Fairfax County
PUBLIC SCHOOLS
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ANNUAL COMPREHENSIVE

FINANCIAL REPORT

For the fiscal year ended June 30 **2024**

FAIRFAX COUNTY PUBLIC SCHOOLS, VIRGINIA
A component unit of the County of Fairfax, Virginia

www.fcps.edu

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ended June 30 **2024**

Fairfax County Public Schools
A component unit of the County of Fairfax, Virginia

Prepared by the Department of Financial Services
Michelle C. Reid, Ed.D., Superintendent
E. Leigh Burden, Chief Financial Officer
Seema Ajrawat, Comptroller

This Annual Comprehensive Financial Report (ACFR) was prepared by:

DEPARTMENT OF FINANCIAL SERVICES

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INTRODUCTORY SECTION (unaudited)

The Introductory Section contains the letter of transmittal, which provides a profile of Fairfax County Public Schools (FCPS) and an overview of its school membership, accomplishments, major initiatives, financial policies, long-term financial planning, awards, and acknowledgements.

Also included in this section are the following:

- Listing of FCPS' School Board members and administration
- FCPS' organizational chart
- Certificate of Achievement for Excellence in Financial Reporting awarded by the Government Financial Officers Association
- Certificate of Excellence in Financial Reporting awarded by the Association of School Business Officials International

Michelle C. Reid, Superintendent
8115 Gatehouse Road
Falls Church, Virginia 22042

November 4, 2024

Members of the Board of Supervisors, Members of the School Board, and Residents of Fairfax County:

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of Fairfax County Public Schools (FCPS) for the fiscal year ended June 30, 2024. The financial statements included in this report are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. This report consists of management's representations concerning the finances of FCPS. Accordingly, responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with FCPS' management.

To the best of our knowledge and belief, the information included in this report is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of operations of the various activities and funds of FCPS.

FCPS' financial statements were audited by the independent accounting firm of Cherry Bekaert LLP. The independent audit involved examining, on a test basis, documents supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Cherry Bekaert LLP issued an unmodified opinion on FCPS' financial statements for the fiscal year ended June 30, 2024. An unmodified opinion represents a clean audit opinion and is expressed when an auditor concludes that the financial statements are presented fairly, in all material respects, and in accordance with the applicable financial reporting framework; this is the best possible result for an external audit. The independent auditor's report is included as the first item in the financial section of this report.

GAAP requires that management of FCPS provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the independent auditor's report.

Profile of the School System

OVERVIEW

The Virginia Department of Education (VDOE) is responsible for apportioning the Commonwealth of Virginia (State) into school divisions based on geographic area and school-age population. The school divisions are charged with promoting the realization of the standards of quality required by Article VIII, Section 2, of the Constitution of Virginia. FCPS, the school division for the County of Fairfax, Virginia (County), is located in the northeastern corner of the State 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 part of Northern Virginia, the District of Columbia, and Maryland.

FCPS is the largest educational system in the State and the 12th largest school division in the U.S. based on enrollment. FCPS is the second largest employer in the County, with approximately 26,000 full-time staff positions, of which approximately 92 percent are school-based. The FCPS bus fleet is one of the largest bus fleets in the U.S., transporting approximately 132,000 students on over 1,600 buses each day. FCPS facilities consist of more than 27 million square feet of school buildings and office space.

The function of the FCPS School Board is to set general school policy and, within the framework of the VDOE regulations, establish guidelines and rules that will ensure the proper administration of the school system. The School Board comprises 12 members who are elected by citizens of the County and serve four-year terms. There is one member from each of the County's nine magisterial districts and three members at large. A nonvoting student representative is selected by a countywide student advisory council for a one-year term. The School Board is entrusted with the responsibility of hiring the school division's superintendent. The superintendent along with chiefs of staff for: schools, academic, equity, experience and engagement, financial, information technology, operating, facilities services and capital programs, safety and security, and human resources manage the day-to-day operations of the school system.

Schools and Centers – Fiscal Year 2024

Elementary (K-6)	142
Middle (6-8)	3
Middle (7-8)	20
Secondary (7-12)	3
High (9-12)	24
Special Education Centers	7
Total	**199**

FCPS is focused on meeting the needs of approximately 180,000 students from preschool through twelfth grade, while managing 199 schools and centers. The schools and centers are divided into six regions and are supported by eleven chiefs that provide a broad range of services including instructional services, special services, facilities and transportation, information technology, school improvement/supports, human resources, and financial services.

Approximately 86 percent of the school system's approved operating budget ($3.5 billion for fiscal year 2024) was allocated to instructional programs. In addition to core instructional programs designed to meet the varied needs of the student body and to enhance academic achievement, FCPS offers a variety of other instructional programs. Such programs include Family and Early Childhood Education, Elementary Magnet Schools, State K-3 Reduced Ratio Schools, Project Momentum, Title I Schools, Language Immersion, International Baccalaureate, Advanced Placement, Advanced Academics, as well as, extensive programs for students pursuing technical careers. 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. Thomas Jefferson High School for Science and Technology (TJHSST), a Governor's magnet school, attracts students from throughout Northern Virginia for an intensive program emphasizing sciences, mathematics, and technology.

FCPS is a component unit of the County and is included as an integral part of the County's financial statements. The cost of FCPS governmental activities are funded primarily by the County. For fiscal year 2024, the County provided 68.9 percent of funding and the state and federal governments provided 28 percent of FCPS' operating funding. The fiscal year 2024 transfer from the County totals $2.4 billion, an increase in funding of $144.1 million, or 6.3 percent, from the fiscal year 2023 transfer amount.

Economic Condition and Outlook

LOCAL ECONOMY

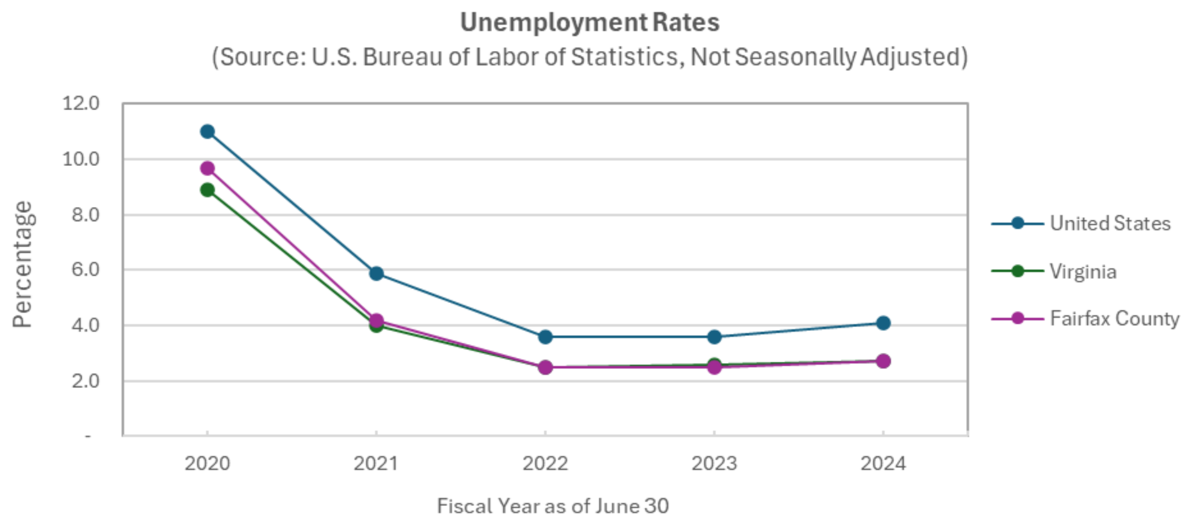
The total number of jobs in Fairfax County increased a net 8,800 jobs (1.4 percent) in calendar year 2023, as reported by the U.S. Bureau of Labor and Statistics. While overall employment has surpassed pre-pandemic levels, the recovery varies by sector. In 2023, public facing sectors such as the Leisure and Hospitality sector remained about 6 percent below their pre-COVID levels, while other sectors such as the higher paying Professional and Business Services sector have fully recovered, increasing 4.5 percent in calendar year 2023 over calendar year 2019.

Because the economy of the Washington Metro region is knowledge-based and dependent upon federal spending, it has been somewhat insulated from the disruptions that have affected other regional economies in recent years. Business, Professional, and Occupational License (BPOL) and Sales Taxes are two revenue sources that are good indicators of economic activity in the County. In fiscal year 2024, overall BPOL tax receipts increased 4.5 percent over the previous year. Revenues in the combined Consultant and Business Service Occupations categories, which represent almost 43 percent of total BPOL tax receipts, increased by 4.9 percent. Fiscal year 2024 Sales Tax receipts increased 1.3 percent.

For the commercial real estate market, office vacancy rates increased. According to the Fairfax County Economic Development Authority (FCEDA), the direct office vacancy rate increased for the fourth year in a row from 14.6 percent in calendar year 2020 to 17.2 percent as of the end of calendar year 2023. The vacancy rate exceeded the previous 10-year high of 16.5 percent in 2015 when sequestration impacted federal government related office space.

Based on information from Bright MLS, the average sales price of homes in Fairfax County rose 3.8 percent in calendar year 2023. Home prices continued to increase primarily because of the tight inventory of homes for sale. Since 2009, the average home sales price has risen 89.4 percent, or an average annual growth rate of 4.7 percent. Bright MLS also reported that the number of home sales in Fairfax County decreased by 22.5 percent compared to calendar year 2022, which was the lowest number of homes sold since 2014.

As illustrated in the following chart, Fairfax County's unemployment rates, not seasonally adjusted, have consistently tracked below the national averages. For June 2024, Fairfax County's unemployment rate was 2.7 percent. The seasonally adjusted unemployment rates for the state of Virginia and the United States were 2.7 percent and 4.1 percent, respectively.



School Enrollment

PROJECTED ENROLLMENT

The projected student enrollment for fiscal year 2025 is 181,701 students. This represents an increase of 1,749 students compared to fiscal year 2024 projections. The projected increase in enrollment is largely attributable to student enrollment exceeding projections during the prior school year. FCPS enrollment projections are developed using a bottom-up methodology for general education students, beginning with elementary, then middle, and finally high schools. Kindergarten projections are based on historical relationships between kindergarten enrollment and births (five years prior) of Fairfax County and Fairfax City residents by attendance area. Each cohort is then aged through successive grades based on selected historical ratios or averages of those ratios, school by school. Projections may be modified, as necessary, to consider other factors such as new housing completions. New housing data forecasts are considered with each projection effort. The number of additional students attributed to new housing decreased during the recent economic downturn as fewer houses were completed. Most student growth within FCPS in recent years resulted from larger families rather than from new housing.

SPECIAL EDUCATION

In fiscal year 2025, an estimated 50,899 special education services at an average cost of $18,862 per service will be provided to 29,697 students (an average of 1.7 services per student). Special education services are determined by each student's Individualized Education Program (IEP) and is mandated by the Individuals with Disabilities Education Act (IDEA).

MULTILINGUAL LEARNERS (ML) TRENDS

In fiscal year 2025, 38,163 students, approximately 21 percent of FCPS students, in grades K-12 are projected to receive ML services. This is an increase of 1,373 compared to fiscal year 2024 projections and an increase of 1,838 students compared to fiscal year 2020 actual figures.

FREE AND REDUCED-PRICE MEALS ELIGIBILITY TRENDS

The federal free and reduced-price meals (FRM) program is one of the fastest growing segments of the FCPS student population. Families qualifying for free and reduced-price meals must meet established federal guidelines of income and household size. In fiscal year 2025, the number of students eligible for FRM is projected to be 66,995. This is an increase of 4,192 compared to the fiscal year 2024 projection and an increase of 9,096 compared to fiscal year 2020 actual figures. FRM eligibility is projected to be 36.9 percent of the total student population. The percentage of students eligible for FRM is used by FCPS to calculate needs-based staffing to schools.

Accomplishments

STUDENT AND TEACHER ACHIEVEMENTS

Individual students and groups annually earn honors and awards in all academic, extracurricular, and athletic areas in regional, state, and national competitions. FCPS teachers are recognized on regional, national, and state levels for their accomplishments.

- For the 2023-2024 school year, FCPS' average overall composite SAT score was 1178, compared to the State average of 1101 and the global average of 1024.
- Graduation rates released by the Virginia Department of Education (VDOE) indicate that 94.6 percent of FCPS students in the class of 2024 graduated on time. This year's overall on-time graduation rate for FCPS is 1.8 percent higher than the State's graduation rate of 92.8 percent.
- Seven FCPS high schools made the U.S. News & World Report 2024 list of top ten Best High Schools in Virginia. Thomas Jefferson High School for Science and Technology (TJHSST) remains the top high school in Virginia, followed by Langley, Oakton, Mclean, Marshall, Madison, and West Springfield High Schools.
- Seven FCPS students were named winners of 2024 National Merit corporate-sponsored scholarship awards.
- A Woodson High School freshman was crowned "America's Top Young Scientist" after winning this year's 3M Young Scientist Challenge for his creation: soap that treats skin cancer. And less than a year after his 3M honor, the student was named TIME Magazine's 2024 "Kid of the Year" for this work.
- A fourth grade teacher at Colin Powell Elementary school has been named the 2024 Washington Post Teacher of the Year.
- An Annandale High School music teacher, whose work with children with disabilities has drawn praise, is the winner of the 2024 GRAMMY Music Educator Award. The prestigious annual award recognizes current educators who have made a significant and lasting contribution to the music education field and who also demonstrate a commitment to the broader cause of maintaining music education in schools.

Major Initiatives

STRATEGIC PLAN

In August 2022, FCPS began a journey to create a new strategic plan. This plan considers the collective experiences and impact of the COVID-19 pandemic, the shifts in technology, and looking forward to how we can best prepare our students for the future. The process involved 124,302 engagement touch points, 11 planning teams, and multiple opportunities for the community to engage in the process of developing a new strategic plan. This included surveys, community forums, newsletters, and various opportunities for community involvement.

The culmination of this work resulted in the development of five student-centered goals, measures to monitor the progress toward those goals, equity statements to support each and every student with attaining those goals, and four pillars that define the work FCPS must do to reach these goals. The strategic plan will guide the work of FCPS through 2030.

Four Pillars

The four pillars below identify the building blocks and durable framework to help achieve the five overarching goals of the strategic plan.

- **Pillar A – Differentiated and Culturally Responsive Learning Environments**

  Innovative learning experiences designed to meet the needs of each and every learner, and implement professional practices that engage, empower, include, and challenge the whole learner through varied opportunities.

- **Pillar B – Vibrant Home, School, and Community Partnerships**

  Shared responsibility to build trusting partnerships that sustain a safe, inclusive culture for learning and work, and we collaborate proactively with respect, honesty, and transparency.

- **Pillar C – Diverse, Adaptive, and Supported Workforce**

  Recruit and retain staff who reflect the diversity of students and families; provide meaningful continuous learning, exceptional compensation, and balanced workload; and create a safe and culturally responsive environment that values staff voice.

- **Pillar D – Culture of Equity, Excellence, and Accountability**

  Nurture processes and structures that are grounded in intentional partnerships, shared responsibility for equitable resource allocation, and data-driven continuous improvement and innovation.

Five Goals

The strategic plan identifies five overarching student-centered goals to indicate the focus and alignment of efforts for the division. Each goal includes an equity commitment and a set of measures to evaluate success. During school year 2023-2024, strategic plan priorities for each goal included an intentional focus on the following:

- **Goal 1 – Strong Start: Pre-K-12**

  Availability of pre-k programs to meet community needs.

- **Goal 2 – Safe, Supported, Included, and Empowered**

  Chronic absenteeism, discipline disproportionality, and student inclusion and engagement.

- **Goal 3 – Academic Growth and Excellence**

  Students reading by third grade, completing Algebra 1 by 8th grade, and completing advanced coursework in high school.

- **Goal 4 – Equitable Access and Opportunity**

  Consistent availability of and accessibility to electives, extracurricular, co-curricular and enrichment activities.

  Goal 5 – Leading for Tomorrow's Innovation

  Graduation outcomes that include on-time graduation, different diploma types, and plans for after high school.

INITIATIVES

The fiscal year 2024 Approved Budget helps FCPS focusing on academic growth, excellence, equity, and opportunity for each and every student. The fiscal year 2024 Approved Budget also supports an increase in student enrollment, multilingual learners, special education services, and a growing percentage of students eligible for free or reduced meals. Teacher recruitment and retention is a concern in school districts nationwide, continued investment in our staff positions FCPS as the top choice for highly qualified educators seeking employment in the area.

TECHNOLOGY INTEGRATION IN THE CLASSROOM

Achieving high academic standards increasingly involves integrating technology into the classroom. FCPSOn is the Division's 1:1 device program for students and educators. FCPSOn provides students with equitable access to meaningful learning experiences using a variety of technology tools. Teachers are able to personalize student learning and ensure that each student has access to an active and inspiring learning environment in which they can develop and apply their Portrait of a Graduate skills. Technology use within FCPS continues to evolve and is growing in scope, depth, complexity, and sophistication. Demands for and expectations of technology services, solutions, and devices are increasing at an unprecedented pace. Ubiquitous internet access and instructional resources such as the FCPSOn initiative reflect the ever-increasing student and teacher dependence on technology.

ENVIRONMENTAL STEWARDSHIP

Policies and initiatives at FCPS are aligned with local, regional, and national goals for environmental stewardship. Most notably are those identified in the Metropolitan-Washington Council of Government's Regional Climate and Energy Action Plan and the U.S. Department of Energy Better Buildings Challenges. FCPS's commitment to aligning with regional and national environmental goals, setting specific targets, exceeding them, and focusing on various aspects of environmental stewardship demonstrates a strong dedication to sustainability and reducing its carbon footprint. FCPS serves as a beacon of sustainability, showcasing that it is both feasible and beneficial to prioritize environmental stewardship in educational institutions and beyond by fostering a culture of sustainability. FCPS positively impacts the educational experience, and overall quality of life for the community, while also setting an example for others to follow in the journey towards a more sustainable future.

In addition to aligning with these goals, FCPS works closely with the County and its Environmental Vision which recognizes the responsibility to be good stewards in order to ensure a sustainable future. The vision focuses on two key principles: (1) to conserve our limited natural resources and (2) to commit to providing the resources needed to protect our environment.

FCPS earned the U.S. Environmental Protection Agency's Energy Star Certification for 187 buildings, which is the highest number of Energy Star-certified school buildings in the country. FCPS earned the Energy Star Partner of the Year award from the U.S. Department of Energy in 2017 and 2018. Eacher year from 2019 to 2023, FCPS earned the ENERGY STAR Partner of the Year-Sustained Excellence Award in recognition of its ongoing energy achievements. This award is given in recognition of superior energy and sustainability performance and practices.

Get2Green is the environmental stewardship program for FCPS. The mission is to cultivate school cultures and an FCPS community centered on student wellness and equitable access to environmental stewardship opportunities. The goal is to empower every student to be an environmentally literate global citizen who is connected to nature and equipped to be a leader who protects our world. Get2Green expanded over the last few years to add central staff to support schools, a Get2Green Leader position in every school to engage students in environmental action, and funding to support student-led environmental projects. Additionally, Get2Green has a partnership with the National Wildlife Federation Eco-Schools USA program, which provides a framework for schools to engage in student led environmental action. Through the Eco-schools US program, 22 FCPS schools earned the highest recognition of the Green Flag award for the 2023-2024 school year.

CHALLENGES

FCPS faces several mandatory cost increases that impact its ability to expand services. These mandatory costs continue to rise year over year. In fiscal year 2025, healthcare costs are projected to increase $55.9 million, or 20.0 percent, over the fiscal year 2024 Approved Budget due to rate increases and future year increases that could be more substantial due to inflationary pressures. Funding of $12.3 million is required for Division's contractual increases due to cost escalations.

The need to recruit, hire, and retain a diverse workforce with exceptional employees is at the forefront of challenges faced by FCPS. Competition for top educators, especially those in critical shortage areas, is prompting all area school divisions to offer higher salaries and additional incentives to attract a highly qualified teaching staff. The shortage of qualified bus drivers needed to meet operational demand is ever more prevalent and is reaching a critical level.

Financial Policies

FCPS utilizes a number of control systems to ensure the integrity of its financial information and the protection of its assets.

INTERNAL CONTROLS

The internal control system is designed to provide reasonable, but not absolute, assurance about the achievement of FCPS' objectives with regard to the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with the applicable laws and regulations.

The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the valuation of costs and benefits requires estimates and judgments by management. A sound internal control system should ensure that if any material error or fraud occurs, they would be detected in a timely manner by employees in the normal course of performing their duties.

BUDGET DEVELOPMENT PROCESS

The FCPS budget development process is a collaborative one involving many stakeholders. The School Board and County Board of Supervisors hold several joint budget work sessions to incorporate One Fairfax into decision-making processes while continuing to identify efficiencies. One Fairfax is a joint social and racial equity policy adopted by the Fairfax County Board of Supervisors and the Fairfax County School Board. It commits the County and the school system to intentionally consider equity when making policies or delivering programs and services. Community engagement is an important component of the budget development process. This includes community outreach meetings, an instructive online budget video, and other available tools and channels for the community to participate in the budget process.

BUDGET POLICIES

The School Board's policies and practices highlight significant assumptions used to develop the budget and are divided into the following broad categories:

Reserve Policies
School Board reserves are maintained to enable FCPS to address unanticipated needs in a timely manner. Each year, the reserve amount is approved after a careful review of previous years' expenditures and balances to ensure that sufficient contingency funding is not delayed awaiting quarterly reviews. These are grants, food and nutrition services, restricted, school board flexibility, school materials, and staffing contingency.

Fund Balance Reserve Policies
The School Board may establish fund balance reserves to address future requirements. Fund balance reserves represent funds available for School Board's action and may include reserves for budgeted beginning balance, centralized instructional resources, and fuel contingency reserves.

Position and Salary Policies
There are three policies that include position growth, position reallocation, and salary increase. All position adjustments are subject to School Board approval. Principals and program managers can reallocate funds available as a result of vacant positions and unanticipated needs provided they maintain certain standards. FCPS maintains five salary scales: teacher, classroom instructional support, school-based administrator, unified, and other scales. The other scale provides rates of pay for substitutes and other hourly employees. All salary adjustments are subject to School Board approval.

Assumptions and Costing Guidelines for Other Budget Issues
Included in this category are building maintenance, building renovation, carryover funding, equipment funds transfer, technology funding, utilities, vehicle and bus replacement, and vehicle services.

BUDGETARY CONTROLS

The budget is controlled at certain legal, as well as administrative, levels. The legal level is placed at the individual fund level and the administrative controls are placed at the commitment item group for each office and school within a fund.

FCPS maintains an encumbrance accounting system as a technique of accomplishing budgetary control. All expenditures - purchase orders, contracts, or salary commitments - must have funds set aside or encumbered to ensure that funds will be available when payment is due. The encumbrance process is an important control measure to prevent over-expenditure of budget appropriations due to lack of information about future commitments.

Long-Term Financial Planning

The fiscal year 2024 budget development process was a collaborative process involving many stakeholders. The School Board and County Board of Supervisors hold several joint budget work sessions to incorporate One Fairfax into the decision-making process while continuing to identify efficiencies.

The Superintendent worked closely with the School Board, the leadership team, and the community to present the needs of the school division. The Superintendent also works closely with the County to fit these needs into the One Fairfax policy, the larger requirements of the community, and within the annual budget plan. The fiscal year 2024 budget included an increase in funding from the County of $144.1 million, or 6.3 percent from the fiscal year 2023 transfer.

The fiscal year 2025 Approved Budget total of $3.7 billion aligns with the work needed to meet the goals outlined in FCPS' 2023-30 Strategic plan. Competitive compensation for all FCPS employees remains a top priority. The budget includes $113.8 million toward a 4.0 percent increase for employees and $55.3 million for the recurring cost of a 2.0 percent compensation supplement adopted by the General Assembly in fiscal year 2024.

The fiscal year 2025 Approved Budget supports students academically by maintaining existing class size formulas and providing necessary support to all students. This includes an increase of 1,749 students compared to the fiscal year 2024 projection and continued support for multilingual learners, students eligible for free or reduced-price meals, and students receiving special education services. Nearly 86 percent of the budget is focused on instruction.

The fiscal year 2025 Approved Budget includes funding to strengthen student well-being outside of the classroom with expanded athletic offerings, additional athletic trainers, and enhanced stipends for fine and performing arts. FCPS will continue key multiyear initiatives such as expansion of inclusive preschool and adoption of green initiatives by the joint Environmental Task Force. Special education daily contract extensions, previously funded by Elementary and Secondary School Emergency Relief (ESSER) American Rescue Plan (ARP) grant funds, were funded using fiscal year 2024 one-time year end funds.

The major planning activities are:

FCPS' Approved Budget - the approved budget is adopted annually by the School Board and reflects ongoing programs as well as initiatives for the next fiscal year.

The Technology Plan - outlines the multiyear strategic goals and demonstrates the effective use of technology throughout the school system. The technology plan supports FCPS' vision and mission to provide a high quality education to every child in an instructional setting appropriate for his or her needs; to educate all students to meet high academic standards; and to prepare all students to be responsible citizens in the 21st century. The technology plan is aligned with the VDOE's Educational Technology Plan.

School Improvement and Innovation Plans are required by FCPS and the VDOE. Aligned within the school plan are the annual measurable objectives and Standards of Accreditation requirements. Schools are required to review their progress related to student achievement goals and describe how the school will accomplish its objectives. Each school's plan is posted on their website, which can be accessed through FCPS' Schools and Centers Directory.

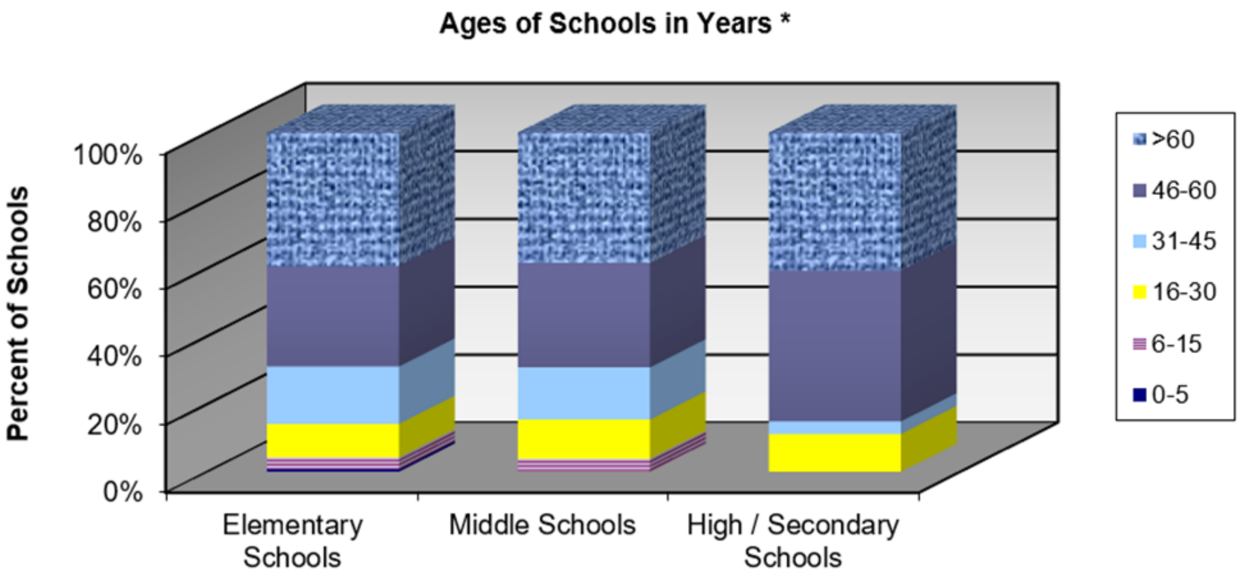
Capital Improvement Program (CIP) - contains the five-year capital improvement plan, student enrollment projections, and building use analysis. The CIP assesses requirements for new facilities, renovation of existing facilities, infrastructure management, technology upgrades, and other facility-related needs. The list of capital projects resulting from this assessment provides a clear statement of school facility requirements. Actual completion dates for CIP projects depend on cash flow and debt service limitations established by the County Board of Supervisors.

The CIP is a planning and fiscal management tool used to coordinate the location, timing, and funding of projects over a five-year period. The fiscal year 2025-2029 five-year CIP totals approximately $1.2 billion. The funding will allow for the following projects:

- New school construction of three elementary schools and one high school.
- Three new and/or repurposed school facilities.
- Construction of an addition at one high school.
- Relocation of modular buildings.
- Renovation of 21 elementary schools, two middle schools, and two high schools.
- Acquisition of land for one new high school.

Traditionally, the County has used the sale of municipal bonds to fund school capital facility expenditures. Every two years in November, school capital facility projects are part of a school bond referendum, which is added to the general election ballot. Funding from general obligation bond sales in fiscal year 2024 was $205 million. Beginning in fiscal year 2025, the general obligation bond sales will increase an additional $25 million to $230 million. To ensure that the county bond rating is not jeopardized, the County Board of Supervisors adheres to financial management principles that set limits on the annual cost of debt service and net long-term debt. It should be noted, however, the bond sale allocations for fiscal year 2025 and beyond set at $230 million by the County Board of Supervisors is being challenged by inflation in the construction industry and is therefore insufficient to meet the ongoing needs of FCPS.

The graph below reflects the ages of FCPS' elementary, middle, and high schools as of June 30, 2024



* From the year that each school opened through June 30, 2024 (does not reflect renovation dates)
Source: FCPS - Office of Design and Construction Services

Awards

FCPS maintains a significant commitment to provide annual financial reports. By preparing and presenting an ACFR, FCPS validates the credibility of the school system's operations and recognizes the commitment of the School Board and staff in being good stewards of financial resources. The financial reporting awards received by FCPS reflect the commitment to communicate financial activity in a comprehensive and clear format.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to FCPS for its ACFR for the fiscal year ended June 30, 2023. In order to be awarded a GFOA Certificate of Achievement, certain requirements must be met, including the issuance of an easily readable and efficiently organized ACFR. The report must also satisfy both GAAP and applicable legal requirements.

GFOA has given an *Award of Outstanding Achievement in Popular Annual Financial Reporting* to FCPS for its Popular Annual Financial Report for the fiscal year ended June 30, 2023. This award is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive this award, a government unit must publish a popular annual financial report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

In addition, the Association of School Business Officials International (ASBO) sponsors a *Certificate of Excellence in Financial Reporting* program to foster transparency and quality information in the preparation and issuance of school system's annual financial reports. The ASBO program is similar to the GFOA Certificate of Achievement for Excellence in Financial Reporting program. FCPS was awarded the ASBO Certificate of Excellence for its ACFR for the fiscal year ended June 30, 2023.

FCPS has received prestigious awards from both GFOA and ASBO for 30 consecutive years. We believe that the current ACFR also conforms to the GFOA and ASBO certificate program requirements therefore; we are submitting it to them to confirm our compliance and to obtain another GFOA and ASBO certificate.

FCPS has won several awards for its budgeting reports, forecasting reports, and a separately issued ACFR for the Educational Employees' Supplementary Retirement System of Fairfax County pension plan. In addition, ASBO and GFOA awarded FCPS with the Meritorious Budget Award and the Distinguished Budget Presentation Award, respectively, for the fiscal year 2024 Approved Budget.

Acknowledgments

We would like to express our sincere gratitude to the personnel in the Office of the Comptroller, Department of Financial Services who participated in the preparation of this ACFR and to our independent auditors, Cherry Bekaert LLP. Appreciation is also extended to the School Board and the administration, whose continuing support is vital to the financial health of the school system.

Respectfully submitted,

Michelle C. Reid, Ed.D.
Superintendent of Schools

E. Leigh Burden
Chief Financial Officer

Fairfax County PUBLIC SCHOOLS
ENGAGE • INSPIRE • THRIVE

School Board Members and Administration

As of July 1, 2024

SCHOOL BOARD

Karl Frisch, Chair
Providence District

Sandy Anderson, Vice Chair
Springfield District

Ricardy Anderson
Mason District

Seema Dixit
Sully District

Mateo Dunne
Mount Vernon District

Rachna Sizemore Heizer
Braddock District

Robyn Lady
Dranesville District

Kyle McDaniel
Member-at-Large

Ryan McElveen
Member-at-Large

Melanie K. Meren
Hunter Mill District

Ilryong Moon
Member-at-Large

Marcia St. John-Cunning
Franconia District

Megan Sawant
Student Representative

ADMINISTRATION

Michelle C. Reid
Superintendent

Marty Smith
Chief of Staff

Leigh Burden
Chief Financial Officer

Geovanny Ponce
Chief of Schools

Sloan Presidio
Chief Academic Officer

Nardos King
Chief Equity Officer

Guatam Sethi
Chief Information Technology Officer

Andy Mueck
Chief Operating Officer

Lisa Youngblood Hall
Chief Experience and Engagement Officer

Janice Szymanski
Chief of Facilities Svs & Capital Programs

Tom Vaccarello
Chief Safety and Security Officer

William Solomon
Chief Human Resources Officer

John Foster
Division Counsel

Marcy Kneale
Assistant Superintendent
Strategy, Planning and Learning

Douglas Tyson
Assistant Superintendent, Region 1

Megan Vroman
Assistant Superintendent, Region 2

Ray Lonnett
Assistant Superintendent, Region 3

Pablo Resendiz
Assistant Superintendent, Region 4

Rebecca Baenig
Assistant Superintendent, Region 5

Michelle Boyd
Assistant Superintendent, Region 6

Marie Lemmon
Assistant Superintendent
School Improvement and Supports

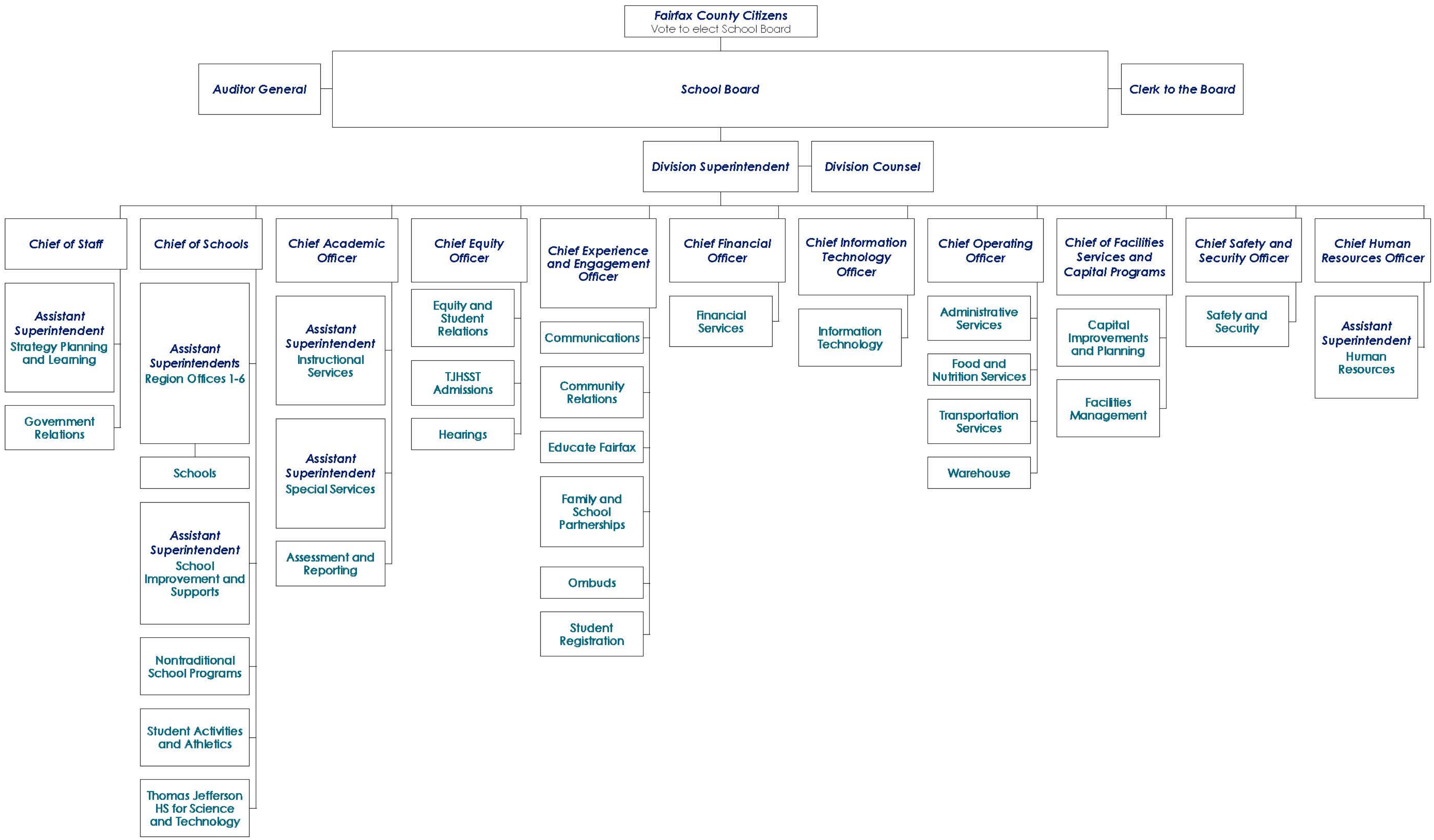
Noel Klimenko
Assistant Superintendent
Instructional Services

Terri Edmunds-Heard
Interim Assistant Superintendent
Special Services

Franklin Jones
Assistant Superintendent
Human Resources

Organizational Chart

As of July 01, 2024

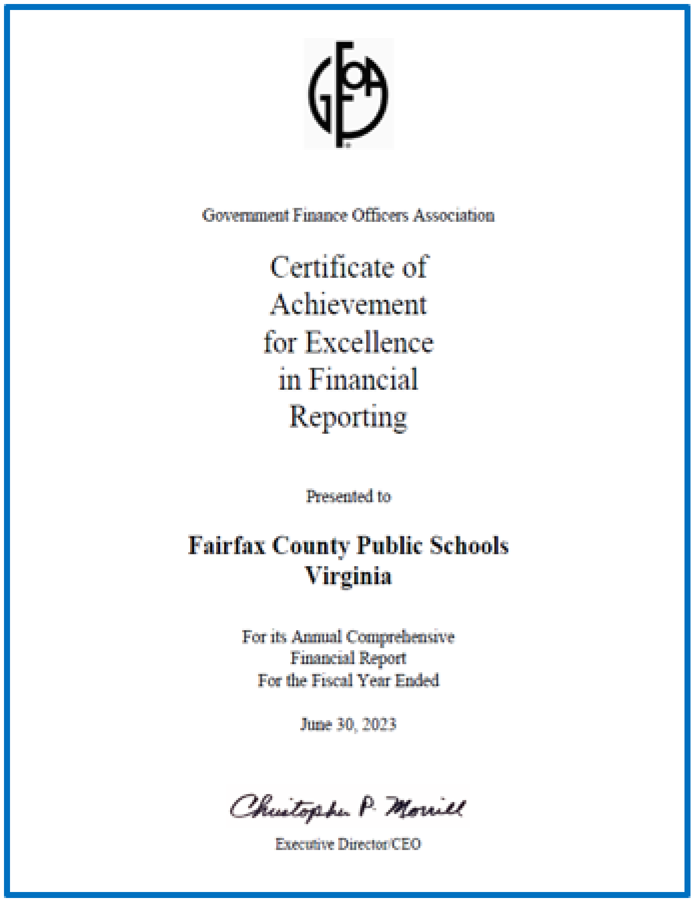


Awards for Excellence in Financial Reporting

GOVERNMENT FINANCE OFFICERS ASSOCIATION AWARD

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to FCPS for its ACFR for the fiscal year ended June 30, 2023. The Certificate of Achievement for Excellence in Financial Reporting is a prestigious, national award, which recognizes conformance with the highest standards for preparation of state and local government ACFRs.

