Fairfax County
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For the fiscal year ended

2023

ANNUAL COMPREHENSIVE **FINANCIAL REPORT**

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ended June 30 **2023**

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

Fairfax County
PUBLIC SCHOOLS
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Michelle C. Reid, Superintendent
8115 Gatehouse Road
Falls Church, Virginia 22042

November 16, 2023

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, 2023. 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, 2023. An unmodified opinion represents a clean audit opinion and is expressed when an auditor concludes that the financial statements are presented fairly 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 11th largest school division in the U.S. based on enrollment. FCPS is the third largest employer in the State, with approximately 25,500 full-time staff positions, of which approximately 91 percent are school-based. The FCPS bus fleet is one of the largest bus fleets in the U.S., transporting approximately 125,000 students on over 1,800 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 chief of staff, chief of schools, chief academic officer, chief equity officer, chief experience and engagement officer, chief financial officer, chief information technology officer, chief operating officer, and assistant superintendents manage the day-to-day operations of the school system.

Schools and Centers – Fiscal Year 2023

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 eight 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 ($3.3 billion for fiscal year 2023) 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, Foreign Language Immersion, International Baccalaureate (IB), Advanced Placement (AP), 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 progrems 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 2023, the County provided 69.2 percent of funding and the state and federal governments provided 27.8 percent of FCPS' operating funding. The fiscal year 2023 transfer from the County totals $2.3 billion, an increase in funding of $102.6 million, or 4.7 percent, from the fiscal year 2022 transfer amount.

Economic Condition and Outlook

LOCAL ECONOMY

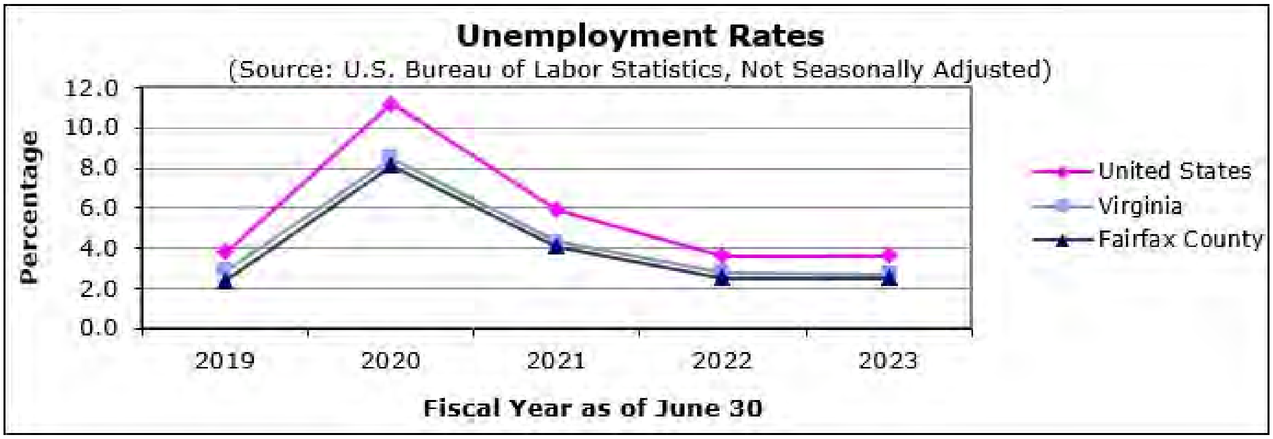
The total number of employed workers in Fairfax County increased a net 22,321 jobs (3.7 percent) in calendar year 2022, as reported by the U.S. Bureau of Labor and Statistics. For all of 2022, the total number of workers with jobs in Fairfax County finally exceeded pre-COVID-19 pandemic levels, by 0.2 percent. While overall employment has mostly recovered, the recovery varies by sector. In 2022, public facing sectors such as the Leisure and Hospitality sector remained over 12 percent below their pre-COVID levels, while other sectors such as the higher paying Professional and Business Services sector have fully recovered.

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 2023, overall BPOL tax receipts increased 5.8 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 3.4 percent. Fiscal year 2023 Sales Tax receipts increased 3.9 percent.

For the commercial real estate market, office vacancy rates increased. According to the Fairfax County Economic Development Authority, the direct office vacancy rate increased for the third year in a row from 14.6 percent in calendar year 2020 to 16.7 percent as of the end of calendar year 2022. 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 7.4 percent in calendar year 2022. Home prices continued to increase primarily because of the tight inventory of homes for sale. Since 2009, the average home sales price has risen 82.6 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 25.4 percent compared to calendar year 2021, due to higher interest rates and smaller inventory.

As illustrated in the following chart, Fairfax County's unemployment rates, not seasonally adjusted, have consistently tracked well below both state and national averages. For June 2023, Fairfax County's unemployment rate was 2.5 percent. The seasonally adjusted unemployment rates for the state of Virginia and the United States were 2.7 percent and 3.6 percent, respectively.



School Enrollment

PROJECTED ENROLLMENT

The projected student enrollment for fiscal year 2024 is 179,952 students. This represents an increase of 2,382 students compared to fiscal year 2023 projections. The projected increase in enrollment is largely attributable to student enrollment partially rebounding after the COVID-19 pandemic. 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.

SPECIAL EDUCATION

In fiscal year 2024, an estimated 47,773 special education services at an average cost of $18,421 per service will be provided to 28,251 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).

ENGLISH FOR SPEAKERS OF OTHER LANGUAGES (ESOL) TRENDS

In fiscal year 2024, 36,790 students, approximately 20 percent of FCPS students, in grades K-12 are projected to receive ESOL services. This is an increase of 2,984 compared to fiscal year 2023 projections and an increase of 1,249 students compared to fiscal year 2019 actual figures.

FREE AND REDUCED-PRICE MEALS

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 2024, the number of students eligible for FRM is projected to be 62,803. This is an increase of 6,691 compared to the fiscal year 2023 projection and an increase of 7,375 compared to fiscal year 2019 actual figures. FRM eligiblity is projected to be 34.9 percent of the total student population. The large increase is due to the USDA suspending reporting requirements during COVID-19 pandemic, resulting in a catchup in the current forecast. 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 2022-2023 school year, FCPS' average overall composite SAT score was 1181, compared to the State average of 1113 and the global average of 1028.
- Graduation rates released by the Virginia Department of Education (VDOE) indicate that 93.4 percent of FCPS students in the class of 2023 graduated on time. This year's overall on-time graduation rate for FCPS is 1.5 percent higher than the State's graduation rate of 91.9 percent.
- Six FCPS high schools made the U.S. News & World Report 2023 list of top ten Best High Schools in Virginia. Thomas Jefferson High School for Science and Technology (TJHSST) remains the number one magnet school in the country, and moved up two spots to become the fourth ranked STEM school in the U.S., followed by McLean, Langley, Oakton, Marshall, and W.T. Woodson High Schools.
- Mosaic Elementary School Principal is one of only nine school leaders recognized nationally by the U.S. Secretary of Education as a recipient of the 2022 Terrell H. Bell Awards for Outstanding School Leadership. The award is part of the National Blue Ribbon Schools Program. Principal and her staff work to ensure students at Mosaic who come from 40 countries speaking 28 different languages feel emotionally, mentally, and physically safe.
- Eight FCPS students were named winners of 2023 National Merit corporate-sponsored scholarship awards.
- A history teacher from Hayfield Secondary School, has been awarded George Washington's Mount Vernon 2023 History Teacher of the Year. The Mount Vernon History Teacher of the Year award is presented annually to one teacher in the Washington, D.C., Metropolitan area who brings creativity and passion to their teaching, generates a love of learning, and deepens their students' understanding and appreciation of history.

