	440,938	406,387	466,081	464,299	466,793
Total average daily wastewater flow treated (million gallons)	92.44	95.62	91.98	98.12	100.70
<i>Health and welfare:</i>					
Persons served through Community Services Board programs:					
Mental Health Services	5,845	6,149	6,249	6,045	6,181
Substance Abuse Services	1,357	1,355	1,244	997	1,005
Developmental Services	2,846	2,725	2,610	2,474	2,330
Infant Toddler Connection	3,783	4,429	4,465	4,094	3,800
Emergency and Ancillary Services	19,856	20,026	19,315	18,150	17,874
Home and Congregate Meals for Older Adults ⁽²⁾	565,047	518,284	532,792	509,331	583,743
Food Stamps applications received (SNAP)	28,105	30,583	27,233	25,056	23,605
Medicaid/FAMIS Applications	39,123	37,795	35,327	36,169	45,166
Child immunization vaccines given at clinics	36,131	40,062	31,955	29,397	11,317

Fiscal Year					Function/Program
2020	2019	2018	2017	2016	
<i>Primary Government:</i>					
<i>General government administration:</i>					
349,958	360,579	360,954	360,617	360,495	Real property parcels assessed
993,452	994,469	994,746	986,610	980,114	Personal property vehicles assessed
48,561	49,071	49,071	49,408	49,309	Businesses licensed
15,687	17,307	15,544	16,806	17,177	Best-qualified job applicants forwarded to departments
<i>Judicial administration:</i>					
255,752	315,048	297,213	302,665	310,879	Cases filed in General District Court
28,042	34,599	36,435	36,820	37,537	Booking transactions
651	1,036	1,290	1,091	1,127	General District Court probation program new adult enrollment
<i>Public safety:</i>					
<i>Police:</i>					
67	54	72	72	104	Recruits graduating Criminal Justice Academy
2,625	2,854	4,181	30	6,725	Total cases assigned ⁽¹⁾
1,354	1,940	3,545	2,329	2,141	Total cases cleared ⁽¹⁾
43,276	52,783	52,111	46,886	45,775	Parking tickets issued
<i>Sheriff:</i>					
249,063	436,666	474,377	499,583	451,837	Court cases heard annually
689	964	994	1,029	1,038	Average daily Adult Detention Center inmate population
<i>Fire and rescue:</i>					
291	287	264	335	350	Fire investigations conducted
23,936	20,206	16,659	19,981	20,520	Fire inspection activities conducted
75,055	76,877	75,123	75,019	72,037	EMS incidents
3,858	4,467	4,416	4,311	4,354	Animal Shelter – Total live animal intake
<i>Public works:</i>					
11,764,583	11,764,583	11,105,648	10,838,046	10,799,658	Gross square feet of facilities maintained
694,634	753,625	731,706	735,287	727,734	Tons of County waste disposed
422,286	494,553	494,734	611,171	520,628	Total tons recycled
95.40	112.40	95.80	90.50	96.20	Total average daily wastewater flow treated (million gallons)
<i>Health and welfare:</i>					
<i>Persons served through Community Services Board programs:</i>					
6,932	7,348	6,803	6,748	6,884	Mental Health Services
1,529	1,568	1,523	1,600	1,658	Substance Abuse Services
2,479	2,348	2,231	2,104	1,969	Developmental Services
3,660	4,132	3,889	3,642	3,559	Infant Toddler Connection
17,707	18,770	17,749	16,587	15,154	Emergency and Ancillary Services
539,776	504,447	512,881	519,959	468,022	Home and Congregate Meals for Older Adults ⁽²⁾
21,568	17,924	19,576	21,260	18,469	Food Stamps applications received (SNAP)
48,516	43,719	32,544	35,061	39,361	Medicaid/FAMIS applications
30,642	31,816	28,277	37,659	31,559	Child immunization vaccines given at clinics

(continued)