In order to receive a Certificate of Achievement for Excellence in Financial Reporting, a governmental unit must publish a ACFR whose contents conform to program standards of creativity, presentation, understandability, and reader appeal. In addition, this report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. FCPS has received the Certificate of Achievement for Excellence in Financial Reporting for 30 consecutive years.


Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Fairfax County Public Schools Virginia

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Fairfax County Public Schools

for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2023.

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

Ryan S. Stechschulte
President

James M. Rowan, CAE, SFO
CEO/Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS AWARD

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to FCPS for its ACFR for the fiscal year ended June 30, 2023. FCPS has received this award for 30 consecutive years.

This nationally recognized program was established by ASBO to encourage school business officials to achieve a high standard of financial reporting. The award is the highest recognition for school division financial operations offered by ASBO, and it is only conferred upon school systems that have met or exceeded the standards of the program. More than 500 school systems and educational institutions submit applications each year.

Participation in the Certificate of Excellence in Financial Reporting program validates FCPS' commitment to fiscal and financial integrity and enhances the credibility of FCPS' operations with the School Board and the community. The program reviews the accounting practices and reporting procedures used by FCPS in its ACFR based upon specific standards established by the Governmental Accounting Standards Board.

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.

Fairfax County
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Cherry Bekaert LLP
Your Guide Forward

Report of Independent Auditor

To the Board of Supervisors
County of Fairfax, Virginia

To the Fairfax County School Board
County of Fairfax, Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fairfax County Public Schools ("FCPS"), a component unit of the County of Fairfax, Virginia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise FCPS' 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, each major fund, and the aggregate remaining fund information of FCPS, as of June 30, 2024, 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 the 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 FCPS and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise FCPS' 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 4, 2024, on our consideration of FCPS' 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 FCPS' 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 FCPS' internal control over financial reporting and compliance.

Cherry Bekaert LLP

Tysons, Virginia
November 4, 2024

Fairfax County
PUBLIC SCHOOLS
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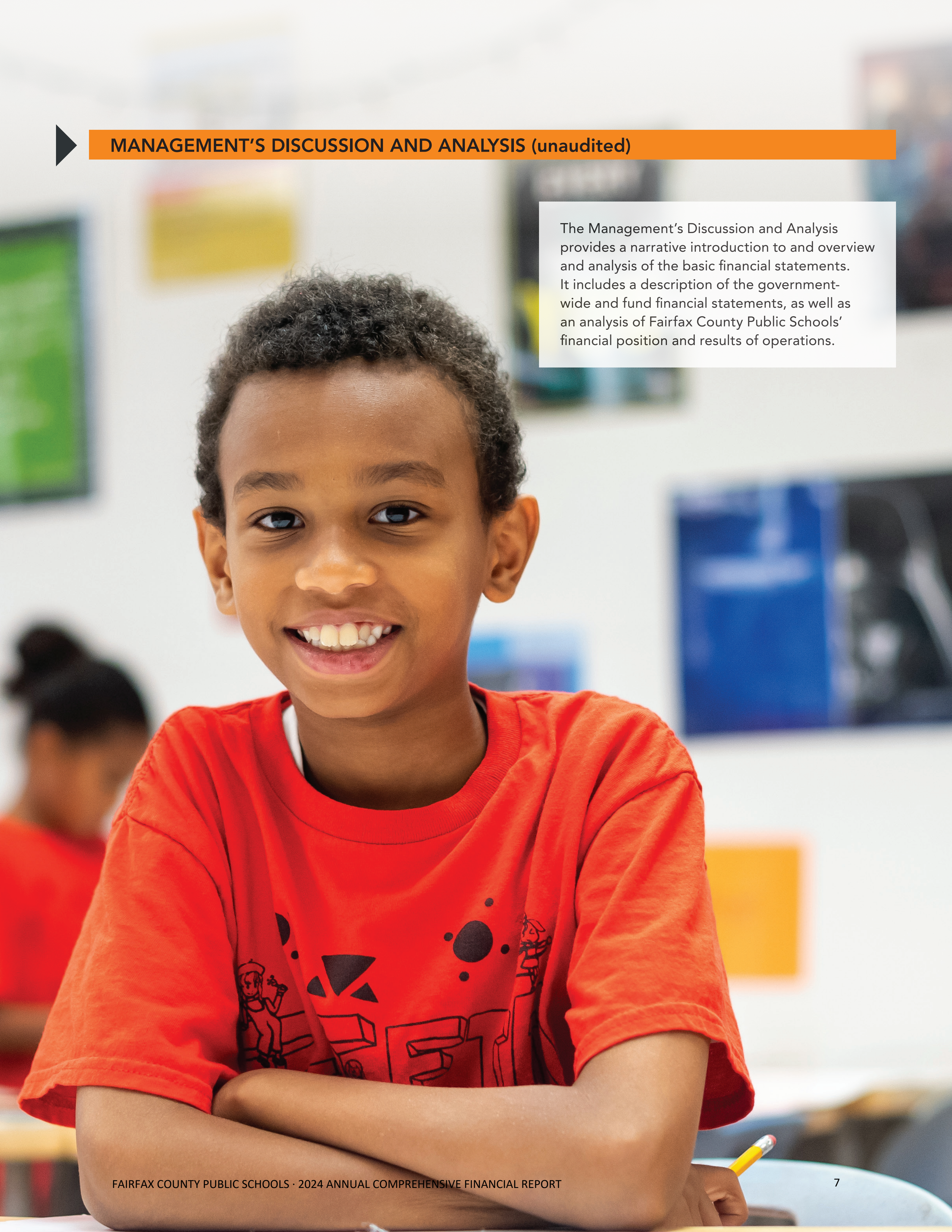
MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)

The Management's Discussion and Analysis 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 Fairfax County Public Schools' financial position and results of operations.



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Management’s Discussion and Analysis (Unaudited)

This discussion and analysis, a section of the Fairfax County Public Schools’ (FCPS) Annual Comprehensive Financial Report (ACFR), provides a narrative overview and analysis of the financial activities of FCPS, as of and for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal in the introductory section of this ACFR.

FINANCIAL HIGHLIGHTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

- Net position is $557.0 million at June 30, 2024 as a result of the assets and deferred outflows of resources exceeding liabilities and deferred inflows of resources.

- Total revenues of $4,085.5 million were generated in fiscal year 2024. Expenses incurred were $3,863.5 million, resulting in an increase in net position of $222.0 million for the current year.

- General revenues, including the funds transferred from the County, totaled $3,087.6 million and are available for all purposes. Such revenues were sufficient to fund the $2,865.6 million excess of total operating costs over program-specific revenues. For the fiscal year 2024, program-specific revenues amounted to $997.9 million.

FUND FINANCIAL STATEMENTS

The fund financial statements provide detailed information about FCPS’ major funds using the current financial resources measurement focus and modified accrual basis of accounting.

- FCPS’ governmental funds reported a combined fund balance of $700.3 million, representing an increase of 99.1 million from the prior fiscal year fund balance. The increase is primarily due to the net effects of additional funding from County transfers and offset by the phasing out of the Elementary and Secondary School Emergency Relief (ESSER) grant.

- On June 30, 2024, the General Fund, which accounts for the main operating activities of FCPS, reported an ending fund balance of $407.6 million, an increase of $47.3 million from June 30, 2023. The unassigned portion of the General Fund's fund balance was $2.0 million, which is available for future spending at FCPS' discretion.

- The Capital Projects Fund ended fiscal year 2024 with a fund balance of $171.7 million, an increase of $39.1 million over prior fiscal year. This is restricted for construction projects in progress or starting in the near future.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this ACFR comprises five sections: 1) report of independent auditor, 2) management’s discussion and analysis, 3) basic financial statements, 4) required supplementary information, and 5) other supplementary information.

FCPS basic financial statements consist of two types of statements, each with a different perspective on FCPS’ financial condition. First, the government-wide financial statements provide both long-term and short-term information about overall FCPS finances. On the other hand, the fund financial statements focus on the individual components of FCPS operations, providing more detail than the government-wide financial statements. The basic financial statements also include notes providing additional explanation and detailed information essential for gaining a full understanding of the data presented in the financial statements.

The financial statements and notes are followed by required supplementary information, consisting of the budget and actual comparison schedule for the General Fund and trend data pertaining to the pension and other postemployment benefit trust funds. In addition to these required elements, FCPS provides other supplementary information that includes combining fund statements for the nonmajor governmental funds, budget and actual comparison schedules for the special revenue funds, combining fund statements for the internal service funds, and combining fund statements for the pension and OPEB trust funds.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements report information about FCPS activities as a whole using accounting methods similar to those used by private-sector businesses. In addition, they report the FCPS net position and financial position changes during the fiscal year.

The Statement of Net Position presents information on all of FCPS' assets, liabilities, and deferred outflows/inflows of resources with the difference as net position. Over time, increases or decreases in net position may serve as a useful indicator of FCPS' ability to cover costs and continue to provide services in the future.

The Statement of Activities presents information on the change in the FCPS net position providing the results of operations during the fiscal year. The statement highlights the extent to which, specific programs are able to cover their costs with user fees, grants, and contributions, as opposed to being financed with general revenues. 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 change in net position from year to year may serve as a gauge of FCPS' financial position performance.

All of FCPS' basic services are reported as governmental activities. These activities are financed primarily by charges for services and intergovernmental grants and contributions. The governmental funds and the internal service funds are included in governmental activities because these services only benefit FCPS.

FUND FINANCIAL STATEMENTS

Fund financial statements provide an additional level of detail about FCPS' major funds. A fund is a grouping of related accounts used to maintain control over resources for specific activities or objectives. FCPS uses fund accounting to track transactions in individual funds, as well as to ensure and demonstrate compliance with finance-related legal requirements. FCPS funds are divided into the following three classifications:

Governmental Funds - Governmental funds account for, in essence, the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on 1) how cash and other financial assets, which can readily be converted to cash, flow in and out and 2) the balances of spendable resources available at the end of the fiscal year.

The governmental funds provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources available for spending in the near future to finance FCPS' programs. Because this information does not encompass the additional long-term focus of the governmental activities in the government-wide financial statements, reconciliations are provided to explain the relationship.

The General Fund is the largest of the governmental funds, which is the main operating activities of FCPS. Information on the General Fund and the Capital Projects Fund, both of which are considered to be major funds, is presented separately in the governmental funds' Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances. All other governmental funds, which include the Food and Nutrition Services, Grants and Self-Supporting Programs, and Adult and Community Education special revenue funds, are collectively referred to as nonmajor governmental funds. Data for the three nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in combining statements elsewhere in the ACFR.

Proprietary Funds - Proprietary funds consist of FCPS' internal service funds and are used to account for activities financed and operated in a manner similar to private-sector businesses. In other words, costs are recovered primarily through user charges. Proprietary fund financial statements provide both long-term and short-term financial information. The internal service funds are used to account for FCPS' health benefits and insurance activities on a cost reimbursement basis. Both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for each of these internal service funds is provided in combined statements elsewhere in the ACFR.

Fiduciary Funds - Fiduciary funds are used to account for resources that are held by FCPS for the benefit of outside parties. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support FCPS' programs. FCPS' fiduciary fund types consist of pension and OPEB trust funds. The pension and OPEB trust funds are combined into a single, aggregated presentation in the fiduciary fund financial statements and are used to account for assets held in trust by FCPS for the Educational Employees' Supplementary Retirement System of Fairfax County (ERFC) pension plan and to accumulate and invest funds for FCPS' postemployment health benefit subsidies for eligible retirees and their surviving spouses. Individual fund data for the pension and other postemployment benefit trust funds is provided in combining statements elsewhere in the ACFR.

FINANCIAL ANALYSIS OF GOVERNMENTAL ACTIVITIES

The Statement of Net Position and the Statement of Activities provide the financial status and operating results of FCPS as a whole.

STATEMENT OF NET POSITION

The following table provides a summary of FCPS' net position as of June 30, 2024 and 2023:

SUMMARY OF NET POSITION
As of June 30
(Dollars in Millions)

	Governmental Activities			
	2024	**2023**	**Variance**	**Percent Variance**
ASSETS				
Current and other assets	$ 1,016.3	$ 975.0	$ 41.3	4.2 %
Capital assets, net	2,915.9	2,892.8	23.1	0.8
Total assets	3,932.2	3,867.8	64.4	1.7
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pensions	1,201.6	997.0	204.6	20.5
Deferred OPEB	119.7	112.6	7.1	6.3
Deferred debt refundings	2.9	3.2	(0.3)	(9.4)
Total deferred outflows of resources	1,324.2	1,112.8	211.4	19.0
LIABILITIES				
Current liabilities	181.6	223.2	(41.6)	(18.6)
Non-current liabilities	4,103.7	3,873.2	230.5	6.0
Total liabilities	4,285.3	4,096.4	188.9	4.6
DEFERRED INFLOWS OF RESOURCES				
Deferred pensions	306.5	447.5	(141.0)	(31.5)
Deferred OPEB	106.4	99.9	6.5	6.6
Deferred Lease	1.2	1.8	(0.6)	(33.3)
Total deferred inflows of resources	414.1	549.2	(135.1)	(24.6)
NET POSITION				
Net investment in capital assets	2,702.0	2,674.7	27.3	1.0
Restricted	291.3	240.0	51.3	21.4
Unrestricted (deficit)	(2,436.3)	(2,579.7)	143.4	5.6
Total net position	$ 557.0	$ 335.0	$ 222.0	66.3 %

Net investment in capital assets is $2,702.0 million, which represents the portion of net position related to capital assets, net of accumulated depreciation, reduced by the lease liabilities, notes payable, subscription liability and contract retainages of $216.8 million that were used to acquire the assets, and increased by deferred outflows related to debt refundings in the amount of $2.9 million.

For fiscal year 2024, FCPS reported deferred outflows of resources of $1,324.2 million, which primarily consists of $1,201.6 million related to deferred pensions and $119.7 million related to deferred OPEB. The majority of the deferred outflows of resources reported are comprised of current year contributions to the retirement systems, in addition to outflows attributable to the various components that impact pension and OPEB expense, amortization of changes due to actuarial assumptions, changes in proportionate share of contributions, and differences between expected or actual experience. The majority of the increase in non-current liability in the amount of $230.5 million is due to the increase of net pension liability in the amount of $272.4 million.

For fiscal year 2024, FCPS reported deferred inflows of resources of $414.1 million, which primarily consists of $306.5 million related to deferred pensions and $106.4 million related to deferred OPEB. The majority of the deferred inflows of resources reported represents a net amount attributable to the various components that impact pension and OPEB expense, amortization of changes due to actuarial assumptions, changes in proportionate share of contributions, and differences between expected or actual experience.

STATEMENT OF ACTIVITIES

The following table provides a summary of the changes in FCPS' net position for the fiscal years ended June 30, 2024 and 2023:

SUMMARY OF CHANGES IN NET POSITION
For the Fiscal Years Ended June 30
(Dollars in Millions)

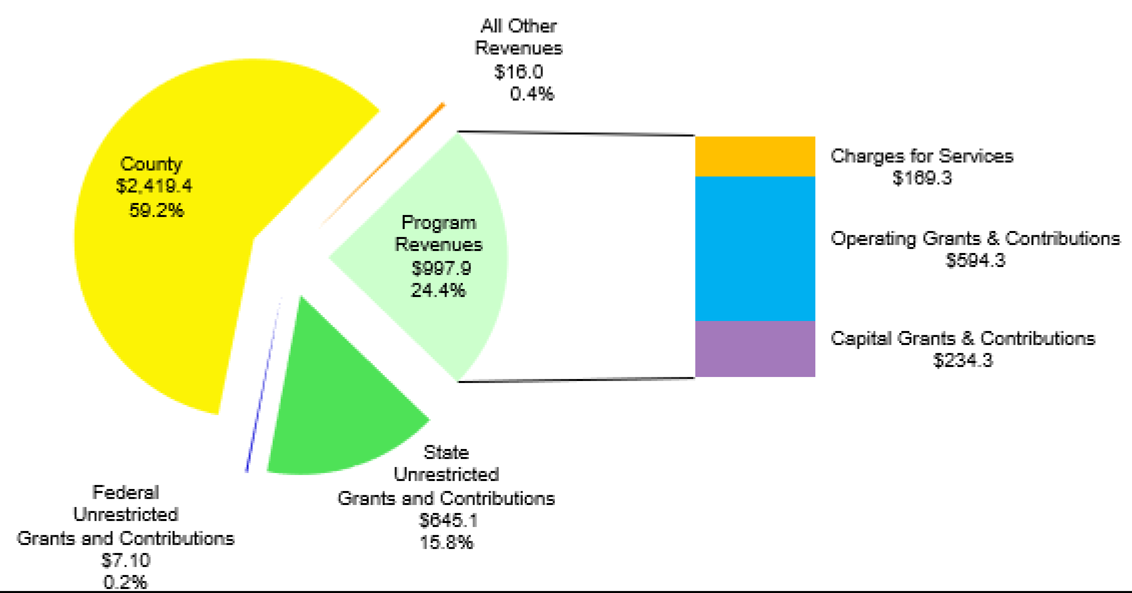
	Governmental Activities			
	2024	**2023**	**Variance**	**Percent Variance**
REVENUES				
Program revenues:				
Charges for services	$ 169.3	$ 151.8	$ 17.5	11.5 %
Operating grants and contributions	594.3	595.3	(1.0)	(0.2)
Capital grants and contributions	234.3	245.2	(10.9)	(4.4)
General revenues:				
Grants and contributions not restricted to specific purposes	3,071.6	2,906.5	165.1	5.7
Other	16.0	5.3	10.7	201.9
Total revenues	4,085.5	3,904.1	181.4	4.6
EXPENSES				
Instruction	3,186.6	2,872.9	313.7	10.9
Support programs	515.2	449.7	65.5	14.6
Food service	109.2	88.8	20.4	23.0
Local School Activity	47.9	41.4	6.5	15.7
Interest on long-term debt	4.6	4.5	0.1	2.2
Total expenses	3,863.5	3,457.3	406.2	11.7
Increase in net position	222.0	446.8	(224.8)	(50.3)
Net position - July 1	335.0	(111.8)	446.8	399.6
Net position - June 30	$ 557.0	$ 335.0	$ 222.0	66.3 %

Total revenues for FCPS' governmental activities were $4,085.5 million in fiscal year 2024, representing an increase of $181.4 million, or 4.6 percent, over fiscal year 2023. The increase over prior year is primarily due to: $137.6 million received from County transfers, $28.0 million received from State for the implementation of the Virginia Literacy Act $24.4 million in adjusted basic state aid, $35.1 million state incentives to increase instructional employees compensation to market competitive levels and offset by ($44.6) million reduction in ESSER funding.

The total expenses of FCPS' programs for fiscal year 2024 were $3,863.5 million, representing an increase of $406.2 million or 11.7 percent over fiscal year 2023. The change is primarily due to an increase of $313.7 instruction spending for education, an increase of $65.5 million in support porgrams, an increase of $20.4 million in the food service program, and an increase of $6.5 million in local school activity.

The following chart presents revenues by source for the fiscal year ended June 30, 2024:

GOVERNMENTAL ACTIVITIES - REVENUES BY SOURCE **Total Revenue $4,085.5 Million**
For the Fiscal Year Ended June 30, 2024
(Dollars in Millions)

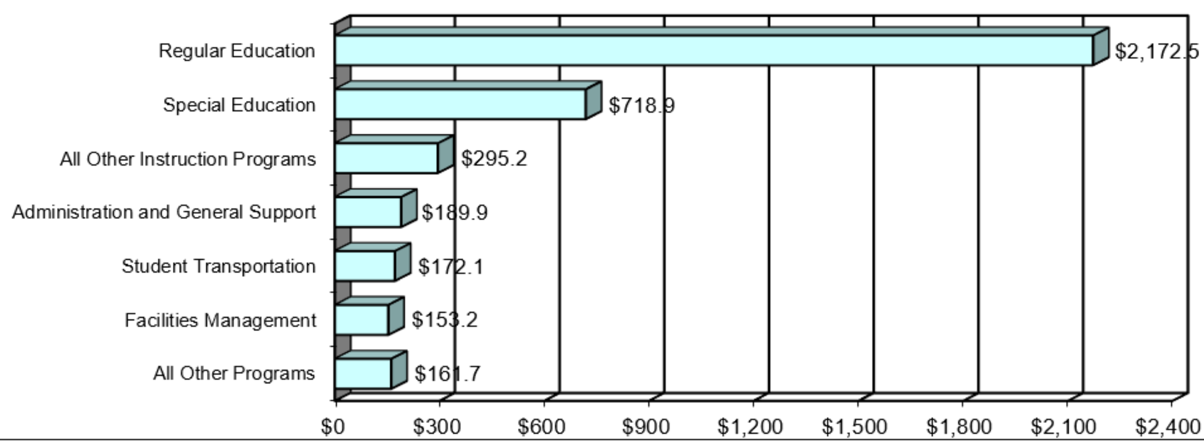


The following items reflect the major increases and decreases in revenues during fiscal year 2024:

- $144.1 million, or 6.3 percent, increase in funding from County transfer
- $65.0 million increase in State Incentive funding, including State technology grants, Supplemental Funds in lieu of sales tax, Compensation Supplement, and State per pupil funding for the Virginia Literacy Act
- $25.8 million increase in state standards of quality funding, including Basic Aid, Special Ed, Textbooks, English as a Second Language, and Fringe Benefits
- $8.3 million increase from insurance settlement for Woodson High School fire damage
- $5.6 million increase in tuition from other counties
- $5.2 million increase in School Food Services revenue
- $3.1 million increase from Juul Labs, Inc. lawsuit settlement
- ($2.9) million decrease in federal funds passed directly to locality
- ($22.0) million decrease in state sales tax revenue
- ($44.6) million decrease in ESSER grant funding

The following chart compares the total expenses of each of FCPS' programs for the fiscal year ended June 30, 2024:

GOVERNMENTAL ACTIVITIES - SUMMARY OF PROGRAM EXPENSES **Total Expenses: $3,863.5 Million**
For the Fiscal Year Ended June 30, 2024
(Dollars in Millions)



As the chart indicates, regular education is FCPS' largest program. Regular education includes activities and programs conducted during the regular instructional day for students in grades K-12. Special education, FCPS' second largest program, includes activities for students with special needs. Such activities include programs specifically designed to overcome disabilities, alternative education, Head Start, and preschool programs.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

ALL GOVERNMENTAL FUNDS

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

The following table presents a summary of fund balances of governmental funds as of June 30, 2024 and 2023:

FUND BALANCES OF GOVERNMENTAL FUNDS
As of June 30
(Dollars in Millions)

	2024	**2023**	**Variance**	**Percent Variance**
General Fund				
Nonspendable	$ 0.3	$ 0.3	$ -	- %
Committed	38.1	35.0	3.1	8.9
Assigned	367.2	317.2	50.0	15.8
Unassigned	2.0	7.8	(5.8)	(74.8)
Total General Fund	407.6	360.3	47.3	13.1
Capital Projects Fund				
Restricted	171.7	132.6	39.1	29.5
Total Capital Projects Fund	171.7	132.6	39.1	29.5
Nonmajor governmental funds				
Nonspendable	1.5	1.2	0.3	25.0
Restricted	119.5	107.5	12.0	11.2
Unassigned	-	(0.4)	0.4	100.0
Total nonmajor governmental funds	121.0	108.3	12.7	11.7
All governmental funds				
Nonspendable	1.8	1.6	0.2	12.5
Restricted	291.2	240.0	51.2	21.3
Committed	38.1	35.0	3.1	8.9
Assigned	367.2	317.2	50.0	15.8
Unassigned	2.0	7.4	(5.4)	(73.0)
Total governmental funds	$ 700.3	$ 601.2	$ 99.1	16.5 %

As of June 30, 2024, FCPS' governmental funds had a combined fund balance of $700.3 million, compared with $601.2 million at June 30, 2023, resulting in an increase of $99.1 million, or 16.5% increase over prior year. The following represents the fiscal year 2024 fund balance classification:

- $1.8 million is nonspendable for prepaid items and inventories
- $291.2 million is restricted for capital construction, grants, and food service
- $38.1 million is committed by the School Board for fiscal year 2025 operating budget requirements
- $367.2 million is assigned for obligated but undelivered orders, fiscal year 2025 initiatives, and fiscal year 2026 operating budget requirements
- $2.0 million is unassigned representing resources not associated with a specified purpose

MAJOR GOVERNMENTAL FUNDS

The General Fund is the main operating fund of FCPS. For fiscal year 2024, General Fund revenues, inclusive of other financing sources, totaled $3,661.7 million, which represents an increase of $85.8 million, or 2.4 percent, over the prior year. Expenditures for the General Fund, inclusive of other financing uses totaled $3,614.4 million, which represents an increase of $80.7 million, or 2.3 percent over prior year. This resulted in an increase in fund balance of $47.3 million from prior year fund balance. The per pupil cost increased from $18,772 in fiscal year 2023 to $19,795 in fiscal year 2024, representing an increase of $1,023 or 5.4 percent.

The Capital Projects Fund reported a total fund balance of $171.7 million, an increase of $39.1 million from fiscal year 2023. Other revenues in this fund for fiscal year 2024 totaled $11.1 million, an increase of $1.2 million from fiscal year 2023. Expenditures decreased by ($18.3) million, or (7.5) percent, from fiscal year 2023 due to the completion of several school renovation projects; these generated limited capital expenditures in fiscal year 2024.

During fiscal year 2024, FCPS received $205.0 million of bond proceeds from the County to fund capital projects. As of June 30, 2024, the unspent portion of this funding totaled $164.3 million, which is represented as restricted cash and investments on the Balance Sheet.

GENERAL FUND BUDGETARY HIGHLIGHTS

The *Code of Virginia* (Code) requires the appointed Superintendent of the school division to submit a budget annually to the governing body, following approval of the advertised budget by the School Board.

The Superintendent presents FCPS' proposed budget to the School Board in early January. The School Board then conducts a series of public hearings and work sessions before adopting the advertised budget. The School Board's advertised budget is then forwarded to the County for inclusion in the County Executive's advertised budget. In early April, the County Board of Supervisors holds public hearings regarding the advertised budget and determines the amount of funding to be transferred to FCPS. The School Board then holds additional public hearings before approving the final budget in late May.

The approved budget governs all of the financial operations of FCPS beginning on July 1 and is modified on a quarterly basis as revenue sources and expenditure priorities change. FCPS' School Board approves all quarterly budget modifications.

The following table presents a summary comparison of the General Fund's original and final budgets with actual performance for the fiscal year ended June 30, 2024:

GENERAL FUND BUDGET AND ACTUAL COMPARISON
For the Fiscal Year Ended June 30, 2024
(Dollars in Millions)

	Budget - Original	Budget - Final	Actual - Budget Basis	Variance from Final Budget
Total revenues	$ 1,063.4	$ 1,153.3	$ 1,147.9	$ (5.4)
Total expenditures	3,473.8	3,830.4	3,468.0	(362.4)
Excess of expenditures over revenues	(2,410.4)	(2,677.1)	(2,320.1)	357.0
Total other financing sources, net of uses	2,382.3	2,368.7	2,368.7	-
Net change in fund balances	$ (28.1)	$ (308.4)	$ 48.6	$ 357.0

During fiscal year 2024, the General Fund's final budget for revenues exceeded the original budget by $89.9 million. The increase in revenues is due to the increase in the sales tax projection.

Actual revenues were $(5.4) million less than final budgeted amounts as a result of the budgeted total ESSER grant and IDEA amounts were not fully received in fiscal year 2024.

The final budget for expenditures exceeded the original budget by $356.6 million, or 10.3 percent. The overall increase in expenditure budget is due to carryover of undelivered orders, school balance carryover, and flexibility reserve funding from fiscal year 2023.

Actual expenditures of $3,468.0 million came in under the final budget of $3,830.4 millionby $(362.4) million, or (9.5) percent, primarily due to the following:

- $137.6 million in schools and project carryover
- $99.5 million in salary and benefits attributed to persistent vacancy and turnover following the pandemic
- $88.5 million in oustanding encumbered obligations
- $26.2 million of department critical needs which consists of funding to address budgetary requirements necessary to support strategic priorities
- $10.6 million in unexpended multiyear federal grants

The actual net change in fund balance for fiscal year 2024 was $48.6 million which exceeded the budgeted net fund balance by $357.0 million.

CAPITAL ASSETS AND LONG-TERM OBLIGATIONS

CAPITAL ASSETS

As of June 30, 2024, FCPS' investment in capital assets for governmental activities totaled $2,915.9 million, net of accumulated depreciation and amortization of $2,989.0 million. This represents a net increase in capital assets of $23.1 million, or 0.8 percent, over the prior year.

The following table summarizes capital assets as of June 30, 2024 and 2023:

NET CAPITAL ASSETS
As of June 30
(Dollars in Millions)

Capital Asset Category	Book Value (net of depreciation) 2024	2023	Increase/ (Decrease)
Land	$ 46.8	$ 46.8	$ -
Construction in progress	361.3	279.3	82.0
Software under development	4.3	-	4.3
Equipment	98.5	97.7	0.8
Intangible Assets - Software/Licenses	2.7	3.4	(0.7)
Intangible Assets - Right-to-Use	49.0	54.3	(5.3)
Intangible Assets - Right-to-Use subscription	62.0	69.1	(7.1)
Library collections	6.6	6.9	(0.3)
Buildings	540.5	564.6	(24.1)
Building improvements	1,693.0	1,721.4	(28.4)
Land improvements	51.2	49.3	1.9
Total	$ 2,915.9	$ 2,892.8	$ 23.1

Net additions (reductions) to capital assets during fiscal year 2024 include the following:

- $23.8 million in multiyear major renovations and additions
- $4.3 million software udnerd1evelopment
- $(13.1) million intangible assets including software, leases, and software subscriptions
- $8.4 million equipment
- $(0.3) libarary collection

Additional detailed information regarding FCPS' capital assets, including the current year's activity, can be found in notes I.H and III.E in the notes to the financial statements.

LONG-TERM OBLIGATIONS

As of June 30, 2024, FCPS reported total long-term obligations in the amount of $4,103.7 million, compared to $3,873.3 million at June 30, 2023. The following table summarizes FCPS' long-term obligations as of June 30, 2024 and 2023:

LONG-TERM OBLIGATIONS
As of June 30
(Dollars in Millions)

	2024	2023
Compensated absences	46.0	41.9
Actuarial claims payable	86.9	82.8
Lease Liability	52.1	56.6
Notes payable/Financed purchase leases	92.5	90.9
Subscription liability	55.2	61.1
Net pension liabilities	3,463.7	3,191.3
Net OPEB liabilities	307.3	348.7
Total	$ 4,103.7	$ 3,873.3

Additional detailed information regarding long-term obligations, including the current year's activity, can be found in notes I.I, I.J, and III.F in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The primary source of revenue for FCPS comes from the County, which in turn derives the majority of its revenue from real and personal property taxes. For fiscal year 2024, real estate tax rate slightly increased to $1.125 per $100 of the assessed home value. The personal property tax rate remains unchanged in fiscal year 2024 at $4.57 per $100 of assessed personal property value.

FISCAL YEAR 2025 BUDGET

The fiscal year 2025 Approved Operating Expenditure Budget totals $3.7 billion, an increase of $233.2 million, or 6.6 percent, over the fiscal year 2024 Approved Budget. The fiscal year 2025 Approved Budget has been aligned with FCPS' vision, mission, and Strategic Plan goals. The Strategic Plan focuses on: responsive learning environments, community partnerships, supported workforce, and culture of accountability. The fiscal year 2025 Approved Budget provides for the basic needs of the school system and concentrates heavily on providing support to our students.

The following are highlights of the fiscal year 2025 expenditure budget:

- $113.8 million to provide a compensation adjustment of 4.0 percent for all employees
- $55.3 million supports recurring cost of 2.0 percent compensation supplement adopted by the General Assembly
- $46.6 million and 498.8 positions to support changing student needs and enrollment growth of 1,749 students compared to fiscal year 2024 approved enrollment
- $21.9 million for increases in healthcare premiums and the county retirement (FCERS) rate offset by decreases in

the state retirement (VRS) rate and group life insurance rates

- $12.3 million for contractual increases due to terms of negotiated contracts, renewals, leases, utilities, and fuel
- $11.4 million and a net decrease of 3.2 positions for recurring baseline adjustments to support quarterly fund review adjustments, other baseline adjustments, and ESSER position authorization adjustments to conclude the final year of the multiyear plan
- $2.1 million to support increases in transfers to other School Board funds
- $2.1 million and 26.0 positions for funding to support inclusive preschool expansion
- $1.9 million and 4.0 positions to address the third and final year of the three year, phased-in implementation of the Joint Environmental Task Force recommendations which support energy and environmental sustainability efforts, the transition of FCPS' bus fleet from diesel to electric by 2035, and the Get2Green program
- $1.1 million to expand fine and performing arts extra duty supplements for music, theatre, drumline, and color guard roles
- $0.8 million to expand FCPS athletics to provide boys volleyball and girls wrestling at the high school level
- $0.3 million for compensation adjustment recommendations included in the cyclical market comparative review
- ($37.6 million) for compensation base savings due to position turnover

CONTACTING FCPS MANAGEMENT

This summary is designed to provide a general overview of the financial condition of FCPS. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer, Department of Financial Services, 8115 Gatehouse Road, Falls Church, Virginia 22042 or by calling (571) 423-3750.

This ACFR can also be found on FCPS' website at: https://www.fcps.edu/budget/financial-reports

BASIC FINANCIAL STATEMENTS

The Basic Financial Statements subsection includes the government-wide statements, which incorporate the governmental activities of Fairfax County Public Schools 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 and the accompanying notes to the financial statements.

FAIRFAX COUNTY PUBLIC SCHOOLS **EXHIBIT A**
Statement of Net Position
June 30, 2024

		Governmental Activities
ASSETS		
Cash and cash equivalents	$	743,265,890
Cash with fiscal agent		92,121
Cash in escrow		286,870
Receivables:		
Accounts		21,616,169
Accrued interest		308,424
Lease		1,220,171
Due from intergovernmental units:		
Federal government		54,565,105
Commonwealth of Virginia		22,198,061
County of Fairfax, VA		186,684
Other		6,442,833
Inventories		1,456,247
Prepaid items		290,126
Restricted cash and investments		164,302,874
Capital assets:		
Non-depreciable/non-amortizable:		
Land		46,837,095
Construction in progress		361,278,651
Software under development		4,334,991
Depreciable/amortizable:		
Equipment		389,569,623
Library collections		18,496,119
Buildings and improvements		4,903,779,777
Software and licenses		14,037,906
Right-to-use lease asset		76,333,261
Right-to-use subscription asset		90,239,086
Accumulated depreciation		(2,922,032,528)
Accumulated amortization		(66,937,737)
Total assets		3,932,167,819
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions		1,201,612,103
Deferred outflows related to OPEB		119,718,770
Deferred outflows related to debt refundings		2,940,962
Total deferred outflows of resources		1,324,271,835
LIABILITIES		
Accounts payable		58,459,975
Accrued salaries and withholdings		57,658,261
Accrued interest payable		2,095,264
Unearned revenues		18,523,097
Contract retainages		17,046,949
Deposits		27,797,470
Non-current liabilities:		
Due within one year:		
Compensated absences		32,217,934
Actuarial claims payable		40,257,199
Lease liability		9,255,867
Notes Payable		24,249,001
Subscription liability		16,250,043
Due beyond one year:		
Compensated absences		13,807,686
Net pension liability		3,463,723,373
Net OPEB liability		307,328,068
Actuarial claims payable		46,657,547
Lease liability		42,840,335
Notes Payable		68,279,620
Subscription liability		38,918,823
Total liabilities		4,285,366,512
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions		306,501,889
Deferred inflows related to OPEB		106,446,361
Deferred inflows related to lease		1,169,400
Total deferred inflows of resources		414,117,650
NET POSITION		
Net investment in capital assets		2,702,036,568
Restricted for:		
Food and Nutrition Services		38,567,129
Grant programs		80,953,383
Adult and Community Education		23,579
Capital Projects		171,749,544
Unrestricted (deficit)		(2,436,374,711)
Total net position	$	556,955,492

See accompanying notes to the financial statements.