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 stakeholder input.

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 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.

- **Goal 1 – Strong Start: Pre-K-12**

  Every student will develop foundational academic skills, curiosity, and a joy for learning necessary for success in Pre-K through 12th grade.

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

  Every student will experience an equitable school community where student health and well-being are prioritized, and student voice is centered.

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

  Every student will acquire critical and creative thinking skills, meet/exceed high academic standards, and achieve their highest academic potential.

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

  Every student will have access to high-quality academic programming and resources to support their success.

- **Goal 5 – Leading for Tomorrow's Innovation**

  Every student will graduate ready to thrive in life after high school and with the skills to navigate, adapt, and innovate for a sustainable future.

INITIATIVES

The fiscal year 2023 Approved Budget addresses the impacts of the COVID-19 pandemic by investing in rigorous instruction and the comprehensive supports that students need to reach their fullest potential. The fiscal year 2023 Approved Budget focuses on student success and staff compensation. It has never been more critical that FCPS is able to recruit and retain outstanding teachers and staff. We remain focused on using innovative methods to provide our students with access to engaging, high-quality learning experiences.

TECHNOLOGY INTEGRATION IN THE CLASSROOM

Achieving high academic standards increasingly involves integrating technology into the classroom. FCPSOn was established to meet the FCPS Strategic Plan's goal to provide one electronic device per student and to create systemic strategies and standards for technology use by teachers and students to improve student engagement and learning. 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 as communicators, collaborators, ethical and global citizens, creative and critical thinkers, and goal oriented and resilient individuals. 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. Goals include energy intensity reduction of 20 percent over a 10-year period and 80 percent by the year 2050. FCPS has reduced energy intensity over 18 percent in the first six years of the 10-year period. Both plans put forth commitments and recommended actions aimed at reducing the carbon impact of the built environment, including those related to energy usage and transportation, while increasing resiliency and improving education and outreach.

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 185 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. In 2019, 2020, 2021,and again in 2022, 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 promote student learning and action using the environment as a foundation. The goal is to provide equal access to environmental and outdoor learning opportunities. FCPS Get2Green has a partnership with the National Wildlife Federation Eco-Schools USA program. Through this program, FCPS’ efforts focus on developing student-driven action teams within Eco-Schools across the county. These teams work on a variety of environmental topics (pathways) under the Eco-Schools umbrella. FCPS has 149 registered Eco-Schools, 18 of which are designated Green Flag status, Eco-Schools USA's highest award.

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 2024, healthcare costs are projected to increase $0.8 million due to rate increases although future year increases are likely to be more substantial due to inflationary pressures. Funding of $14.6 million is required for FCPS' contractual increases due to cost escalations. The rising cost for diesel fuel, unleaded gasoline, and utilities due to the recent economic impact of inflation will require additional funds in future years.

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 budget planning and formulation process is just one of many divisionwide, short-and long-range planning processes. In August 2022, FCPS began to create a new strategic plan. This 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. 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. This plan will guide the work of FCPS through 2030.

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, staffing contingency, and strategic reserves.

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, transportation public safety radio, 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 2023 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 2023 budget included an increase in funding from the County of $102.6 million, or 4.7 percent from the fiscal year 2022 transfer.

The fiscal year 2024 Approved Budget of $3.5 billion will help FCPS deliver our promise of focusing on academic growth and excellence, as we implement FCPS' 2023-30 strategic plan. Starting with our youngest learners, $15.0 million has been dedicated to supporting the implementation of the Equitable Access to Literacy Plan, and $2.0 million is directed toward providing resources to accommodate 10 additional Pre-K classrooms. For students in Advanced Academic Programs, $1.6 million has been allocated for implementation of the final phase-in of recommendations from the advanced academic external review.

The fiscal year of 2024 Approved Budget also reflects our evolving student populations. This includes $65.2 million and 679.2 positions to support an increase in student enrollment compared to the fiscal year 2023 and changing student needs, including increased numbers of students requiring ESOL services, special education services, and a growing percentage of students eligible for free or reduced price meals. Teacher recruiment and retention is a concern in school districts nationwide, including FCPS.

With nearly 86 percent of the total the fiscal year 2024 Approved Budget dedicated to instruction, continued investment in our staff positions FCPS as the top choice for highly qualified educators seeking employment in the DMV area. This includes market scale adjustments, step increases, and step extensions for all salary scales.

The need for increased security measures has also been identified in the fiscal year 2024 Approved Budget through funds allocated for cybersecurity upgrades, an expanded background check program for all employees, and additional school security officer positions. The approved budget also enables us to continue fulfilling the Joint Environmental Task Force's recommendations through carbon neutrality efforts, which include the transition of the FCPS' bus fleet from diesel to electric by 2035, the Safe Routes to School program, and the Get2Green program.

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 Plans - 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.

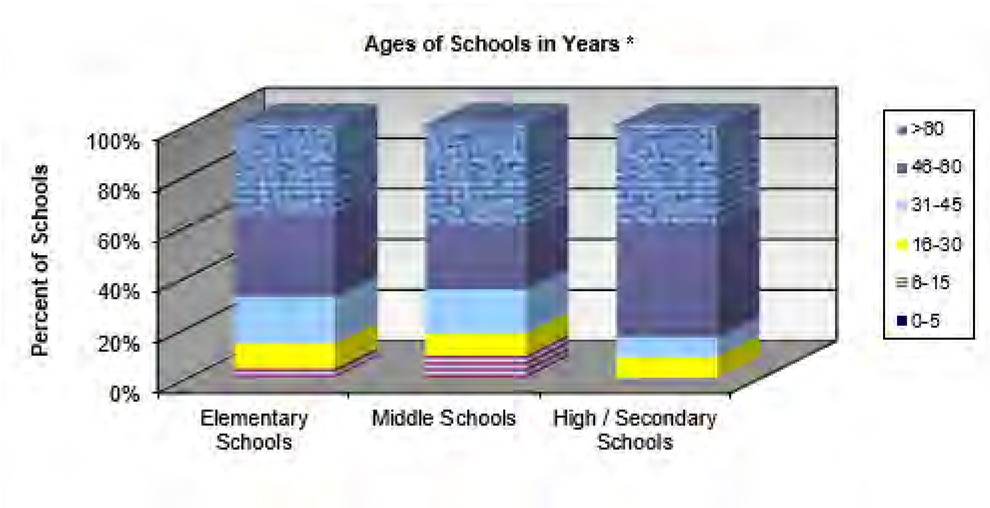
Capital Improvement Program (CIP) - contains the five-year capital improvement plan, student enrollment projections, and building use analysis. The CIP assesses requirements for new facilities, renovation of existing facilities, infrastructure management, technology upgrades, and other facility-related 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 2024-2028 five-year CIP totals approximately $1.4 billion. The funding will allow for the following projects:

- New school construction of three elementary schools and one high shcool.
- 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. Estimated funding in fiscal year 2024 assumes general obligation bond sale increases of $25 million, from $180 million to $205 million. Beginning in fiscal year 2025, the general obligation bond sales will increase an additional $25 million to $230 million. Funding for capital improvement projects in currectly limited by a $180 million yearly cap on General Obligation Bond by the financial management principles of the Fairfax County Board of Supervisors. Funding approved in the 2021 School bond Referendum and previous referenda will address approximately $0.5 billion of the five-year requirement, leaving an unfunded balance of $0.9 million. A bond referendum is expected in the Fall of 2023.