COUNTY OF FAIRFAX, VA
TABLE 5.2 - Operating Indicators by Function (concluded)
Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2025	2024	2023	2022	2021
<i>Community development:</i>					
Building inspections	164,941	175,934	169,909	189,858	180,492
Building permits issued	56,249	63,195	64,156	70,524	71,429
Zoning permits processed	19,518	17,340	17,512	18,880	21,001
Fairfax Connector bus passengers	9,678,063	8,715,815	8,365,288	5,191,499	4,566,013
<i>Parks, recreation, and cultural:</i>					
Senior Center attendance	272,571	250,848	220,595	131,134	41,294
Teen Center attendance	18,797	23,262	36,664	9,462	1,044
Community Center attendance	373,044	363,775	241,810	93,105	21,780
Library visits	3,375,185	3,211,348	2,788,190	2,446,265	1,197,867
Circulation of all library materials	11,738,179	11,966,801	11,220,910	10,580,433	10,091,979
<u>Component Units:</u>					
<i>Public Schools:</i>					
Combined SAT scores ⁽³⁾	1,183	1,178	1,181	1,185	1,201
Number of lunches served daily	77,455	76,087	74,151	108,349	17,273
Number of breakfasts served daily	31,600	30,304	26,402	47,165	16,271
Student enrollment	180,132	180,527	179,795	178,421	179,748
Special education enrollment	17,679	17,572	26,828	28,236	26,468
ESOL enrollment	36,902	37,277	33,086	34,944	33,325
<i>Redevelopment and Housing Authority:</i>					
Residents housed through subsidized rental programs:					
Federal Housing Choice Vouchers ⁽⁴⁾	11,188	11,888	11,964	12,174	12,723
County Rental Program-multifamily and seniors	5,909	4,929	6,602	6,264	5,199
Homes sold in First-Time Homebuyer Program	84	45	86	71	47
<i>Park Authority:</i>					
REC Center attendance	2,266,795	1,200,518	1,155,247	1,071,018	563,593
Golf course rounds	330,066	346,102	343,552	325,349	347,965
Visits to natural, cultural, historic, and interpretive sites ⁽⁵⁾	2,590,920	2,638,412	785,823	2,361,383	1,207,791
Class, camp, and program participation	174,708	181,919	231,782	192,049	89,085

Sources: Fairfax County Department of Management and Budget, Fairfax County Public Schools, Fairfax County Redevelopment and Housing Authority, Fairfax County Park Authority

Notes:

- (1) The data reflects cases assigned for further investigation and assigned cases closed or cleared.
- (2) In fiscal year 2017, stats for the Nutritional Supplements Program were included. This program is provided to clients who need additional sources of nutrition and/or who cannot tolerate regular solid food.
- (3) In March 2016, the College Board implemented a new grading scale from the previous 600 to 2400; the new scale is 400 to 1600.
- (4) In fiscal year 2018, Federal Public Housing units were converted to project-based voucher units under the federal Rental Assistance Demonstration (RAD). The number of units were included with Federal Housing Choice Vouchers.
- (5) In fiscal year 2023, the Park Authority modified its approach to tracking system-wide visitation at all locations. This includes using new technology to provide more accurate visitation estimates, resulting in differences from previous years.

Fiscal Year					Function/Program
2020	2019	2018	2017	2016	
<i>Community development:</i>					
181,749	168,008	159,090	158,289	153,055	Building inspections
64,464	66,421	63,224	59,814	57,972	Building permits issued
16,011	17,275	19,459	19,990	21,513	Zoning permits processed
6,783,112	8,334,616	8,312,983	8,631,906	8,984,180	Fairfax Connector bus passengers
<i>Parks, recreation, and cultural:</i>					
269,535	380,355	361,908	361,270	302,637	Senior Center attendance
64,992	67,104	70,486	74,401	81,975	Teen Center attendance
301,374	349,204	330,152	327,950	330,782	Community Center attendance
3,143,196	4,578,666	4,532,886	4,633,327	4,727,927	Library visits
8,916,842	10,968,477	11,175,980	11,405,157	12,042,565	Circulation of all library materials
<u>Component Units:</u>					
<i>Public Schools:</i>					
1,211	1,218	1,213	1,187	1,672	Combined SAT scores ⁽³⁾
81,137	80,473	80,374	80,660	82,168	Number of lunches served daily
29,099	29,506	26,591	22,261	20,102	Number of breakfasts served daily
188,355	187,474	188,403	187,484	185,979	Student enrollment
27,644	27,107	25,779	25,697	25,740	Special education enrollment
36,325	35,541	27,572	27,896	31,120	ESOL enrollment
<i>Redevelopment and Housing Authority:</i>					
Residents housed through subsidized rental programs:					
12,241	12,809	12,380	9,541	9,917	Federal Housing Choice Vouchers ⁽⁴⁾
6,665	6,110	6,198	5,789	6,034	County Rental Program-multifamily and seniors
43	31	27	10	18	Homes sold in First-Time Homebuyer Program
<i>Park Authority:</i>					
1,307,811	1,646,581	1,756,187	1,837,807	1,851,595	REC Center attendance
231,054	226,602	235,287	259,094	268,801	Golf course rounds
1,125,462	1,609,067	1,798,157	1,997,855	1,813,942	Visits to natural, cultural, historic, and interpretive sites ⁽⁵⁾
241,627	270,003	170,206	176,561	175,701	Class, camp, and program participation