FAIRFAX COUNTY PUBLIC SCHOOLS **EXHIBIT B**
Statement of Activities
For the Fiscal Year Ended June 30, 2024

Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position
Governmental activities:					
Instruction:					
Regular education:					
Elementary school	$ 1,139,243,126	$ 27,532,424	$ 71,989,090	$ -	$ (1,039,721,612)
Middle school	322,463,628	13,681,528	7,280,412	-	(301,501,688)
High school	710,734,453	24,931,873	26,377,196	-	(659,425,384)
Special education	718,969,031	2,201,215	181,692,178	-	(535,075,638)
Adult and community education	7,024,793	3,103,029	1,452,083	-	(2,469,681)
Instructional support	288,175,387	3,142,129	124,605,263	-	(160,427,995)
Total instruction	3,186,610,418	74,592,198	413,396,222	-	(2,698,621,998)
Support programs:					
Administration and general support	189,854,658	-	126,019,455	-	(63,835,203)
Student transportation	172,099,788	2,453,324	-	-	(169,646,464)
Facilities management	153,247,273	8,511,076	-	234,304,174	89,567,977
Total support programs	515,201,719	10,964,400	126,019,455	234,304,174	(143,913,690)
Food service	109,179,638	37,189,725	54,886,789	-	(17,103,124)
Local school activities	47,920,220	46,571,899	-	-	(1,348,321)
Interest on long-term debt	4,603,771	-	-	-	(4,603,771)
Total governmental activities	$ 3,863,515,766	$ 169,318,222	$ 594,302,466	$ 234,304,174	$ (2,865,590,904)

General revenues:	
Grants and contributions not restricted to specific purposes:	
Federal government	7,102,503
Commonwealth of Virginia	645,059,236
County of Fairfax, VA	2,419,409,875
Revenue from the use of money	1,921,091
Other	14,074,449
Total general revenues	3,087,567,154
Change in net position	221,976,250
Net position - July 1, 2023	334,979,242
Net position - June 30, 2024	$ 556,955,492

See accompanying notes to the financial statements.

FAIRFAX COUNTY PUBLIC SCHOOLS **EXHIBIT C**
Balance Sheet
Governmental Funds
June 30, 2024

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 426,874,202	$ 74,777,622	$ 99,634,011	$ 601,285,835
Cash with fiscal agent	92,121	-	-	92,121
Receivables:				
Accounts	1,347,042	-	1,692,561	3,039,603
Accrued interest	-	-	220,824	220,824
Lease	1,220,171	-	-	1,220,171
Due from intergovernmental units:				
Federal government	28,657,475	-	25,907,630	54,565,105
Commonwealth of Virginia	21,458,682	-	739,379	22,198,061
County of Fairfax, VA	102,253	-	84,431	186,684
Other	6,442,833	-	-	6,442,833
Inventories	-	-	1,456,247	1,456,247
Prepaid Items	260,943	-	29,183	290,126
Restricted cash and investments	-	164,302,874	-	164,302,874
Total assets	$ 486,455,722	$ 239,080,496	$ 129,764,266	$ 855,300,484
LIABILITIES				
Liabilities:				
Accounts payable	$ 20,283,347	$ 22,486,533	$ 2,602,583	$ 45,372,463
Accrued salaries and withholdings	57,229,448	-	428,813	57,658,261
Contract retainages	-	17,046,949	-	17,046,949
Deposits	-	27,797,470	-	27,797,470
Unearned revenues	216,748	-	5,703,349	5,920,097
Total liabilities	77,729,543	67,330,952	8,734,745	153,795,240
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources-lease	1,169,400	-	-	1,169,400
Total deferred inflows of resources	1,169,400	-	-	1,169,400
Fund balances:				
Nonspendable	260,943	-	1,485,430	1,746,373
Restricted	-	171,749,544	119,544,091	291,293,635
Committed	38,106,217	-	-	38,106,217
Assigned	367,159,794	-	-	367,159,794
Unassigned	2,029,825	-	-	2,029,825
Total fund balances	407,556,779	171,749,544	121,029,521	700,335,844
Total liabilities, deferred inflows of resources, and fund balances	$ 486,455,722	$ 239,080,496	$ 129,764,266	$ 855,300,484

See accompanying notes to the financial statements.

FAIRFAX COUNTY PUBLIC SCHOOLS **EXHIBIT C-1**
Reconciliation of the Balance Sheet to the Statement of Net Position
Governmental funds
June 30, 2024

Fund balances - total governmental funds		$ 700,335,844
Amounts reported for governmental activities in the Statement of Net Position are different due to:		
Capital assets used in governmental funds' activities are not financial resources and, therefore, are not reported in funds.		
Non-depreciable/non-amortizable capital assets	$ 412,450,737	
Depreciable/amortizable capital assets	5,491,455,365	
Accumulated depreciation and amortization	(2,988,790,957)	
Total		2,915,115,145
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	$ 160,931,091	
Right-to-use subscription asset	1,000,407	
Accumulated amortization of subscriptions	(179,308)	
Liabilities	(113,552,982)	
Total		48,199,208
Non-current liabilities related to governmental fund activities are not due and payable in the current period and, therefore, are not reported in the funds.		
Accrued interest on long-term debt	$ (2,087,810)	
Compensated absences	(45,722,750)	
Leases	(52,096,202)	
Notes Payable	(92,528,621)	
Subscription Liability	(54,531,466)	
Total		(246,966,849)
Revisions of debt agreement resulting in an increase of debt obligations are reported as deferred outflows in the Statement of Net Position, but they are not financial resources and, therefore, are not reported in the funds.		2,940,962
GAAP requires the reporting of net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions in the Statement of Net Position; however, they are not financial resources and, therefore, are not reported in the funds.		
Deferred outflows related to pensions	$ 1,201,612,103	
Net pension liability	(3,463,723,373)	
Deferred inflows related to pensions	(306,501,889)	
Total		(2,568,613,159)
GAAP requires the reporting of net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB in the Statement of Net Position; however, they are not financial resources and, therefore, are not reported in the funds.		
Deferred outflows related to OPEB	$ 119,718,770	
Net OPEB liability	(307,328,068)	
Deferred inflows related to OPEB	(106,446,361)	
Total		(294,055,659)
Net position of governmental activities		$ 556,955,492

See accompanying notes to the financial statements.

FAIRFAX COUNTY PUBLIC SCHOOLS **EXHIBIT D**

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Fiscal Year Ended June 30, 2024

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Intergovernmental:				
Federal government	$ 109,476,945	$ -	$ 130,923,033	$ 240,399,978
Commonwealth of Virginia	947,752,714	-	45,954,618	993,707,332
County of Fairfax, VA	2,420,284,875	232,923,392	2,154,707	2,655,362,974
Charges for services:				
Tuition and fees	14,553,973	-	5,580,624	20,134,597
Food sales	-	-	37,189,725	37,189,725
Revenue from the use of money and property	4,063,824	-	1,371,159	5,434,983
Recovered costs - City of Fairfax, VA	58,575,531	2,130,229	-	60,705,760
Revenue from local school activities	46,571,899	-	-	46,571,899
Other	13,439,248	11,119,524	1,425,997	25,984,769
Total revenues	3,614,719,009	246,173,145	224,599,863	4,085,492,017
EXPENDITURES				
Current:				
Instruction:				
Regular education:				
Elementary school	1,045,088,761	-	57,066,037	1,102,154,798
Middle school	307,863,436	-	4,121,875	311,985,311
High school	679,672,002	-	7,963,086	687,635,088
Special education	683,856,466	-	11,740,714	695,597,180
Adult and community education	353,518	-	6,448,333	6,801,851
Instructional support	242,408,916	-	36,402,868	278,811,784
Support programs:				
Administration and general support	180,894,234	-	2,517,801	183,412,035
Student transportation	163,914,662	-	2,586,780	166,501,442
Facilities management	100,681,273	42,878,642	4,668,642	148,228,557
Food service	-	-	105,840,151	105,840,151
Local school activities	47,920,220	-	-	47,920,220
Capital outlay	57,874,243	183,722,043	687,264	242,283,550
Debt service:				
Principal	50,646,914	-	830,502	51,477,416
Interest	4,905,709	-	75,423	4,981,132
Total expenditures	3,566,080,354	226,600,685	240,949,476	4,033,630,515
Excess (deficiency) of revenues over (under) expenditures	48,638,655	19,572,460	(16,349,613)	51,861,502
OTHER FINANCING SOURCES (USES)				
Transfers in	-	19,598,097	28,745,930	48,344,027
Transfers out	(48,344,027)	-	-	(48,344,027)
Financed purchase agreements	26,662,237	-	-	26,662,237
Leases	6,498,914	-	72,573	6,571,487
Subscriptions	13,812,993	-	-	13,812,993
Total other financing sources (uses), net	(1,369,883)	19,598,097	28,818,503	47,046,717
Net change in fund balances	47,268,772	39,170,557	12,468,890	98,908,219
Fund balances - July 1, 2023	360,288,007	132,578,987	108,345,415	601,212,409
Increase in reserve for inventories	-	-	215,216	215,216
Fund balances - June 30, 2024	$ 407,556,779	$ 171,749,544	$ 121,029,521	$ 700,335,844

See accompanying notes to the financial statements.

EXHBIT D-1

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, 2024

Net change in fund balances - total governmental funds		$ 98,908,219
Amounts reported for governmental activities in the Statement of Activities are different due to:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is expensed over their estimated useful lives and reported as depreciation expense.		
Capital outlay	$ 242,283,550	
Depreciation expense	(214,371,088)	
Total		27,912,462
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.		438,685
Losses on the disposal of capital assets are reported in the Statement of Activities. However, in governmental funds, the proceeds from sales are reported. The difference is the net depreciated value of the disposed capital assets.		(961,117)
Principal payments on leases and installment purchases are reported as expenditures in governmental funds. However, the principal payments reduce the liabilities in the Statement of Net Position and do not result in expenses in the Statement of Activities.		51,477,416
Other financing sources recorded at the inception of leases and right-to-use subscriptions increase fund balance of governmental funds. In the government-wide statements, new debt increases non-current liabilities in the Statement of Net Position and does not affect the Statement of Activities. This amount represents principal amounts of new leases and right-to-use subscriptions.		(47,046,717)
Accrued interests for leases with rent abatement that were not in governmental funds		(94,686)
In the government-wide statements, inventory changes impact net position. Inventory is recorded as an expenditure in the governmental funds' statements as purchased. These expenditures are not adjusted for the net change in inventory.		215,216
In the Statement of Activities, compensated absences are measured by the amounts earned during the current fiscal year. In the governmental funds, expenditures for these items are measured by the amount of financial resources used. This amount represents the net change in compensated absences.		(4,155,590)
Internal Service Funds are used by management to provide certain goods and services to governmental funds. The change in net position of these funds is reported within governmental activities in the Statement of Activities.		(19,972,758)
In the government-wide statements, interest related to leases and subscriptions is accrued when incurred rather than expensed.		377,361
In the government-wide statements, the effects of deferred outflows of resources relating to refinance of Gatehouse Administrative Building are amortized over the life of each lease and expensed.		(286,923)
In the government-wide statements, the effects of net pension liability, deferred outflows of resources, and deferred inflows of resources relating to pension accounting are expensed.		73,143,595
In the government-wide statements, the effects of net OPEB liability, deferred outflows of resources, and deferred inflows of resources relating to OPEB accounting are expensed.		42,021,087
Change in net position of governmental activities		$ 221,976,250

See accompanying notes to the financial statements.

FAIRFAX COUNTY PUBLIC SCHOOLS **EXHIBIT E**
Statement of Net Position
Proprietary Funds
June 30, 2024

	Governmental Activities - Internal Service Activities
ASSETS	
Current assets:	
Cash on deposit with County of Fairfax, VA	$ 141,980,055
Cash in escrow	286,870
Accounts Receivable	18,576,566
Accrued interest	87,600
Total current assets	160,931,091
Capital assets:	
Right-to-use subscriptions	1,000,407
Accumulated amortization for subscriptions	(179,308)
Total capital assets	821,099
Total assets	161,752,190
LIABILITIES	
Current liabilities:	
Accounts payable	13,087,512
Accrued interest payable	7,454
Unearned revenues	12,603,000
Compensated absences	212,009
Actuarial claims payable	40,257,199
Subscription liability	93,300
Total current liabilities	66,260,474
Non-current liabilities:	
Compensated absences	90,861
Actuarial claims payable	46,657,547
Subscription Liability	544,100
Total non-current liabilities	47,292,508
Total liabilities	113,552,982
NET POSITION	
Net Investment in capital assets	183,699
Unrestricted	48,015,509
Total net position	$ 48,199,208

See accompanying notes to the financial statements.

FAIRFAX COUNTY PUBLIC SCHOOLS **EXHIBIT F**
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2024

	Governmental Activities - Internal Service Funds
OPERATING REVENUES	
Charges for services	$ 556,159,037
OPERATING EXPENSES	
Salaries and wages	5,384,746
Claims and benefits	559,062,080
Professional consultant services	12,720,194
Other operating expenses	304,929
Depreciation and amortization	126,323
Total operating expenses	577,598,272
Operating loss	(21,439,235)
NONOPERATING REVENUES	
Interest revenue	1,493,817
Subscription interest expense	(27,340)
Total nonoperating revenues, net	1,466,477
Change in net position	(19,972,758)
Total net position - July 1, 2023	68,171,966
Total net position - June 30, 2024	$ 48,199,208

See accompanying notes to the financial statements.

FAIRFAX COUNTY PUBLIC SCHOOLS **EXHIBIT G**

Statement of Cash Flows

Proprietary Funds

For the Fiscal Year Ended June 30, 2024

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from interfund services provided	$ 550,751,494
Payments to employees	(5,384,746)
Payments for claims and health benefits	(554,968,033)
Payments for professional services	(13,495,760)
Payments for other operating expenses	(304,929)
Net cash used in operating activities	(23,401,974)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	1,450,165
Net cash provided by investing activities	1,450,165
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Implementation cost of right-to-use subscription	(97,634)
Principal payment on obligations under subscription	(125,004)
Interest payment on obligations under subscription	(28,088)
Net cash used in financing activities	(250,726)
Net decrease in cash and cash equivalents	(22,202,535)
Cash and cash equivalents - July 1, 2023	164,469,460
Cash and cash equivalents - June 30, 2024	$ 142,266,925
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	$ (21,439,235)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and Amortization	126,323
Increase in accounts receivable	(5,440,162)
Decrease in accounts payable	(775,566)
Increase in unearned revenues	32,619
Decrease in compensated absences	(964)
Increase in actuarial claims payable	4,095,011
Total adjustments to operating loss	(1,962,739)
Net cash used in operating activities	$ (23,401,974)

See accompanying notes to the financial statements.

FAIRFAX COUNTY PUBLIC SCHOOLS **EXHIBIT H**
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

	Pension and Other Postemployment Benefit Trust Funds
ASSETS	
Cash and cash equivalents	$ 3,757,918
Cash with fiscal agent	59,439,687
Cash collateral for securities on loan	150,091,528
Short-term investments	44,868,852
Receivables:	
Accounts	84,204
Interest and dividends	2,426,596
Securities sold	58,044,383
Investments, at fair value:	
U.S. government obligations	176,910,401
Asset and mortgage backed	198,143,172
Corporate bonds	344,546,247
International bonds	10,697,178
Convertible securities	4,204,914
Commingled fixed income	163,116,095
Commingled equity	808,479,325
Stocks	242,393,289
Real estate	272,834,792
Multi asset class solutions	128,865,750
Hedge funds	263,926,035
Private debt	86,546,300
Natural Resources	23,445,055
Private equity	337,958,279
Infrastructure	66,051,827
Investment in pooled funds	238,774,318
Capital assets:	
Right-to-use asset	2,753,682
Accumulated amortization: Right-to-use-asset	(395,954)
Total assets	3,687,963,873
LIABILITIES	
Right-to-use lease liability	2,888,910
Accounts payable	1,648,160
Securities purchased	81,080,056
Securities lending collateral	150,091,528
Total liabilities	235,708,654
NET POSITION	
Net position restricted for pension	3,452,255,219
Total net position	$ 3,452,255,219

See accompanying notes to the financial statements.

FAIRFAX COUNTY PUBLIC SCHOOLS **EXHIBIT I**
Statement of Changes in Fiduciary Net Position
Pension and Other Postemployment Benefit Trust Funds
For the Fiscal Year Ended June 30, 2024

	Pension and Other Postemployment Benefit Trust Fund
Additions	
Contributions:	
Employer	$ 137,224,461
Plan members	56,450,447
Total contributions	193,674,908
Investment earnings:	
From investing activities:	
Net appreciation in fair value of investments	167,417,564
Interest and dividends	39,864,009
Total gain from investing activities	207,281,573
Less investment expenses:	
Investment management fees	5,347,507
Investment consulting fees	1,072,313
Investment custodial fees	327,218
Investment salaries	358,925
Total investment expenses	7,105,963
Net gain from investing activities	200,175,610
From securities lending activities:	
Securities lending	9,212,115
Securities lending management fees	(8,639,412)
Net income from securities lending activities	572,703
Net investment gain	200,748,313
Total additions	394,423,221
Deductions	
Benefit payments	221,215,055
Refund of contributions	5,448,543
Administrative expenses	5,459,646
Depreciation and amortization expenses	225,779
Total deductions	232,349,023
Change in net position	162,074,198
Net position - July 1, 2023	3,290,181,021
Net position - June 30, 2024	$ 3,452,255,219

See accompanying notes to the financial statements.

Notes to the Financial Statements

As of and for the year ended June 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fairfax County Public Schools (FCPS) is a corporate body operating under the constitution of the Commonwealth of Virginia (State) and the *Code of Virginia* (Code). The twelve voting members of the School Board are elected by the citizens of the County of Fairfax, Virginia (County) to serve four-year terms. Each of the County's nine magisterial districts has a member who represents its constituents. There are three at-large members and a non-voting student member selected by a countywide student advisory council to serve a one-year term. The School Board sets the educational policies of FCPS and appoints the Superintendent to implement them. In addition, the Superintendent administers operations, supervises personnel, and advises the School Board on all educational matters with a view toward enhancing students' learning, safety, and well-being.

A. REPORTING ENTITY

FCPS includes all of its departments, boards, and associated agencies that are not legally separate. In accordance with standards established by accounting principles generally accepted in the United States of America (GAAP), FCPS has identified one component unit required to be included in its financial statements. The Educational Employees' Supplementary Retirement System of Fairfax County (ERFC) is a legally separate entity that provides pension benefits exclusively for former employees of FCPS. The School Board appoints the majority of the trustees and has ultimate ability to impose its will. The School Board, in conjunction with its employees, provides all the funding for ERFC. Therefore, ERFC is considered to be a blended component unit and the results of its operations are reported within a single fund and combined with data from FCPS for financial presentation purposes.

FCPS is a component unit of the County since the County issues and services general obligation debt to finance the purchase or construction of school facilities. In addition, the County is FCPS' primary funding source.

B. BASIS OF FINANCIAL STATEMENT PRESENTATION AND FUND ACCOUNTING

FCPS' financial statements are prepared in conformity with GAAP, as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the standard setting body for establishing governmental accounting and financial reporting principles. The basic financial statements consist of the government-wide statements, including the Statement of Net Position and the Statement of Activities; fund financial statements (which provide more detailed financial information); and notes to the financial statements (which provide detailed narrative explanations of the accounting policies used by FCPS). They serve to enhance user understanding of the data presented in the financial statements.

1. GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide statements, the Statement of Net Position and the Statement of Activities, present financial information about FCPS as a whole. These statements include the financial activities of FCPS' Primary Government, except for the fiduciary activities because FCPS cannot use these assets to finance its operations. Activities of the internal service funds are eliminated to avoid duplicate reporting of revenues and expenses; however, interfund services provided and used are not eliminated in the process of consolidation. In accordance with GAAP, activities are reported in these statements as governmental.

The Statement of Net Position presents the overall financial condition of FCPS at June 30, 2024. The net position balance provides evidence of FCPS' ability to cover its costs and continue to provide services in the future.

The Statement of Activities clarifies the extent to which FCPS program revenues are sufficient to cover direct program expenses. Direct expenses are those that are associated with specific programs and, therefore, can be classified by activity. FCPS also reports certain administrative expenses that cannot be specifically associated with a given program. These indirect expenses are allocated to the programs based on a ratio of expenditures by program reported in the governmental funds' statements. The net revenue or expense figure demonstrates whether the program is self-supporting or depends on general revenue sources. For the year ended June 30, 2024, most programs were heavily dependent on general revenues. Facilities management was the only program where the revenue sources exceeded program expenses.

Program revenues include: (a) charges for services such as tuition and fees, (b) operating grants and contributions, and (c) capital grants and contributions. Revenues that are not directly related to a program are reported as general revenues. These include funding provided by the County, as well as certain other unrestricted amounts received from the State and the Federal government.

2. FUND FINANCIAL STATEMENTS

FCPS classifies funds as governmental, proprietary, and fiduciary. Separate financial statements are produced for each classification. Major governmental funds are reported in separate columns in the governmental funds’ financial statements. All other governmental funds are aggregated in a single column entitled, "Nonmajor Governmental Funds". Internal service funds are aggregated in a single column entitled, "Governmental Activities - Internal Service Funds", in the proprietary fund statements. FCPS' fiduciary funds are reported by type (pension and other postemployment benefit funds) in the fiduciary fund statements.

Each fund is considered an independent fiscal activity that operates with a self-balancing set of accounts. Each fund reports cash and other financial resources together with all related liabilities and residual equities or balances, and changes therein.

FCPS reports the following major governmental fund types:

- General Fund - the primary operating fund, which accounts for all financial resources, except those which are accounted for in another fund.
- Capital Projects Fund - the fund used to track financial transactions involved with acquisition, construction, or renovation of school sites, buildings, and other major capital improvements.

FCPS reports the following nonmajor governmental fund type:

- Special Revenue Funds - used to account for proceeds of specific revenue sources, other than for capital projects, in which expenditures are restricted for a specified purpose. The Food and Nutrition Services Fund accounts for sales proceeds from the school cafeterias. The Grants and Self-Supporting Programs Fund accounts for transactions related to grants and self-supporting programs, including the summer school program, that are not specifically reported in another fund. The Adult and Community Education Fund accounts for transactions arising from the programs and activities provided by the Office of Adult and Community Education.

FCPS reports the following additional fund types:

- Internal Service Funds - these are proprietary funds which account for the financial transactions associated with the provision of goods and services by one department in FCPS to another on a cost reimbursement basis. The Health Benefits Fund presents the results of transactions associated with the comprehensive health benefits self-insurance program. The Insurance Fund reports activities connected with FCPS' casualty liability obligations, including workers' compensation.
- Pension and Other Postemployment Benefits Funds - these are fiduciary funds used to account for assets held in a trustee capacity for the members and beneficiaries of ERFC, a single-employer defined benefit pension plan, and for the School Other Postemployment Benefits (OPEB) Trust Fund, a single-employer defined benefit plan to account for nonpension postemployment benefit commitments made by FCPS to its employees.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

1. GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. All assets and liabilities are shown in the Statement of Net Position, including non-current assets (such as land, buildings, improvements, and other capital assets) and long-term liabilities (such as obligations for pensions, compensated absences, leases, and actuarial claims payable).

Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. The Statement of Activities demonstrates the degree to which program expenses are offset by associated revenues. Program revenues include charges for services, operating grants and contributions, and capital grants and contributions. County, State and Federal grants and contributions, which are not restricted for specific uses, are classified as general revenues. Revenue generated from the use of money is classified as general. The effect of interfund revenue was eliminated from these statements.

2. FUND FINANCIAL STATEMENTS

Governmental funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. Only current assets and current liabilities are included in the Balance Sheet. Revenue is recorded when susceptible to accrual, that is, when measurable and available for funding of current appropriations. FCPS, in general, considers revenues available if it is received within 60 days after fiscal year-end, except for insurance claim reimbursements, which FCPS considers available if it is collected within 90 days after fiscal year-end.

Statement of Revenues, Expenditures, and Changes in Fund Balance for these funds present increases and decreases in current financial resources. Increases result from the receipt of revenues and other financing sources, while decreases result from expenditures and other financing uses. Non-exchange revenues, where FCPS receives value without directly giving equal value in exchange, include grants and donations. These revenues are recognized in the fiscal year when all eligibility requirements have been satisfied and the resources are available. Expenditures are reported in the fiscal year when the related fund liability is incurred, except that certain long-term obligations, such as expenditures related to compensated absences or leases, are recorded when payment is due. Depreciation and amortization expense, which is an allocation of cost, is not recorded in the governmental funds.

Since the governmental fund statements are prepared on a different measurement focus than government-wide statements, reconciliations are provided to aid the reader in understanding the differences.

Proprietary funds and funds are reported using the economic resources measurement focus and the accrual basis of accounting. All assets and liabilities associated with the operation of these funds are included on the Statement of Net Position.

The proprietary funds' operating statement presents increases (revenues) and decreases (expenses) in net position. The operating revenues are charges for services provided to other departments on a cost reimbursement basis, while the costs incurred to deliver these services are reported as operating expenses. Since insurance services typically pertain to multiple fiscal years, the change in the actuarially determined insurance liability from one year to the next is reported as an operating expense. Nonoperating revenues in the proprietary funds are generated from investing activities. The Statement of Cash Flows presents the cash inflows and outflows of the proprietary activities.

Fiduciary funds are used to account for resources held for the benefit of parties outside FCPS. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support FCPS programs. FCPS fiduciary funds consist of pension trust funds and OPEB trust funds. Fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

For the pension trust fund, both member and employer contributions to the plan are recognized in the period when contributions are due. For the employee benefit trust fund, employer contributions are recognized in the period in which the contributions are due. For the pension and OPEB funds, benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

D. UNEARNED REVENUES

Unearned revenues are liabilities that do not involve the application of the revenue availability criteria and, therefore, applies equally to both accrual and modified accrual financial statements. FCPS has several types of unearned revenues. Community use payments are reported in the General Fund. In the Food and Nutrition Services Fund, the unearned revenues reported represents balances in student accounts for prepaid purchases of school lunches, breakfasts, and snacks as of June 30, which will be used to purchase meals in the subsequent school year. Unearned revenues reported in the Grants and Self-Supporting Programs Fund is primarily attributable to advance tuition payments for summer school. The unearned revenues in the Adult and Community Education Fund stems from tuition payments to be applied to classes offered in the following fiscal year. Unearned revenues in the Health Benefits Fund represents coverage for the months of July and August withheld in advance from employees' paychecks from September through June.

E. CASH AND CASH EQUIVALENTS

The majority of FCPS' cash and cash equivalents is cash on deposit with the County. Placing these funds in an investment pool administered by the County enhances investment returns. At June 30, 2024, all of the County's deposits were covered by the Federal Deposit Insurance Corporation (FDIC) or collateralized in accordance with the Virginia Security for Public Deposits Act (Act). The Act establishes a single body of law applicable to the pledge of security as collateral for public funds on deposit in banking institutions. This ensures that the procedure for securing public deposits is uniform throughout the State. Under the Act, banks holding public deposits must pledge certain levels of collateral and make monthly filings with the State Treasury Board.

On a monthly basis, the County allocates interest, less an administrative charge, to some funds based on their respective average balances in pooled cash and investments. In accordance with the County's legally adopted operating budget, interest earned on FCPS' remaining funds is assigned directly to the County's General Fund.

Cash and cash equivalents in the Statement of Cash Flows and the Statement of Fiduciary Net Position represent amounts in the investment pool administered by the County, as such they are considered to be demand deposits under GAAP.

The amount reported for cash with fiscal agent in the Statement of Fiduciary Net Position stems from receipts from ERFC pension investment sales occurring on the last day of the fiscal year, which could not be invested in the pooled cash fund until July 1, 2024.

F. INVESTMENTS

Cash on deposit with the County is maintained in an investment pool administered by the County. Money market investments that have a remaining maturity of one year or less at the time of purchase are reported at amortized cost, which approximates fair value. Other investments are reported at fair value.

Investments are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy. Investment purchases and sales are recorded as of the trade date. These transactions are not finalized until the settlement date, which is usually the trade date, but could be up to seven business days after the trade date.

G. INVENTORIES AND PREPAID ITEMS

Inventories in the Food and Nutrition Services Fund are valued at cost. The consumption method of accounting for inventory is used in the government-wide statements. Under this method, inventory items are comprised of expendable supplies and are expensed as they are consumed. The purchase method of accounting for inventory is used in the governmental funds. Under this method, inventory items are expended when purchased. Inventory of the Food and Nutrition Services Fund, which consists of food products, are classified as nonspendable fund balance.

Certain payments to vendors reflect costs applicable to future accounting periods. These transactions are recorded as prepaid assets in both the government-wide and fund financial statements using the consumption method. Prepaid items in the governmental funds are classified as nonspendable fund balance.

H. CAPITAL ASSETS

Capital assets are reported in the government-wide financial statements, fiduciary fund statements, and include land, construction in progress, equipment, library collections, buildings, improvements, and intangible assets. An asset must have a useful life of more than a year to be capitalized. Equipment, buildings, and improvements with a value of $10,000 or more are capitalized. The capitalization threshold for capital assets purchased with grant funding is $5,000.

Land, construction in progress, software in development, and library collections are generally capitalized regardless of value. The costs of routine maintenance and repairs that do not add to asset values or materially extend asset lives are not capitalized.

Capital assets are recorded at acquisition cost, or at estimated historical cost, if acquisition cost is not available. Donated assets are recorded at their acquisition value at the time of receipt.

No depreciation is taken in the year of acquisition for library collections. Depreciation on other capital assets commences when the assets are purchased or are substantially complete and ready to be placed into operation.

Intangible assets lack physical substance, are nonfinancial in nature, and have an initial useful life greater than one year. The intangible assets recognized by FCPS are software products and licenses, right-to-use lease assets, and right-to-use subscriptions. Software products and licenses are valued at historic cost, while right-to-use assets are measured at the discounted value of future lease payments. No indirect costs are incorporated into the valuations for internally generated software. The cost threshold for individual asset recognition is $100,000 for software and licenses, $10,000 for right-to-use lease assets, and $100,000 for right-to-use subscription assets.

Preliminary cost of software development (Stage 1) is expensed. Software in the application development stage (Stage 2) is capitalized. Amortization on software under development commences when software is operational. Any subsequent expenses and training costs are expensed (Stage 3).

The straight-line depreciation/amortization method is used over the following array of estimated useful lives:

Capital Assets	**Useful Lives (Years)**
Equipment:	
Buses and other vehicles	5-10
Office and other	3-20
Library collections	5
Buildings	20-50
Improvements	10-25
Software and licenses	5-12
Right-to-use leases*	4-5
Right-to-use subscriptions**	2-10

* Based on underlying agreement of lease term
* Based on underlying agreement of software subscription term

I. COMPENSATED ABSENCES AND ACCRUED WAGES AND BENEFITS

FCPS employees earn annual leave pay based on a prescribed formula tied to years of service. Employees with less than 10 years of service are allowed to accumulate a maximum of 240 hours as of fiscal year end and employees with more than 10 years of service may accumulate 320 hours. Any excess hours are converted to the unused sick leave balance.

The accrued wages and benefits liability stems from employees who retired, resigned, or were terminated during the fiscal year, and, as of June 30, had not received payment for their accrued annual leave or severance pay. In addition, a number of FCPS' employees are paid on a biweekly schedule that does not align precisely with the fiscal year. Any salaries and fringe benefits that were incurred during the fiscal year, but not paid as of June 30, are accrued as current liabilities in the applicable funds.

J. LONG-TERM OBLIGATIONS

Long-term obligations are reported in the government-wide financial statements and the proprietary fund financial statements. These obligations are segregated between current and long-term components. In the government-wide financial statements, the long-term obligations are further divided between those due within one year and those due beyond a year.

Certain long-term obligations, such as claims and judgments and compensated absences that will be paid from current financial resources, are recorded as liabilities of the governmental funds. Lease payments are recorded as they are due and no liability is reported at fiscal year-end in the governmental funds.

K. PENSIONS

In government-wide financial statements, pensions are required to be recognized and disclosed using the accrual basis of accounting (see Note IV. Retirement Plans and the required supplementary information (RSI) section immediately following the Notes to Financial Statements), regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

FCPS recognizes a net pension liability, which represents FCPS' proportionate share of the excess of the total pension liability over the fiduciary net position of the pensions reflected in the actuarial reports of The Fairfax County Employees' Retirement System (FCERS) and Virginia Retirement System (VRS). For EFRC, FCPS recognizes the entire net pension liability. The net pension liability is measured as of FCPS' prior fiscal year-end. Changes in the net pension liability are recorded, in the period incurred, as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the changes. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions, changes in proportionate share, or other inputs and differences between expected or actual experience) are amortized over the weighted-average remaining service life of all participants in the respective pension plans and are recorded as a component of pension expense beginning with the period in which they are incurred.

For purposes of measuring the net pension liability and deferred outflows of resources and deferred inflows of resources relating to pensions and pension expense, information about the fiduciary net position of FCPS' pension plans and the additions to/deductions from FCPS plans' net fiduciary position have been determined on the same basis as they are reported by the retirement plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefits terms. Investments are reported at fair value.

Projected earnings on pension investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred. Each subsequent year will incorporate an additional closed basis five-year period of recognition.

L. OTHER POSTEMPLOYMENT BENEFITS

In government-wide financial statements, OPEB is required to be recognized and disclosed using the accrual basis of accounting (see Note V. OPEB and RSI section immediately following the Notes to Financial Statements), regardless of the amount recognized as OPEB expenditures on the governmental funds' financial statements, which use the modified accrual basis of accounting.

FCPS recognizes a net OPEB liability, which represents FCPS' proportionate share of the excess of the total OPEB liability over the fiduciary net position of the OPEB reflected in the actuarial reports of FCPS OPEB plan, Virginia Retirement System Teacher Health Insurance Credit Plan (VRS HIC) and Virginia Retirement System Group Life Insurance Plan (VRS GLI). For the FCPS OPEB plan, FCPS recognizes the entire net OPEB liability. The net OPEB liability for the FCPS OPEB plan is measured as of FCPS' current fiscal year-end. The net OPEB liability for the VRS HIC and VRS GLI plans are measured as of FCPS' prior fiscal year-end. The employer contributions for VRS HIC and VRS GLI during the current fiscal year are reflected as a deferred outflow of resources which will impact the pension expense of the subsequent year. Changes in the net OPEB liability are recorded, in the period incurred, as OPEB expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the changes. The changes in net OPEB liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions, changes in proportionate share, or other inputs and differences between expected or actual experience) are amortized over the weighted average remaining service life of all participants in the respective OPEB plans and are recorded as a component of OPEB expense beginning with the period in which they are incurred.

For purposes of measuring the net OPEB liability and deferred outflows of resources and deferred inflows of resources relating to OPEB and OPEB expense, information about the fiduciary net position of FCPS' OPEB plans and the additions to/deductions from FCPS plans' net fiduciary position have been determined on the same basis as they are reported by the OPEB plans. For this purpose, benefit payments are recognized when due and payable in accordance with the benefits terms. Investments are reported at fair value.

Projected earnings on OPEB investments are recognized as a component of OPEB expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of OPEB expense on a closed basis over a five-year period beginning with the period in which the difference occurred. Each subsequent year will incorporate an additional closed basis five-year period of recognition.

M. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources which represent a consumption of net assets that applies to future periods. FCPS has three items which qualify for reporting in this category, deferred outflows related to pensions, deferred outflows related to OPEB, and deferred outflows related to debt refunding. Refer to Notes IV. Retirement Plans and V. OPEB for a detailed listing of the deferred outflows of resources related to pensions and OPEB, respectively. The deferred outflows related to debt refunding is the result of the debt restructure to fund construction costs for the Gatehouse Administrative Building.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources which represent an acquisition of net assets that applies to future periods. FCPS has three items which qualify for reporting in this category, deferred inflows of resources related to pension, deferred inflows of resources related to OPEB, and deferred inflows related to leases. Refer to Notes IV. Retirement Plans and V. OPEB for a detailed listing of the deferred inflows of resources related to pensions and OPEB, respectively. Refer to Note III G. Leases for a detailed listing of the deferred inflows related to leases.

N. NET POSITION

Net position represents assets and deferred outflows of resources less liabilities and deferred inflows of resources. In the government-wide and proprietary fund financial statements, FCPS' net position is categorized as follows:

- Net investment in capital assets which represents the portion of capital-related assets, net of accumulated depreciation, reduced by lease liability, notes payable, subscription liability, contract retainages to acquire these assets, and increased by deferred outflows related to debt refundings.
- Restricted, which represents the amount of net position that is externally restricted for food and nutrition services, grant programs, and capital projects
- Unrestricted deficit, which represents net position, which are neither restricted nor capital-related

In the fiduciary funds' financial statements, FCPS' net position is categorized as restricted for pension and OPEB, which represent the amount of assets accumulated for the payment of benefits to the members and beneficiaries of the ERFC pension and FCPS OPEB plans.

O. RECOVERED COSTS

Reimbursements from the City of Fairfax, Virginia (City) for operating City owned schools and providing educational services to City students are recorded as recovered costs in the governmental fund financial statements. During fiscal year 2024, reimbursements totaled $58,575,531 for educational services, in addition to $2,130,229 for construction projects performed on the City's behalf through FCPS' Capital Projects Fund. The increase in recovered cost from the City of Fairfax is related to rising operational costs and the increase in the number of students enrolled.

P. RESTRICTED ASSETS

Restricted assets are liquid assets that have third-party limitations on their use. FCPS reports restricted cash and investments in the Capital Projects Fund, which represents unspent amounts from the County's issuance of general obligation bonds. The County issues general obligation debt to finance the construction of school facilities on behalf of FCPS because the Code precludes school divisions issuing debt or levying taxes.

When both restricted and unrestricted resources are available for use, FCPS' policy is to use restricted resources first, and then unrestricted resources, as they are needed. As of June 30, 2024, restricted cash and investments reported in the Capital Projects Fund totaled $164,302,874.

Q. IMPLEMENTATION OF NEW ACCOUNTING PRONOUNCEMENTS

In fiscal year 2024, FCPS implemented the following new accounting standards as issued by GASB.