The graph below reflects the ages of FCPS' elementary, middle, and high schools as of June 30, 2023



* From the year that each school opened through June 30, 2023 (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, 2022. 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, 2022. 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, 2022.

FCPS has received prestigious awards from both GFOA and ASBO for 29 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 2023 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
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School Board Members and Administration

As of October 30, 2023

SCHOOL BOARD

Elaine Tholen
Chairman
Dranesville District

Karl Frisch
Vice Chairman
Providence District

Ricardy Anderson
Mason District

Laura Jane Cohen
Springfield District

Karen Corbett Sanders
Mount Vernon District

Tamara Derenak Kaufax
Franconia District

Karen Keys-Gamarra
Member-at-Large

Megan McLauglin
Braddock District

Melanie K. Meren
Hunter Mill District

Abrar Omeish
Member-at-Large

Stella Pekarsky
Sully District

Rachna Sizemore Heizer
Member-at-Large

Rida Karim
Student Representative

ADMINISTRATION

Michelle C. Reid, Ed. D
Superintendent

Leigh Burden
Chief Financial Officer

Marty Smith
Chief of Staff

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

Noel Klimenko
Assistant Superintendent
Instructional Services

Mark Greenfelder
Assistant Superintendent
School Improvements & School Supports

Terri Edmunds-Heard
Assistant Superintendent
Special Services

John Foster
Division Counsel

Marcy Kneale
Assistant Superintendent
Strategy, Planning and Learning

Sherry Wilson
Assistant Superintendent
Human Resources

Helen Lloyd
Executvie Director
Communications

Kathleen Walts
Executive Director
Equity and Student Relations

Douglas Tyson
Assistant Superintendent
Region 1

Megan Vroman
Interim Assistant Superintendent
Region 2

Grace Taylor, Interim
Assistant Superintendent
Region 3

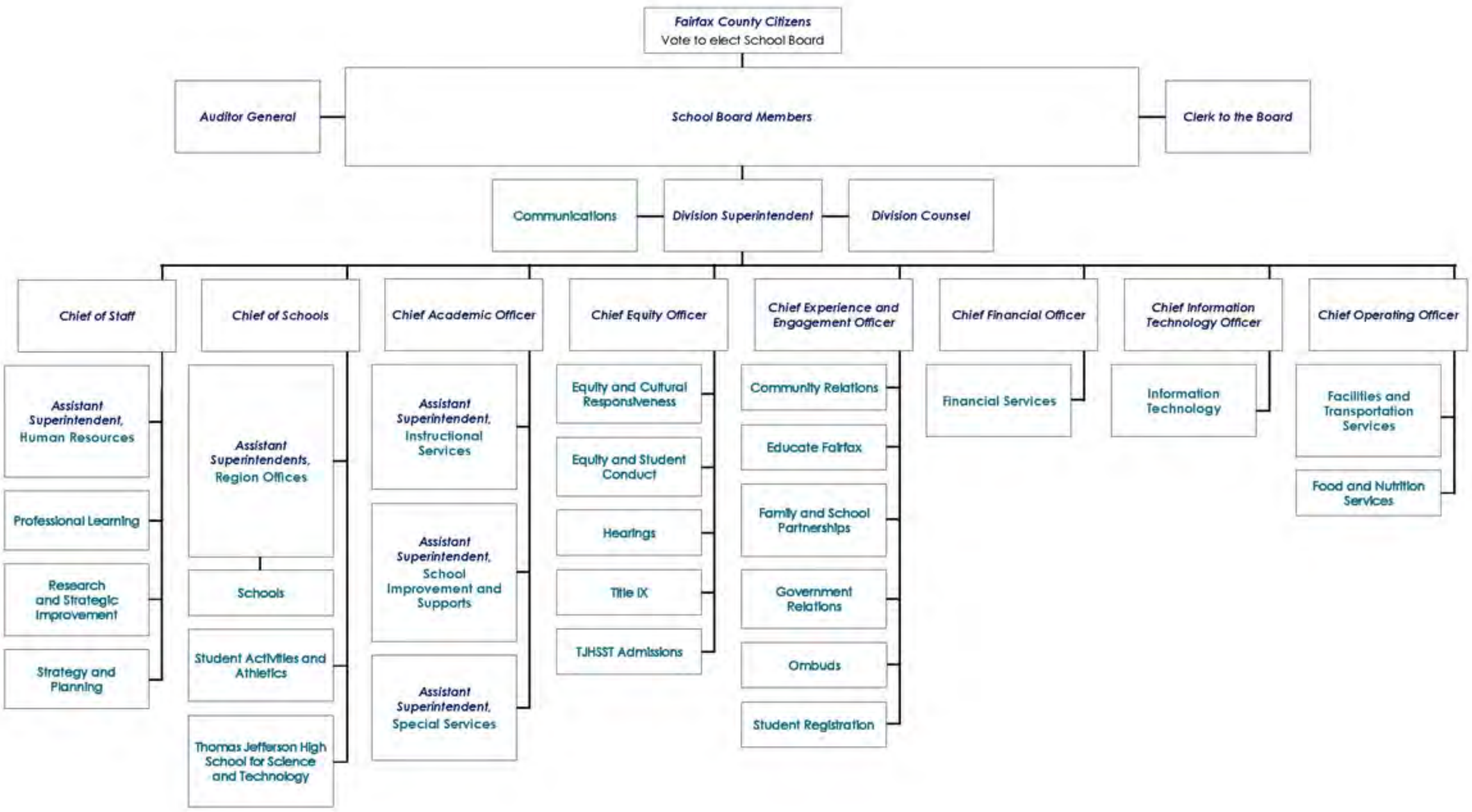
Penny Gros
Assistant Superintendent
Region 4

Rebecca Baenig
Assistant Superintendent
Region 5

Michelle Boyd
Assistant Superintendent
Region 6

Organizational Chart

As of July 01, 2023



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, 2022. 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 29 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, 2022

Christopher P. Morrill

Executive Director/CEO

ASSOCIATION OF SCHOOL 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, 2022.

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

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

John W. Hutchison
President

Siobhán McMahon, CAE
Chief Operations Officer/
Interim 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, 2022. FCPS has received this award for 29 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.

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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, 2023, 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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Specifications for Audits of Counties, Cities, and Towns* (the "Specifications"), issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards and specifications are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of 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.