COUNTY OF FAIRFAX, VA
TABLE 5.3 - Capital Asset Statistics by Function
Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2025	2024	2023	2022	2021
Primary Government:					
<i>General government administration:</i>					
Government office buildings (square feet)	2,027,781	2,018,300	2,018,300	2,018,300	2,018,300
Vehicle maintenance facilities	3	3	3	3	3
<i>Judicial administration:</i>					
Correctional facilities (inmate capacity)	1,260	1,260	1,260	1,260	1,260
Courtrooms	44	44	44	44	44
<i>Public safety:</i>					
<i>Police:</i>					
Stations	8	8	8	8	8
Vehicles	1,280	1,233	1,190	1,498	1,493
Helicopters	2	2	2	2	2
Criminal justice academy (trainee capacity)	240	240	240	240	240
<i>Fire and rescue:</i>					
County-operated fire and rescue stations	32	32	32	32	32
Volunteer fire and rescue stations	7	7	7	7	7
Combination stations	2	2	2	2	2
Vehicles	493	490	438	503	506
Boats	24	24	2	1	1
Training facilities (trainee capacity)	186	186	186	186	186
Animal shelters (animal capacity)	167	167	153	153	153
<i>Public works:</i>					
Miles of sanitary sewer lines	3,300	3,273	3,269	3,300	3,250
Sewer pumping stations	70	63	63	63	63
Refuse collection, recycling, and disposal vehicles	229	235	226	227	250
Miles of stormwater drainage lines	1,620	1,608	1,608	1,535	1,516
Stormwater retention ponds	1,486	1,480	1,465	1,465	1,471
Landfills and transfer stations	3	3	3	3	3
<i>Health and welfare:</i>					
Health-related clinics	5	5	5	5	5
Shelters	9	6	6	6	6
Community Services Board centers	7	7	7	7	7
<i>Community development:</i>					
Community centers	12	12	12	9	8
Bus shelters	457	457	457	445	438
Transit centers and park & ride lots	70	70	72	57	54
Fairfax Connector buses	344	344	344	344	334
<i>Parks, recreation, and cultural:</i>					
Libraries	23	23	23	23	23
Multi-Cultural centers	1	1	1	1	1
Trails and walkways (miles)	780	774	741	736	732