GASB Statement No. 99, *Omnibus 2022*. This Statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial reporting for financial guarantees. The implementation of this new standard did not have a material impact on FCPS' financial statements for fiscal year 2024.

GASB Statement No. 100, *Accounting Changes and Error Corrections*. This Statement enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The implementation of this new standard did not have a material impact on FCPS' financial statements for fiscal year 2024.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The following reconciliations accompany the governmental fund statements:

Reconciliation of the Balance Sheet to the Statement of Net Position - this reconciliation explains the differences between total fund balances as reflected on the governmental funds Balance Sheet and net position for governmental activities as shown on the government-wide Statement of Net Position.

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities - this reconciliation explains differences between total net change in fund balances as reflected on the governmental funds' Statement of Revenues, Expenditures, and Changes in Fund Balances and the change in net position for governmental activities as shown on the government-wide Statement of Activities.

The reconciling differences are a result of the governmental funds using the current financial resources measurement focus and the modified accrual basis of accounting, while the government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting.

III. DETAILED NOTES TO ALL FUNDS

A. NONFIDUCIARY DEPOSITS AND INVESTMENTS

1. DEPOSIT AND INVESTMENT POLICIES

The County 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 County's Investment Committee, which is comprised of the County's chief financial officer and certain key County management and investment staff.

It is the County'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 County's investment policy, therefore, applies to the activities of the County's reporting entity, including FCPS, with regard to investing the financial assets of its pooled investment funds.

The County 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 County 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 Code authorizes the purchase of the following types of investments:

- Commercial paper
- US Treasury, agency securities and US Treasury strips
- Certificates of deposit 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, African Development Bank, International Bank for Reconstruction and Development
- Obligations of the State and its instrumentalities; counties, cities, towns, and other public bodies located within the State; and state and local government units located within other states
- Savings accounts or time deposits in any bank or savings institution within the State that complies with the Code
- Qualified investment pools

However, the County's 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 State and its instrumentalities, obligations of counties, cities, towns, and other public bodies located within the State and obligations of state and local government units located within other states.

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

- Level 1 Information is unadjusted quoted prices for identical instruments in active markets that the County has the ability to access.
- Level 2 Information is quoted prices for similar assets in active markets, quoted prices for identical or similar assets in inactive markets, quoted prices that are observable, either directly or indirectly from a source other than an active market.
- Level 3 Includes unobservable information to arrive at the valuation.

3. INTEREST RATE RISK

The County'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 County 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 90 days or less. All other pooled funds are invested primarily in short-term securities, with a maximum maturity of five years.

As of June 30, 2024, the pooled investments allocated to the County's component units, of which FCPS is designated a majority share, is presented below:

Investment Type		Fair Value	Weighted Average Maturity (Days)
US Treasury Securities and Agencies	$	369,839,263	3,832
Commercial Paper		62,505,160	97
Corporate Notes		71,424,562	630
Money Market Funds		122,247,424	1
Negotiable Certificates of Deposit		225,414,586	130
VA Investment Pool LGIP		63,012,147	51
VIP - Virginia Investment Pool		13,893,366	20
Total	$	928,336,508	
Portfolio weighted average maturity			1,617

4. CREDIT RISK

The County'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 County pre-qualifies financial institutions, broker-dealers, intermediaries, and advisors with which the County does business. In addition, the County 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 and Poor's, Inc. (S&P) Credit Watch with a negative short-term rating. County policy specifies the following acceptable credit ratings for specific types of investments in the pooled portfolio:

- U.S. government agency and GSE instruments should have a rating of least Prime-1 by Moody's and A-1 by S&P. In those instances when a GSE does not have a rating, a thorough credit and financial analysis will be conducted by County investment staff.
- Prime quality commercial paper must 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 must 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.

As of June 30, 2024, the County had investments in the following issuers with credit quality ratings as a percent of total investments in debt securities:

Credit Quality Rating *							
AA		A-1		AAA-m		Unrated	
Corporate Notes	6.9%	Commercial Paper	6.1%	Money Market Funds	3.3%	Demand Deposit Accounts	7.5%
				LGIP	7.5%		
US Treasury and Agencies**	36.5%	Negotiable CD	21.9%	Bond Funds	7.1%	Collateralized CDs	3.2%
	43.4%		28.0%		17.9%		10.7%

* Credit quality ratings are determined using S&P's short-term and long-term ratings, which approximates the greatest degree of risk as of June 30, 2024.
** U.S. Treasury and Agencies AA+

5. CONCENTRATION OF CREDIT RISK

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

US Treasury securities and agencies	100%	maximum
Negotiable certificates of deposit	40%	maximum
Banker's acceptances	35%	maximum
Commercial paper	35%	maximum
Repurchase agreements	30%	maximum
Mutual funds	30%	maximum
Virginia investment pool - daily liquidity	30%	maximum
Corporate notes	25%	maximum
Non-negotiable certificates of deposit	25%	maximum
Virginia investment pool - LGIP bond fund	25%	maximum
Insured certificates of deposit	15%	maximum
Bank demand deposit	10%	maximum
Supranationals	10%	maximum

In addition, not more than five 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 certificate of deposits. The County shall seek to maintain five percent of the investment portfolio in a combination of mutual funds, demand deposit accounts or open repurchase agreements to meet liquidity requirements.

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 County may not recover its deposits. In accordance with the Act, all of the County’s deposits are covered by the FDIC 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 County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Per County policy, all of the investments purchased by the County are insured or registered or are securities held by the County or its agent in the County's name.

B. FIDUCIARY INVESTMENTS

1. ERFC

Fair Value Measurements

ERFC categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

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

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. ERFC's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Short-term securities are reported at fair value when published market prices and quotations are available, or at cost plus accrued interest, which approximates market or fair value.

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

Debt and equity securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique or a bid evaluation.

Debt securities classified in Level 3 of the fair value hierarchy are valued by a third party.

Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices. Bid evaluations may include reported trades, broker/dealer quotes, issuer spreads, two-sided markets, bids, offers, and reference data including market research publications.

- Commingled Large Cap Equity Funds - The objective of these index funds is to invest in securities and collective funds that together are designed to track the performance of the Russell 1000®.

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

- 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 TIPS Fund - The fund's investment objective is to track the performance of the Bloomberg U.S. Treasury Inflation-Linked Index (the "Index"). The fund is constructed to mirror the Index to provide income and preservation of capital. The assets of the fund may be invested in securities, including those issued through private placements, exchange-traded and mutual funds, and a combination of other collective funds that together are designed to track the performance of the Index. The fund may also invest in the EB Temporary Investment Fund, an affiliate of the fund.

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

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

- Private Equity and Debt Partnerships - This type includes investments in limited partnerships, which generally include the following strategies: buyouts, venture capital, mezzanine, distressed debt, growth equity and special situations. These investments have an approximate life of 10 years and are considered illiquid. Redemptions are restricted over the life of the partnership. During the life of the partnerships, distributions are received as underlying partnership investments are realized. As of June 30, 2024, 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 - These funds typically has an unconstrained, non-benchmark oriented investment approach with investments across various asset classes. It may invest in, but are not limited to, equities, fixed income, inflation-linked bonds, currencies and commodities. The objective is to provide attractive returns in any type of economic environments.

- Commingled Real Estate Equity Funds - This type of fund provides diversified exposure to a core portfolio of US real estate investments across different sectors. The investment primarily focused on income with some value- add properties seeking higher returns from potential appreciation.

- Private Real Estate - This type of fund is a limited partnership that makes direct or secondary investments in various types of real estate and real estate related 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.

Investments measured at fair value as well as NAV for ERFC are presented in the following tables.

INVESTMENTS MEASURED BY FAIR VALUE HIERARCHY LEVEL

		Fair Value Measures Using		
	June 30, 2024	**Quoted Prices in Active Markets for Identical Assets**	**Significant Other Observable Inputs**	**Significant Unobservable Inputs**
Investments by Fair Value Level		**Level 1**	**Level 2**	**Level 3**
Short-Term Securities	$ 44,868,852	$ -	$ -	$ 44,868,852
Debt Securities				
Asset and mortgage backed	198,143,172	-	198,143,172	-
Corporate bonds	344,546,247	-	337,070,066	7,476,181
International bonds	10,697,178	-	10,697,178	-
Convertible securities	4,204,914	548,768	3,656,146	-
US Government obligations	176,910,401	176,910,401	-	-
Total Debt Securities	734,501,912	177,459,169	549,566,562	7,476,181
Equity Investments	242,393,289	242,393,289	-	-
Total Investments and Short-Term Securities Measured by Fair Value Hierarchy Level	**$ 1,021,764,053**	**$ 419,852,458**	**$ 549,566,562**	**$ 52,345,033**

INVESTMENTS MEASURED AT NET ASSET VALUE (NAV)					
		June 30, 2024	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Equity investments					
Commingled large cap equity funds	$	364,945,995	-	Daily	None
Commingled global equity funds		303,896,301	-	Daily	None
Commingled emerging markets equity fund		139,637,029	-	Daily	3 days
Total Equity Investments		**808,479,325**	-		
Fixed income investments					
Commingled TIPS fund		98,483,280	-	Daily	None
Commingled global fixed income fund		2,959,191	-	Daily	None
Commingled emerging markets debt fund		61,673,624	-	Monthly	30 days
Total Fixed Income Investments		**163,116,095**	-		
Private markets		514,001,461	328,945,600	Not eligible	N/A
Multi Asset Class Solutions		128,865,750	-	Monthly	5 days
Hedge Funds - Opportunistic		263,926,035	-	Monthly	30 days
Real estate - core open-end funds		169,776,170	-	Quarterly	1-90 days
Real estate - private commingled real estate funds		103,058,622	103,555,857	Not Eligible	N/A
Total Other Investments		**1,179,628,038**	**432,501,457**		
Total Investments Measured at NAV		**2,151,223,458 $**	**432,501,457**		
TOTAL INVESTMENTS AND SHORT-TERM SECURITIES	**$**	**3,172,987,511**			

Deposit and Investment Policies

The authority to establish pension funds is set forth in Sections 51.1-800 of the Code, which provides that the County may purchase investments for pension funds (including common and preferred stocks and corporate bonds) that meet the standard of judgment and care set forth in Section 51.1-124 of the Code. ERFC does not have investments (other than U.S. government and U.S. government guaranteed obligations) in any one organization that represents five percent or more of net position restricted for pensions.

Investment Policy

ERFC's investment policy is established by the Board of Trustees (ERFC Board) based on information and/or recommendations provided by ERFC's investment consultant and ERFC staff. The policy may be amended as necessary by the ERFC Board and is reviewed at least annually. There were no significant investment policy changes during the fiscal year. ERFC's asset structure is enumerated in the investment policy and reflects a proper balance of ERFC's needs for liquidity, growth of assets and the risk tolerance of the ERFC Board. The target asset mix, consistent with the achievement of the long-term objective of ERFC is as follows:

Security Class	Strategic Targets as of June 30, 2024	
Domestic Equity (Large Cap)	11.0	%
Domestic Equity (Small Cap)	6.0	
International Equity	5.0	
International Equity (Small Cap)	5.0	
Emerging International Equity	5.0	
Global Equity	3.0	
Emerging Market Debt	2.0	
US Fixed Income	28.0	
MACS	4.0	
Hedge Funds Opportunistic	5.0	
Infrastructure	3.0	
Real Estate	7.0	
Private Equity	7.0	
Private Debt	4.0	
Natural Resources	5.0	
TOTAL	**100.0**	**%**

Rate of Return

For the year ended June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.68 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Derivative Financial Instruments

As permitted by the Code, ERFC invests in derivative instruments on a limited basis in accordance with the ERFC Board's investment policy. Investment in derivatives allows 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 ERFC Board is required should investment managers seek to purchase securities on margin or leverage. During fiscal year 2024, ERFC's fair value of CMOs was $2,038,812.

Securities Lending

The ERFC Board's policy permits the fund to participate in a securities lending program. This program is administered by ERFC's custodian. Certain securities are loaned to approved broker/dealers who borrow the securities and provide collateral in the form of cash, US Treasury or Government Agency Securities, letters of credit issued by approved banks, or other securities of a quality specified in the securities lending agreement. Collateral must be provided in the amount of 102 percent of the fair value for domestic securities and 105 percent for international securities. ERFC did not impose any restrictions during the period on the number of loans the custodian made on its behalf. The custodian provides for full indemnification to ERFC for any losses that might occur in the program due to the failure of a broker/dealer to return the borrowed security or a failure to pay ERFC for income of the securities while on loan. The fair value of collateral is monitored daily by the custodian.

Cash collateral is invested in a fund maintained by the custodian or its affiliate. Per stated custodian policy, the maximum weighted average maturity is 60 days. Investment income from the securities lending program is shared 75/25 by ERFC and the custodian, respectively. At year-end, ERFC had no overall credit risk exposure to borrowers because the amounts ERFC owed the borrowers exceeded the amounts the borrowers owed ERFC.

Cash received as collateral and related liability of $150,091,528. As of June 30, 2024, are shown on the Statement of Fiduciary Net Position. As of June 30, 2024 the fair value of securities on loan for cash collateral was $146,626,260. Securities received as collateral are not reported as assets and liabilities since ERFC does not have the ability to pledge or sell the collateral securities absent borrower default.

On June 30, 2024, the array of securities ERFC had on loan for cash and non-cash collateral took this form:

Securities	Fair Value	Cash Collateral
Domestic Corporate Bonds	$ 67,368,891	$ 69,053,423
International Bonds	641,347	656,239
Domestic Stock	67,297,870	68,823,730
International Stock	241,314	253,448
US Government	11,076,838	11,304,688
TOTAL	**$ 146,626,260**	**$ 150,091,528**

Interest Rate Risk

ERFC's fixed income managers use the effective duration method to control interest rate risk. Regarding maturity, ERFC does not place limits on these fixed income managers. However, it does expect the average duration to be within 30 percent of their respective benchmarks. One of the managers is expected to be within 50 percent of the Bloomberg Barclays Capital Government/Credit Index.

As of June 30, 2024, ERFC had the following fixed income investments, none of which are highly sensitive to changes in interest rates:

Investment Category		Amount	Effective Duration*	Percentage of Fixed
Asset and Mortgage Backed	$	198,143,172	1.93	27.0 %
Corporate Bonds		344,546,247	2.77	46.8
International Bonds		10,697,178	0.12	1.5
Convertible Securities		4,204,914	0.02	0.6
US Government		176,910,401	2.95	24.1
TOTAL	**$**	**734,501,912**	**7.79**	**100.0 %**

* Weighted duration in years

Short-Term Investment Funds	$	44,868,852	-
TOTAL SHORT-TERM	**$**	**44,868,852**	**-**

Credit Risk

ERFC's policy on credit quality states that the average credit quality of the portfolio must have a rate of A or better. Up to 20 percent of the portfolio may be invested in below investment grade (that is, Moody's Baa or Standard & Poor's BBB ratings). If a security has a split rating, the lower rating will be considered in meeting the minimum quality standard. One of ERFC's fixed income managers may invest up to 35 percent in below investment grade securities. For this manager, if a security has a split rating, the higher rating shall be considered.

The Credit Quality Summary below lists the ratings of all of ERFC's fixed income investments as of June 30, 2024, excluding pooled funds, according to Moody's Investment Services and Standard & Poor's.

Investment Type		Amount	Rating	Percent of Fixed
Asset and Mortgage Backed	$	38,546,968	AAA	6.9 %
		99,991,294	AA	17.9
		14,884,083	A	2.7
		32,282,288	BBB	5.8
		3,189,395	BB	0.6
		988,232	B	0.2
		1,024,306	CCC	0.2
		3,522,481	CC	0.6
		329,332	C	0.1
		711,210	Below C	0.1
		2,673,583	Not Rated	0.5
Convertible Securities		168,349	A	-
		2,504,801	BBB	0.4
		1,527,825	CCC	0.3
		3,939	Not Rated	-
Corporate Bonds		4,206,869	AA	0.8
		41,835,070	A	7.5
		213,466,352	BBB	38.3
		59,646,742	BB	10.7
		18,600,903	B	3.3
		6,509,193	CCC	1.2
		775	CC	-
		65,151	C	-
		215,192	Not Rated	-
International Bonds		2,973,513	AAA	0.5
		2,119,233	AA	0.4
		1,137,968	BBB	0.2
		3,353,935	BB	0.6
		1,112,529	B	0.2
TOTAL	**$**	**557,591,511**		**100.0** %

Concentration of Credit Risk

ERFC'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. At June 30, 2024, ERFC had three active fixed income managers. The portfolios had values of $213.3 million, $228.5 million and $300.9 million. The fair value of the largest issue other than the US Government in the portfolios of the active managers, excluding pooled funds, was 2.91 percent of that portfolio.

Deposits

At June 30, 2024, short-term investments with the custodial bank totaled $44,868,852. These investments consist of US Treasury bills, are collateralized with securities held by the agent in ERFC's name or are in a short-term investment pool.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, ERFC’s funds will be lost. However, ERFC's investments and deposits are not exposed to custodial credit risk since they are held by the agent in ERFC's name. Other investments such as mutual funds, a short-term investment pool, and a cash collateral investment pool which invests cash collateral for securities on loan, are not exposed to custodial risk due to their non-physical form. As such, ERFC does not have a custodial credit risk policy.

The mix of investments held by the custodian on June 30, 2024, was as follows:

Investment Type	Fair Value
Stocks	$ 242,393,289
Bonds and mortgage securities	557,591,511
US Government obligations	176,910,401
Real estate	272,834,792
Multi asset class solutions (MACS)	128,865,750
Hedge funds - opportunistic	263,926,035
Private equity	337,958,279
Private debt	86,546,300
Infrastructure	66,051,827
Natural Resources	23,445,055
Commingled fixed income funds	163,116,095
Commingled equity funds	808,479,325
Subtotal Investments	**3,128,118,659**
Cash collateral for securities on loan	150,091,528
TOTAL	**$ 3,278,210,187**

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. ERFC's currency risk exposures primarily exist in the international equity and active fixed income holdings. At the present time, there are no specific foreign currency guidelines for equities or active fixed income investments; however, equity and fixed income managers are all measured against specific performance standards and risk guidelines identified in ERFC's investment policy.

The following chart provides a summary of ERFC's fair value of foreign currency risk as of June 30, 2024:

Currency	Cash & Cash Equivalents	Equities	Fixed Income Securities	Private Markets	Grand Total
AUSTRALIAN DOLLAR	$ 2,112	$ -	$ -	$ -	$ 2,112
BRAZIL REAL	126,300	-	1,727,314	-	1,853,614
CANADIAN DOLLAR	43,652	3,112,280	-	-	3,155,932
CHILEAN PESO	10,982	-	-	-	10,982
DANISH KRONE	106,651	5,457,642	-	-	5,564,293
EURO CURRENCY UNIT	382,067	19,903,907	1,638,990	31,983,921	53,908,885
HONG KONG DOLLAR	37,697	-	-	-	37,697
INDONESIAN RUPIAH	11,448	-	-	-	11,448
ISRAELI SHEKEL	10,876	-	-	-	10,876
JAPANESE YEN	109,029	4,974,378	-	-	5,083,407
MALAYSIAN RINGGIT	9,034	-	-	-	9,034
MEXICAN PESO	-	-	1,137,968	-	1,137,968
NEW TAIWAN DOLLAR	24,016	6,735,570	-	-	6,759,586
NEW ZEALAND DOLLAR	-	-	1,499,761	-	1,499,761
NORWEGIAN KRONE	1,682	-	1,473,752	-	1,475,434
PHILIPPINES PESO	1,266	-	-	-	1,266
POLISH ZLOTY	1,424	-	-	-	1,424
POUND STERLING	54,649	6,433,664	2,119,233	-	8,607,546
SOUTH AFRICAN RAND	1,739	-	1,100,160	-	1,101,899
SOUTH KOREAN WON	356	-	-	-	356
SWEDISH KRONA	10,299	2,938,017	-	-	2,948,316
SWISS FRANC	481,940	1,275,389	-	-	1,757,329
THAILAND BAHT	3,643	-	-	-	3,643
TOTAL FAIR VALUE	**$ 1,430,862**	**$ 50,830,847**	**$ 10,697,178**	**$ 31,983,921**	**$ 94,942,808**

2. SCHOOL OPEB TRUST FUND

Deposit and Investment Policies

The authority to establish a trust fund for the purpose of accumulating and investing other postemployment benefits is set forth in Section 15.2-1544 of the Code, which provides for the purchase of investments that meet the standard of judgment and care set forth in Section 51.1-803 of the Code.

FCPS 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 State to accumulate and invest assets to fund other postemployment benefits. Funds of participating jurisdictions are pooled and invested in the name of the Pooled Trust. FCPS' respective shares in the Pooled Trust are reported in the School OPEB Trust Fund's financial statements. Investment decisions are made by the OPEB Board of Trustees (OPEB Board) of the Pooled Trust.

The OPEB Board 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 income, 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 each asset classes' market index benchmark, weighted by each Portfolio's long-term policy allocations, and (b) a peer group of other similar size long-term diversified funds.

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

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

	Portfolio I		Portfolio II	
	Target Percentages of Total Assets	Allocation Range	Target Percentages of Total Assets	Allocation Range
Total Equity	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 OPEB Board regularly review each manager in order to confirm that the factors underlying the performance expectations remain in place.

The OPEB Board meet a minimum of four times a year to review quarterly performance and asset allocation. The investment policy is reviewed and updated annually, or otherwise as deemed appropriate and necessary by the OPEB Board.

Fair Value Measurement

The Pooled Trust categorizes its fair value measurements within the fair value hierarchy established by GAAP.

Investments that are measured at fair value using the NAV as a practical expedient are not classified in the fair value hierarchy. The Pooled Trust measures certain qualifying investments at the NAV to estimate fair value unless it is probable that the Pooled Trust will sell its interest at an amount different than the NAV. Short-term highly liquid investments classified as cash equivalents that are measured and reported at amortized cost are not classified in the fair value hierarchy.

On June 30, 2024, the School OPEB Trust Fund's share in the Pooled Trust was $238,774,318 as reported on Exhibit U.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The Pooled Trust's investment policy establishes certain restrictions on investments and limitations on portfolio composition. The limitations include an asset allocation policy that is structured in a manner which prevents investing more than five percent of the total investments in any single issuer.

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

C. DUE FROM INTERGOVERNMENTAL UNITS

Amounts due from Federal government are primarily for ESSER funding,Title I/II/III and the National School Lunch Program. ESSER funding supports safe operation of schools and address the impacts of the pandemic on students. Title I/II programs enhance the instruction for disadvantaged children. Title III program improves education of limited English proficient children. National School Lunch Program makes lunch available to school children and encourages consumption of domestic nutritious agricultural commodities.

A significant portion of the receivable from the State is attributed to State sales taxes due to FCPS. The Virginia Retail Sales and Use Tax Act require one and one-eighth cent of every five cents collected in State sales tax to be distributed to school divisions based on school-age population.

FCPS provides special education services for eligible students, including those who reside outside of FCPS' school boundaries. These services are provided on a fee-based system. The receivables from other jurisdictions are related to outstanding invoices for services provided to other localities within the Washington Metropolitan area as well as those from out-of-state public school systems. The receivable from the County represents funds owed to FCPS primarily for custodial services and school use.

Amounts due from governments as of June 30, 2024, were as follows:

Fund	Federal Government	Commonwealth of Virginia	County	Other Jurisdictions	Total
General Fund	$ 28,657,475	$ 21,458,682	$ 102,253	$ 6,442,833	$ 56,661,243
Food and Nutrition Fund	1,856,704	11,459	84,431	-	1,952,594
Grants and Self-Supporting Programs Fund	23,432,605	727,920	-	-	24,160,525
Adult and Community Education	618,321	-	-	-	618,321
Total	$ 54,565,105	$ 22,198,061	$ 186,684	$ 6,442,833	$ 83,392,683

D. INTERFUND TRANSFERS

The primary purpose for interfund transfers is to provide funding for summer school, PreK, Early Head Start operations, and capital projects. The breakdown of interfund transfers for the fiscal year ended June 30, 2024 was as follows:

Fund	Transfers In	Transfers Out
General Fund	$ -	$ 48,344,027
Capital Projects Fund	19,598,097	-
Grants and Self-Supporting Fund	26,991,849	-
Adult and Community Education Fund	1,754,081	-
Total	$ 48,344,027	$ 48,344,027

E. CAPITAL ASSETS

A summary of capital asset activity for fiscal year 2024 is shown below:

Governmental Activities	Balance July 01, 2023	Increases	Decreases	Balance June 30, 2024
Non-depreciable/non-amortizable capital assets:				
Land	$ 46,837,095	$ -	$ -	$ 46,837,095
Construction in progress	279,227,896	186,629,086	(104,578,331)	361,278,651
Software in development	-	142,440	(142,440)	-
Right-to-use SBITA in development	-	4,334,991	-	4,334,991
Total non-depreciable/non-amortizable capital assets	326,064,991	191,106,517	(104,720,771)	412,450,737
Depreciable/amortizable capital assets:				
Equipment	365,865,345	32,530,001	(8,825,723)	389,569,623
Library collections	18,915,527	1,933,818	(2,353,226)	18,496,119
Buildings	1,316,233,163	-	-	1,316,233,163
Building improvements	3,383,539,646	95,435,624	-	3,478,975,270
Land improvements	102,359,109	6,212,235	-	108,571,344
Software/licenses	14,037,906	-	-	14,037,906
Right-to-use lease assets:				
Parking lot	233,954	-	-	233,954
Buildings	59,780,079	331,120	(11,508)	60,099,691
Equipment	13,556,731	6,240,368	(3,797,483)	15,999,616
Right-to-use subscription assets	81,788,887	14,168,228	(5,718,029)	90,239,086
Total depreciable/amortizable capital assets	5,356,310,347	156,851,394	(20,705,969)	5,492,455,772
Accumulated depreciation/amortization:				
Equipment	(268,169,450)	(30,975,597)	8,118,906	(291,026,141)
Library collections	(12,019,423)	(2,249,839)	2,353,226	(11,916,036)
Buildings	(751,613,061)	(24,129,682)	-	(775,742,742)
Building improvements	(1,662,109,873)	(123,826,963)	-	(1,785,936,836)
Land improvements	(53,090,690)	(4,320,083)	-	(57,410,773)
Software/licenses	(10,603,641)	(776,032)	-	(11,379,674)
Right-to-use lease assets:				
Parking lot	(74,086)	(46,790)	-	(120,877)
Buildings	(11,970,348)	(6,841,758)	11,508	(18,800,598)
Equipment	(7,203,338)	(4,954,905)	3,787,573	(8,370,670)
Right-to-use subscription assets	(12,687,591)	(16,375,762)	797,435	(28,265,918)
Total accumulated depreciation/amortization	(2,789,541,501)	(214,497,411)	15,068,648	(2,988,970,265)
Depreciable/amortizable capital assets, net	2,566,768,846	(57,646,017)	(5,637,321)	2,503,485,507
Total capital assets, net	$ 2,892,833,837	$ 133,460,500	$ (110,358,092)	$ 2,915,936,244

Depreciation and amortization was charged to governmental programs during fiscal year 2024 as shown:

Governmental Activities	Depreciation and Amortization Expense
Instruction:	
Regular education:	
Elementary school	$ 64,096,956
Middle school	18,135,794
High school	39,980,208
Special education	40,451,824
Adult and community education	385,868
Instructional support	16,206,454
Support programs:	
Administration and general support	10,654,243
Student transportation	9,689,573
Facilities management	8,617,718
Food service	6,152,450
Depreciation on capital assets held by FCPS' internal service funds is charged to the various functions based on asset usage	126,323
Total	$ 214,497,411

F. LONG-TERM OBLIGATIONS

Internal service funds long-term obligations are included as part of government activities because these funds generally serve the governmental funds. Net pension liability, net OPEB liability, compensated absences, notes payable, lease liability and subscription liability are generally liquidated from the General Fund. Actuarial claims payable are liquidated in the internal service funds.

The County issues general obligation debt for FCPS and carries this debt on their books. However, FCPS is responsible for the outstanding obligations indicated below.

The table below summarizes the changes in the long-term obligations of FCPS for the year ended June 30, 2024:

Governmental Activities	Balance July 01, 2023	Additions	Reductions	Balance June 30, 2024	Due within One Year	Due Beyond One Year
Compensated absences	$ 41,870,994	$ 33,464,321	$ (29,309,695)	$ 46,025,620	$ 32,217,934	$ 13,807,686
Actuarial claims payable	82,819,735	4,756,011	(661,000)	86,914,746	40,257,199	46,657,547
Lease liability	56,539,384	6,571,487	(11,014,669)	52,096,202	9,255,867	42,840,335
Notes payable / Financed Purchase Agreements	90,924,082	26,662,237 *	(25,057,698)	92,528,621	24,249,001	68,279,620
Subscription liability	61,050,174	13,868,022 **	(19,749,330)	55,168,866	16,250,043	38,918,823
Net pension liability	3,191,344,129	745,295,875	(472,916,631)	3,463,723,373	-	3,463,723,373
Net OPEB liability	348,724,057	366,732,714	(408,128,703)	307,328,068	-	307,328,068
Total	$ 3,873,272,555	$ 1,197,350,667	$ (966,837,726)	$ 4,103,785,496	$ 122,230,044	$ 3,981,555,452

* Financed purchase agreements of $26,662,237 includes the lease liability for laptops, buses, and the Gatehouse Administrative building. FCPS does not have authority to issue debt, please see notes payable section.

** The additions of subscription in the amount of $13,868,022 includes the new subscriptions of $13,812,993 for Governmental funds and the addition of $55,029 for the interest accretion from prepaid subscriptions.

1. NOTES PAYABLE

Leases for laptops, buses and Gatehouse Administrative Building are recognized as financed-purchase leases because ownership of the underlying assets will automatically be transferred to FCPS at the end of the lease term and the lease contracts do not contain any termination options. Therefore, the lease liability for laptops, buses and Gatehouse Administrative Building are recorded as notes payable.

FCPS does not issue debt. Issuance of bonds and debts that is repaid by taxpayers is only issued by the County on behalf of FCPS.

The future minimum obligations and the net present value of these minimum payments as of June 30, 2024, are as follows:

Principal and Interest Requirements to Maturity

	Governmental Activities		
Fiscal Year	**Principal Payments**	**Interest Payments**	**Total Payments**
2025	$ 24,249,001	$ 2,765,948	$ 27,014,949
2026	16,188,098	2,116,616	18,304,714
2027	15,802,310	1,543,137	17,345,447
2028	14,000,917	958,618	14,959,535
2029	4,103,295	449,973	4,553,268
2030-2034	15,055,000	1,089,958	16,144,958
2035	3,130,000	31,770	3,161,770
	$ 92,528,621	$ 8,956,020	$ 101,484,641

2. DEBT SERVICE RESPONSIBILITY

The Code prohibits FCPS from having borrowing or taxing authority. The County issues and services general obligation debt to finance the purchase or construction of school facilities. The debt is not secured by the assets purchased or constructed by FCPS, but by the full faith and credit and taxing authority of the County. Since FCPS is not obligated to repay principal or interest on any general obligation debt incurred on FCPS' behalf, the debt is recorded in the County's government-wide fina.ncial statements.

G. LEASES

1. Right-to-Use Leases as Lessee

Lease Liability

As of June 30, 2024, FCPS has entered into 85 leases as Lessee for the use of Ricoh copiers, the lease terms range from 25 to 60 months. An initial lease liability was recorded in the amount ranging from $2,531 to $3,853,183. FCPS is required to make annual fixed payments ranging from $122 to $1,126,706. Leases have interest rate ranging from 5.58% to 9.46%. The copiers' estimated useful life was 60 months as of the contract commencement.

As of June 30, 2024, FCPS has entered into 12 leases as Lessee for real estate, the lease term ranges from 60 months to 157 months. An initial lease liability was recorded in the amount ranging from $30,091 to $28,065,170. FCPS is required to make monthly fixed payments ranging from $4,005 to $350,607. Leases have interest rate ranging from 0.893% to 3.50%. The buildings' estimated useful life was 240 months as of the contract commencement, while the parking lot's estimated useful life was 120 months.

These right-to-use leases are recorded at the present value of their future minimum lease payments as of the inception date and expire at various times through fiscal year 2036.

Principal and Interest Requirements to Maturity			
	Governmental Activities		
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2025	$ 9,255,867	$ 1,330,697	$ 10,586,564
2026	9,074,680	1,039,674	10,114,354
2027	8,593,433	761,402	9,354,835
2028	7,409,220	519,311	7,928,531
2029	5,740,826	384,297	6,125,123
2030-2034	9,995,400	978,209	10,973,609
2035-2036	2,026,776	56,953	2,083,729
	$ 52,096,202	$ 5,070,543	$ 57,166,745

2. Lease Receivable as Lessor

As of June 30, 2024, FCPS has entered into leases as Lessor for the use of cell towers in different school locations with multiple carriers. The leases have terms ranging from 35 to 107 months and provide for renewal options ranging from two to five years. An initial lease receivable was recorded in the amount ranging from $10,640 to $482,900. As of June 30, 2024, the value of the lease receivable ranged from $3,129 to $323,358. The lessee was required to make monthly fixed payments ranging from $200 to $5,159. The leases have interest rates ranging from 0.46% to 3.31%. The Land Improvement's estimated useful life was 180 months as of the contract commencement. The value of the deferred inflow of resources as of June 30, 2024 ranges from $2,933 to $320,429, and FCPS recognized lease revenue of $522,737 in total during the fiscal year 2024.

The table of principal and interest expected to maturity is disclosed below:

Principal and Interest Expected to Maturity			
	Governmental Activities		
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2025	$ 436,429	$ 15,737	$ 452,166
2026	290,790	10,211	301,001
2027	279,653	5,105	284,758
2028	107,190	1,075	108,265
2029	55,197	524	55,721
2030	50,912	165	51,077
	$ 1,220,171	$ 32,817	$ 1,252,988

The table of deferred Inflows of resources is disclosed below:

	Balance as of July 1, 2023	Additions	Reductions	Balance as of June 30, 2024
Deferred Inflows of Resources				
Land Improvements				
Centreville High School - Cingular	$ 241,935	$ -	$ 55,903	$ 186,032
Centreville High School - Sprint Amendment	81,823	-	81,823	-
Chantilly High School - T-Mobile	58,705	-	44,027	14,678
Chantilly High School - Cingular	374,586	-	54,157	320,429
Langley High School - Cingular	208,409	-	49,989	158,420
South Lake High School - T-Mobile	194,767	-	45,530	149,237
South Lakes High School - Cingular	212,655	-	51,037	161,618
South Lakes High School - Verizon	78,133	-	47,273	30,860
Thomas Jefferson High School - Cingular	131,940	6,430	63,863	74,507
Westgate Elementary School - Verizon	138,107	-	64,488	73,619
Westgate Elementary School - T-Mobile	46,472	-	46,472	-
Total Deferred Inflow of Resources	$ 1,767,532	$ 6,430	$ 604,562	$ 1,169,400

H. Subscription-Based Information Technology Arrangements

GAAP requires a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset.

As of June 30, 2024, FCPS had 43 active subscriptions. The initial subscription liability was recorded in amounts ranging from $217,861 to $11,115,475. FCPS is required to make annual fixed payments ranging from $97,680 to $3,532,900. Subscriptions have interest rates ranging from 2.04 % to 3.16%, and the subscription contract terms range from 24 to 112 months.

Principal and Interest Requirements to Maturity			
	Governmental Activities		
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2025	$ 16,250,043	$ 1,386,138	$ 17,636,181
2026	9,376,874	998,844	10,375,718
2027	7,960,054	764,452	8,724,506
2028	7,306,388	560,099	7,866,487
2029	3,862,163	373,193	4,235,356
2030-2033	10,413,344	498,031	10,911,375
	$ 55,168,866	$ 4,580,757	$ 59,749,623

I. CONSTRUCTION COMMITMENTS

On June 30, 2024, FCPS had contractual commitments of $171,834,239 in the Capital Projects Fund for the construction of various projects.

J. FUND BALANCE

Governmental fund balances are reported in classifications that comprise a hierarchy based primarily on the extent to which the School Board is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The two major types of fund balances are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent as they are not expected to be converted to cash or they are legally or contractually required to remain intact. This classification includes prepaid items and inventories.

In addition to nonspendable fund balance, FCPS classifies spendable fund balances based on the following hierarchy of spending constraints:

- Restricted: Fund balances that are constrained by external parties, constitutional provisions or enabling legislation.

- Committed: Fund balances that include amounts that can be used only for the specific purposes determined by a formal action of FCPS' highest level of decision-making authority, the School Board. Fund balances also incorporate contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

- Assigned: Fund balances that are intended to be used by FCPS for specific purposes but do not meet the criteria to be classified as restricted or committed. The School Board makes assignments of fund balance.

- Unassigned: Fund balance of the General Fund that is not constrained for any particular purpose. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, the unassigned classification is only used to report a deficit fund balance.

The School Board reviews and amends the budget on a quarterly basis. Commitment of fund balance is established and approved by the School Board at the final fiscal year end quarterly budget review. 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 General Fund is the only fund that reports a positive unassigned fund balance amount. FCPS 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. FCPS has classified fund balances based on the following hierarchy:

- Nonspendable: The nonspendable fund balance of $1,746,373 includes prepaid items and inventories of $290,126 and $1,456,247, respectively, among all governmental funds.

- Restricted: The restricted fund balance of $291,293,635 includes funds from Food Service, Grants Programs, Capital Projects and Adult and Community Education.

- Committed: The committed portion of the fund balance includes amounts that can be used for the specific purposes that was determined by School Board action prior to the end of the fiscal year. Amounts in the committed fund balance classification may be redeployed for other purposes with appropriate due process. When a budget appropriation lapses at year end, the commitment still exists because the commitment was made solely through the appropriation. The committed fund balance of $38,106,217 includes flexibility reserve which is committed to meet unforeseen circumstances by the School Board and other appropriated items.