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 16, 2023, 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 16, 2023

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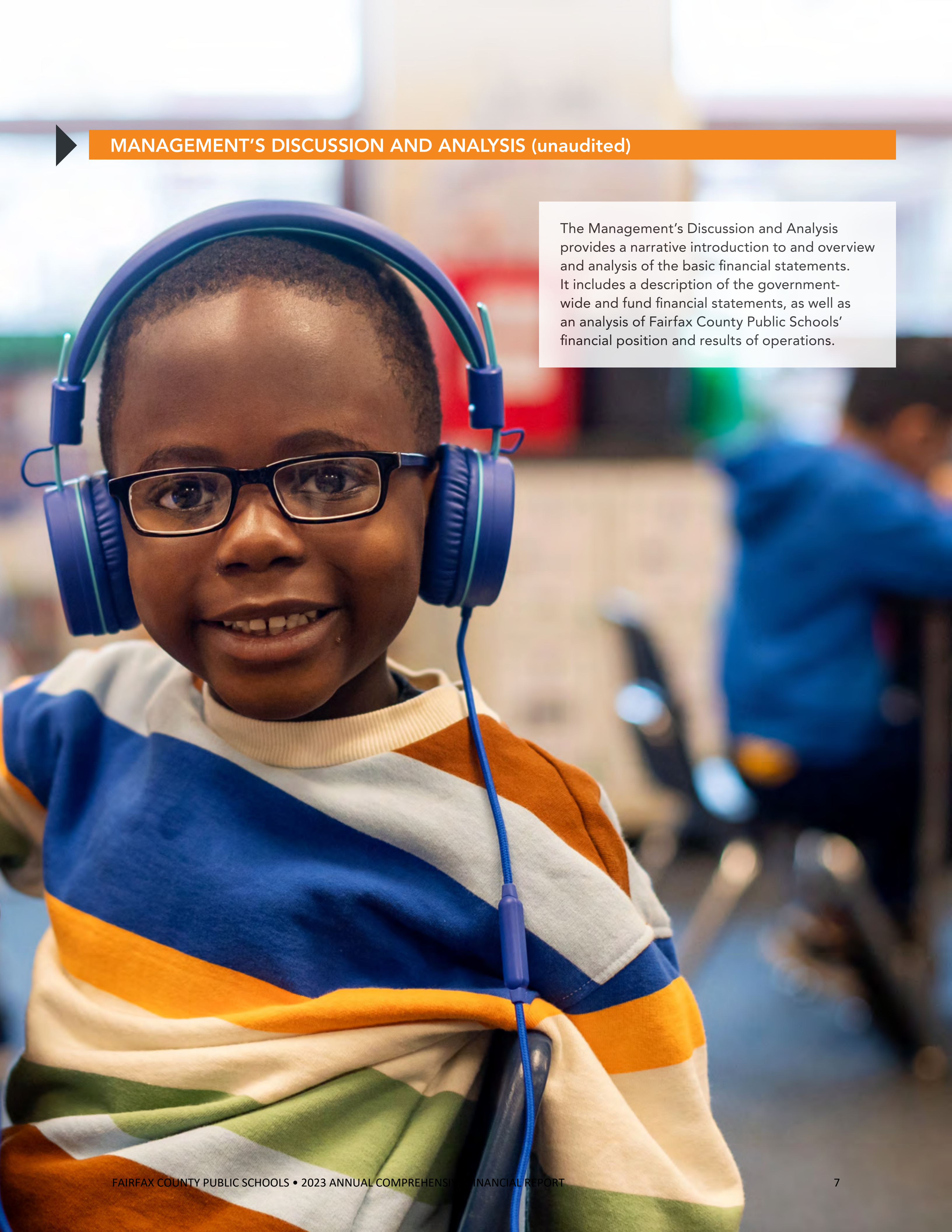
MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)

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.



Fairfax County
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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 for the fiscal year ended June 30, 2023. 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 $335.0 million at June 30, 2023 as a result of the assets and deferred outflows of resources exceeding liabilities and deferred inflows of resources.

- Total revenues of $3,904.1 million were generated in fiscal year 2023. Expenses incurred were $3,457.3 million, resulting in an increase in net position of $446.8 million for the current year.

- General revenues, including the funds transferred from the County, totaled $2,911.8 million and are available for all purposes. Such revenues were sufficient to fund the $2,465.0 million excess of total operating costs over program-specific revenues. For the fiscal year 2023, program-specific revenues amounted to $992.3 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 $601.2 million, representing an increase of $112.9 million from the prior fiscal year fund balance. The increase is primarily due to additional funding from County transfers.

- On June 30, 2023, the General Fund, which accounts for the main operating activities of FCPS, reported an ending fund balance of $360.3 million, an increase of $42.2 million from June 30, 2022. The unassigned portion of the General Fund's fund balance was $7.8 million, which is available for future spending at FCPS' discretion.

- The Capital Projects Fund ended fiscal year 2023 with a fund balance of $132.6 million, an increase of $55.0 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, 2023 and 2022:

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

	Governmental Activities			
	2023	**2022**	**Variance**	**Percent Variance**
ASSETS				
Current and other assets	$ 975.0	$ 886.5	$ 88.5	10.0 %
Capital assets, net	2,892.8	2,751.2	141.6	5.1
Total assets	3,867.8	3,637.7	230.1	6.3
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pensions	997.0	832.3	164.7	19.8
Deferred OPEB	112.6	137.8	(25.1)	(18.2)
Deferred debt refundings	3.2	3.5	(0.3)	(7.8)
Total deferred outflows of resources	1,112.8	973.6	139.3	14.3
LIABILITIES				
Current liabilities	223.2	220.8	2.4	1.1
Non-current liabilities	3,873.2	2,786.4	1,086.8	39.0
Total liabilities	4,096.4	3,007.2	1,089.2	36.2
DEFERRED INFLOWS OF RESOURCES				
Deferred pensions	447.5	1,580.8	(1,133.3)	(71.7)
Deferred OPEB	99.9	133.2	(33.3)	(25.0)
Deferred Lease	1.8	1.9	(0.1)	(7.0)
Total deferred inflows of resources	549.2	1,715.9	(1,166.7)	(68.0)
NET POSITION				
Net investment in capital assets	2,674.7	2,607.8	66.9	2.6
Restricted	240.0	168.6	71.4	42.3
Unrestricted (deficit)	(2,579.7)	(2,888.2)	308.5	(10.7)
Total net position	$ 335.0	$ (111.8)	$ 446.8	(399.7)%

Net investment in capital assets is $2,674.7 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 $221.4 million that were used to acquire the assets, and increased by deferred outflows related to debt refundings in the amount of $3.2 million.

For fiscal year 2023, FCPS reported deferred outflows of resources of $1,112.8 million, which primarily consists of $997.0 million related to deferred pensions and $112.6 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 $1,086.8 million is due to the increase of net pension liability in the amount of $1,027.4 million.