Fiscal Year					Function/Program
2020	2019	2018	2017	2016	
					<u>Primary Government:</u>
					<i>General government administration:</i>
2,018,300	2,028,977	2,017,255	1,739,631	2,706,311	Government office buildings (square feet)
3	3	3	3	3	Vehicle maintenance facilities
					<i>Judicial administration:</i>
1,260	1,260	1,260	1,260	1,371	Correctional facilities (inmate capacity)
44	44	44	44	44	Courtrooms
					<i>Public safety:</i>
					Police:
8	8	8	8	8	Stations
1,495	1,476	1,467	1,456	1,441	Vehicles
2	2	2	2	2	Helicopters
240	240	240	240	240	Criminal justice academy (trainee capacity)
					Fire and rescue:
31	30	30	30	30	County-operated fire and rescue stations
7	8	8	8	8	Volunteer fire and rescue stations
2	2	2	4	4	Combination stations
505	505	505	502	502	Vehicles
1	1	2	2	2	Boats
186	186	186	186	186	Training facilities (trainee capacity)
153	153	153	153	153	Animal shelters (animal capacity)
					<i>Public works:</i>
3,243	3,249	3,247	3,242	3,430	Miles of sanitary sewer lines
63	63	63	61	59	Sewer pumping stations
223	229	229	229	229	Refuse collection, recycling, and disposal vehicles
1,561	1,679	1,668	1,662	1,653	Miles of stormwater drainage lines
1,509	1,497	1,471	1,456	1,440	Stormwater retention ponds
3	3	3	3	3	Landfills and transfer stations
					<i>Health and welfare:</i>
5	5	8	8	8	Health-related clinics
6	6	6	6	6	Shelters
7	7	7	7	7	Community Services Board centers
					<i>Community development:</i>
8	8	8	8	8	Community centers
473	463	421	534	563	Bus shelters
55	55	46	46	43	Transit centers and park & ride lots
325	313	309	302	302	Fairfax Connector buses
					<i>Parks, recreation, and cultural:</i>
23	23	23	23	23	Libraries
1	1	1	1	1	Multi-Cultural centers
727	716	711	694	689	Trails and walkways (miles)

(continued)

COUNTY OF FAIRFAX, VA
TABLE 5.3 - Capital Asset Statistics by Function (concluded)
Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2025	2024	2023	2022	2021
<u>Component Units:</u>					
<i>Public Schools:</i>					
Elementary schools	142	142	142	142	142
Middle schools	23	23	23	23	23
High/secondary schools	25	25	25	25	25
Special education centers	7	7	7	7	7
Alternative high schools	2	2	2	2	2
<i>Redevelopment and Housing Authority:</i>					
Housing units owned under programs:					
Federal Public Housing	1,065	1,065	1,065	1,065	1,065
County Rental Program	1,502	1,526	1,527	1,542	1,501
Senior Housing Program	499	499	499	476	476
Partnership Program	692	730	736	736	760
<i>Park Authority:</i>					
Acres of park land	23,717	23,704	23,685	23,636	23,632
Athletic fields	264	262	267	261	260
Trail miles	347	343	342	337	334
Play areas and tot lots	232	232	229	227	228
Tennis courts	248	249	249	252	252
Multi-use courts	415	135	135	135	133
Recreational centers	9	9	9	9	9
Golf courses	9	9	9	9	9
Historic sites ⁽¹⁾	136	136	134	131	121
Nature/visitor centers	7	7	7	7	7
Marinas	3	3	3	3	3

Sources: Fairfax County Department of Finance, Fairfax County Public Schools, Fairfax County Redevelopment and Housing Authority, Fairfax County Park Authority

Notes:

⁽¹⁾ The rise in Historic Sites from fiscal years 2019 to 2020, and again to 2021, is due to the number of curator houses added to sites.