- Assigned: The assigned fund balance of $367,159,794 includes various needs for the upcoming fiscal year 2026 budget. Primary components include $226,182,398 for schools/projects, carryover and outstanding encumbrances obligations; $22,486,064 for local school activities; $26,233,992 for department critical needs; $28,106,217 as a set aside beginning balance for fiscal year 2026; and $64,151,123 for planned program and project needs.

- Unassigned: The unassigned fund balance totals $2,029,825, which will be utilized by the School Board during future budget development. This amount is comprised of $2,029,825 from the General Fund.

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
FUND BALANCES:				
Nonspendable:				
Inventories	$ -	$ -	$ 1,456,247	$ 1,456,247
Prepaid Items	260,943	-	29,183	290,126
	260,943	-	1,485,430	1,746,373
Restricted:				
Capital Projects	-	171,749,544	-	171,749,544
Grant Programs, Summer Fund and Remediation	-	-	80,953,383	80,953,383
Adult and Community Education	-	-	23,579	23,579.00
Food Service	-	-	38,567,129	38,567,129
	-	171,749,544	119,544,091	291,293,635
Committed:				
Budgeted Beginning Balance from Fiscal Year 2025 Approved	28,106,217	-	-	28,106,217
School Board Flexibility Reserve	8,000,000	-	-	8,000,000
Fuel Contingency	2,000,000	-	-	2,000,000
	38,106,217	-	-	38,106,217
Assigned:				
Schools/Projects Carryover	137,643,905	-	-	137,643,905
Outstanding Encumbered Obligations	88,538,493	-	-	88,538,493
Set-Aside for Fiscal Year 2026 Beginning Balance	28,106,217	-	-	28,106,217
Department Critical Needs Carryover	26,233,992	-	-	26,233,992
Special Education Extended Day	24,235,049	-	-	24,235,049
Local School Activities	22,486,064	-	-	22,486,064
Staffing Reserve Replenishment	15,955,925	-	-	15,955,925
Transfer to Construction - Major Maintenance	7,050,970	-	-	7,050,970
Substitute Incentive	4,500,000	-	-	4,500,000
MDT Bus Upgrades	3,500,000	-	-	3,500,000
Achievement Gap Closing Strategies	2,976,416	-	-	2,976,416
Transfer to Construction-Security Vestbules	2,000,000	-	-	2,000,000
ERFC Drop	1,300,000	-	-	1,300,000
One-Time Boys Volleyball and Girls Wresting	785,225	-	-	785,225
Elementary School Early Release Mondays	713,098	-	-	713,098
Transfer to Construction Fund-Title IX Field Upgrades	450,000	-	-	450,000
Middle School Late Buses	450,220	-	-	450,220
Woodson High School Renaming	234,220	-	-	234,220
	367,159,794	-	-	367,159,794
Unassigned	2,029,825	-	-	2,029,825
Total Fund Balance	$ 407,556,779	$ 171,749,544	$ 121,029,521	$ 700,335,844

IV. RETIREMENT PLANS

FCPS employees participate in ERFC, the FCERS, and the Virginia Retirement System (VRS) Teacher Retirement Plan. Information about these plans is provided as follows.

A. ERFC

Plan Description

ERFC is a legally separate, single-employer pension plan established under the Code to provide pension benefits to all full-time educational and administrative support employees who are employed by FCPS and who are not covered by another County plan. The plan contains two primary defined benefit structures, ERFC and ERFC 2001, and are both defined benefit structures. The original structure, ERFC, became effective July 1, 1973, and is coordinated with the benefits members expect to receive from VRS and Social Security. It remains in effect; however, it is closed to new members employed after June 30, 2001. A simplified plan of benefits was developed effective July 1, 2001 with an exclusive level lifetime benefit structure. Eligible newly hired full-time educational and administrative support employees were enrolled in ERFC 2001, hereinafter referred to as ERFC 2001 Tier 1. It was closed to new members employed after June 30, 2017.

On April 27, 2017, the School Board voted to modify the ERFC 2001 Tier 1 Plan effective July 1, 2017. ERFC 2001 Tier 2 Plan was developed for full-time educational and administrative employees hired on or after July 1, 2017. The retirement eligibility was raised, the period for calculating a member's final average salary was increased and the cost-of-living adjustment was changed to be based on the Consumer Price Index. For all members, the annual interest rate credited on member accounts was reduced.

Benefits Provided

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. Minimum eligibility requirements for full service benefits for ERFC is either (a) age 65 with 5 years of service or (b) age 55 with 25 years of service. Minimum eligibility requirements for full service benefits for ERFC 2001 Tier 1 is either (a) age 60 with 5 years of service or (b) any age with 30 years of service. Minimum eligibility requirements for full service benefits from ERFC 2001 Tier 2 is either (a) age and service equal 90 (the rule of 90) or (b) full Social Security age with five years of service. Annual post-retirement cost-of-living (COLA) increases of 3 percent are effective each March 31 for ERFC and ERFC 2001 Tier 1 members. 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 COLA increase that first March. Under ERFC 2001 Tier 2, the first COLA will equal approximately half of the full COLA amount. Thereafter, the full COLA will equal 100 percent of the Consumer Price Index for all Urban Consumers (CPI-U) for the Washington, D.C., metropolitan area for the period ending in November of each year, capped at 4 percent. Additional detail regarding all benefit payment types can be found in the actuarial valuation and/or plan documents.

At December 31, 2023, the date of the most recent actuarial valuation, ERFC's membership consisted of:

Retirees and beneficiaries currently receiving benefits	14,098
Terminated employees entitled to benefits but not yet receiving them	7,588
Active plan members	23,093
Total	44,779

Contributions

The contribution requirements for ERFC and ERFC 2001 members 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 2024. Employer contributions to the pension plan were $121,645,811 and $117,155,967 for the years ended June 30, 2024 and June 30, 2023 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, 2021 valuation were used to set the employer contribution rate of 6.48 percent for fiscal years 2024 and 2025.

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

At June 30, 2024, ERFC's net pension liability was $1,127,097,993 and was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022 and rolled forward to June 30, 2023 measurement date. For the year ended June 30, 2024, FCPS recognized pension expense of $189,857,372 and 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	$ 50,366,018	$ (8,492,016)
Changes of assumptions	87,598,170	(8,612,146)
Net difference between projected and actual earnings on pension plan investments	151,744,496	-
Contributions subsequent to the measurement date	121,645,811	-
Total	$ 411,354,495	$ (17,104,162)

A total of $121,645,811 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2025	$	51,664,237
2026		35,120,865
2027		139,311,090
2028		41,879,846
2029		4,628,484
	$	272,604,522

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2022, using the entry age actuarial cost method and rolled forward to the measurement date of June 30, 2023. Significant actuarial assumptions used in the valuation include:

Actuarial Assumptions	
Inflation	2.50%
Salary increases, including inflation	2.75% to 7.25%
Investment rate of return	7.00%

Mortality rates were based on PUB-2010 mortality healthy annuitant total data set table with fully generation two-dimensional sex distinct MP-2020 projection scale.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined in conjunction with a formal study of experience in 2020. Based on the recent analysis of expected investment return, asset allocation and relevant Actuarial Standards of Practice, the rate was lowered from 7.25 percent to 7.0 percent. In addition, in consultation with the actuary, ERFC changed the amortization period for assumption changes from 10 years to 20 years in order to continue adopting best actuarial practices. The investment consultant's inflation expectation is 2.4 percent.

Best estimates of arithmetic real rates of return as of the measurement date are summarized in the table below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Large Cap Equity	11.0%	6.7%
Domestic Small Cap Equity	6.0%	7.6%
International Equity	5.0%	7.2%
International Small Cap Equity	5.0%	8.4%
Emerging International Equity	5.0%	8.7%
Global Equity	3.0%	7.0%
Emerging Market Debt	2.0%	3.7%
US Fixed Income	28.0%	1.6%
Multi-Asset Class Strategies	4.0%	4.3%
Hedge Funds Opportunistic	5.0%	5.6%
Infrastructure	3.0%	6.9%
Real Estate	7.0%	4.7%
Private Equity	7.0%	11.5%
Private Debt	4.0%	7.6%
Natural Resources	5.0%	9.8%
	100.0%	

Discount Rate

A single discount rate of 7.0 percent was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.0 percent. The projection of cash flows used to determine this single discount rate assumed that ERFC member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, ERFC's fiduciary net position was projected to be available to make all projected future benefit payments of current ERFC 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.

Changes in the Net Pension Liability			
	Increases (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (a)-(b)**
Balances at June 30, 2022	$ 3,999,987,949	$ 2,997,909,880	$ 1,002,078,069
Changes for the year:			
Service cost	97,264,457	-	97,264,457
Interest	279,596,095	-	279,596,095
Differences between expected and actual experience	33,027,559	-	33,027,559
Contributions - employer	-	117,155,967	(117,155,967)
Contributions - employee	-	52,542,598	(52,542,598)
Net investment income	-	120,795,408	(120,795,408)
Benefit payments, including refunds of employee contributions	(206,044,965)	(206,044,965)	-
Administrative expense	-	(5,625,786)	5,625,786
Net changes	203,843,146	78,823,222	125,019,924
Balances at June 30, 2023	$ 4,203,831,095	$ 3,076,733,102	$ 1,127,097,993

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

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the table below presents ERFC's net pension liability, calculated using a single discount rate of 7.0 percent as well as what ERFC's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent). Sensitivity results at 6.0 percent interest were based upon computer runs. Results of 8.0 percent were based upon the 6.0 percent results and estimation techniques.

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
FCPS' ERFC net pension liability	$ 1,720,714,984	$ 1,127,097,993	$ 643,057,063

Pension Plan Fiduciary Net Position

ERFC is considered a part of FCPS' reporting entity and ERFC's financial statements are included in FCPS' basic financial statements as a trust fund.

Information concerning ERFC as a whole, including pension plan's fiduciary net position, is available in FCPS' ACFR for the fiscal year ended June 30, 2024. Additionally, ERFC issues a publicly available annual financial report that includes financial statements and required supplementary information, which may be obtained by writing to the Educational Employee's Supplementary Retirement System of Fairfax County, 3110 Fairview Park Drive, Suite 300, Falls Church, VA 22042 or the report is also available online ERFC's website at www.fcps.edu/erfc/erfc-retirement-forms-publications-and-resources.

B. FCERS

Plan Description

FCERS is a single-employer defined benefit pension plan, which covers only employees of the County and component units of the County. The plan covers full-time and certain part-time FCPS employees who are not covered by ERFC or VRS.

Benefits Provided

Benefit provisions are established and may be amended by County ordinances. All benefits vest at five years of creditable service. Members who were hired before January 1, 2013 had the option to elect to join Plan A or Plan B, and members who were hired on or after January 1, 2013 may elect to join Plan C or Plan D. Members who were hired on or after July 1, 2019 are automatically enrolled in Plan E. To be eligible for normal retirement, an individual must meet the following criteria: (a) attain the age of 65 with five years of service, (b) for Plans A and B, attain the age of 50 with age plus years of service being greater than or equal to 80, or (c) for Plans C, D and E, attain the age of 55 with age plus years of service being greater than or equal to 85. The normal retirement benefit is calculated using average final compensation (i.e., the highest 78 consecutive two week pay periods or the highest 36 consecutive monthly pay periods) and years (or partial years) of creditable service at date of termination. For Plans A, B, C and D, if normal retirement occurs before Social Security benefits are scheduled to begin, an additional monthly benefit is paid to retirees. Plan E eliminates the pre-Social Security Supplement; however, there is a cost-neutral Early Age Option for employees who retire prior to full retirement age under Social Security.

The plan provides that unused sick leave credit may be used in the calculation of average final compensation by projecting the final salary during the unused sick leave period. Those who commenced employment on or after January 1, 2013, may not use more than 2,080 hours of accrued sick leave toward service credit for retirement or entry into the Deferred Retirement Option Program (DROP). The benefit for early retirement is actuarially reduced and payable at early termination.

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

Contributions

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

FCPS is required to contribute at an actuarially determined rate; the rate for the year ended June 30, 2024, was 28.88 percent of annual covered payroll. Employer contributions to the pension plan were $70,963,853 and $65,282,543 for the years ended June 30, 2024 and June 30, 2023, respectively.

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

At June 30, 2024, FCPS reported a liability of $563,817,620 for its proportionate share of the net pension liability. The net pension liability was determined based on an actuarial valuation as of June 30, 2023 using the December 31, 2022 data rolled forward to June 30, 2023. At June 30, 2023, FCPS' proportion was 24.49 percent, a decrease of (1.86) percent from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, FCPS recognized pension expense of $86,978,744. At June 30, 2023, 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	$ 40,945,237	$ (4,540,599)
Changes of assumptions	22,897,955	-
Net difference between projected and actual earnings on pension plan investments	95,912,832	-
Changes in proportion applicable to FCPS	10,978,012	(30,866,688)
Contributions subsequent to the measurement date	70,963,853	-
Total	$ 241,697,889	$ (35,407,287)

A total of $70,963,853 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2025	$	32,322,639
2026		26,471,497
2027		58,821,438
2028		17,711,175
	$	135,326,749

Actuarial Assumptions

The total pension liability for the year ended June 30, 2023 was determined as part of the December 31, 2022, actuarial valuation using the entry age actuarial cost method and rolled forward to the measurement date of June 30, 2023. Significant actuarial assumptions used in the valuation include:

Actuarial Assumptions	
Discount rate, net 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	Health and Disabled Annuity PubG-2010 Combined Mortality projected to MP-2020

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study performed in 2023.

Long-term Expected Rate of Return

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

Best estimates of arithmetic real rates of return for each major asset class included in the FCERS' target asset allocation as of June 30, 2024, are summarized below:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation*
US Leverage Cost	1.9%	-35%
Non-US Leverage Cost	1.1%	-26%
US Large-Cap Equity	7.7%	11%
US Small/Mid Cap-Equity	8.7%	3%
Non-US Developed Equity (USD Hedge)	8.3%	6%
Non-US Developed Small-Cap Equity	9.3%	3%
Emerging Market Equity	12.5%	3%
Global Equity	8.6%	5%
Private Equity - Growth	14.6%	1%
Private Equity - Venture	20.8%	1%
Private Equity	13.2%	2%
US TIPS	2.3%	16%
US Treasury Bond	2.1%	-3%
US Mortgage-Backed Securities	2.5%	2%
US High Yield Corporate Bond	5.7%	4%
Emerging Market External Debt	5.3%	4%
Emerging Market Local Currency Debt	6.0%	2%
Non-US Government Bond	2.2%	2%
Non-US Government Bond (USD Hedge)	2.0%	2%
Non-US Inflation-Linked Bond (USD Hedge)	1.3%	12%
Private Debt - Credit Opportunities	8.0%	6%
Private Debt - Distressed	8.8%	4%
Private Debt - Direct Lending	8.1%	1%
US Long-Term Treasury Bond (10-30 Year)	2.6%	5%
20+ Year US Treasury STRIPS	3.9%	3%
US High Yield Securitized Bond	5.1%	2%
US High Yield Collateralized Loan Obligation	6.3%	4%
10 Year US Treasury Bond	2.6%	8%
10 Year Non-US Government Bond (USD Hedge)	1.2%	18%
Commodity Futures	5.0%	7%
Public Real Assets (Multi-Asset)	6.0%	2%
US REIT	9.0%	5%
Gold	5.1%	3%
Core Real Estate	6.7%	1%
Private Real Assets - Infrastructure	7.4%	4%
Hedge Fund - Macro	5.1%	8%
Hedge Fund - Credit	5.8%	4%
Hedge Fund	5.6%	3%

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

Discount Rate

The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made according to FCERS' stated policy. 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.

Sensitivity of FCPS' Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
FCPS' proportionate share of the FCERS net pension liability	$ 766,835,544	$ 563,817,620	$ 393,766,377

Pension Plan Fiduciary Net Position

FCERS is considered a part of the County's reporting entity and FCERS' financial statements are included in the County's basic financial statements as a pension trust fund.

Information concerning FCERS as a whole, including pension plan's fiduciary net position, is available in the County ACFR for the fiscal year ended June 30, 2024. Additionally, FCERS issues a publicly available annual financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Employees' Retirement System, 12015 Lee Jackson Memorial Highway, Suite 350, Fairfax, Virginia 22033, by calling (703) 279-8200, or by accessing the information at https://www.fairfaxcounty.gov/retirement/financial-publications

C. VRS

Plan Description

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 State and provide coverage for State 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. FCPS contributes to VRS on behalf of its covered professional employees.

Benefits Provided

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

To be eligible for reduced retirement benefits, an individual must meet the following criteria: (a) attain the age of 55 with five years of service or age 50 with 10 years of service for Plan 1, (b) for Plan 2 and the Defined Benefit component of the Hybrid Plan, attain the age of 60 with five years of service or (c) for the Defined Contribution component of the Hybrid Plan, terminate employment.

Annual retirement benefits are payable monthly for life in an amount equal to (a) 1.7 percent of eligible members' average final compensation for each year of credited service under Plan 1, (b) 1.65 percent of eligible members' average final compensation for each year of creditable service on or after January 1, 2013 and 1.7 percent on creditable service before January 1, 2013 for Plan 2, or (c) 1.0 percent of eligible members' average final compensation for each year of creditable service for the Defined Benefit component of the Hybrid Plan.

A 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.

Contributions

The contribution requirement for active employees is governed by Section 51.1-145 of the Code, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.0 percent of their compensation toward their retirement. Each school division's contractually required contribution rate for the year ended June 30, 2024 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, 2021 which set a rate of 14.76 percent. The actuarially determined rate, when combined with employee contributions, 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 pension plan were $311,651,655 and $290,478,121 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the State made a special contribution of approximately $147.5 million to VRS. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a non-employer contribution.

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

At June 30, 2024, FCPS reported a liability of $1,772,807,760 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. 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, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, FCPS' proportion was 17.54 percent as compared to 17.79 percent at June 30, 2022.

For the year ended June 30, 2024, FCPS recognized pension expense of $166,547,136. 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 employer contributions and the proportionate share of employer contributions.

At June 30, 2024, 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	$ 152,285,696	$ (69,182,535)
Changes of assumptions	80,367,589	-
Net difference between projected and actual earnings on pension plan investments	-	(115,268,266)
Changes in proportion applicable to FCPS	4,254,779	(69,539,639)
Contributions subsequent to the measurement date	311,651,655	-
Total	$ 548,559,719	$ (253,990,440)

A total of $311,651,655 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2025	$ (49,493,181)
2026	(122,315,466)
2027	124,376,731
2028	30,349,540
	$ (17,082,376)

Actuarial Assumptions

The total pension liability for VRS was based on an actuarial valuation as of June 30, 2022, 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, 2023.

Actuarial Assumptions	
Inflation	2.5%
Salary increases, including inflation	3.5% to 5.95%
Investment rate of return, net of 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, 2022, valuation were based on the results of an actuarial experience study for the 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 and VRS Board action are 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 Plan2/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:

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00 %	6.14 %	2.09 %
Fixed Income	15.00	2.56	0.38
Credit Strategies	14.00	5.60	0.78
Real Assets	14.00	5.02	0.70
Private Equity	16.00	9.17	1.47
Multi-Asset Public Strategies	4.00	4.50	0.18
Private Investment Partnership	2.00	7.18	0.14
Cash	1.00	1.20	0.01
Total	100.00 %		5.75
	Inflation		2.50
* Expected arithmetic nominal return			8.25 %

* The above allocation provides a one-year return of 8.25%. 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 7.14%, 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%.

Discount Rate

The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumes that member contributions are made per the VRS Statutes and the employer contributions are 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 was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 112.0 percent of the actuarially determined contribution rate. From July 1, 2023, on, school divisions are assumed to continue to contribute 112.0 percent of the actuarially determined contribution rates. Based on those assumptions, VRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of FCPS' Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
FCPS' proportionate share of the VRS net pension liability	$ 3,142,555,849	$ 1,772,807,760	$ 646,762,168

Pension Plan Fiduciary Net Position

Detailed information about the VRS net position is available in the separately issued VRS 2023 ACFR, which may be obtained from the VRS website at www.varetire.org, or by writing to the VRS Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

D. SUMMARY OF PENSION PLANS

The following table presents a summary of pension amounts by each defined benefit plan as of the measurement date of June 30, 2023 to the Statement of Net Position:

	ERFC	FCERS	VRS	Total
Deferred Outflows of Resources:				
Differences between expected and actual experience	$ 50,366,018	$ 40,945,237	$ 152,285,696	$ 243,596,951
Changes of assumptions	87,598,170	22,897,955	80,367,589	190,863,714
Net difference between projected and actual earnings on pension plan investments	151,744,496	95,912,832	-	247,657,328
Changes in proportionate share applicable to FCPS	-	10,978,012	4,254,779	15,232,791
Contributions subsequent to the measurement date	121,645,811	70,963,853	311,651,655	504,261,319
Total Deferred Outflows of Resources	$ 411,354,495	$ 241,697,889	$ 548,559,719	$ 1,201,612,103
Deferred Inflows of Resources:				
Differences between expected and actual experience	$ (8,492,016)	$ (4,540,599)	$ (69,182,535)	$ (82,215,150)
Changes of assumptions	(8,612,146)	-	-	(8,612,146)
Net difference between projected and actual earnings on pension plan investments	-	-	(115,268,266)	(115,268,266)
Changes in proportionate share applicable to FCPS	-	(30,866,688)	(69,539,639)	(100,406,327)
Total Deferred Inflows of Resources	$ (17,104,162)	$ (35,407,287)	$ (253,990,440)	$ (306,501,889)
Pension expense for the year ended June 30, 2024	$ 189,857,372	$ 86,978,744	$ 166,547,136	$ 443,383,252
Net pension liability as of June 30, 2024	$ 1,127,097,993	$ 563,817,620	$ 1,772,807,760	$ 3,463,723,373

V. OTHER POSTEMPLOYMENT BENEFITS

FCPS employees participate in the FCPS OPEB Plan, the Virginia Retirement System Teacher Health Insurance Credit (HIC) OPEB Plan and the Virginia Retirement System Group Life Insurance (GLI) OPEB Plan. Information about these plans is provided as follows.

A. FCPS OPEB PLAN

Plan Description

The FCPS OPEB Plan (the Plan) is a single-employer defined benefit plan administered by FCPS. 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. 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.

Benefits Provided

In order to participate in the Plan, 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 FCPS no longer contributes to the premium payments and the participant becomes responsible for 100% of premiums less any applicable subsidies.

A retiree and/or spouse who is at least 55 of years of age and participates in an FCPS-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, FCPS 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 2024, required disclosures for the FCPS OPEB liability and the 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 used for the prior fiscal year.

	Fiscal Years Ended	
	June 30, 2023	**June 30, 2022**
Medical		
Actives		
Count	18,112	20,528
Average age	46.8	46.3
Average service	11.5	11.3
Retirees and spouses		
Count	10,363	10,174
Average age	73.3	72.6
Life Insurance		
Actives		
Count	3,807	4,451
Average age	53.4	53.1
Average service	11.5	11.7
Retirees and spouses		
Count	3,396	3,050
Average age	72.7	72.2

Contributions

Contributions to the 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 year ended June 30, 2024. The costs of administrating the plan are paid for by the Plan through the use of investment income and employer contributions.

Net FCPS OPEB Liability

FCPS OPEB Plan's 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 net OPEB liability for the FCPS OPEB Plan is as follows:

Total OPEB liability	$ 244,167,561
Plan Fiduciary Net Position (market value of assets)	(238,830,591)
Net OPEB liability as of June 30, 2024	$ 5,336,970
Plan fiduciary net position as a percentage of the OPEB liability	97.81%

Actuarial Assumptions

Significant actuarial assumptions used in the valuation include:

Methods and Assumptions Used to Determine Contribution Rates	
Actuarial cost method	Entry Age Normal
Asset method	Fair market value
Salary increases	7.25% trending down to 2.75%
Investment rate of return, net of OPEB plan investment expense, including inflation	7.00%, prior year rate was 7.00%
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%

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 geometric real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Expected Real Rate of Return	Allocation
Large Cap U.S.Equity	4.30%	24.68%
Small Cap U.S.Equity	4.79%	12.17%
International (Non-U.S) Equity (Developed)	4.20%	12.80%
Emerging Markets Equity	4.50%	5.80%
Cash (Gov't)	1.76%	0.02%
Core U.S. Fixed Income (Market Duration)	2.44%	3.74%
Long Duration Bonds – Credit	3.62%	14.59%
Non-US Developed Bond (50% Hedged)	1.96%	3.77%
Private Real Estate (Core)	3.42%	8.69%
Private Equity	6.94%	7.97%
Hedge Funds - Long/Short Equity (Institutional Quality)	4.30%	5.77%
Total Portfolio	4.88%	100.00%

There are no concentrations in any one organization that represent five percent or more of the fiduciary net position in the plan. For the year ended June 30, 2024, 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.

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. FCPS 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, Richmond, Virginia 23219.

Discount Rate

The discount rate used to measure the total OPEB liability is 7.0 percent. The projection of cash flows used to determine the discount rate assumed that FCPS 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 of current active and inactive 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.

Sensitivity of the Net FCPS OPEB Liability to Changes in the Discount Rate

The following represents the net FCPS OPEB liability calculated using the discount rate of 7.0 percent, as well as what the liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	1% Decrease 6.0%	Current Discount Rate 7.0%	1% Increase 8.0%
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	$ 30,789,817	$ 5,336,970	$ (16,256,617)

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

The following represents the net FCPS OPEB liability calculated using the stated healthcare trend rates (varied percentages decreasing to 4.5 percent), as well as what the liability would be if it were calculated using a healthcare trend rates that is 1-percentage-point lower (varied percentages decreasing to 3.5 percent) or 1-percentage-point higher (varied percentages decreasing to 5.5 percent) than the current healthcare trend rates:

	1% Decrease (Varied decreasing to 3.5%)	Current Trend Rate (Varied decreasing to 4.5%)	1% Increase (Varied decreasing to 5.5%)
Total FCPS 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 FCPS OPEB liability	$ (3,805,759)	$ 5,336,970	$ 16,365,864

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

For the year ended June 30, 2024, FCPS recognized FCPS OPEB plan expense of $(11,240,262). At June 30, 2024, FCPS reported deferred outflows of resources and deferred inflows of resources related to FCPS OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 66,908,632	$ (11,421,500)
Changes of assumptions	-	(58,443,987)
Net difference between projected and actual earnings on OPEB plan investments	1,418,644	-
Total	$ 68,327,276	$ (69,865,487)

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

Year ended June 30:		
2025	$	(454,091)
2026		9,086,838
2027		(3,466,192)
2028		(2,750,301)
2029		(1,451,885)
Thereafter		(2,502,580)
	$	(1,538,211)

Changes in the Net FCPS OPEB Liability

		Fiscal Year Ended June 30, 2024
Total FCPS OPEB Liability		
Service cost	$	3,877,412
Interest cost		17,246,413
Difference between expected and actual experiences		34,727,497
Changes of assumptions		(48,804,895)
Benefit payments		(10,578,650)
Net Change in Total FCPS OPEB Liability		(3,532,223)
Total FCPS OPEB Liability - Beginning		247,699,784
Total FCPS OPEB Liability - Ending (a)	$	244,167,561
Plan Fiduciary Net Position		
Contributions - Employer	$	15,578,650
Net Investment Income		20,491,342
Benefit payments		(10,578,650)
Administrative Expense		(108,670)
Net Change in Plan Fiduciary Net Position		25,382,672
Plan Fiduciary Net Position - Beginning		213,447,919
Plan Fiduciary Net Position - Ending (b)	$	238,830,591
Net FCPS OPEB Liability - Ending (a) - (b)	$	5,336,970

B. 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.

Benefits Provided

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:

- <u>At Retirement</u> - 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.

- <u>Disability Retirement</u> - For Teacher and other professional school employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the month benefit is either (a) $4.00 per month, multiplied by twice the amount of service credit, or (b) $4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.

The monthly benefit cannot exceed the individual premium amount. 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 employer contribution rate for the year ended June 30, 2023 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, 2021. 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 $22,694,437 and $21,152,523 for the years ended June 30, 2023 and June 30, 2022, respectively.

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

At June 30, 2024, FCPS reported a liability of $212,387,152 for its proportionate share of the net HIC OPEB liability. The net HIC OPEB liability was measured as of June 30, 2023 and the total HIC OPEB liability used to calculate the net HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2022 and rolled forward to the measurement date of June 30, 2023. FCPS' proportion of the net HIC OPEB liability was based on FCPS' actuarially determined employer contributions to the HIC OPEB plan for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, FCPS' proportion was 17.00 percent as compared to 17.79 percent at June 30, 2022.

For the year ended June 30, 2024, FCPS recognized HIC OPEB expense of $15,621,506. 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, 2024, FCPS 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
Differences between expected and actual experience	$ -	$ (9,348,226)
Change of assumptions	4,944,015	(214,020)
Net difference between projected and actual earnings on OPEB plan investments	106,581	-
Changes in proportionate share	2,021,070	(9,615,305)
Contributions subsequent to the measurement date	22,694,437	-
Total	$ 29,766,103	$ (19,177,551)

A total of $22,694,437 reported as deferred outflows of resources related to HIC OPEB resulting from FCPS' contributions subsequent to the measurement date will be recognized as a reduction of the net HIC OPEB liability in the year ended June 30, 2025. 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:	
2025	$ (1,913,392)
2026	(2,094,664)
2027	(1,705,897)
2028	(2,768,361)
2029	(2,636,895)
Thereafter	(986,676)
	$ (12,105,885)

Actuarial Assumptions

The total HIC OPEB liability for VRS was based on an actuarial valuation as of June 30, 2022, 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, 2023.

Actuarial Assumptions	
Inflation	2.5%
Salary increases, including inflation	3.5% to 5.95%
Investment rate of return, net of plan investment expenses, including inflation	6.75%

The actuarial assumptions used in the June 30, 2022 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 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 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 Plan2/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 decrement 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:

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00 %	6.14 %	2.09 %
Fixed Income	15.00	2.56	0.38
Credit Strategies	14.00	5.60	0.78
Real Assets	14.00	5.02	0.70
Private Equity	16.00	9.17	1.47
Multi-Asset Public Strategies	4.00	4.50	0.18
Private Investment Partnership	2.00	7.18	0.14
Cash	1.00	1.20	0.01
Total	100.00 %		5.75 %
		Inflation	2.50 %
* Expected arithmetic nominal return			8.25 %

* The above allocation provides a one-year return of 8.25%. 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 2.5%.

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 2.5%.

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, 2023, the rate contributed by FCPS 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, which was 100.0 percent of the actuarially determined contribution rate. From July 1, 2023 on, school divisions are assumed to contribute 100.0 percent of the actuarially determined contribution rates. Based on those assumptions, HIC OPEB 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 FCPS' Proportionate Share of the Net HIC OPEB Liability to Changes in the Discount Rate

The following presents FCPS' proportionate share of the net HIC OPEB liability using the discount rate of 6.75 percent, as well as what FCPS' proportionate share of the net HIC OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
FCPS' proportionate share of the VRS net HIC OPEB liability	$ 240,233,588	$ 212,387,152	$ 188,789,718

HIC OPEB Plan Fiduciary Net Position

Detailed information about the HIC OPEB plan's fiduciary net position is available in the separately issued VRS 2023 ACFR. A copy of the 2022 VRS ACFR may be obtained from the VRS website at https://www.varetire.org, or by writing to the VRS Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

C. VRS GROUP LIFE INSURANCE (GLI) OPEB

Plan Description

The GLI OPEB plan is a cost-sharing, multiple-employer plan administered by VRS. All full-time, salaried permanent employees of the state agencies, teachers and employees of participating political subdivisions are automatically covered by the GLI OPEB plan upon employment.

In addition to Basic Group Life Insurance benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI plan. For members who elect the optional group life insurance coverage, the insurer bills FCPS directly for the premiums. FCPS deducts these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the GLI OPEB plan. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.

Benefits Provided

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 additional to the basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances. These benefits include accidental dismemberment, seatbelt, repatriation, felonious assault and accelerated death option.

The benefit amounts provided to members covered under the GLI OPEB plan are subject to a reduction factor. The benefit amount reduces by 25.0 percent on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25.0 percent on each subsequent January 1 until it reaches 25.0 percent of its original value. For covered members with at least 30 years of service credit, there is a minimum benefit payable under the GLI OPEB plan. The minimum benefit was set at $8,000 by statue in 2015. This amount is increased annually based on the VRS Plan 2 cost-of-living adjustment calculation and is currently $9,254 as of June 30, 2024.

Contributions

The contribution requirement for active employees is governed by Sections 51.1-506 and 51.1-508 of the Code, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. The total rate for the GLI OPEB plan was 1.34 percent of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80 percent (1.34 x 60 percent) and the employer component was 0.54 percent (1.34 x 40 percent). Employers may elect to pay all or part of the employee contribution, however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2024 was 0.54 percent of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. 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 $10,177,887 and $9,503,445 for the years ended June 30, 2024 and June 30, 2023, respectively.

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

At June 30, 2024, FCPS reported a liability of $89,603,946 for its proportionate share of the net GLI OPEB liability. The net GLI OPEB liability was measured as of June 30, 2023 and the total GLI OPEB liability used to calculate the net GLI OPEB liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. FCPS' proportion of the net GLI OPEB liability was based on FCPS' actuarially determined employer contributions to the GLI OPEB plan for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, FCPS' proportion was 7.44 percent as compared to 7.67 percent at June 30, 2022.

For the year ended June 30, 2024, FCPS recognized GLI OPEB expense of $3,508,735. 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, 2024, FCPS 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
Differences between expected and actual experience	$ 8,949,243	$ (2,719,938)
Change of assumptions	1,915,323	(6,208,113)
Net difference between projected and actual earnings on OPEB plan investments	-	(3,600,795)
Changes in proportionate share	582,938	(4,874,477)
Contributions subsequent to the measurement date	10,177,887	-
Total	$ 21,625,391	$ (17,403,323)

A total of $10,177,887 reported as deferred outflows of resources related to GLI OPEB resulting from FCPS' contributions subsequent to the measurement date will be recognized as a reduction of the net GLI OPEB liability in the year ended June 30, 2025. 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:		
2025	$	(1,312,937)
2026		(4,658,097)
2027		414,645
2028		(880,015)
2029		480,585
	$	(5,955,819)

Actuarial Assumptions

The total GLI OPEB liability for VRS was based on an actuarial valuation as of June 30, 2022, 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, 2023.

Actuarial Assumptions	
Inflation	2.5%
Salary increases, including inflation	3.5% to 5.95%
Investment rate of return, net of plan investment expenses, including inflation	6.75%

Mortality Rates

Pre-Retirement	Post-Retirement	Post-Disablement	Beneficiaries and Survivors	Mortality Improvement Scale
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% rates for females	Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females	Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the 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 and VRS Board action are 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 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 age and service decrement 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:

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00 %	6.14 %	2.09 %
Fixed Income	15.00	2.56	0.38
Credit Strategies	14.00	5.60	0.78
Real Assets	14.00	5.02	0.70
Private Equity	16.00	9.17	1.47
Multi-Asset Public Strategies	4.00	4.50	0.18
Private Investment Partnership	2.00	7.18	0.14
Cash	1.00	1.20	0.01
Total	100.00 %		5.75 %
		Inflation	2.50 %
Expected arithmetic nominal return*			8.25 %

* The above allocation provides a one-year return of 8.25%. 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 October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at the time, providing a medium return of 7.14%, 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, 2023, the rate contributed by FCPS 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 113.0 percent of the actuarially determined contribution rate. From July 1, 2023 on, school divisions are assumed to contribute 100.0 percent of the actuarially determined contribution rates. Based on those assumptions, GLI OPEB 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 FCPS' Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate

The following presents FCPS' proportionate share of the net GLI OPEB liability using the discount rate of 6.75 percent, as well as what FCPS' proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
FCPS' proportionate share of the VRS net GLI OPEB liability	$ 132,821,045	$ 89,603,946	$ 54,662,638

GLI OPEB Plan Fiduciary Net Position

Detailed information about the GLI OPEB plan's fiduciary net position is available in the separately issued VRS 2023 ACFR. A copy of the 2023 VRS ACFR may be downloaded from the VRS website at https://www.vataretire.org, or by writing to the VRS Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

D. SUMMARY OF OPEB PLANS

The following table presents a summary of OPEB amounts by each plan as of the measurement date of June 30, 2024 for the FCPS OPEB plan and June 30, 2023 for the HIC OPEB plan and GLI OPEB plan to the Statement of Net Position:

	FCPS OPEB	VRS HIC OPEB	VRS GLI OPEB	Total
Deferred Outflows of Resources:				
Differences between expected and actual experience	$ 66,908,632	$ -	$ 8,949,243	$ 75,857,875
Changes of assumptions	-	4,944,015	1,915,323	6,859,338
Net difference between projected and actual earnings on OPEB plan investments	1,418,644	106,581	-	1,525,225
Changes in proportionate share	-	2,021,070	582,938	2,604,008
Contributions subsequent to the measurement date	-	22,694,437	10,177,887	32,872,324
Total Deferred Outflows of Resources	$ 68,327,276	$ 29,766,103	$ 21,625,391	$ 119,718,770
Deferred Inflows of Resources:				
Differences between expected and actual experience	$ (11,421,500)	$ (9,348,226)	$ (2,719,938)	$ (23,489,664)
Changes of assumptions	(58,443,987)	(214,020)	(6,208,113)	(64,866,120)
Changes in proportionate share of contributions	-	(9,615,305)	(4,874,477)	(14,489,782)
Net difference between projected and actual earnings on OPEB plan investments	-	-	(3,600,795)	(3,600,795)
Deferred Inflows of Resources	$ (69,865,487)	$ (19,177,551)	$ (17,403,323)	$ (106,446,361)
OPEB expense for the year ended June 30, 2024	$ (11,240,262)	$ 15,621,506	$ 3,508,735	$ 7,889,979
Net OPEB liability as of June 30, 2024	$ 5,336,970	$ 212,387,152	$ 89,603,946	$ 307,328,068

VI. OTHER INFORMATION

A. RELATED PARTIES

With the exception of the County, which funds a large portion of FCPS' budget, and ERFC, a blended component unit of FCPS, which the School Board created and oversees, FCPS did not conduct business with any other related parties in fiscal year 2024.