For fiscal year 2023, FCPS reported deferred inflows of resources of $549.2 million, which primarily consists of $447.5 million related to deferred pensions and $99.9 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, 2023 and 2022:

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

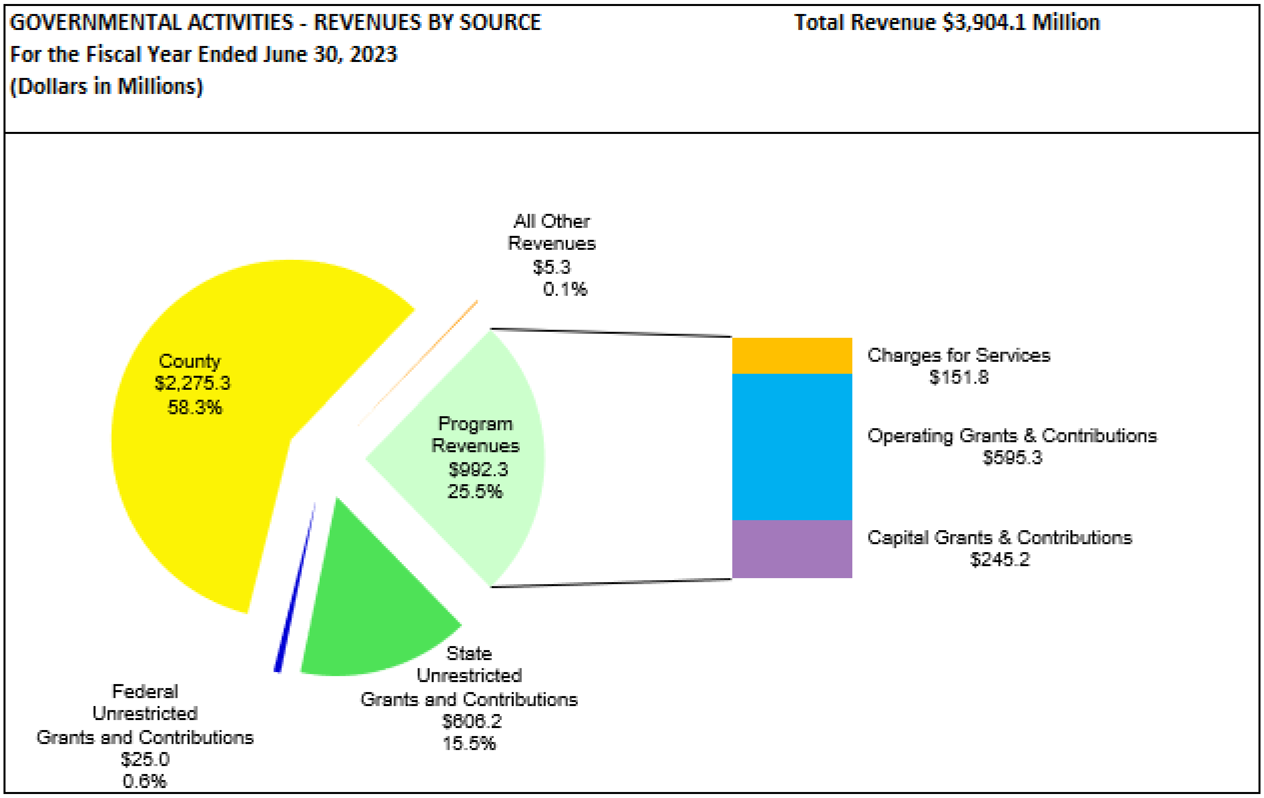
	Governmental Activities			
	2023	**2022**	**Variance**	**Percent Variance**
REVENUES				
Program revenues:				
Charges for services	$ 151.8	$ 108.5	$ 43.3	39.9 %
Operating grants and contributions	595.3	587.8	7.5	1.3
Capital grants and contributions	245.2	196.7	48.5	24.6
General revenues:				
Grants and contributions not restricted to specific purposes	2,906.5	2,759.8	146.7	5.3
Other	5.3	4.3	1.0	23.3
Total revenues	3,904.1	3,657.1	247.0	6.8
EXPENSES				
Instruction	2,872.9	2,567.2	305.7	11.9
Support programs	449.7	439.2	10.4	2.4
Food service	88.8	80.3	8.4	10.5
Local School Activity	41.4	32.2	9.2	28.5
Interest on long-term debt	4.5	3.0	1.5	48.7
Total expenses	3,457.3	3,121.9	335.4	10.7
Increase in net position	446.8	535.2	(88.4)	(16.5)
Net position - July 1	(111.8)	(654.8)	543.0	(82.9)
Prior period adjustment *	-	7.8	(7.8)	100.0
Net position - July 1, 2022, as restated	(111.8)	(647.0)	535.2	(82.7)
Net position - June 30	$ 335.0	$ (111.8)	$ 446.8	(399.7) %

* Beginning net position of fiscal year 2022 was restated due to GASB Statement 87, Leases, implementation.

Total revenues for FCPS' governmental activities were $3,904.1 million in fiscal year 2023, representing an increase of $247.0 million, or 6.8 percent, over fiscal year 2022. The increase over prior year is primarily due to: $127.9 million received from County transfers, $28.1 million received for school food services, $27.6 million in adjusted basic state aid, $25.0 million in County bond funding, $24.2 million in school construction grants, and $13.7 million in compensation supplement funding.

The total expenses of FCPS' programs for fiscal year 2023 were $3,457.3 million, representing an increase of $335.4 million or 10.7 percent over fiscal year 2022. The change is primarily due to an increase of $305.7 in instruction spending for education which includes: $212.9 million increase in regular education, $66.0 million increase in special education, and $26.8 million increase in all other instructional programs.

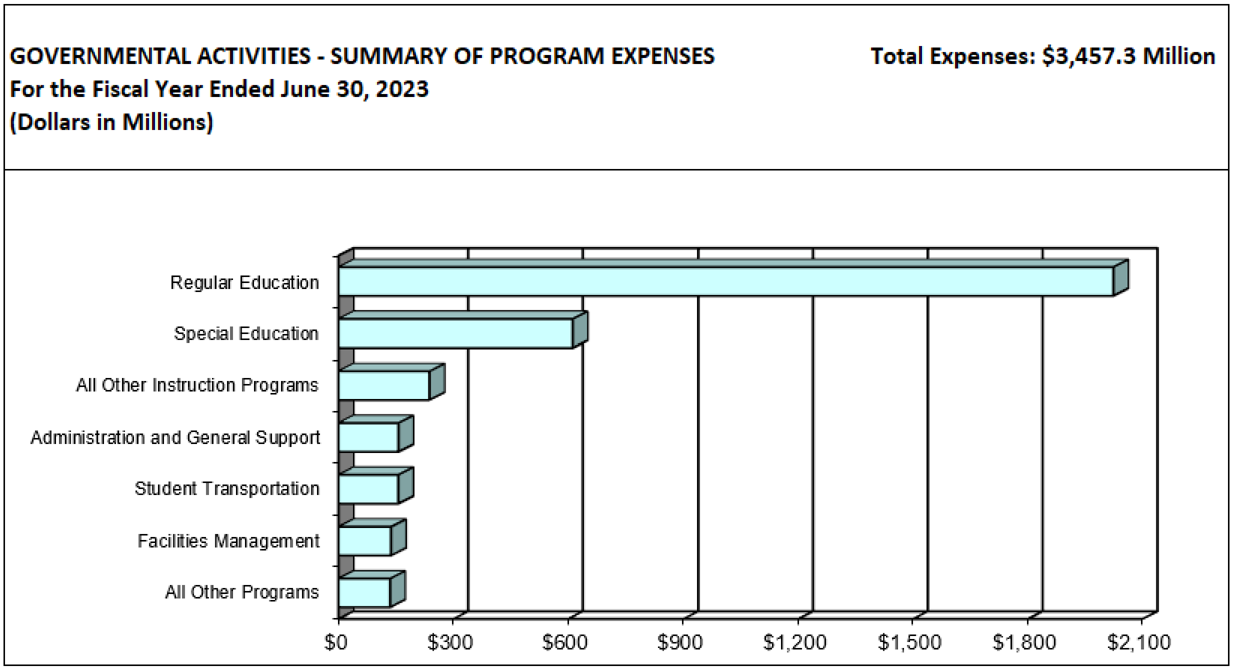
The following chart presents revenues by source for the fiscal year ended June 30, 2023:



The following items reflect the major increases and decreases in revenues during fiscal year 2023:

- $127.9 million increase in funding from county transfers
- $75.0 million increase in State Incentive funding, including School construction grants, Hold Harmless Rebench for COVID-19, Supplemental Funds in Lieu of Sales Tax, and a Compensation Supplement
- $40.8 million increase in state standards of quality funding, including Basic Aid, Special Ed, Textbooks, and English as a Second Language, and Fringe Benefits
- $28.1 million increase in School Food Services revenue
- $26.0 million increase in county bond funding
- $5.4 million increase in turf and proffer revenue
- $4.2 million increase in tuition from other counties, and Local School/PTA revenue
- ($2.6) million decrease in Sales Tax
- ($63.6) million decrease in federal grants consisting mainly of decreases for the National School Lunch Program

The following chart compares the total expenses of each of FCPS' programs for the fiscal year ended June 30, 2023:



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, 2023 and 2022:

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

	2023	2022	Variance	Percent Variance
General Fund				
Nonspendable	$ 0.3	$ 0.1	$ 0.2	200.0 %
Committed	35.0	31.9	3.1	9.7
Assigned	317.2	281.5	35.7	12.7
Unassigned	7.8	4.6	3.2	69.0
Total General Fund	360.3	318.1	42.2	13.3
Capital Projects Fund				
Restricted	132.6	77.6	55.0	70.9
Total Capital Projects Fund	132.6	77.6	55.0	70.9
Nonmajor governmental funds				
Nonspendable	1.2	2.1	(0.9)	(42.6)
Restricted	107.5	90.9	16.6	18.3
Unassigned	(0.4)	(0.4)	-	-
Total nonmajor governmental funds	108.3	92.6	15.7	17.0
All governmental funds				
Nonspendable	1.6	2.2	(0.6)	(27.7)
Restricted	240.0	168.5	71.5	42.4
Committed	35.0	31.9	3.1	9.7
Assigned	317.2	281.5	35.7	12.7
Unassigned	7.4	4.2	3.2	76.3
Total governmental funds	$ 601.2	$ 488.3	$ 112.9	23.1 %

As of June 30, 2023, FCPS' governmental funds had a combined fund balance of $601.2 million, compared with $488.3 million at June 30, 2022, resulting in an increase of $112.9 million. The following represents the fiscal year 2023 fund balance classification:

- $1.6 million is nonspendable for prepaid items and inventories
- $240.0 million is restricted for capital construction, grants, and food service
- $35.0 million is committed by the School Board for fiscal year 2024 operating budget requirements
- $317.2 million is assigned for undelivered orders, fiscal year 2024 initiatives, and fiscal year 2025 operating budget requirements
- $7.4 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 2023, General Fund revenues, inclusive of other financing sources, totaled $3,575.9 million, which represents an increase of $282.0 million, or 10.3 percent, over the prior year. Expenditures for the General Fund, inclusive of other financing uses, increased by $298.8 million, or 9.2 percent, over fiscal year 2022, totaling $3,533.7 million. This resulted in an increase in fund balance of $44.9 million from prior year fund balance. The per pupil cost increased $2,098, from $16,674 in fiscal year 2022 to $18,772 in fiscal year 2023, or 12.6 percent.

The Capital Projects Fund reported a total fund balance of $132.6 million, an increase of $55.0 million from fiscal year 2022. Other revenues in this fund for fiscal year 2023 totaled $9.9 million, an increase of $6.4 million from fiscal year 2022. Expenditures increased by $35.8 million, or 17.1 percent, from fiscal year 2022 due to several big school renovation projects in progress.

During fiscal year 2023, FCPS received $205.0 million of bond proceeds from the County to fund capital projects. As of June 30, 2023, the unspent portion of this funding totaled $125.2 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, 2023:

GENERAL FUND BUDGET AND ACTUAL COMPARISON
For the Fiscal Year Ended June 30, 2023
(Dollars in Millions)

	Budget - Original	Budget - Final	Actual - Budget Basis	Variance from Final Budget
Total revenues	$ 992.0	$ 1,173.4	$ 1,134.9	$ (38.5)
Total expenditures	3,255.5	3,669.2	3,316.5	(352.7)
Excess of expenditures over revenues	(2,263.5)	(2,495.8)	(2,181.6)	314.2
Total other financing sources, net of uses	2,241.6	2,222.6	2,222.9	0.3
Net change in fund balances	$ (21.9)	$ (273.2)	$ 41.3	$ 314.5

During fiscal year 2023, the General Fund's final budget for revenues exceeded the original budget by $181.4 million. The increase in revenues is due to the increase in the sales tax projection.

Actual revenues were $(38.5) 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 2023.

The final budget for expenditures exceeded the original budget by $413.7 million, or 12.7 percent, higher than the original budget. The overall increase in expenditure budget is due to carryover of undelivered orders, school balance carryover, and flexibility reserve funding from fiscal year 2022.

Actual expenditures came in under the final budget for expenditures by $352.7 million, or 9.6 percent, primarily due to the following:

- $182.1 million in carryover and other commitments
- $53.2 million in unexpended multiyear federal grants
- $116.0 million in salary and benefits attributed to lower student enrollment and higher vacancy and turnover rate of teachers

The final budgeted total for other financing sources was less than the original budget by $(19.0) million.

CAPITAL ASSETS AND LONG-TERM OBLIGATIONS

CAPITAL ASSETS

As of June 30, 2023, FCPS' investment in capital assets for governmental activities totaled $2,892.8 million, net of accumulated depreciation and amortization of $42.5 million. This represents a net increase in capital assets of $141.7 million, or 5.2 percent, over the prior year.