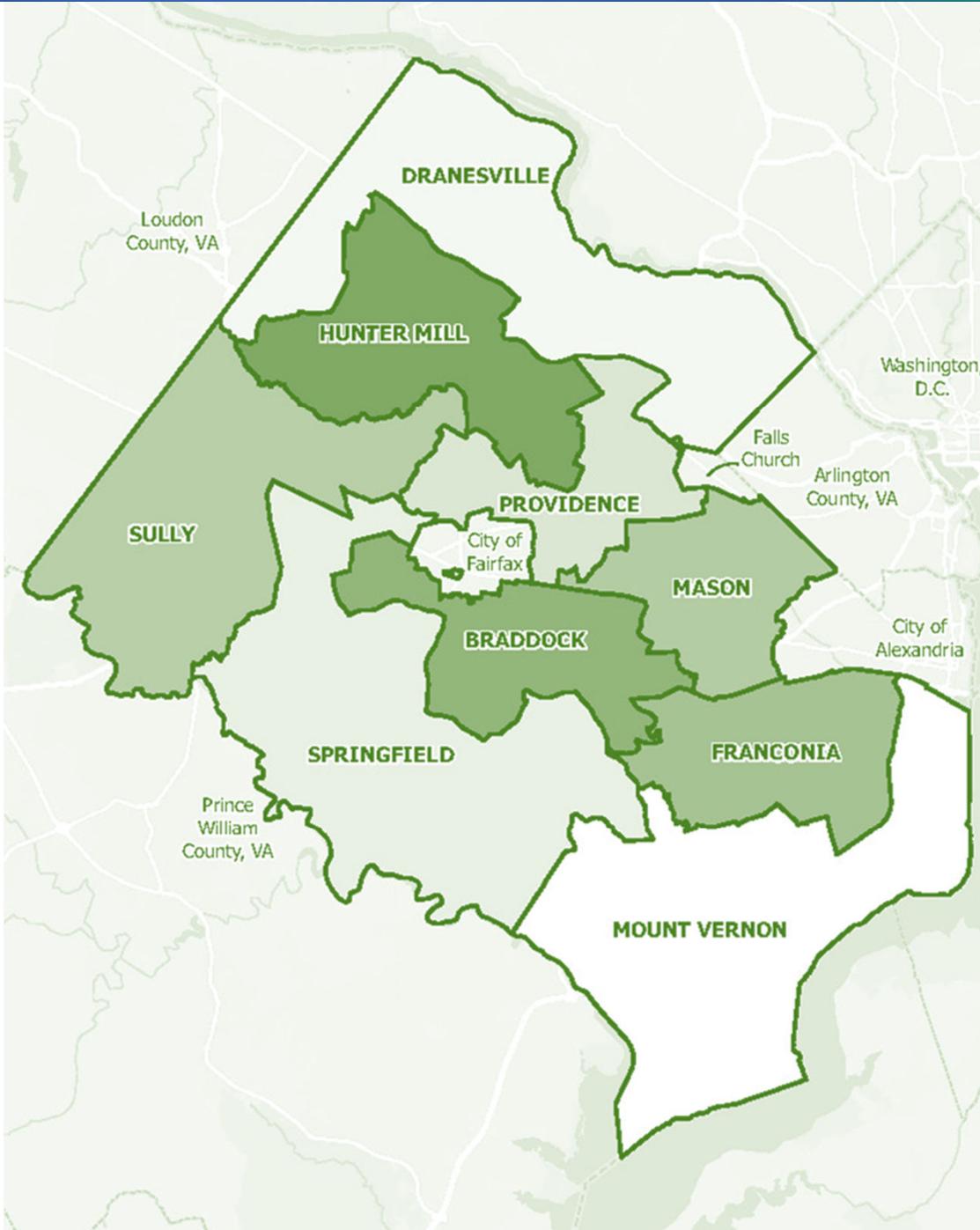
Fiscal Year					Function/Program
2020	2019	2018	2017	2016	
<u>Component Units:</u>					
<i>Public Schools:</i>					
141	141	141	141	139	Elementary schools
23	23	23	23	23	Middle schools
25	25	25	25	25	High/secondary schools
7	7	7	7	7	Special education centers
2	2	2	2	2	Alternative high schools
<i>Redevelopment and Housing Authority:</i>					
Housing units owned under programs:					
1,065	1,065	1,065	1,065	1,065	Federal Public Housing
1,509	1,547	1,478	1,471	1,467	County Rental Program
476	476	476	476	476	Senior Housing Program
760	760	699	695	690	Partnership Program
<i>Park Authority:</i>					
23,595	23,550	23,513	23,418	23,372	Acres of park land
266	266	262	263	268	Athletic fields
334	332	327	326	324	Trail miles
238	206	209	210	212	Play areas and tot lots
258	257	254	254	254	Tennis courts
128	124	131	120	124	Multi-use courts
9	9	9	9	9	Recreational centers
9	9	9	9	9	Golf courses
83	68	68	68	68	Historic sites ⁽¹⁾
7	7	7	7	7	Nature/visitor centers
3	3	3	3	3	Marinas



Back Cover Photograph:
Fairfax County District Map



The FY 2025 Annual Comprehensive Financial Report was prepared by:
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Special accommodations/alternative information formats will be provided upon request.

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