B. RISK MANAGEMENT

FCPS is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee illnesses and injuries; and natural disasters.

FCPS maintains internal service funds for workers' compensation claims, property losses, casualty claims, and health insurance benefits. The School Board believes it is cost effective to manage risks by a combination of self-insurance and the purchase of commercial insurance policies. Liabilities are reported in the internal service funds 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. Since actual liability claims depend on complex factors such as inflation, changes in governing laws and standards, and court awards, the process used in computing liability claims is reevaluated periodically to take into consideration the history, frequency, 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 recorded at an undiscounted rate.

In addition to the self-insurance program, FCPS purchases commercial property and casualty insurance, cyber liability insurance, bonds, fiduciary liability insurance, and catastrophic accident insurance for Virginia High School League student participants. In the past three fiscal years, there have been no instances where claims settlements exceeded commercial insurance coverage limits. In fiscal year 2024, there were no significant reductions in insurance coverage from the prior year.

Changes in the acturial balances of liability claims during fiscal years 2023 and 2024 are as follows:

	Health Benefits	Insurance	Total
July 1, 2022 - liability balance	$ 26,670,000	$ 47,998,563	$ 74,668,563
Claims and changes in estimates	497,710,408	20,925,410	518,635,818
Claims Payments	(495,758,408)	(14,726,238)	(510,484,646)
June 30, 2023 - liability balance	28,622,000	54,197,735	82,819,735
Claims and changes in estimates	541,145,311	17,917,733	559,063,044
Claims Payments	(539,268,311)	(15,699,722)	(554,968,033)
June 30, 2024 - liability balance	$ 30,499,000	$ 56,415,746	$ 86,914,746

C. CONTINGENT LIABILITIES

FCPS is contingently liable with respect to lawsuits and other claims, which arise in the ordinary course of its operations. Management believes that the amount of loss, if any, is not material to FCPS' financial condition.

FCPS receives grant funds, principally from the Federal government, for various educational programs. Certain expenditures of these funds are subject to audit by the grantor. FCPS is contingently liable to refund amounts received in excess of allowable expenditures. In the opinion of FCPS management, no material refunds will be required as a result of expenditures disallowed by the grantors.

D. TERMINATION BENEFITS

Public Health Service Act

FCPS provides health care benefits as required by Federal law under the Public Health Service Act (PHSA). This benefit was previously required by the Consolidated Omnibus Budget Reconciliation Act (COBRA). PHSA requires employers that sponsor group health plans to provide a continuation of group coverage to terminated employees and their dependents in qualifying circumstances where coverage would normally end. FCPS provides 18 to 36 months of optional postemployment healthcare to employees and their dependents that elect to continue healthcare coverage. The election to be covered is at the request of the employees. The employees are required to pay 102 percent of the premium costs for themselves and their dependents, which include a two percent administrative fee. The premium costs to the employees and their dependents are the established premium equivalent rates for each respective plan year; accordingly, no liability is recorded for PHAS benefits. On June 30, 2024, there were 54 participants receiving benefits under PHSA.

REQUIRED SUPPLEMENTARY INFORMATION (unaudited)

The Required Supplementary Information subsection includes:

- Budgetary comparison schedule for the General Fund, which accounts for all revenues and expenditures of Fairfax County Public Schools that are not required to be accounted for in other funds
- Trend data, the schedule of funding progress and the schedule of employer contributions, for the Educational Employees' Supplementary Retirement System of Fairfax County and the School Other Post-Employment Benefits Trust Fund
- The notes to the required supplementary information

FAIRFAX COUNTY PUBLIC SCHOOLS **EXHIBIT J**
Budgetary Comparison Schedule - Budget and Actual (Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2024

	Budget - Original	Budget - Final	Actual - Budget Basis	Variance from Final Budget Positive (Negative)
REVENUES				
Intergovernmental:				
Federal government	$ 48,789,598	$ 115,759,486	$ 109,476,945	$ (6,282,541)
Commonwealth of Virginia	935,260,501	954,966,595	947,752,714	(7,213,881)
Charges for services:				
Tuition and fees	14,103,484	14,103,484	14,553,973	450,489
Revenue from the use of money and property	3,686,259	3,686,259	4,063,824	377,565
Recovered costs	52,273,593	52,273,593	58,575,531	6,301,938
Other	9,323,373	12,514,957	13,439,248	924,291
Total revenues	1,063,436,808	1,153,304,374	1,147,862,235	(5,442,139)
EXPENDITURES				
Current:				
Instruction:				
Regular education:				
Elementary school	1,084,957,809	1,141,854,681	1,051,556,032	90,298,649
Middle school	306,533,585	342,586,250	312,711,191	29,875,059
High school	701,094,221	754,152,148	687,855,833	66,296,315
Special education	704,665,662	780,393,296	684,549,145	95,844,151
Adult and community education	700,584	617,691	353,518	264,173
Instructional support	212,816,496	233,506,974	249,617,704	(16,110,730)
Support programs:				
Administration and general support	167,681,089	234,573,821	197,417,772	37,156,049
Student transportation	191,277,002	207,896,846	176,892,713	31,004,133
Facilities management	104,102,991	134,780,112	107,030,211	27,749,901
Total expenditures	3,473,829,439	3,830,361,819	3,467,984,119	362,377,700
Excess (deficiency) of revenues over (under) expenditures	(2,410,392,631)	(2,677,057,445)	(2,320,121,884)	356,935,561
OTHER FINANCING SOURCES (USES)				
Transfers in from County of Fairfax, VA	2,420,284,875	2,420,284,875	2,420,284,875	-
Transfers out to other governmental funds	(34,796,590)	(48,344,027)	(48,344,027)	-
Transfers out to County of Fairfax, VA	(3,201,871)	(3,201,871)	(3,201,871)	-
Total other financing sources, net	2,382,286,414	2,368,738,977	2,368,738,977	-
Net change in fund balances	$ (28,106,217)	$ (308,318,468)	$ 48,617,093	$ 356,935,561

See accompanying notes to the required supplementary information.

FAIRFAX COUNTY PUBLIC SCHOOLS
Schedule of Changes in Net Pension Liability and Related Ratios
ERFC Pension Plan
Last Ten Fiscal Years

	ACFR Reporting Year Measurement Date June 30 of prior year				
	2024	**2023**	**2022**	**2021**	**2020**
Total Pension Liability					
Service Cost	$ 97,264,457	$ 92,063,438	$ 91,770,647	$ 92,719,549	$ 90,633,074
Interest on the Total Pension Liability	279,596,095	268,463,381	253,330,122	243,578,788	231,477,042
Changes of benefit terms			-	-	-
Difference between expected and actual experience of the Total Pension Liability	33,027,559	(5,133,211)	29,758,913	(12,696,483)	27,726,555
Changes of assumptions	-	133,042,334	(17,342,443)	-	-
Benefits payments, including refunds of employee contributions	(206,044,965)	(198,655,496)	(191,265,982)	(185,986,496)	(181,932,073)
Net Change in Total Pension Liability	$ 203,843,146	$ 289,780,446	$ 166,251,257	$ 137,615,358	$ 167,904,598
Total Pension Liability - Beginning	3,999,987,949	3,710,207,503	3,543,956,246	3,406,340,888	3,238,436,290
Total Pension Liability - Ending (a)	$ 4,203,831,095	$ 3,999,987,949	$ 3,710,207,503	$ 3,543,956,246	$ 3,406,340,888
Plan Fiduciary Net Position					
Contributions - Employer	$ 117,155,967	$ 111,119,456	$ 104,784,310	$ 104,741,255	$ 96,982,911
Contributions - Employee	52,542,598	50,017,839	48,934,340	49,095,601	46,645,396
Net Investment Income	120,795,408	(232,237,621)	720,738,680	108,472,534	117,727,500
Benefits payments, including refunds of employee contributions	(206,044,965)	(198,655,496)	(191,265,982)	(185,986,496)	(181,932,073)
Pension Plan Administrative Expense	(5,625,786)	(4,481,381)	(4,423,439)	(4,381,191)	(4,262,159)
Net Change in Plan Fiduciary Net Position	78,823,222	(274,237,203)	678,767,909	71,941,703	75,161,575
Prior Period Adjustment	-	(4,001)	-	-	-
Plan Fiduciary Net Position - Beginning	2,997,909,880	3,272,147,083	2,593,383,175	2,521,441,472	2,446,279,897
Plan Fiduciary Net Position - Ending (b)	$ 3,076,733,102	$ 2,997,909,880	$ 3,272,151,084	$ 2,593,383,175	$ 2,521,441,472
Net Pension Liability - Ending (a) - (b)	1,127,097,993	1,002,078,069	438,056,419	950,573,071	884,899,416
Plan fiduciary net position as a percentage of Total Pension Liability	73.19%	74.95%	88.19%	73.18%	74.02%
Covered Payroll	$ 1,748,596,522	$ 1,658,499,343	$ 1,627,085,559	$ 1,626,417,003	$ 1,549,247,780
Net Pension Liability as a Percentage of Covered Payroll	64.47%	60.43%	26.93%	58.45%	57.12%

See accompanying notes to the required supplementary information.

ACFR Reporting Year Measurement Date June 30 of prior year 2019	2018	2017	2016	2015	
					Total Pension Liability
$ 88,599,697	$ 78,925,763	$ 77,760,915	$ 77,493,999	$ 75,787,752	Service Cost
221,106,804	209,515,636	205,720,047	198,938,575	192,723,577	Interest on the Total Pension Liability
-	(1,038,793)	-	-	-	Changes of benefit terms
12,140,768	19,857,344	(11,011,883)	(17,051,192)	(19,051,630)	Difference between expected and actual experience of the Total Pension Liability
-	23,334,195	45,752,095	-	-	Changes of assumptions
(177,720,296)	(173,385,583)	(170,347,847)	(167,842,576)	(167,049,790)	Benefits payments, including refunds of employee contributions
$ 144,126,973	$ 157,208,562	$ 147,873,327	$ 91,538,806	$ 82,409,909	**Net Change in Total Pension Liability**
3,094,309,317	2,937,100,755	2,789,227,428	2,697,688,622	2,615,278,713	**Total Pension Liability - Beginning**
$ 3,238,436,290	$ 3,094,309,317	$ 2,937,100,755	$ 2,789,227,428	$ 2,697,688,622	**Total Pension Liability - Ending (a)**
					Plan Fiduciary Net Position
$ 91,704,877	$ 80,094,538	$ 76,599,695	$ 74,324,396	$ 74,174,082	Contributions - Employer
44,169,100	43,062,632	41,383,642	39,982,963	40,018,590	Contributions - Employee
188,145,489	250,981,777	(15,766,967)	32,083,908	304,640,803	Net Investment Income
(177,720,296)	(173,385,583)	(170,347,847)	(167,842,576)	(167,049,790)	Benefits payments, including refunds of employee contributions
(4,300,927)	(4,059,408)	(4,004,882)	(3,751,825)	(3,629,320)	Pension Plan Administrative Expense
141,998,243	196,693,956	(72,136,359)	(25,203,134)	248,154,365	**Net Change in Plan Fiduciary Net Position**
-	-	-	-	-	**Prior Period Adjustment**
2,304,281,654	2,107,587,698	2,179,724,057	2,204,927,191	1,956,772,826	**Plan Fiduciary Net Position - Beginning**
$ 2,446,279,897	$ 2,304,281,654	$ 2,107,587,698	$ 2,179,724,057	$ 2,204,927,191	**Plan Fiduciary Net Position - Ending (b)**
792,156,393	790,027,663	829,513,057	609,503,371	492,761,431	**Net Pension Liability - Ending (a) - (b)**
75.54%	74.47%	71.76%	78.15%	81.73%	**Plan fiduciary net position as a percentage of Total Pension Liability**
$ 1,469,629,439	$ 1,430,259,607	$ 1,374,735,094	$ 1,328,419,881	$ 1,328,419,881	**Covered Payroll**
53.90%	55.24%	60.34%	45.88%	37.09%	**Net Pension Liability as a Percentage of Covered Payroll**

FAIRFAX COUNTY PUBLIC SCHOOLS **EXHIBIT K-1**
Schedule of Contributions
ERFC Pension Plan
Last Ten Fiscal Years

	Actuarial Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2024	$ 121,645,811	$ 121,645,811	$ -	$ 1,877,250,170	6.5 %
2023	117,155,967	117,155,967	-	1,748,596,522	6.7
2022	111,119,456	111,119,456	-	1,658,499,343	6.7
2021	104,784,310	104,784,310	-	1,627,085,559	6.4
2020	104,741,255	104,741,255	-	1,626,417,003	6.4
2019	96,982,911	96,982,911	-	1,549,247,780	6.3
2018	93,543,467	91,704,877	1,838,590	1,469,629,439	6.2
2017	80,305,269	80,145,997	159,272	1,430,259,607	5.6
2016	76,069,503	76,599,695	(530,192)	1,374,735,094	5.6
2015	74,791,177	74,324,396	466,781	1,328,419,881	5.6

The amounts presented for each fiscal year were determined as of June 30 of the fiscal year shown.

See accompanying notes to the required supplementary information.

FAIRFAX COUNTY PUBLIC SCHOOLS
Schedule of FCPS' Proportionate Share of Net Pension Liability and Related Ratios
FCERS Pension Plan
Last Ten Fiscal Years

	ACFR Reporting Year Measurement Date June 30 of prior year				
	2024	**2023**	**2022**	**2021**	**2020**
FCPS' proportion of net pension liability	24.49%	26.35%	25.15%	25.93%	26.87%
FCPS' proportionate share of net pension liability	$ 563,817,620	$ 495,214,529	$ 297,680,732	$ 471,704,069	$ 454,079,606
FCPS' covered payroll	226,047,586	209,026,738	202,135,714	214,722,233	208,849,573
FCPS' proportionate share of net pension liability as a percentage of covered payroll	249.42%	236.91%	147.27%	219.68%	217.42%
Plan fiduciary net position as a percentage of the total pension liability	66.90%	72.10%	81.30%	69.50%	70.80%

The amounts presented for each fiscal year were determined as of June 30 of the fiscal year shown.

See accompanying notes to the required supplementary information.

EXHIBIT K-2

ACFR Reporting Year Measurement Date June 30 of prior year					
2019	2018	2017	2016	2015	
26.93%	27.15%	27.20%	28.03%	28.21%	FCPS' proportion of net pension liability
$ 444,409,864	$ 439,330,794	$ 415,142,671	$ 360,555,377	$ 293,867,011	FCPS' proportionate share of net pension liability
200,800,463	198,340,140	192,679,291	192,655,643	189,438,838	FCPS' covered payroll
221.32%	221.50%	215.46%	187.15%	155.13%	FCPS' proportionate share of net pension liability as a percentage of covered payroll
70.50%	69.90%	70.20%	74.20%	78.33%	Plan fiduciary net position as a percentage of the total pension liability

FAIRFAX COUNTY PUBLIC SCHOOLS **EXHIBIT K-3**

Schedule of Contributions

FCERS Pension Plan

Last Ten Fiscal Years

	Actuarial Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	FCPS' Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	$ 70,963,853	$ 70,963,853	$ -	$ 245,719,713	28.9 %
2023	65,282,543	65,282,543	-	226,047,587	28.9
2022	60,366,922	60,366,922	-	209,026,738	28.9
2021	57,305,475	57,305,475	-	202,135,714	28.4
2020	60,873,753	60,873,753	-	214,722,233	28.3
2019	56,681,774	56,681,774	-	208,849,573	27.1
2018	50,782,437	50,782,437	-	200,800,463	25.3
2017	45,419,892	45,419,892	-	198,340,140	22.9
2016	43,370,176	43,370,176	-	192,679,291	22.5
2015	38,820,112	38,820,112	-	192,655,643	20.1

The amounts presented for each fiscal year were determined as of June 30 of the fiscal year shown.

See accompanying notes to the required supplementary information.

Fairfax County
PUBLIC SCHOOLS
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FAIRFAX COUNTY PUBLIC SCHOOLS
Schedule of FCPS' Proportionate Share of Net Pension Liability and Related Ratios
VRS Pension Plan
Last Ten Fiscal Years

	ACFR Reporting Year Measurement Date June 30 of prior year				
	2024	**2023**	**2022**	**2021**	**2020**
FCPS' proportion of the net pension liability	17.54%	17.79%	18.40%	18.51%	18.47%
FCPS' proportionate share of the net pension liability	$ 1,772,807,760	$ 1,694,051,531	$ 1,428,167,708	$ 2,693,015,856	$ 2,430,714,832
FCPS' covered payroll	1,747,762,431	1,657,850,320	1,626,372,170	1,626,469,344	1,549,185,402
FCPS' proportionate share of net pension liability as a percentage of covered payroll	101.43%	102.18%	87.81%	165.57%	156.90%
Plan fiduciary net position as a percentage of the total pension liability	82.45%	82.61%	85.46%	71.47%	73.51%

The amounts presented for each fiscal year were determined as of June 30 of the fiscal year shown.

See accompanying notes to the required supplementary information.

EXHIBIT K-4

ACFR Reporting Year Measurement Date June 30 of prior year					
2019	2018	2017	2016	2015	
18.19%	18.16%	17.95%	17.89%	18.15%	FCPS' proportion of the net pension liability
$ 2,139,026,999	$ 2,232,727,000	$ 2,515,447,000	$ 2,251,917,000	$ 2,193,660,000	FCPS' proportionate share of the net pension liability
1,470,715,666	1,432,051,405	1,368,572,241	1,330,241,479	1,327,488,219	FCPS' covered payroll
145.44%	155.91%	183.80%	169.29%	165.25%	FCPS' proportionate share of net pension liability as a percentage of covered payroll
74.81%	72.92%	68.28%	70.68%	70.88%	Plan fiduciary net position as a percentage of the total pension liability

FAIRFAX COUNTY PUBLIC SCHOOLS **EXHIBIT K-5**

Schedule of Contributions

VRS Pension Plan

Last Ten Fiscal Years

		Actuarial Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	FCPS' Covered Payroll	Contribution as a Percentage of Covered Payroll
2024		$ 311,651,655	$ 311,651,655		$ 1,875,160,352	16.6 %
2023		290,478,121	290,478,121	-	1,747,762,431	16.6
2022		275,534,721	275,534,721	-	1,657,850,320	16.6
2021		270,303,058	270,303,058	-	1,626,372,170	16.6
2020		255,030,396	255,030,396	-	1,626,469,344	15.7
2019		242,912,277	242,912,277	-	1,549,185,402	15.7
2018		240,020,797	240,020,797	-	1,470,715,666	16.3
2017		233,710,789	209,938,736	23,772,053	1,432,051,405	14.7
2016		192,421,257	192,421,257	-	1,368,572,241	14.1
2015	(1)	192,885,015	192,885,015	-	1,330,241,479	14.5

(1) Restated from prior year to reflect fiscal year presentation.

See accompanying notes to the required supplementary information.

FAIRFAX COUNTY PUBLIC SCHOOLS
Schedule of Changes in Net OPEB Liability and Related Ratios
FCPS OPEB Plan
Last Ten Fiscal years (1)

	2024	2023	2022	2021
Total OPEB Liability				
Service Cost	$ 3,877,412	$ 3,623,750	$ 4,149,646	$ 3,878,113
Interest on the Total OPEB Liability	17,246,413	17,048,408	15,412,471	15,321,158
Changes of benefit terms	-	-	-	-
Difference between expected and actual experiences	34,727,497	(7,539,869)	33,747,285	(6,730,917)
Changes of assumptions	(48,804,895)	-	(18,880,891)	(998,727)
Benefit payments	(10,578,650)	(10,536,667)	(10,527,658)	(10,348,747)
Net Change in Total OPEB Liability	**(3,532,223)**	**2,595,622**	**23,900,853**	**1,120,880**
Total OPEB Liability - Beginning	**247,699,784**	**245,104,162**	**221,203,309**	**220,082,429**
Total OPEB Liability - Ending (a)	**$ 244,167,561**	**$ 247,699,784**	**$ 245,104,162**	**$ 221,203,309**
Plan Fiduciary Net Position				
Contributions - Employer	$ 15,578,650	$ 15,536,667	$ 15,527,658	$ 15,348,747
Contributions - Employee				
Net Investment Income	20,491,342	14,986,379	(19,691,861)	47,506,802
Benefit payments	(10,578,650)	(10,536,667)	(10,527,658)	(10,348,747)
Administrative Expense	(108,670)	(100,336)	(120,889)	(101,244)
Net Change in Plan Fiduciary Net Position	**25,382,672**	**19,886,043**	**(14,812,750)**	**52,405,558**
Plan Fiduciary Net Position - Beginning	**213,447,919**	**193,561,876**	**208,374,626**	**155,969,068**
Plan Fiduciary Net Position - Ending (b)	**$ 238,830,591**	**$ 213,447,919**	**$ 193,561,876**	**$ 208,374,626**
Net OPEB Liability - Ending (a) - (b)	**$ 5,336,970**	**$ 34,251,865**	**$ 51,542,286**	**$ 12,828,683**
Plan Fiduciary Net Position as a percentage of Total OPEB Liability	97.81%	86.17%	78.97%	94.20%
Covered Payroll	$ 1,779,344,958	$ 1,862,771,699	$ 1,765,660,378	$ 1,750,085,165
Net OPEB Liability as a Percentage of Covered Payroll	0.30%	1.84%	2.92%	0.73%

(1) 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 the required supplementary information.

EXHIBIT L

2020	2019	2018	2017	
				Total OPEB Liability
$ 5,046,137	$ 5,220,696	$ 8,319,993	N/A	Service Cost
12,378,488	17,156,591	29,187,359	N/A	Interest on the Total OPEB Liability
-	(39,066,967)	-	N/A	Changes of benefit terms
58,670,164	(24,767,704)	33,883,573	N/A	Difference between expected and actual experiences
(15,662,364)	-	(170,067,992)	N/A	Changes of assumptions
(23,875,000)	(29,286,809)	(54,806,266)	N/A	Benefit payments
36,557,425	**(70,744,193)**	**(153,483,333)**	N/A	**Net Change in Total OPEB Liability**
183,525,004	**254,269,197**	**$ 407,752,530**	N/A	**Total OPEB Liability - Beginning**
$ 220,082,429	**$ 183,525,004**	**$ 254,269,197**	**$ 407,752,530**	**Total OPEB Liability - Ending (a)**
				Plan Fiduciary Net Position
$ 28,875,000	$ 34,286,809	$ 59,806,266	$ 22,404,000	Contributions - Employer
-	-	-	-	Contributions - Employee
4,561,466	6,422,536	11,564,600	13,288,807	Net Investment Income
(23,875,000)	(29,286,809)	(54,806,266)	(17,404,000)	Benefit payments
(101,363)	(89,000)	(86,550)	(83,537)	Administrative Expense
9,460,103	**11,333,536**	**16,478,050**	**18,205,270**	**Net Change in Plan Fiduciary Net Position**
146,508,965	**135,175,429**	**118,697,379**	**100,492,109**	**Plan Fiduciary Net Position - Beginning**
$ 155,969,068	**$ 146,508,965**	**$ 135,175,429**	**$ 118,697,379**	**Plan Fiduciary Net Position - Ending (b)**
$ 64,113,361	**$ 37,016,039**	**$ 119,093,768**	**$ 289,055,151**	**Net OPEB Liability - Ending (a) - (b)**
70.87%	79.83%	53.16%	29.11%	Plan Fiduciary Net Position as a percentage of Total OPEB Liability
$ 1,699,111,811	$ 1,393,958,673	$ 1,340,334,878	$ 1,256,877,000	Covered Payroll
3.77%	2.66%	8.89%	23.00%	Net OPEB Liability as a Percentage of Covered Payroll

FAIRFAX COUNTY PUBLIC SCHOOLS
Schedule of Contributions
FCPS OPEB Plan
Last Ten Fiscal Years (1)

	Fiscal Year			
	2024	**2023**	**2022**	**2021**
Actuarially determined contribution	$ 10,578,650	$ 10,536,667	$ 10,527,658	$ 10,348,747
Contributions made in relation to the actuarially determined contribution	15,578,650	15,536,667	15,527,658	15,348,747
Contribution deficiency (excess)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)
Covered payroll	1,779,344,958	1,862,771,699	1,765,660,378	1,750,085,165
Contributions as a percentage of covered payroll	0.88%	0.83%	0.88%	0.88%

(1) 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.

(2) GASB 75 was effective for employer fiscal year beginning after June 15, 2017.

See accompanying notes to the required supplementary information.

FAIRFAX COUNTY PUBLIC SCHOOLS
Schedule of Investment Returns
FCPS OPEB Plan
Last Ten Fiscal Years (1)

	Fiscal Year			
	2024	2023	2022	2021
Annual money-weighted rate of return net of investment expense	9.49%	7.66%	(9.36)%	30.09%

(1) 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 the required supplementary information.

EXHIBIT L-1

Fiscal Year 2020	2019	2018	2017 (2)	
$ 23,875,000	$ 29,286,809	$ 54,806,266	N/A	Actuarially determined contribution
28,875,000	34,286,809	59,806,266	N/A	Contributions made in relation to the actuarially determined contribution
(5,000,000)	(5,000,000)	(5,000,000)	N/A	Contribution deficiency (excess)
1,699,111,811	1,393,958,673	1,340,334,878	N/A	Covered payroll
1.70%	2.46%	4.46%	N/A	Contributions as a percentage of covered payroll

EXHIBIT L-2

Fiscal Year 2020	2019	2018	2017	
3.05%	4.66%	9.50%	12.86%	Annual money-weighted rate of return net of investment expense

Schedule of FCPS' Proportionate Share of Net OPEB Liability and Related Ratios
VRS HIC OPEB Plan
Last Ten Fiscal Years (1)

	ACFR Reporting Fiscal Year Measurement Date June 30 of Prior Year			
	2024	**2023**	**2022**	**2021**
FCPS' proportion of net OPEB liability	17.00%	17.79%	18.39%	18.55%
FCPS' proportionate share of net OPEB liability	$ 212,387,152	$ 222,176,275	$ 236,047,340	$ 242,022,384
FCPS' covered payroll	1,748,142,431	1,657,839,444	1,626,393,998	1,626,465,634
FCPS' proportionate share of net OPEB liability as a percentage of covered payroll	12.15%	13.40%	14.51%	14.88%
Plan fiduciary net position as a percentage of the total OPEB liability	17.90%	15.08%	13.15%	9.95%

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

The amounts presented for each fiscal year were determined as of June 30 of the fiscal year shown.

See accompanying notes to the required supplementary information.

EXHIBIT L-3

ACFR Reporting Fiscal Year Measurement Date June 30 of Prior Year			
2020	2019	2018	
18.47%	18.18%	18.15%	FCPS' proportion of net OPEB liability
$ 241,786,588	$ 230,889,000	$ 230,217,000	FCPS' proportionate share of net OPEB liability
1,549,185,402	1,470,711,793	1,432,191,455	FCPS' covered payroll
15.61%	15.70%	16.07%	FCPS' proportionate share of net OPEB liability as a percentage of covered payroll
8.97%	8.08%	7.04%	Plan fiduciary net position as a percentage of the total OPEB liability

FAIRFAX COUNTY PUBLIC SCHOOLS **EXHIBIT L-4**

Schedule of Employer Contributions

VRS HIC OPEB Plan

Last Ten Fiscal Years

	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contributions Deficiency (Excess)	FCPS' Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	$ 22,694,437	$ 22,694,437	-	$ 1,875,573,275	1.2 %
2023	21,152,523	21,152,523	-	1,748,142,431	1.2
2022	20,059,856	20,059,856	-	1,657,839,444	1.2
2021	19,679,363	19,679,363	-	1,626,393,998	1.2
2020	19,517,590	19,517,590	-	1,626,465,634	1.2
2019	18,590,218	18,590,218	-	1,549,185,402	1.2
2018	18,089,758	18,089,758	-	1,470,711,793	1.2
2017	17,615,955	15,897,325	1,718,630	1,432,191,455	1.1
2016	16,152,458	14,509,835	1,642,623	1,368,852,341	1.1
2015	15,699,867	14,103,271	1,596,596	1,330,497,219	1.1

The amounts presented for each fiscal year were determined as of June 30 of the fiscal year shown.

See accompanying notes to the required supplementary information.

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FAIRFAX COUNTY PUBLIC SCHOOLS
Schedule of FCPS' Proportionate Share of Net OPEB Liability and Related Ratios
VRS GLI OPEB Plan
Last Ten Fiscal Years (1)

	ACFR Reporting Fiscal Year Measurement Date June 30 of Prior Year			
	2024	**2023**	**2022**	**2021**
FCPS' proportion of net OPEB liability	7.44%	7.67%	7.94%	7.95%
FCPS' proportionate share of net OPEB liability	$ 89,603,946	$ 92,295,917	$ 92,480,874	$ 132,610,252
FCPS' covered payroll	1,759,898,091	1,667,365,884	1,639,977,606	1,635,370,534
FCPS' proportionate share of net OPEB liability as a percentage of covered payroll	5.09%	5.54%	5.64%	8.11%
Plan fiduciary net position as a percentage of the total OPEB liability	69.30%	67.21%	67.45%	52.64%

(1) The schedule is intended to show information for 10 years. Fiscal year 2018 is first year implemented; additional years will be displayed as they become available.

The amounts presented for each fiscal year were determined as of June 30 of the fiscal year shown.

See accompanying notes to the required supplementary information.

EXHIBIT L-5

ACFR Reporting Fiscal Year Measurement Date June 30 of Prior Year			
2020	2019	2018	
7.96%	7.79%	7.80%	FCPS' proportion of net OPEB liability
$ 129,574,636	$ 118,262,000	$ 117,380,000	FCPS' proportionate share of net OPEB liability
1,560,950,089	1,480,800,510	1,438,996,361	FCPS' covered payroll
8.30%	7.99%	8.16%	FCPS' proportionate share of net OPEB liability as a percentage of covered payroll
52.00%	51.22%	48.86%	Plan fiduciary net position as a percentage of the total OPEB liability

FAIRFAX COUNTY PUBLIC SCHOOLS **EXHIBIT L-6**

Schedule of Employer Contributions

VRS GLI OPEB Plan

Last Ten Fiscal Years

	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contributions Deficiency (Excess)	FCPS' Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	$ 10,177,887	$ 10,177,887	-	$ 1,884,794,000	0.5 %
2023	9,503,445	9,503,445	-	1,759,898,091	0.5
2022	9,003,779	9,003,779	-	1,667,365,884	0.5
2021	8,855,883	8,855,883	-	1,639,977,606	0.5
2020	8,503,928	8,503,928	-	1,635,370,534	0.5
2019	8,116,936	8,116,936	-	1,560,950,089	0.5
2018	7,700,163	7,700,163	-	1,480,800,510	0.5
2017	7,482,781	7,482,781	-	1,438,996,361	0.5
2016	7,286,313	6,598,925	687,388	1,374,775,965	0.5
2015	7,072,543	6,405,322	667,221	1,334,442,126	0.5

The amounts presented for each fiscal year were determined as of June 30 of the fiscal year shown.

See accompanying notes to the required supplementary information.

Notes to the Required Supplementary Information

Fairfax County Public Schools
June 30, 2024

I. BUDGETARY COMPARISON SCHEDULE

The *Code of Virginia* requires the appointed superintendent of Fairfax County Public Schools (FCPS) to submit a budget to the County of Fairfax, Virginia (County) Board of Supervisors (BOS), with the approval of the School Board.

The preparation of FCPS' budget begins with the Superintendent soliciting input from parents and community leaders on the School Board's budget priorities. In January, the Superintendent releases the proposed budget and meets with the community, County, and employee groups to discuss it. The School Board reviews the proposed budget and holds work sessions and public hearings.

February through April, the School Board adopts the advertised budget. The Superintendent forwards the FCPS advertised budget to the County for funding consideration. The County Executive releases the County's advertised budget including a proposed transfer to FCPS. The Virginia General Assembly adopts the state budget. The School Board presents its budget to the BOS. The County adopts its budget and determines the transfer to FCPS.

In May, the School Board holds public hearings and work sessions and makes final funding decisions based on the most current information. The School Board adopts is approved budget. The approved budget governs the financial operations of the school system beginning on July 1.

The County legally adopts annual budgets all FCPS appropriated governmental funds, except for the Capital Projects Fund in which budgetary control is achieved on a project-by-project basis. The modified accrual basis is used in budgeting for governmental funds and the budgets are consistent with accounting principles generally accepted in the United States of America, with the following exceptions:

- Transactions for leases, financed purchase leases, subscriptions, and local school activities, when initiated, are not budgeted as offsetting expenditures and other financing sources; and
- Transactions between FCPS and the County are budgeted as other financing sources (uses).

All annual appropriations lapse at fiscal year-end. The current budget is re-evaluated three times during the year based on current projections and amended accordingly by the School Board and the BOS.

The budget is controlled at certain legal and administrative levels. The legal controls are placed at the individual fund level and the administrative controls are placed at the object level, which is at the expenditure category for each office and school within a fund. Management may amend the approved budget at the administrative level within the same fund. Amendments, changes, or transfers at the legal level require the specific approval of the School Board.

The following schedule reconciles the General Fund amounts on the Statement of Revenues, Expenditures, and Changes in Fund Balances, Exhibit D, to the amounts on the Budgetary Comparison Schedule—Budget and Actual (Budgetary Basis), Exhibit J for the fiscal year ended June 30, 2024:

		Basis Differences					
General Fund	**Actual - GAAP Basis (Exhibit D)**	**Leases**	**Financed Other Leases/Notes Payable**	**Subscriptions**	**Local School Activities**	**Transactions between FCPS and the County**	**Actual - Budget Basis (Exhibit J)**
Total revenues	$ 3,614,719,009	$ -	$ -	$ -	$ (46,571,899)	$ (2,420,284,875)	$ 1,147,862,235
Total expenditures	(3,566,080,354)	6,498,914	26,662,237	13,812,993	47,920,220	3,201,871	(3,467,984,119)
Total other financing sources	(1,369,883)	(6,498,914)	(26,662,237)	(13,812,993)	-	2,417,083,004	2,368,738,977
Net change in fund balances	$ 47,268,772	$ -	$ -	$ -	$ 1,348,321	$ -	$ 48,617,093

II. PENSIONS AND OPEB

PENSIONS

Ten-year historical trend information for FCPS' retirement systems is presented as required supplementary information. This information is intended to help users assess each system's financial health 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 financial health. 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 system's 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 contribution rates are calculated as of June 30, one year prior to the beginning of the fiscal year in which contributions are reported.

Information pertaining to FCPS retirement systems can be found in Note IV.D to the financial statements.

OPEB

1. FCPS OPEB

Beginning in fiscal year 2017 GAAP required information related to the total and net OPEB liability, information associated with the actuarially determined contribution, and investment returns to be presented.

Information pertaining to the FCPS OPEB Plan can be found in Notes III.B.2 and IV.E to the financial statements. Disclosures associated with the GASB 74 requirements are found in Note IV.E to the financial statements.

There have been no actuarially material changes to the FCPS OPEB benefit provisions since the prior actuarial valuation.

The financial accounting valuation reflects the following assumption changes:

No excise tax has been reflected due to the SECURE Act. Among the provisions was a repeal of three taxes and fees that were originally intended to help fund the Affordable Care Act (ACA):

- i. the excise tax on high-cost health plans (Cadillac tax);
- ii. the annual fee on health insurance providers; and
- iii. the medical device excise tax.

Additionally, the financial accounting valuation reflects the following assumption changes based on the FCERS pension report as of June 30, 2023 and the ERFC pension funding report as of December 31, 2023:

- Annual rates of salary increases were updated to reflect more recent experience.
- Rates of Normal Retirement and Early Retirement were updated to reflect more recent experience.
- Rates of withdrawal were updated to reflect more recent experience.
- Rates of disability were updated to reflect more recent experience.
- The mortality table was updated from the RP-2014 Mortality Table using projection scale MP-2016 to Pub-2010, "Teachers" Classification, Mortality Table using projection scale MP-2019 reflect more recent experience.

2. VRS HIC

Changes of benefit terms: There have been no actuarially material changes to the VRS HIC benefit provisions since the prior actuarial valuation.

Changes of assumptions: The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the 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 and VRS Board action are 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 Plan2/Hybrid; changed final retirement from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

3. VRS GLI

Changes of benefit terms: There have been no actuarially manterial changes to the VRS GLI benefit provisions since the prior actuarial valuation.