The following table summarizes capital assets as of June 30, 2023 and 2022:

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

	Book Value (net of depreciation)	
Capital Asset Category	**2023**	**2022**
Land	$ 46.8	$ 46.8
Construction in progress	279.3	343.4
Equipment	97.7	93.2
Intangible Assets - Software/Licenses	3.4	4.2
Intangible Assets - Right-to-Use	54.3	46.7
Intangible Assets - Right-to-Use subscription	69.1	-
Library collections	6.9	7.1
Buildings	564.6	590.8
Building improvements	1,721.4	1,568.7
Land improvements	49.3	50.2
Total	$ 2,892.8	$ 2,751.1

Net additions to capital assets during fiscal year 2023 include the following:

- $69.9 million in multiyear major renovations and additions
- $69.1 million right to-use subscription assets
- $2.7 million equipment and copier acquisition

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, 2023, FCPS reported total long-term obligations in the amount of $3,873.3 million, compared to $2,786.4 million, as restated, at June 30, 2022. The following table summarizes FCPS' long-term obligations as of June 30, 2023 and 2022:

LONG-TERM OBLIGATIONS As of June 30 (Dollars in Millions)	2023	2022
Compensated absences	41.9	39.2
Actuarial claims payable	82.8	74.6
Lease Liability	56.6	47.7
Notes payable/Financed purchase leases	90.9	80.9
Subscription liability	61.1	-
Net pension liabilities	3,191.3	2,163.9
Net OPEB liabilities	348.7	380.1
Total	$ 3,873.3	$ 2,786.4

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 2023, real estate tax rate slightly decreased to $1.11 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 2024 BUDGET

The fiscal year 2024 Approved Operating Expenditure Budget totals $3.5 billion, an increase of $221.7 million, or 6.7 percent, over the fiscal year 2023 Approved Budget. The fiscal year 2024 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 2024 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 2024 expenditure budget:

- $80.9 million to provide a market scale adjustment of 3.0 percent for all employees
- $65.2 million and 679.2 positions to support changing student needs and enrollment growth of 2,382 students compared to the FY 2023 approved enrollment
- $58.2 million to provide a step increase for all eligible employees
- $15.0 million for the implementation of the Equitable Access to Literacy Plan to support the science of reading with evidenced-based language arts based resources for students
- $14.6 million for contractual increases due to terms of negotiated contracts, renewals, leases, individual educational evaluations, utilities, and inflation
- $4.3 million to fund a salary scale extension and provide one additional step to address divisionwide recruitment and retention challenges for employees at the top of their respective salary scale
- $3.5 million and 5.0 positions to provide a proactive framework-based approach to cybersecurity and to strengthen cybersecurity practices in FCPS

- $3.2 million and 5.0 positions to address the year 2 recommendations of the Joint Environmental Task Force which support the transition of FCPS' bus fleet from diesel to electric by 2035, the Safe Routes to School program, and the Get2Green program
- $2.0 million to provide resources to accommodate 10 additional PreK classrooms
- $2.0 million and 7.0 positions to support the second year of the Human Capital Management (HCM) project, a multiphase project to assess the current state of human resources and payroll business processes and to implement a modernized HCM software application
- $1.9 million and 1.0 position for recurring baseline adjustments to support increases in the IDEA and Carl D. Perkins grant awards, Trades for Tomorrow program, and Business Continuity plan recommendations
- $1.6 million and 14.5 positions to support the implementation of the third and final year recommendations for the Advanced Academic Program in response to an external review conducted in fiscal year 2020
- $1.4 million to support a net increase in transfers to other School Board funds
- $1.3 million to provide teacher leadership stipends at elementary schools
- $1.0 million and 4.0 positions to support continuous background checks for current employees, upgrades to smart-coded proximity employee badges, and the implementation of a badge replacement cycle
- $0.6 million to begin athletics at the middle school level by providing staff athletic stipends, transportation, uniforms, and equipment as well as physical exam reimbursements for students eligible for free or reduced-price meals
- $0.5 million and 2.7 positions to support the second and final year to develop specialized programming at Lewis High School
- $0.5 million to support the FCPS Lighthouse Schools Pilot that provides leadership coaching, teacher professional learning, training for school-based technology specialist, and access to a community of innovators
- $0.4 million and 5.0 school security officer positions to increase safety and security coverage at elementary schools
- $0.2 million to extend the contract length for a 1.0 counselor from 204-day to 219-day at each high school
- ($0.2 million) in savings due to a decrease in the Educational Employees' Supplementary Retirement System of Fairfax County (ERFC) employer contribution rate offset by an increase in the Fairfax County Employees' Retirement System (FCERS) employer contribution rate and employee health benefits costs
- ($36.4 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 Assistant Superintendent of Financial Services, 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, 2023

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 701,319,731
Cash with fiscal agent	91,580
Cash in escrow	459,603
Receivables:	
Accounts	14,875,659
Accrued interest	220,917
Lease	532,809
Due from intergovernmental units:	
Federal government	101,580,737
Commonwealth of Virginia	24,131,265
County of Fairfax, VA	169,569
Other	3,521,937
Inventories	1,241,031
Prepaid items	354,722
Restricted cash and investments	125,236,567
Capital assets:	
Non-depreciable/non-amortizable:	
Land	46,837,095
Construction in progress	279,227,896
Depreciable/amortizable:	
Equipment	365,865,345
Library collections	18,915,527
Buildings and improvements	4,802,131,918
Software and licenses	14,037,906
Right-to-use lease asset	73,570,764
Right-to-use subscription asset	81,788,887
Accumulated depreciation	(2,747,002,497)
Accumulated amortization	(42,539,004)
Other non-current assets:	
Lease Receivable	1,278,709
Total assets	3,867,848,673
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	997,049,122
Deferred outflows related to OPEB	112,505,669
Deferred outflows related to debt refundings	3,227,885
Total deferred outflows of resources	1,112,782,676
LIABILITIES	
Accounts payable	65,908,676
Accrued salaries and withholdings	100,640,171
Accrued interest payable	2,473,373
Unearned revenues	18,187,878
Contract retainages	12,850,585
Deposits	23,231,232
Non-current liabilities:	
Due within one year:	
Compensated absences	29,309,696
Actuarial claims payable	38,030,447
Lease liability	10,306,752
Notes Payable	24,867,456
Subscription liability	13,352,183
Due beyond one year:	
Compensated absences	12,561,298
Net pension liability	3,191,344,129
Net OPEB liability	348,724,057
Actuarial claims payable	44,789,288
Lease liability	46,232,632
Notes Payable	66,056,626
Subscription liability	47,697,991
Total liabilities	4,096,564,470
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	447,461,747
Deferred inflows related to OPEB	99,858,358
Deferred inflows related to lease	1,767,532
Total deferred inflows of resources	549,087,637
NET POSITION	
Net investment in capital assets	2,674,697,497
Restricted for:	
Food and Nutrition Services	53,440,053
Grant programs	54,015,738
Capital Projects	132,578,987
Unrestricted (deficit)	(2,579,753,033)
Total net position	$ 334,979,242

See accompanying notes to the financial statements.

FAIRFAX COUNTY PUBLIC SCHOOLS **EXHIBIT B**
Statement of Activities
For the Fiscal Year Ended June 30, 2023

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	$ 1,078,146,301	$ 53,450,541	$ 44,317,758	$ -	$ (980,378,002)
Middle school	285,541,553	60,207	5,696,224	-	(279,785,122)
High school	659,685,905	10,023,320	46,539,470	-	(603,123,115)
Special education	611,975,816	226,212	63,570,811	-	(548,178,793)
Adult and community education	6,668,977	7,753,609	1,496,847	-	2,581,479
Instructional support	230,860,604	2,814,405	115,976,431	-	(112,069,768)
Total instruction	2,872,879,156	74,328,294	277,597,541	-	(2,520,953,321)
Support programs:					
Administration and general support	156,420,332	45,369	252,455,114	-	96,080,151
Student transportation	156,190,467	203,670	-	-	(155,986,797)
Facilities management	137,066,868	2,893,115	-	245,241,769	111,068,016
Total support programs	449,677,667	3,142,154	252,455,114	245,241,769	51,161,370
Food service	88,860,577	31,966,658	65,258,856	-	8,364,937
Local school activities	41,435,919	42,306,997	-	-	871,078
Interest on long-term debt	4,452,976	-	-	-	(4,452,976)
Total governmental activities	$ 3,457,306,295	$ 151,744,103	$ 595,311,511	$ 245,241,769	$ (2,465,008,912)

General revenues:	
Grants and contributions not restricted to specific purposes:	
Federal government	25,036,380
Commonwealth of Virginia	606,182,287
County of Fairfax, VA	2,275,310,924
Revenue from the use of money	1,730,933
Other	3,564,433
Total general revenues	2,911,824,957
Change in net position	446,816,045
Net position - July 1, 2022	(111,836,803)
Net position - June 30, 2023	$ 334,979,242

See accompanying notes to the financial statements.