Changes of assumptions: The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the 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 and VRS Board action are 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 Plan2/Hybrid; changed final retirement from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

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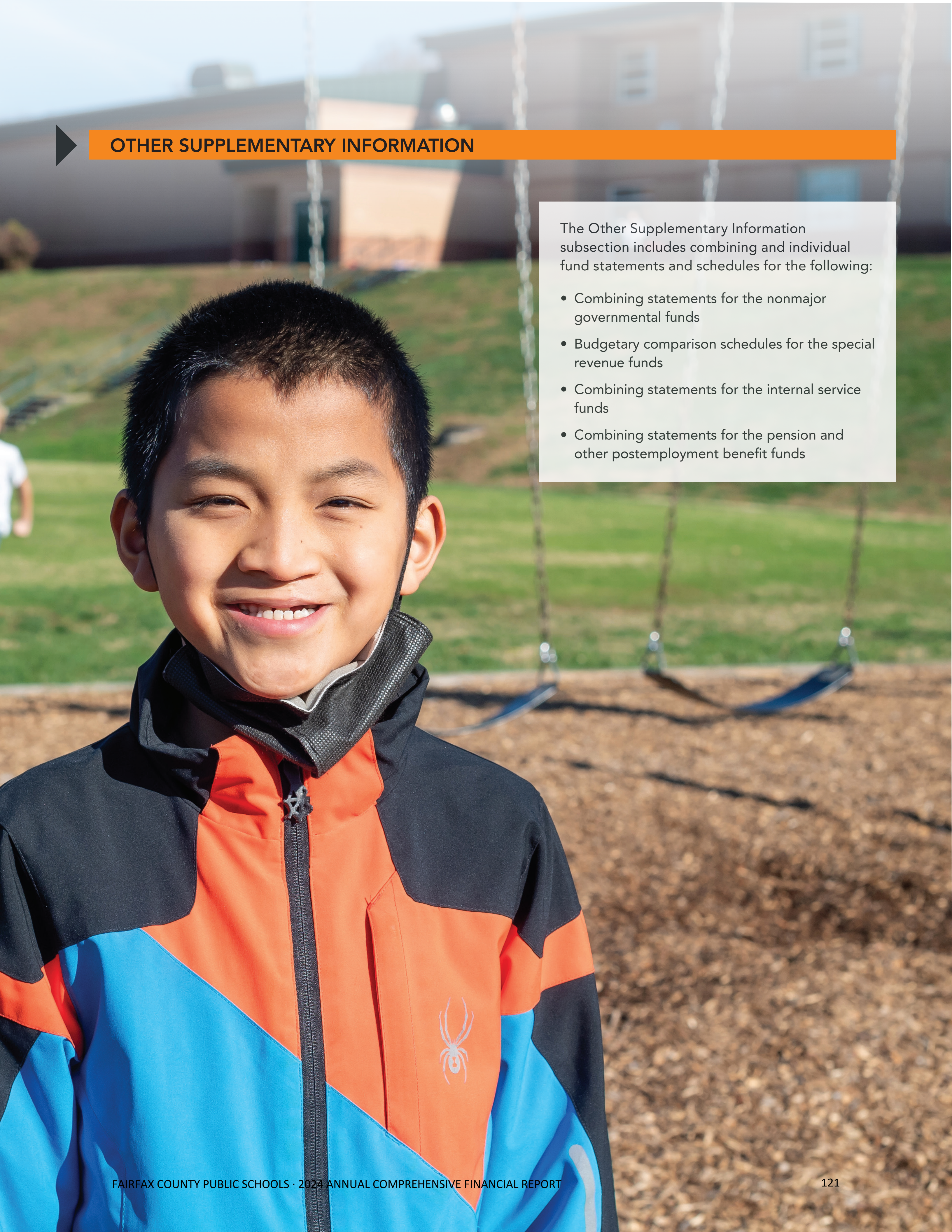

OTHER SUPPLEMENTARY INFORMATION

The Other Supplementary Information subsection includes combining and individual fund statements and schedules for the following:

- Combining statements for the nonmajor governmental funds
- Budgetary comparison schedules for the special revenue funds
- Combining statements for the internal service funds
- Combining statements for the pension and other postemployment benefit funds

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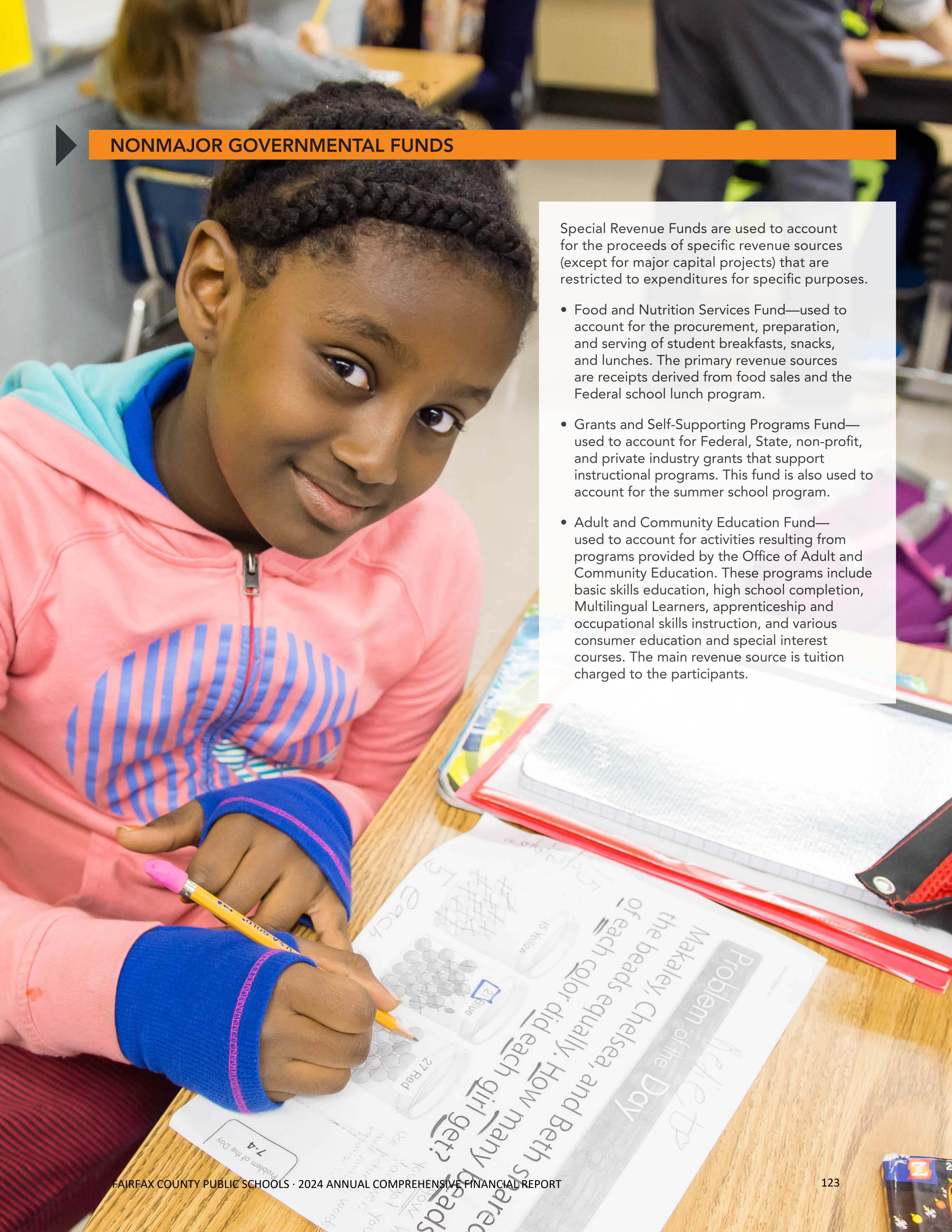

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (except for major capital projects) that are restricted to expenditures for specific purposes.

- Food and Nutrition Services Fund—used to account for the procurement, preparation, and serving of student breakfasts, snacks, and lunches. The primary revenue sources are receipts derived from food sales and the Federal school lunch program.
- Grants and Self-Supporting Programs Fund—used to account for Federal, State, non-profit, and private industry grants that support instructional programs. This fund is also used to account for the summer school program.
- Adult and Community Education Fund—used to account for activities resulting from programs provided by the Office of Adult and Community Education. These programs include basic skills education, high school completion, Multilingual Learners, apprenticeship and occupational skills instruction, and various consumer education and special interest courses. The main revenue source is tuition charged to the participants.

FAIRFAX COUNTY PUBLIC SCHOOLS **EXHIBIT M**
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds			
	Food and Nutrition Services	**Grants Self-Supporting Programs**	**Adult and Community Education**	**Total Nonmajor Governmental Funds**
ASSETS				
Cash and cash equivalents	$ 38,576,110	$ 60,875,011	$ 182,890	$ 99,634,011
Receivables:				
Accounts	1,669,475	11,392	11,694	1,692,561
Accrued interest	168,450	33,651	18,723	220,824
Due from intergovernmental units:				
Federal government	1,856,704	23,432,605	618,321	25,907,630
Commonwealth of Virginia	11,459	727,920	-	739,379
County of Fairfax, VA	84,431	-	-	84,431
Inventories	1,456,247	-	-	1,456,247
Prepaid Items	29,183	-	-	29,183
Total assets	$ 43,852,059	$ 85,080,579	$ 831,628	$ 129,764,266
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 1,209,883	$ 1,311,696	$ 81,004	$ 2,602,583
Accrued salaries and withholdings	184,417	7,304	237,092	428,813
Unearned revenues	2,405,200	2,808,196	489,953	5,703,349
Total liabilities	3,799,500	4,127,196	808,049	8,734,745
Fund balances:				
Nonspendable	1,485,430	-	-	1,485,430
Restricted	38,567,129	80,953,383	23,579	119,544,091
Total fund balances	40,052,559	80,953,383	23,579	121,029,521
Total liabilities and fund balances	$ 43,852,059	$ 85,080,579	$ 831,628	$ 129,764,266

FAIRFAX COUNTY PUBLIC SCHOOLS **EXHIBIT N**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2024

	Special Revenue Funds			
	Food and Nutrition Services	**Grants Self-Supporting Programs**	**Adult and Community Education**	**Total Nonmajor Governmental Funds**
REVENUES				
Intergovernmental:				
Federal government	$ 51,991,796	$ 77,679,498	$ 1,251,739	$ 130,923,033
Commonwealth of Virginia	1,665,047	43,353,577	935,994	45,954,618
County of Fairfax, VA	-	2,154,707	-	2,154,707
Charges for services:				
Tuition and fees	-	2,512,808	3,067,816	5,580,624
Food sales	37,189,725	-	-	37,189,725
Revenue from the use of money and property	916,520	339,341	115,298	1,371,159
Other	294,786	1,131,161	50	1,425,997
Total revenues	92,057,874	127,171,092	5,370,897	224,599,863
EXPENDITURES				
Current:				
Instruction:				
Regular education:				
Elementary school	-	57,066,037	-	57,066,037
Middle school	-	4,121,875	-	4,121,875
High school	-	7,664,677	298,409	7,963,086
Special education	-	11,740,714	-	11,740,714
Adult and community education	-	-	6,448,333	6,448,333
Instructional support	-	36,402,868	-	36,402,868
Support programs:				
Administration and general support	-	2,517,801	-	2,517,801
Student transportation	-	2,586,780	-	2,586,780
Facilities management	-	4,668,642	-	4,668,642
Food service	105,840,151	-	-	105,840,151
Capital outlay	211,646	475,618	-	687,264
Debt service:				
Principal	817,500	10,038	2,964	830,502
Interest	73,594	1,543	286	75,423
Total expenditures	106,942,891	127,256,593	6,749,992	240,949,476
Excess (deficiency) of revenues over (under) expenditures	(14,885,017)	(85,501)	(1,379,095)	(16,349,613)
OTHER FINANCING SOURCES				
Transfers in	-	26,991,849	1,754,081	28,745,930
Leases	41,276	31,297	-	72,573
Total other financing sources	41,276	27,023,146	1,754,081	28,818,503
Net change in fund balances	(14,843,741)	26,937,645	374,986	12,468,890
Fund balances - July 1, 2023	54,681,084	54,015,738	(351,407)	108,345,415
Increase in reserve for inventories	215,216	-	-	215,216
Fund balances - June 30, 2024	$ 40,052,559	$ 80,953,383	$ 23,579	$ 121,029,521

FAIRFAX COUNTY PUBLIC SCHOOLS **EXHIBIT O**

Budgetary Comparison Schedule - Budget and Actual (Budgetary Basis)

Food and Nutrition Services Fund

For the Fiscal Year Ended June 30, 2024

	Budget - Original	Budget - Final	Actual - Budget Basis	Variance from Final Budget Positive (Negative)
REVENUES				
Intergovernmental:				
Federal government	$ 45,638,936	$ 45,638,936	$ 51,991,796	$ 6,352,860
Commonwealth of Virginia	1,579,843	1,579,843	1,665,047	85,204
Charges for services:				
Food sales	41,572,190	41,572,190	37,189,725	(4,382,465)
Revenue from the use of money and property	29,925	29,925	916,520	886,595
Other	15,000	114,098	294,786	180,688
Total revenues	88,835,894	88,934,992	92,057,874	3,122,882
EXPENDITURES				
Current:				
Food service	135,643,195	143,616,076	106,901,615	36,714,461
Total expenditures	135,643,195	143,616,076	106,901,615	36,714,461
Net change in fund balances	$ (46,807,301)	$ (54,681,084)	$ (14,843,741)	$ 39,837,343

FAIRFAX COUNTY PUBLIC SCHOOLS **EXHIBIT P**
Budgetary Comparison Schedule - Budget and Actual (Budgetary Basis)
Grants and Self-Supporting Programs Fund
For the Fiscal Year Ended June 30, 2024

	Budget - Original	Budget - Final	Actual - Budget Basis	Variance from Final Budget Positive (Negative)
REVENUES				
Intergovernmental:				
Federal government	$ 47,348,332	$ 98,912,610	$ 77,679,498	$ (21,233,112)
Commonwealth of Virginia	11,426,307	59,121,946	43,353,577	(15,768,369)
Charges for services:				
Tuition and fees	2,437,354	2,437,354	2,512,808	75,454
Revenue from the use of money and property	10,000	10,000	339,341	329,341
Other	380,107	1,392,750	1,131,161	(261,589)
Total revenues	61,602,100	161,874,660	125,016,385	(36,858,275)
EXPENDITURES				
Current:				
Instruction:				
Regular education:				
Elementary school	50,153,344	69,997,806	57,083,215	12,914,591
Middle school	1,922,856	5,100,016	4,557,348	542,668
High school	7,664,413	12,091,044	7,667,928	4,423,116
Special education	5,143,176	13,177,639	11,740,714	1,436,925
Instructional support	21,922,613	78,665,898	36,402,868	42,263,030
Support programs:				
Administration and general support	6,406,155	50,824,635	2,517,801	48,306,834
Student transportation	4,398,518	5,287,842	2,586,780	2,701,062
Facilities management	-	9,892,074	4,668,642	5,223,432
Total expenditures	97,611,075	245,036,954	127,225,296	117,811,658
Excess (deficiency) of revenues over (under) expenditures	(36,008,975)	(83,162,294)	(2,208,911)	80,953,383
OTHER FINANCING SOURCES				
Transfers in from County of Fairfax, VA	2,154,707	2,154,707	2,154,707	-
Transfers in	22,853,213	26,991,849	26,991,849	-
Total other financing sources	25,007,920	29,146,556	29,146,556	-
Net change in fund balances	$ (11,001,055)	$ (54,015,738)	$ 26,937,645	$ 80,953,383

FAIRFAX COUNTY PUBLIC SCHOOLS **EXHIBIT Q**
Budgetary Comparison Schedule - Budget and Actual (Budgetary Basis)
Adult and Community Education Fund
For the Fiscal Year Ended June 30, 2024

	Budget - Original	Budget - Final	Actual - Budget Basis	Variance from Final Budget Positive (Negative)
REVENUES				
Intergovernmental:				
Federal government	$ 1,270,803	$ 1,201,003	$ 1,251,739	$ 50,736
Commonwealth of Virginia	953,623	972,926	935,994	(36,932)
Charges for services:				
Tuition and fees	4,464,275	4,464,276	3,067,816	(1,396,460)
Revenue from the use of money and property	3,825	3,825	115,298	111,473
Other	9,385	9,385	50	(9,335)
Total revenues	6,701,911	6,651,415	5,370,897	(1,280,518)
EXPENDITURES				
Current:				
Instruction:				
Regular education:				
Adult and community education	8,098,161	8,054,090	6,749,992	1,304,098
Total expenditures	8,098,161	8,054,090	6,749,992	1,304,098
Excess (deficiency) of revenues over (under) expenditures	(1,396,250)	(1,402,675)	(1,379,095)	23,580
OTHER FINANCING SOURCES				
Transfers in	1,396,250	1,754,081	1,754,081	-
Net change in fund balances	$ -	$ 351,406	$ 374,986	$ 23,580

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INTERNAL SERVICE FUNDS

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.

- Health Benefits Fund—a self-insurance fund used to account for the transactions associated with the comprehensive health benefits self-insurance program. This fund also provides for payment of eligible health care and dependent care expenses for employees participating in the flexible spending account program.
- Insurance Fund—a self-insurance fund used to account for Fairfax County Public Schools' casualty liability obligations, including workers' compensation

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FAIRFAX COUNTY PUBLIC SCHOOLS **EXHIBIT R**
Combining Statement of Net Position
Internal Service Funds
June 30, 2024

	Health Benefits	Insurance	Total Internal Service Funds
ASSETS			
Current assets:			
Cash on deposit with County of Fairfax, VA	$ 76,283,532	$ 65,696,523	$ 141,980,055
Cash in escrow	-	286,870	286,870
Receivables:			
Accounts Receivable	18,576,566	-	18,576,566
Accrued interest	87,600	-	87,600
Total current assets	94,947,698	65,983,393	160,931,091
Capital assets:			
Right-to-use subscriptions	-	1,000,407	1,000,407
Accumulated amortization for subscriptions	-	(179,308)	(179,308)
Total capital assets	-	821,099	821,099
Total assets	94,947,698	66,804,492	161,752,190
LIABILITIES			
Current liabilities:			
Accounts payable	12,780,503	307,009	13,087,512
Accrued interest payable	-	7,454	7,454
Unearned revenues	12,603,000	-	12,603,000
Compensated absences	131,820	80,189	212,009
Actuarial claims payable	28,974,050	11,283,149	40,257,199
Subscription liability	-	93,300	93,300
Total current liabilities	54,489,373	11,771,101	66,260,474
Non-current liabilities:			
Compensated absences	56,494	34,367	90,861
Actuarial claims payable	1,524,950	45,132,597	46,657,547
Noncurrent subscription Liability	-	544,100	544,100
Total non-current liabilities	1,581,444	45,711,064	47,292,508
Total liabilities	56,070,817	57,482,165	113,552,982
NET POSITION			
Net Investment in capital assets	-	183,699	183,699
Unrestricted	38,876,881	9,138,628	48,015,509
Total net position	$ 38,876,881	$ 9,322,327	$ 48,199,208

FAIRFAX COUNTY PUBLIC SCHOOLS **EXHIBIT S**
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2024

	Health Benefits	Insurance	Total Internal Service Funds
OPERATING REVENUES			
Charges for services	$ 529,462,385	$ 26,696,652	$ 556,159,037
OPERATING EXPENSES			
Salaries and wages	3,831,391	1,553,355	5,384,746
Claims and benefits	541,120,102	17,941,978	559,062,080
Professional consultant services	9,535,971	3,184,223	12,720,194
Other operating expenses	40,681	264,248	304,929
Depreciation and amortization	-	126,323	126,323
Total operating expenses	554,528,145	23,070,127	577,598,272
Operating gain/(loss)	(25,065,760)	3,626,525	(21,439,235)
NONOPERATING REVENUES			
Interest revenue	1,493,817	-	1,493,817
Subscription interest expense	-	(27,340)	(27,340)
Total operating revenues (expenses), net	1,493,817	(27,340)	1,466,477
Change in net position	(23,571,943)	3,599,185	(19,972,758)
Total net position - July 1, 2023	62,448,824	5,723,142	68,171,966
Total net position - June 30, 2024	$ 38,876,881	$ 9,322,327	$ 48,199,208

FAIRFAX COUNTY PUBLIC SCHOOLS **EXHIBIT T**
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2024

	Health Benefits	Insurance	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund services provided	$ 524,054,842	$ 26,696,652	$ 550,751,494
Payments to employees	(3,831,391)	(1,553,355)	(5,384,746)
Payments for claims and health benefits	(539,268,311)	(15,699,722)	(554,968,033)
Payments for professional services	(10,188,810)	(3,306,950)	(13,495,760)
Payments for other operating expenses	(40,681)	(264,248)	(304,929)
Net cash provided by (used in) operating activities	(29,274,351)	5,872,377	(23,401,974)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	1,450,165	-	1,450,165
Net cash provided by investing activities	1,450,165	-	1,450,165
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Implementation cost of subscriptions	-	(97,634)	(97,634)
Principal payment for obligations under subscriptions	-	(125,004)	(125,004)
Interest payment for obligations under subscriptions	-	(28,088)	(28,088)
Net cash used in financing activities	-	(250,726)	(250,726)
Net increase (decrease) in cash and cash equivalents	(27,824,186)	5,621,651	(22,202,535)
Cash and cash equivalents - July 1, 2023	104,107,718	60,361,742	164,469,460
Cash and cash equivalents - June 30, 2024	$ 76,283,532	$ 65,983,393	$ 142,266,925
Reconciliation of operating gain/(loss) to net cash provided by operating activities:			
Operating gain/(loss)	$ (25,065,760)	$ 3,626,525	$ (21,439,235)
Adjustments to reconcile gain/(loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	-	126,323	126,323
Increase in accounts receivable	(5,440,162)	-	(5,440,162)
Decrease in accounts payable	(652,839)	(122,727)	(775,566)
Increase in unearned revenues	32,619	-	32,619
Increase (decrease) in compensated absences	(25,209)	24,245	(964)
Increase in actuarial claims payable	1,877,000	2,218,011	4,095,011
Total adjustments to operating loss	(4,208,591)	2,245,852	(1,962,739)
Net cash provided by (used in) operating activities	$ (29,274,351)	$ 5,872,377	$ (23,401,974)

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Pension and Other Postemployment Benefit Trust Funds are used to account for assets held by Fairfax County Public Schools (FCPS) in a trustee capacity under terms of a formal trust agreement.

- Educational Employees' Supplementary Retirement System of Fairfax County (ERFC)—used to account for assets held for the members and beneficiaries of ERFC, a single-employer defined benefit pension plan.
- School Other Postemployment Benefit (OPEB) Trust Funds—used to account for accumulating and investing assets for FCPS' postemployment health benefit subsidies for eligible retirees and their surviving spouses. The School OPEB Trust Fund is a single-employer other postemployment defined benefit plan.

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FAIRFAX COUNTY PUBLIC SCHOOLS **EXHIBIT U**

Combining Statement of Fiduciary Net Position
Pension and Other Postemployment Benefit Trust Funds
June 30, 2024

	Educational Employees' Supplementary Retirement System	School Other Postemployment Benefits Trust	Total Pension and Other Postemployment Benefit Trust Funds
ASSETS			
Cash and cash equivalents	$ 3,757,918	$ -	$ 3,757,918
Cash with fiscal agent	59,439,687	-	59,439,687
Cash collateral for securities on loan	150,091,528	-	150,091,528
Short-term investments	44,868,852	-	44,868,852
Receivables:			
Accounts	47,004	37,200	84,204
Interest and dividends	2,426,596	-	2,426,596
Securities sold	57,988,110	56,273	58,044,383
Investments, at fair value:			
U.S. government obligations	176,910,401	-	176,910,401
Asset and mortgage backed	198,143,172	-	198,143,172
Corporate bonds	344,546,247	-	344,546,247
International bonds	10,697,178	-	10,697,178
Convertible securities	4,204,914	-	4,204,914
Commingled fixed income	163,116,095	-	163,116,095
Commingled equity	808,479,325	-	808,479,325
Stocks	242,393,289	-	242,393,289
Real estate	272,834,792	-	272,834,792
Multi asset class solutions	128,865,750	-	128,865,750
Hedge funds	263,926,035	-	263,926,035
Private debt	86,546,300	-	86,546,300
Natural Resources	23,445,055	-	23,445,055
Private equity	337,958,279	-	337,958,279
Infrastructure	66,051,827	-	66,051,827
Investment in pooled funds	-	238,774,318	238,774,318
Capital assets:			
Right-to-use asset	2,753,682	-	2,753,682
Accumulated amortization: Right-to-use-asset	(395,954)	-	(395,954)
Total assets	3,449,096,082	238,867,791	3,687,963,873
LIABILITIES			
Right-to-use lease liability	2,888,910	-	2,888,910
Accounts payable	1,610,960	37,200	1,648,160
Securities purchased	81,080,056	-	81,080,056
Securities lending collateral	150,091,528	-	150,091,528
Total liabilities	235,671,454	37,200	235,708,654
NET POSITION			
Net position restricted for pension	3,213,424,628	238,830,591	3,452,255,219
Total net position restricted for pension and OPEB	$ 3,213,424,628	$ 238,830,591	$ 3,452,255,219

FAIRFAX COUNTY PUBLIC SCHOOLS **EXHIBIT V**

Combining Statement of Changes in Fiduciary Net Position
Pension and Other Postemployment Benefit Trust Funds
For the Fiscal Year Ended June 30, 2024

	Educational Employees' Supplementary Retirement System	School Other Postemployment Benefits Trust	Total Pension and Other Postemployment Benefit Trust Funds
ADDITIONS			
Contributions:			
Employer	$ 121,645,811	$ 15,578,650	$ 137,224,461
Plan members	56,450,447	-	56,450,447
Total contributions	178,096,258	15,578,650	193,674,908
Investment earnings:			
From investing activities:			
Net appreciation in fair value of investments	146,964,353	20,453,211	167,417,564
Interest and dividends	39,825,878	38,131	39,864,009
Total gain from investing activities	186,790,231	20,491,342	207,281,573
Less investment expenses:			
Investment management fees	5,240,530	106,977	5,347,507
Investment consulting fees	1,072,313	-	1,072,313
Investment custodial fees	325,525	1,693	327,218
Investment salaries	358,925	-	358,925
Total investment expenses	6,997,293	108,670	7,105,963
Net gain from investing activities	179,792,938	20,382,672	200,175,610
From securities lending activities:			
Securities lending	9,212,115	-	9,212,115
Securities lending management fees	(8,639,412)	-	(8,639,412)
Net income from securities lending activities	572,703	-	572,703
Net investment gain	180,365,641	20,382,672	200,748,313
Total additions	358,461,899	35,961,322	394,423,221
DEDUCTIONS			
Benefit payments	210,636,405	10,578,650	221,215,055
Refund of contributions	5,448,543	-	5,448,543
Administrative expenses	5,459,646	-	5,459,646
Depreciation and amortization expenses	225,779	-	225,779
Total deductions	221,770,373	10,578,650	232,349,023
Change in net position	136,691,526	25,382,672	162,074,198
Net position - July 1, 2023	3,076,733,102	213,447,919	3,290,181,021
Net position - June 30, 2024	$ 3,213,424,628	$ 238,830,591	$ 3,452,255,219

STATISTICAL SECTION (unaudited)

The Statistical Section provides financial statement readers with additional historical perspective, content, and detail to assist readers in using the information in the financial statements, including the accompanying notes and the required supplementary information, to understand and assess Fairfax County Public Schools' (FCPS) economic condition. Information is presented in the following five categories:

- Financial Trends—trend information to assist in understanding how FCPS' financial performance has changed over time. (Tables 1-4)
- Revenue Capacity—information to assist in understanding FCPS' most significant own-source revenue, charges for services. (Tables 5-8)
- Debt Capacity—information to assist in understanding FCPS' debt burden. (Table 9)
- Demographic Information—demographic and economic indicators to assist in understanding the environment within which FCPS' financial activities take place. (Tables 10-13)
- Operating Information—service and infrastructure data to assist in understanding the resources used and services provided in FCPS' operations. (Tables 14-19)

FAIRFAX COUNTY PUBLIC SCHOOLS
Net Position by Component
Last Ten Fiscal Years
(Dollars in Thousands)
Unaudited

Governmental Activities	**Fiscal Year 2024**	**2023**	**2022**	**2021 (2)**	**2020 (1)**
Net investment in capital assets	$ 2,702,036	$ 2,674,697	$ 2,607,835	$ 2,564,344	$ 2,553,192
Restricted	291,294	240,035	168,546	103,938	48,881
Unrestricted (deficit)	(2,436,375)	(2,579,753)	(2,888,217)	(3,323,137)	(3,338,234)
Total net position	$ 556,955	$ 334,979	$ (111,836)	$ (654,855)	$ (736,161)

(1) Fiscal year 2020 net position restated due to the implementation of GASB statement 84.

(2) Fiscal year 2021 net position restated due to the implementation of GASB statement 87.

Source: FCPS Annual Comprehensive Financial Reports 2015-2024

TABLE 1

Fiscal Year					
2019	2018	2017	2016	2015	**Governmental Activities**
$ 2,505,368	$ 2,418,471	$ 2,372,731	$ 2,298,394	$ 2,226,691	Net investment in capital assets
65,263	79,502	64,143	66,320	60,964	Restricted
(3,346,426)	(3,497,379)	(2,933,512)	(2,892,239)	(2,961,330)	Unrestricted (deficit)
$ (775,795)	$ (999,406)	$ (496,638)	$ (527,525)	$ (673,675)	Total net position

FAIRFAX COUNTY PUBLIC SCHOOLS
Changes in Net Position
Last Ten Fiscal Years
(Dollars in Thousands)
Unaudited

	Fiscal Year				
Governmental Activities	**2024**	**2023**	**2022**	**2021**	**2020**
Expenses					
Instruction	$ 3,186,610	$ 2,872,879	$ 2,567,219	$ 2,817,431	$ 2,769,242
Support programs	515,202	449,678	439,177	414,153	413,596
Food service	109,180	88,861	80,333	72,649	84,429
Local school activities	47,920	41,436	32,243	12,750	-
Interest on long-term debt	4,604	4,453	2,995	3,829	3,223
Total expenses	3,863,516	3,457,307	3,121,967	3,320,812	3,270,490
Program Revenues					
Charges for services:					
Instruction	74,592	74,328	63,331	59,838	60,020
Support programs	10,964	3,142	9,038	3,107	10,847
Food service	37,190	31,967	3,808	1,328	29,708
Local school activities	46,572	42,307	32,369	12,620	-
Operating grants and contributions	594,303	595,312	587,819	411,859	339,385
Capital grants and contributions	234,304	245,242	196,671	194,679	196,132
Total program revenues	997,925	992,298	893,036	683,431	636,092
Total net expense	(2,865,591)	(2,465,009)	(2,228,931)	(2,637,381)	(2,634,398)
General Revenues and Other Changes in Net Position					
Grants and contributions not restricted to specific purposes:					
Federal government	7,103	25,036	5,945	14,210	5,889
Commonwealth of Virginia	645,059	606,182	581,204	557,655	506,674
County of Fairfax, VA	2,419,410	2,275,311	2,172,661	2,143,322	2,136,017
Revenue for the use of money (1)	1,921	1,731	757	62	343
Other	14,074	3,565	3,541	3,439	2,141
Total general revenues and other changes in net position	3,087,567	2,911,825	2,764,108	2,718,688	2,651,064
Change in Net Position	$ 221,976	$ 446,816	$ 535,177	$ 81,307	$ 16,666

(1) Revenue from the use of money varies from year to year primarily due to fluctuations in interest rates.

Source: FCPS Annual Comprehensive Financial Reports 2015-2024

TABLE 2

Fiscal Year 2019	2018	2017	2016	2015	Governmental Activities
					Expenses
$ 2,518,673	$ 2,443,217	$ 2,471,926	$ 2,256,704	$ 2,220,230	Instruction
372,899	365,265	379,770	361,025	360,930	Support programs
83,458	78,855	82,869	76,123	77,804	Food service
-	-	-	-	-	Local school activities
3,173	2,965	2,831	2,908	2,865	Interest on long-term debt
2,978,203	2,890,302	2,937,396	2,696,760	2,661,829	Total expenses
					Program Revenues
					Charges for services:
55,765	55,534	52,135	48,935	47,392	Instruction
15,192	13,637	14,037	15,624	15,672	Support programs
40,865	39,358	41,659	39,604	39,592	Food service
-	-	-	-	-	Local school activities
329,314	317,227	287,733	267,993	259,109	Operating grants and contributions
200,894	173,864	181,916	184,126	171,313	Capital grants and contributions
642,030	599,620	577,480	556,282	533,078	Total program revenues
(2,336,173)	(2,290,682)	(2,359,916)	(2,140,478)	(2,128,751)	Total net expense
					General Revenues and Other Changes in Net Position
					Grants and contributions not restricted to specific purposes:
6,011	5,623	6,776	5,446	4,635	Federal government
499,661	470,174	464,403	453,988	448,297	Commonwealth of Virginia
2,051,659	1,966,920	1,913,519	1,825,153	1,768,498	County of Fairfax, VA
413	230	118	48	21	Revenue for the use of money (1)
2,039	2,266	5,987	1,993	1,688	Other
2,559,783	2,445,213	2,390,803	2,286,628	2,223,139	Total general revenues and other changes in net position
$ 223,610	$ 154,531	$ 30,887	$ 146,150	$ 94,388	**Change in Net Position**

FAIRFAX COUNTY PUBLIC SCHOOLS
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Dollars in Thousands)
Unaudited

	Fiscal Year				
	2024	**2023**	**2022**	**2021**	**2020 (1)**
General Fund:					
Nonspendable	$ 261	$ 349	$ 54	$ 54	$ 453
Committed	38,106	35,000	31,875	39,930	41,023
Assigned	367,160	317,181	281,534	215,665	124,278
Unassigned	2,030	7,758	4,636	3,405	1,702
Total General Fund	$ 407,557	360,288	$ 318,099	$ 259,054	$ 167,456
All other governmental funds:					
Nonspendable	$ 1,485	$ 1,246	$ 2,111	$ 1,434	$ 1,557
Restricted	291,294	240,035	168,546	103,938	48,881
Unassigned	-	(357)	(440)	(593)	(288)
Total all other governmental funds	$ 292,779	$ 240,924	$ 170,217	$ 104,779	$ 50,150

(1) Fiscal year 2020 the fund balance for the general fund restated due to the implementation of GASB statement 84.

Source: FCPS Annual Comprehensive Financial Reports 2015-2024 and FCPS Final Budget Review Reports 2015-2024.

TABLE 3

	Fiscal Year				
2019	2018	2017	2016	2015	
					General Fund:
$ 664	$ 649	$ 401	$ 144	$ 396	Nonspendable
39,292	43,495	55,182	49,986	54,084	Committed
95,082	92,439	87,476	91,943	90,075	Assigned
91	2,018	3,800		2,141	Unassigned
$ 135,129	$ 138,601	$ 146,859	$ 142,073	$ 146,696	Total General Fund
					All other governmental funds:
$ 987	$ 1,162	$ 1,219	$ 1,529	$ 1,852	Nonspendable
65,236	79,501	63,590	66,320	61,362	Restricted
(20)	(86)	(553)	-	-	Unassigned
$ 66,203	$ 80,577	$ 64,256	$ 67,849	$ 63,214	Total all other governmental funds

FAIRFAX COUNTY PUBLIC SCHOOLS
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Dollars in Thousands)
Unaudited

	Fiscal Year				
	2024	2023	2022	2021	2020
Revenues					
Intergovernmental	$ 3,889,470	$ 3,731,928	$ 3,536,391	$ 3,316,983	$ 3,175,758
Charges for services	57,324	50,515	20,378	15,580	48,357
Revenue from the use of money and property	5,435	4,796	3,411	1,391	3,239
Recovered costs (1)	60,706	54,733	52,908	47,657	48,777
Revenue from local school activities	46,572	42,307	32,369	12,620	-
Other	25,985	19,843	11,687	7,888	11,025
Total revenues	4,085,492	3,904,122	3,657,144	3,402,119	3,287,156
Expenditures					
Current :					
Instruction	3,082,986	2,926,596	2,762,947	2,607,719	2,600,047
Support programs	498,142	457,613	421,078	383,606	388,496
Food service	105,840	89,689	85,694	67,174	79,772
Local school activities	47,920	41,436	32,243	12,750	-
Capital outlay	242,284	351,166	253,685	207,092	223,390
Debt service:					
Principal	51,478	46,102	31,109	26,936	21,201
Interest	4,981	2,862	3,101	3,398	3,305
Total expenditures	4,033,631	3,915,464	3,589,857	3,308,675	3,316,211
Excess (deficiency of revenues over (under) expenditures	51,861	(11,342)	67,287	93,444	(29,055)
Other financing sources (uses)					
Transfers in	48,344	50,131	41,948	44,299	33,263
Transfers out	(48,344)	(50,131)	(41,948)	(44,299)	(33,263)
Leases (2)	6,571	20,256	56,536	52,847	21,799
Financed Purchase Leases	26,662	29,873	-	-	-
Right-to-use subscription	13,814	74,928	-	-	-
Total other financing sources, net	47,047	125,057	56,536	52,847	21,799
Net change in fund balances	$ 98,908	$ 113,715	$ 123,823	$ 146,291	$ (7,256)
Debt service as a percentage of noncapital expenditures	1.5%	1.4%	1.0%	1.0%	0.8%

(1) FCPS provides educational services to the City of Fairfax's schools on a cost reimbursement basis. These revenues are reported as recovered costs.
(2) The items acquired by leases include copiers and real estate. The amount of funding available for these purchases may vary dramatically over time depending on needs.

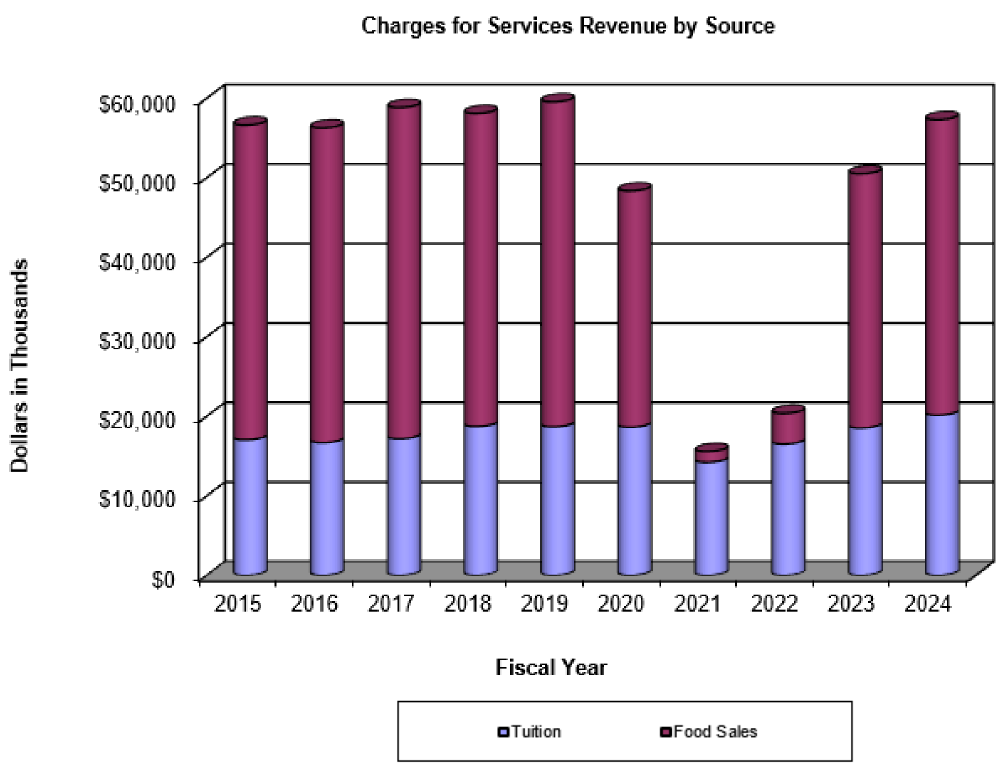
Source: FCPS Annual Comprehensive Financial Reports 2015-2024.

TABLE 4

	Fiscal Year				
	2019	2018	2017	2016	2015
Revenues					
Intergovernmental	$ 3,074,135	$ 2,920,689	$ 2,838,365	$ 2,726,484	$ 2,639,091
Charges for services	59,564	58,106	58,851	56,291	56,650
Revenue from the use of money and property	4,689	4,239	4,094	3,948	3,630
Recovered costs (1)	47,453	46,010	44,793	44,033	42,426
Revenue from local school activities	-	-	-	-	-
Other	15,974	15,789	22,180	12,154	14,420
Total revenues	3,201,815	3,044,833	2,968,283	2,842,910	2,756,217
Expenditures					
Current :					
Instruction	2,518,656	2,405,116	2,318,272	2,206,938	2,154,041
Support programs	373,001	359,618	353,367	353,194	350,964
Food service	83,253	77,569	77,427	74,128	75,526
Local school activities	-	-	-	-	-
Capital outlay	237,578	179,222	224,279	215,607	229,852
Debt service:					
Principal	19,792	20,477	18,157	14,444	15,238
Interest	3,190	3,122	2,803	2,909	2,751
Total expenditures	3,235,470	3,045,124	2,994,305	2,867,220	2,828,372
Excess (deficiency of revenues over (under) expenditures	(33,655)	(291)	(26,022)	(24,310)	(72,155)
Other financing sources (uses)					
Transfers in	30,677	32,090	29,378	30,687	30,491
Transfers out	(30,677)	(32,090)	(29,378)	(30,687)	(30,491)
Capital leases and installment purchases (2)	16,041	7,858	28,079	24,646	18,340
	-	-	-	-	-
	-	-	-	-	-
Total other financing sources, net	16,041	7,858	28,079	24,646	18,340
Net change in fund balances	$ (17,614)	$ 7,567	$ 2,057	$ 336	$ (53,815)
Debt service as a percentage of noncapital expenditures	0.8%	0.8%	0.8%	0.7%	0.7%

FAIRFAX COUNTY PUBLIC SCHOOLS **TABLE 5**
Charges for Services Revenue by Source (1)
Last Ten Fiscal Years
(Dollars in Thousands)
Unaudited

Fiscal Year	Tuition	Percentage	Food Sales	Percentage	Total
2024	$ 20,135	35.1%	$ 37,190	64.9%	$ 57,325
2023	18,548	36.7	31,967	63.3	50,515
2022	16,521	81.1	3,857 (2)	18.9	20,378
2021	14,252	91.5	1,328 (2)	8.5	15,580
2020	18,649	38.6	29,708	61.4	48,357
2019	18,699	31.4	40,865	68.6	59,564
2018	18,748	32.3	39,358	67.7	58,106
2017	17,193	29.2	41,659	70.8	58,852
2016	16,687	29.6	39,604	70.4	56,291
2015	17,058	30.1	39,592	69.9	56,650



(1) FCPS' primary own source revenue is charges for services, which consists of tuition fees and food sales.
(2) Due to the pandemic in fiscal years 2021 and 2022, meals were distributed and provided to the community for school age children at no cost.

Source: FCPS Annual Comprehensive Financial Reports 2015-2024

FAIRFAX COUNTY PUBLIC SCHOOLS **TABLE 6**
Food Service Sales Price Breakdown (1)
Last Ten Fiscal Years
Unaudited

Fiscal Year	Student Breakfast	Student Lunch Elementary	Student Lunch Middle	Student Lunch High	Adult Lunch
2024	$ 1.75	$ 3.25	$ 3.50	$ 3.50	$ 4.75
2023	1.75	3.25	3.50	3.50	4.50
2022	1.75	3.25	3.50	3.50	4.50
2021	1.75	3.25	3.50	3.50	4.50
2020	1.75	3.25	3.50	3.50	4.50
2019	1.75	3.25	3.50	3.50	4.50
2018	1.75	3.00	3.25	3.25	4.25
2017	1.75	3.00	3.25	3.25	4.25
2016	1.75	2.90	3.00	3.00	3.90
2015	1.75	2.90	3.00	3.00	3.90

(1) In fiscal years 2021 and 2022, meals were distributed and provided to the community for school age children at no charge.

Source: FCPS - Office of Food and Nutrition Services

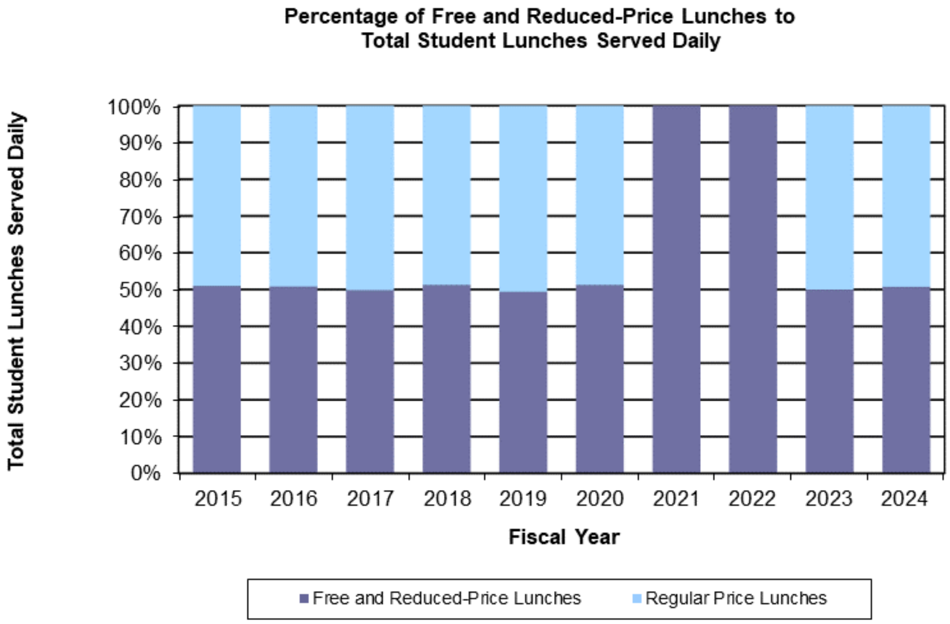
FAIRFAX COUNTY PUBLIC SCHOOLS **TABLE 7**
Principal Food Service Sales by Client
Current Fiscal year and ten years ago
(Dollars in Thousands)
Unaudited

Client	Fiscal Year 2024 Sales	Fiscal Year 2024 Rank	Fiscal Year 2024 Percentage of Total Sales	Fiscal Year 2015 Sales	Fiscal Year 2015 Rank	Fiscal Year 2015 Percentage of Total Sales
Student	$ 30,792	1	82.80 %	$ 32,227	1	81.40 %
Daycare	2,672	2	7.18	978	4	2.47
School-age child care (SACC)	2,101	3	5.65	2,577	2	6.51
Vending	1,056	4	2.84	2,522	3	6.37
Adult	426	5	1.15	422	6	1.07
Catering/other	143	6	0.38	307	7	0.77
Senior nutrition	-	-	-	559	5	1.41
Total:	$ 37,190		100.00 %	$ 39,592		100.00 %

Source: FCPS - Office of Food and Nutrition Services

FAIRFAX COUNTY PUBLIC SCHOOLS **TABLE 8**
Food Sales - Meals Served Daily
Last Ten Fiscal Years
Unaudited

		Students Served Daily			
Fiscal Year		**Breakfasts**	**Lunches (1)**	**Free and Reduced-Price Lunches**	**Adult Lunches Served Daily**
2024		30,304	76,087	38,600	1,316
2023		26,402	74,151	37,061	1,607
2022	(2)	47,165	108,349	108,349	1,117
2021	(2)	16,271	17,273	17,273	10
2020		29,099	81,137	41,566	2,043
2019		29,506	80,473	40,051	2,154
2018		26,591	80,374	41,184	2,156
2017		22,261	80,660	40,163	2,202
2016		20,102	82,168	41,733	2,441
2015		19,193	81,526	41,549	2,635



1) Includes free and reduced-price lunches served daily.

2) Due to the pandemic in fiscal years 2021 and 2022, meals were distributed and provided to the comuunity for school age children at no cost.

Source: FCPS - Office of Food and Nutrition Services

FAIRFAX COUNTY PUBLIC SCHOOLS **TABLE 9**
Ratios of Debt Outstanding (1)
Last Ten Fiscal Years
(Dollars in Thousands)
Unaudited

	Governmental Activities - Debt (2)				Percent of	
Fiscal Year	**Lease Liability (4)**	**Notes Payable (4)**	**Subscription Liability (4)**	**Total**	**Personal Income (3)**	**Debt Per Capita (4)**
2024	$ 52,096	$ 92,529	$ 55,169	$ 199,794	0.17 %	$ 168
2023	56,539	90,924	61,050	208,513	0.19	178
2022	47,701	80,906	-	128,607	0.12	110
2021	109,792	-	-	109,792	0.11	94
2020	83,881	-	-	83,881	0.09	72
2019	83,283	-	-	83,283	0.09	72
2018	87,033	-	-	87,033	0.10	76
2017	99,652	-	-	99,652	0.12	88
2016	89,731	-	-	89,731	0.10	79
2015	79,529	-	-	79,529	0.10	70

(1) See Note III.F in the notes to the financial statements for additional details on FCPS' outstanding debt.

(2) The Code prohibits FCPS from issuing general obligation debt. As a result, the County issues general obligation bonds for FCPS and reports in its financial statements, the general obligation debt related to FCPS. The Code does not impose a legal limit on the amount of long-term indebtedness that the County can incur or have outstanding; however, the County's Board of Supervisors has imposed limits. The County discloses direct and overlapping debt with the Town of Herndon and Town of Vienna in the County's ACFR, Statistical Section, Table 3.3.

(3) See Table 12 for personal income and population totals. The calculations are based on calendar year figures that fall within the fiscal year.

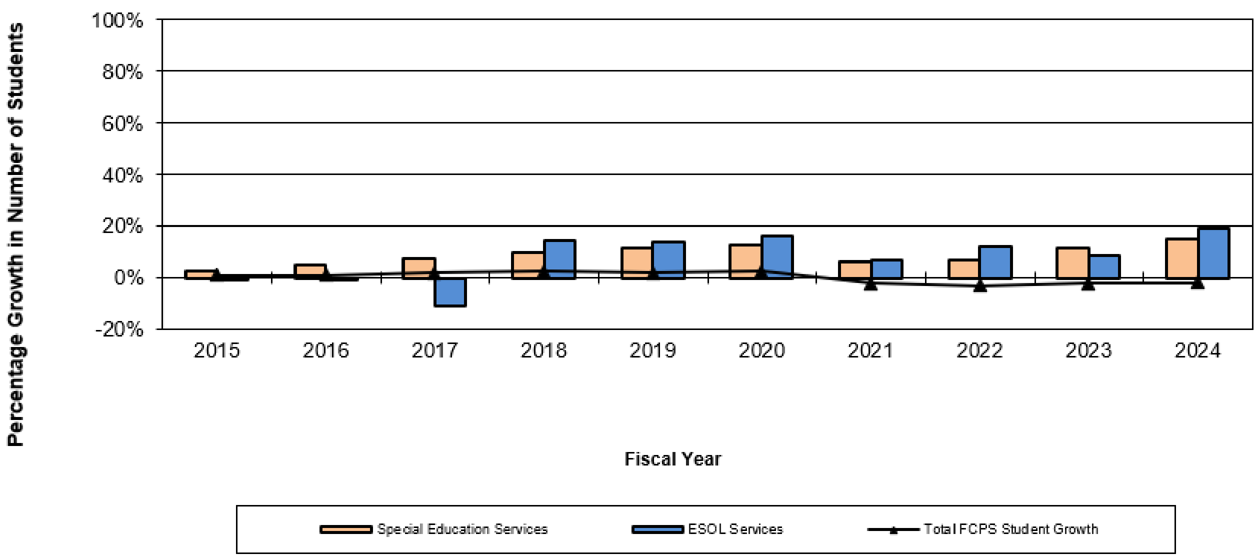
(4) GASB 87 and GASB 96 implementations in fiscal years 2022 and 2023, respectively, resulted in a change to FCPS Debt to include Lease Liability, Notes Payable and Subscription Liability.

Source: FCPS Annual Comprehensive Financial Reports 2015-2024

FAIRFAX COUNTY PUBLIC SCHOOLS **TABLE 10**
Enrollment Trend
Last Ten Fiscal Years
Unaudited

Fiscal Year	Grades K-6 (1)	Grades 7-8	Grades 9-12 (2)	Special Education (3)	Total
2024	83,779	24,842	54,334	17,572	180,527
2023	83,779	24,711	54,291	17,014	179,795
2022	83,418	25,559	53,134	16,310	178,421
2021	83,786	26,425	53,319	16,218	179,748
2020	90,641	26,543	53,899	17,272	188,355
2019	90,788	26,404	53,253	17,029	187,474
2018	91,714	26,251	53,697	16,741	188,403
2017	92,535	25,680	52,876	16,393	187,484
2016	92,473	25,215	52,225	16,066	185,979
2015	92,897	25,060	52,265	15,692	185,914

Total FCPS Student Growth from Fiscal Year 2015 Compared to Increased Services for Special Education and English for Speakers of Other Languages (ESOL)

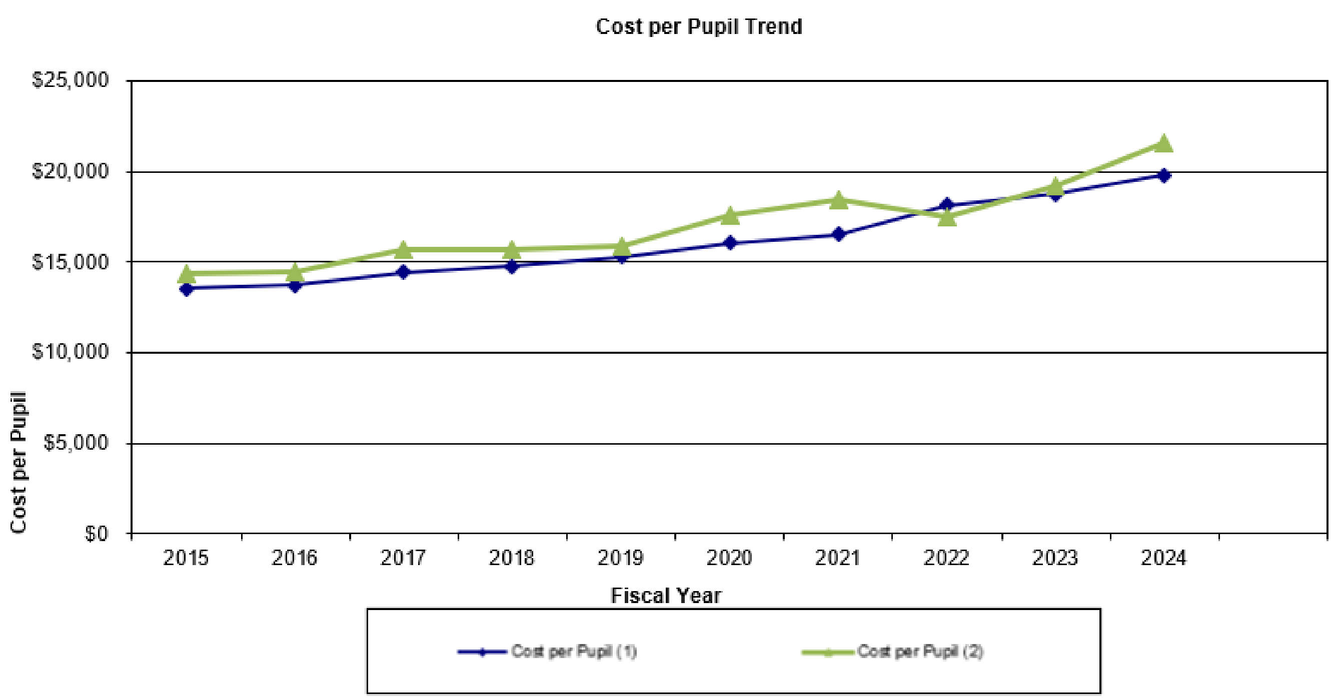


(1) Includes Family and Early Childhood Education Program (FECEP), kindergarten, and grades 1 to 6 membership.
(2) Includes membership in grades 9 through 12, including alternative programs.
(3) Includes Level 2 and preschool services.

Source: FCPS Approved Budgets 2015-2025

FAIRFAX COUNTY PUBLIC SCHOOLS **TABLE 11**
Cost per Pupil
Last Ten Fiscal Years
Unaudited

Fiscal Year	Cost per Pupil (1)	Cost per Pupil (2)
2024	$ 19,795	$ 21,420
2023	18,772	19,229
2022	18,118	17,498
2021	16,505	18,475
2020	16,043	17,631
2019	15,293	15,886
2018	14,767	15,659
2017	14,432	15,667
2016	13,718	14,500
2015	13,519	14,318



(1) The regional formula for calculating the cost per pupil is based on General Fund expenditures rather than the government-wide expenses. The computation includes all costs directly associated with an instructional program. Transportation costs are allocated to each program according to the actual costs of providing services.
(2) Calculation is based on the total government-wide expenses divided by the number of students enrolled.

Source: Metropolitan/Washington Area Boards of Education Guides 2015-2024
FCPS Annual Comprehensive Financial Reports 2015-2024

FAIRFAX COUNTY PUBLIC SCHOOLS **TABLE 12**

Demographic and Economic Statistics of the County of Fairfax, Virginia

Last Ten Calendar Years

Unaudited

Calendar Year	Population (1)	Personal Income (000s) (2)	Per Capita Personal Income (2)	Median Age (Years) (3)	Percent of People ≥ 25 Years Old with a Bachelor's Degree (3)	Public School Enrollment (4)	Unemployment Rate (5)
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
2014	1,137,538	81,620,627	71,752	37.6	58.6	183,895	3.5

Source:

(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. Fairfax County data for 2023 is estimated using percent change in per capita personal income from 2022

(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.

FAIRFAX COUNTY PUBLIC SCHOOLS **TABLE 13**

Principal Employers in the County of Fairfax, Virginia

Current Fiscal Year and Ten Years Ago

Unaudited

	Fiscal Year 2024 (1)			Fiscal Year 2015 (1)		
Employer	**Number of Employees (2)**	**Rank**	**Percent of Total County Employment (3)**	**Number of Employees (2)**	**Rank**	**Percent of Total County Employment (3)**
Federal Government	28,156	1	4.49 %	23,634	2	3.73 %
Fairfax County Public Schools	26,235	2	4.18	24,181	1	3.81
Inova Health System	24,000	3	3.83	7,000-10,000	4	1.34
Fairfax County Government	12,000	4	1.91	12,326	3	1.94
George Mason University	5,000-9,999	5	1.21	5,000-10,000	5	1.18
Booz-Allen Hamilton	5,000-9,999	6	1.21	4,000-6,999	6	0.87
Amazon	5,000-9,999	7	1.21			
Capital One	5,000-9,999	8	1.21			
Science Applications International Corporation (4)	5,000-9,999	9	1.21	4,000-6,999	9	0.87
Federal Home Loan Mortgage	5,000-9,999	10	1.21	4,000-6,999	7	0.87
Gerneral Dynamics				4,000-6,999	8	0.87
Northrop Grumman				1,000-3,999	10	0.39
			21.83 %			15.87 %

(1) Employment information for fiscal year 2024, excluding data for Fairfax County Government and FCPS, is from the 4th quarter of calendar year 2023 Virginia Employment Commission (VEC) and Fairfax County's Economic Development Authority. Employment information for fiscal year 2015 was presented in the fiscal year 2015 Fairfax County ACFR.

(2) Employment estimates for separate facilities of the same firm have been combined to create company totals. Employement 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 in fiscal year 2024 is estimated at 627,261 based on VEC. Average total County employment for fiscal year 2015 was estimated at 634,272.

(4) Science Applications International Corporation employment reported prior to the September 2013 split into two independent companies (SAIC and Leidos).

Source: Fairfax County Economic Development Authority (using VEC data); FCPS - Office of the Comptroller; Fairfax County Department of Management and Budget

FAIRFAX COUNTY PUBLIC SCHOOLS
Full-Time Employees by Function - All Funds
Last Ten Fiscal Years
Unaudited

	Fiscal year				
Function	**2024**	**2023**	**2022**	**2021**	**2020**
School Based:					
Principals	199.0	199.0	199.0	199.0	198.0
Assistant principals & directors	525.0	507.0	466.0	469.0	463.0
Teachers	16,183.1	15,739.9	15,841.7	15,734.3	15,655.7
Instructional assistants	2,891.1	2,785.4	2,778.7	2,794.7	2,781.8
Custodian	1,369.5	1,349.5	1,372.0	1,360.0	1,347.5
Other school based personnel	2,801.3	2,713.2	2,775.8	2,760.6	2,658.6
Non-School Based:					
Administration	1,484.0	1,453.8	1,375.1	1,313.1	1,219.7
Teachers (1)	73.0	72.5	52.9	54.5	22.5
Office assistants	222.1	223.2	227.7	226.7	227.6
Trades personnel	487.0	482.0	481.0	477.0	467.0
Total	26,235.1	25,525.5	25,569.9	25,388.9	25,041.4

(1) These employees were teachers who performed administrative-type functions such as curriculum development.

Source: FCPS - Office of Budget Services

TABLE 14

		Fiscal Year			
2019	**2018**	**2017**	**2016**	**2015**	**Function**
					School Based:
199.0	199.0	199.0	198.0	197.0	Principals
462.0	453.0	451.0	459.0	454.0	Assistant principals & directors
15,585.5	15,420.3	15,464.0	15,295.3	15,086.8	Teachers
2,820.6	2,779.7	2,741.7	2,790.3	2,600.3	Instructional assistants
1,332.5	1,324.0	1,306.5	1,327.0	1,301.5	Custodian
2,644.2	2,649.3	2,632.3	2,619.3	2,658.1	Other school based personnel
					Non-School Based:
1,176.6	1,153.3	1,150.6	1,140.1	1,125.6	Administration
22.5	30.5	31.5	31.0	27.5	Teachers (1)
229.1	234.1	235.6	243.1	251.6	Office assistants
464.0	472.0	476.0	478.0	479.0	Trades personnel
24,936.0	24,715.2	24,688.2	24,581.1	24,181.4	Total

FAIRFAX COUNTY PUBLIC SCHOOLS **TABLE 15**
SAT Scores
Comparison of County of Fairfax, Virginia, Commonwealth of Virginia, and National Averages
Last Ten Fiscal Years
Unaudited

	Combined SAT Scores - Critical Reading, Math and Writing (1)		
Fiscal Year	County of Fairfax, VA	Commonwealth of Virginia	National
2024	1178	1101	1024
2023	1181	1113	1028
2022	1185	1124	1050
2021	1201	1151	1060
2020	1211	1116	1051
2019	1218	1113	1039
2018	1213	1110	1049
2017	1187	1095	1044
2016	1672	1522	1453
2015	1669	1523	1462

1) New SAT format implemented by the College Board on March 2016 changing the grading scale from 600-2400 (maximum of 1200 in Math and 1200 in Critical Reading & Writing) to a grading scale of 400-1600 (maximum of 800 in Math and 800 in Critical Reading & Writing).

Source: FCPS - Office of Student Testing

FAIRFAX COUNTY PUBLIC SCHOOLS **TABLE 16**
Average Class Size - Students per Classroom Teacher
Last Ten Fiscal Years
Unaudited

Fiscal Year	Elementary	Middle	Secondary/High
2024	21.1	24.7	25.3
2023	21.3	24.7	25.6
2022	21.2	24.8	25.7
2021	21.2	24.9	25.8
2020	21.7	24.9	25.9
2019	22.6	25.1	25.9
2018	22.9	25.1	26.0
2017	22.4	24.6	25.8
2016	22.3	24.6	25.8
2015	22.4	24.6	25.6

Source: Metropolitan/Washington Area Boards of Education Guides 2015-2024

FAIRFAX COUNTY PUBLIC SCHOOLS **TABLE 17**
Teacher Salary
Last Ten Fiscal Years
Unaudited

		Salary		
Fiscal Year	**Contract Length**	**Beginning Teacher**	**Maximum Teacher**	**Average Teacher**
2024	195 days	$ 54,913	$ 116,816	$ 86,026
2023	195 days	53,313	112,290	83,623
2022	194 days	51,000	106,354	79,896
2021	194 days	50,000	104,269	78,298
2020	194 days	50,000	104,269	79,236
2019	194 days	50,000	104,269	75,657
2018	194 days	48,012	103,937	72,734
2017	194 days	47,516	103,854	70,813
2016	194 days	47,046	101,524	67,589
2015	194 days	46,756	100,898	66,782

Source: Metropolitan/Washington Area Boards of Education Guides 2015-2024

FAIRFAX COUNTY PUBLIC SCHOOLS **Table 18**
Capital Assets Statistics
Last Ten Fiscal Years
Unaudited

	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Elementary schools	142	142	142	142	141	141	141	141	139	139
Middle schools	23	23	23	23	23	23	23	23	23	23
High/Secondary schools	25	25	25	25	25	25	25	25	25	25
Special education centers	7	7	7	7	7	7	7	7	7	7
Alternative high schools	2	2	2	2	2	2	2	2	2	2
Central administrative centers	22	22	22	22	22	22	22	22	22	22
Buses	1,837	1,827	1,635	1,673	1,705	1,604	1,593	1,856	1,852	1,685

Source: FCPS - Office of the Comptroller

FAIRFAX COUNTY PUBLIC SCHOOLS **TABLE 19**
School Building Statistics (1) **(Page 1 of 4)**
As of June 30, 2024
Unaudited

	Year Opened	Site Acreage	Building Size (2)	Student Population (3)	Square Foot Per Population
Elementary Schools					
Aldrin ES	1994	14	97,436	450	217
Annandale Terrace ES	1964	12	101,044	654	155
Armstrong ES	1986	14	80,000	364	220
Bailey's ES	1952	10	107,670	804	134
Bailey's Upper ES	2014	4	101,866	525	194
Beech Tree ES	1968	10	70,408	409	172
Belle View ES	1952	11	97,304	400	243
Belvedere ES	1954	11	76,970	638	121
Bonnie Brae ES	1988	13	86,390	821	105
Braddock ES	1959	12	70,714	903	78
Bren Mar Park ES	1957	10	62,888	484	130
Brookfield ES	1967	13	90,000	690	130
Bucknell ES	1954	10	96,820	278	348
Bull Run ES	1999	41	98,590	793	124
Bush Hill ES	1954	11	71,700	678	106
Camelot ES	1969	10	89,591	602	149
Cameron ES	1953	8	82,274	526	156
Canterbury Woods ES	1965	12	89,744	795	113
Cardinal Forest ES	1966	13	81,275	698	116
Centre Ridge ES	1990	14	93,981	650	145
Centreville ES	1994	13	98,625	771	128
Cherry Run ES	1983	11	83,532	461	181
Chesterbrook ES	1926	14	82,431	537	154
Churchill Road ES	1958	10	68,008	600	113
Clearview ES	1979	14	98,358	625	157
Clermont ES	1968	13	80,222	537	149
Coates ES	2009	14	89,439	939	95
Columbia ES	1967	10	55,018	374	147
Colvin Run ES	2003	13	98,590	766	129
Crestwood ES	1955	11	74,887	543	138
Crossfield ES	1988	14	89,134	557	160
Cub Run ES	1986	16	77,850	571	136
Cunningham Park ES	1967	10	69,842	407	172
Daniels Run ES	1955	14	98,674	818	121
Deer Park ES	1995	10	86,990	551	158
Dogwood ES	2002	14	98,590	723	136
Dranesville ES	1988	13	88,776	598	148
Eagle View ES	2006	13	98,590	662	149
Fairfax Villa ES	1965	12	70,248	520	135
Fairhill ES	1965	10	74,478	541	138
Fairview ES	1939	14	82,115	759	108
Flint Hill ES	1955	10	74,770	609	123
Floris ES	1955	10	82,811	699	118
Forest Edge ES	1971	13	96,669	450	215
Forestdale ES	1964	10	55,075	533	103
Forestville ES	1981	18	84,102	580	145
Fort Belvoir Primary ES	1998	20	95,341	744	128
Fort Belvoir Upper ES	2016	20	137,997	654	211
Fort Hunt ES	1969	13	82,363	570	144
Fox Mill ES	1979	14	75,854	645	118
Franconia ES	1932	7	71,658	489	147

FAIRFAX COUNTY PUBLIC SCHOOLS **TABLE 19**
School Building Statistics (1) **(Page 2 of 4)**
As of June 30, 2024
Unaudited

	Year Opened	Site Acreage	Building Size (2)	Student Population (3)	Square Foot Per Population
Elementary Schools (Cont'd):					
Franklin Sherman ES	1952	11	64,420	352	183
Freedom Hill ES	1949	12	81,949	521	157
Garfield ES	1953	8	78,373	330	237
Glen Forest ES	1957	10	88,455	783	113
Graham Road ES	1950	8	81,354	403	202
Great Falls ES	1953	10	85,697	517	166
Greenbriar East ES	1968	10	90,547	901	100
Greenbriar West ES	1972	10	93,203	622	150
Groveton ES	1972	13	92,326	781	118
Gunston ES	1954	10	74,930	542	138
Halley ES	1995	20	98,900	614	161
Haycock ES	1955	10	85,897	829	104
Hayfield ES	1967	13	81,437	613	133
Herndon ES	1961	14	86,795	794	109
Hollin Meadows ES	1965	10	93,203	607	154
Hunt Valley ES	1968	13	90,187	744	121
Hunters Woods ES	1969	11	101,613	687	148
Hutchison ES	1975	39	106,408	1,001	106
Hybla Valley ES	1964	10	92,861	883	105
Island Creek ES	2003	19	98,590	723	136
Keene Mill ES	1961	11	92,137	801	115
Kent Gardens ES	1957	11	77,901	1,006	77
Kings Glen ES	1969	8	74,619	466	160
Kings Park ES	1964	10	82,762	659	126
Lake Anne ES	1967	10	85,419	582	147
Lane ES	1995	20	98,625	751	131
Laurel Hill ES	2009	9	98,590	736	134
Laurel Ridge ES	1970	13	112,320	802	140
Lees Corner ES	1987	11	81,843	589	139
Lemon Road ES	1955	12	69,914	568	123
Little Run ES	1963	10	55,104	278	198
London Towne ES	1969	13	90,770	682	133
Lorton Station ES	2003	13	101,122	744	136
Louise Archer ES	1939	8	52,938	541	98
Lynbrook ES	1957	11	88,674	598	148
Mantua ES	1961	12	83,815	955	88
Marshall Road ES	1961	11	94,444	693	136
Mason Crest ES	2012	11	98,590	706	140
McNair ES	2001	15	98,625	504	196
McNair Upper ES	2020	15	105,652	616	172
Mosaic ES	1963	12	72,619	961	76
Mount Eagle ES	1949	6	59,084	333	177
Mount Vernon Woods ES	1965	10	92,950	533	174
Navy ES	1956	10	91,862	851	108
Newington Forest ES	1983	13	90,080	579	156
North Springfield ES	1952	12	92,000	466	197
Oak Hill ES	1983	12	77,850	657	118
Oak View ES	1968	10	86,390	773	112
Oakton ES	1945	9	90,317	773	117

FAIRFAX COUNTY PUBLIC SCHOOLS — **TABLE 19**
School Building Statistics (1) — **(Page 3 of 4)**
As of June 30, 2024
Unaudited

	Year Opened	Site Acreage	Building Size (2)	Student Population (3)	Square Foot Per Population
Elementary Schools (Cont'd):					
Olde Creek ES	1966	11	69,097	385	179
Orange Hunt ES	1974	14	84,852	899	94
Parklawn ES	1958	11	78,846	936	84
Pine Spring ES	1955	11	68,654	612	112
Poplar Tree ES	1990	11	97,274	723	135
Powell ES	2003	17	98,590	875	113
Providence ES	1956	20	99,601	875	114
Ravensworth ES	1963	10	80,152	566	142
Riverside ES	1968	11	81,411	714	114
Rolling Valley ES	1967	10	77,528	535	145
Rose Hill ES	1957	11	83,976	672	125
Sangster ES	1988	14	88,552	898	99
Saratoga ES	1989	14	104,185	582	179
Shrevewood ES	1966	13	69,480	646	108
Silverbrook ES	1988	14	104,085	814	128
Sleepy Hollow ES	1954	10	72,361	445	163
Spring Hill ES	1965	13	106,458	946	113
Springfield Estates ES	1958	11	89,166	589	151
Stenwood ES	1964	10	70,109	539	130
Stratford Landing ES	1963	10	103,383	718	144
Sunrise Valley ES	1979	15	85,702	568	151
Terra Centre ES	1980	12	88,395	625	141
Terraset ES	1977	14	104,830	609	172
Timber Lane ES	1955	10	80,709	648	125
Union Mill ES	1986	13	93,420	907	103
Vienna ES	1923	15	74,904	377	199
Virginia Run ES	1989	21	90,800	699	130
Wakefield Forest ES	1955	14	64,458	646	100
Waples Mill ES	1991	14	92,420	812	114
Washington Mill ES	1963	12	97,248	561	173
Waynewood ES	1959	10	89,904	726	124
West Springfield ES	1965	10	65,001	552	118
Westbriar ES	1965	10	88,472	845	105
Westgate ES	1968	10	84,912	610	139
Westlawn ES	1952	9	93,749	722	130
Weyanoke ES	1949	10	78,103	560	139
White Oaks ES	1980	16	95,386	719	133
Willow Springs ES	1990	21	90,015	858	105
Wolftrap ES	1968	10	74,436	550	135
Woodburn ES	1953	10	64,735	481	135
Woodlawn ES	1938	11	97,567	461	212
Woodley Hills ES	1952	10	78,268	515	152
Middle Schools:					
Carson MS	1998	33	178,723	1,380	130
Cooper MS	1962	20	114,350	1,071	107
Franklin MS	1984	35	138,756	822	169
Frost MS	1964	98	110,027	1,247	88
Glasgow MS	1961	22	199,406	1,722	116
Herndon MS	1927	27	193,776	897	216
Holmes MS	1967	28	158,399	889	178

FAIRFAX COUNTY PUBLIC SCHOOLS **TABLE 19**
School Building Statistics (1) **(Page 4 of 4)**
As of June 30, 2024
Unaudited

	Year Opened	Site Acreage	Building Size (2)	Student Population (3)	Square Foot Per Population
Middle Schools (Cont'd):					
Hughes MS	1980	25	183,556	1,005	183
Irving MS	1960	21	156,962	1,217	129
Jackson MS	1954	20	150,819	958	157
Johnson MS	1960	19	182,589	1,140	160
Key MS	1971	21	221,670	684	324
Kilmer MS	1967	23	194,855	1,194	163
Liberty MS	2002	80	178,723	900	199
Longfellow MS	1960	18	161,516	1,252	129
Poe MS	1960	26	178,500	890	201
Rocky Run MS	1980	25	191,146	884	216
Sandburg MS	1963	35	269,678	1,397	193
South County MS	2012	37	176,021	967	182
Stone MS	1991	25	157,263	708	222
Thoreau MS	1960	20	179,007	1,246	144
Twain MS	1960	24	148,430	989	150
Whitman MS	1965	20	166,633	813	205
High and Secondary Schools (3):					
Annandale HS	1954	28	324,589	2,156	151
Bryant HS	1960	24	155,708	204	763
Centreville HS	1988	36	325,562	2,462	132
Chantilly HS	1972	35	380,175	2,989	127
Edison HS	1962	43	359,470	2,269	158
Fairfax HS	1972	48	426,194	2,327	183
Falls Church HS	1967	40	306,713	2,131	144
Hayfield SEC	1969	58	340,199	2,208	154
Herndon HS	1967	40	415,722	2,335	178
Justice HS	1959	21	298,989	2,368	126
Lake Braddock SEC	1971	60	418,336	2,952	142
Langley HS	1965	43	337,966	2,126	159
Lewis HS	1958	25	310,405	1,653	188
Madison HS	1959	31	347,588	2,106	165
Marshall HS	1962	47	368,116	2,189	168
McLean HS	1955	31	285,612	2,432	117
Mount Vernon HS	1961	42	458,181	1,926	238
Mountain View HS	1996	11	49,477	190	260
Oakton HS	1967	59	409,661	2,612	157
Robinson SEC	1971	78	367,153	2,482	148
South County HS	2005	69	377,832	2,183	173
South Lakes HS	1978	60	363,455	2,447	149
Thomas Jefferson HS	1964	39	388,767	2,017	193
West Potomac HS	1960	45	459,831	2,636	174
West Springfield HS	1967	10	387,429	2,742	141
Westfield HS	2000	76	422,298	2,713	156
Woodson HS	1962	98	388,533	2,463	158

(1) This table does not include the four City of Fairfax, VA schools because these buildings are not owned by FCPS.

(2) Size measured in square feet, population, and square feet per student, taken from FCPS Facility and Enrollment Dashboard as of December 31, 2023, Buildings are under construction during the fiscal year include project future square footage.

(3) Student population based on September 2023 certified membership and does not include Bryant and Mountain View Alternative High Schools.

(4) Baileys, McNair, and Fort Belvoir Elementary Schools have two separate campuses. Baileys campuses are grades pre-K to 2nd and 3rd to 5th; McNair campuses are grades pre-K to 2nd and 3rd to 6th; Fort Belvoir campuses are grades pre-K to 3rd and 4th to 6th.

Source: FCPS - Department of Facilities and Transportation Services

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