FAIRFAX COUNTY PUBLIC SCHOOLS **EXHIBIT C**
Balance Sheet
Governmental Funds
June 30, 2023

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 398,849,328	$ 68,367,378	$ 70,093,168	$ 537,309,874
Cash with fiscal agent	91,580	-	-	91,580
Receivables:				
Accounts	577,773	-	1,161,482	1,739,255
Accrued interest	-	-	176,969	176,969
Lease	1,811,518	-	-	1,811,518
Due from intergovernmental units:				
Federal government	61,460,386	-	40,120,351	101,580,737
Commonwealth of Virginia	21,289,707	-	2,841,558	24,131,265
County of Fairfax, VA	97,240	-	72,329	169,569
Other	3,521,937	-	-	3,521,937
Inventories	-	-	1,241,031	1,241,031
Prepaid Items	349,586	-	5,136	354,722
Interfund receivables	300,000	-	-	300,000
Restricted cash and investments	-	125,236,567	-	125,236,567
Total assets	$ 488,349,055	$ 193,603,945	$ 115,712,024	$ 797,665,024
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 25,996,399	$ 24,943,141	$ 1,106,058	$ 52,045,598
Accrued salaries and withholdings	100,022,511	-	617,660	100,640,171
Contract retainages	-	12,850,585	-	12,850,585
Deposits	-	23,231,232	-	23,231,232
Interfund payables	-	-	300,000	300,000
Unearned revenues	274,606	-	5,342,891	5,617,497
Deferred inflows of resource:				
Deferred inflows of resources-lease	1,767,532	-	-	1,767,532
Total liabilities	128,061,048	61,024,958	7,366,609	196,452,615
Fund balances:				
Nonspendable	349,586	-	1,246,167	1,595,753
Restricted	-	132,578,987	107,455,791	240,034,778
Committed	35,000,000	-	-	35,000,000
Assigned	317,180,621	-	-	317,180,621
Unassigned	7,757,800	-	(356,543)	7,401,257
Total fund balances	360,288,007	132,578,987	108,345,415	601,212,409
Total liabilities and fund balances	$ 488,349,055	$ 193,603,945	$ 115,712,024	$ 797,665,024

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, 2023

Fund balances - total governmental funds		$ 601,212,409
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	$ 326,064,991	
Depreciable/amortizable capital assets	5,355,407,574	
Accumulated depreciation and amortization	(2,789,488,516)	
Total		2,891,984,049
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	$ 177,649,812	
Right-to-use subscription asset	902,773	
Accumulated amortization of subscriptions	(52,985)	
Liabilities	(110,327,634)	
Total		68,171,966
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	$ (2,465,171)	
Compensated absences	(41,567,160)	
Leases	(56,539,384)	
Notes Payable	(90,924,082)	
Subscription Liability	(60,287,770)	
Total		(251,783,567)
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.		3,227,885
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	$ 997,049,122	
Net pension liability	(3,191,344,129)	
Deferred inflows related to pensions	(447,461,747)	
Total		(2,641,756,754)
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	$ 112,505,669	
Net OPEB liability	(348,724,057)	
Deferred inflows related to OPEB	(99,858,358)	
Total		(336,076,746)
Net position of governmental activities		$ 334,979,242

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, 2023

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Intergovernmental:				
Federal government	$ 169,727,802	$ -	$ 124,431,298	$ 294,159,100
Commonwealth of Virginia	886,891,446	24,219,184	10,698,257	921,808,887
County of Fairfax, VA	2,276,185,924	237,771,281	2,002,936	2,515,960,141
Charges for services:				
Tuition and fees	12,959,683	-	5,588,352	18,548,035
Food sales	-	-	31,966,658	31,966,658
Revenue from the use of money and property	3,725,602	-	1,070,503	4,796,105
Recovered costs - City of Fairfax, VA	52,911,698	1,821,351	-	54,733,049
Revenue from local school activities	42,306,997	-	-	42,306,997
Other	8,731,618	9,923,072	1,188,682	19,843,372
Total revenues	3,453,440,770	273,734,888	176,946,686	3,904,122,344
EXPENDITURES				
Current:				
Instruction:				
Regular education:				
Elementary school	1,056,852,597	-	41,439,835	1,098,292,432
Middle school	289,275,383	-	1,604,022	290,879,405
High school	665,523,389	-	6,502,709	672,026,098
Special education	618,642,618	-	4,780,560	623,423,178
Adult and community education	337,208	-	6,459,316	6,796,524
Instructional support	211,351,959	-	23,826,120	235,178,079
Support programs:				
Administration and general support	156,584,484	-	2,469,757	159,054,241
Student transportation	158,652,643	-	458,657	159,111,300
Facilities management	101,756,129	37,041,003	650,688	139,447,820
Food service	-	-	89,689,363	89,689,363
Local school activities	41,435,919	-	-	41,435,919
Capital outlay	135,110,694	207,810,705	8,244,539	351,165,938
Debt service:				
Principal	45,303,809	-	797,823	46,101,632
Interest	2,775,692	-	86,414	2,862,106
Total expenditures	3,483,602,524	244,851,708	187,009,803	3,915,464,035
Excess (deficiency) of revenues over (under) expenditures	(30,161,754)	28,883,180	(10,063,117)	(11,341,691)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	26,085,422	24,045,975	50,131,397
Transfers out	(50,131,397)	-	-	(50,131,397)
Financed purchase agreements	29,872,886	-	-	29,872,886
Leases	17,682,563	-	2,573,525	20,256,088
Subscriptions	74,927,364	-	-	74,927,364
Total other financing sources, net	72,351,416	26,085,422	26,619,500	125,056,338
Net change in fund balances	42,189,662	54,968,602	16,556,383	113,714,647
Fund balances - July 1, 2022	318,098,345	77,610,385	92,605,605	488,314,335
Decrease in reserve for inventories	-	-	(816,573)	(816,573)
Fund balances - June 30, 2023	$ 360,288,007	$ 132,578,987	$ 108,345,415	$ 601,212,409

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, 2023

Net change in fund balances - total governmental funds		$ 113,714,647
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	$ 351,165,938	
Depreciation expense	(211,029,173)	
Total		140,136,765
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.		976,508
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.		(284,470)
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.		46,101,632
Other financing sources recorded at the inception of leases and right-to-use subscriptions increase fund balnace 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.		(125,056,338)
Accrued interests for leases with rent abatement that were not in governmental funds		(189,077)
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.		(816,573)
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.		(2,694,891)
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.		(33,269,585)
In the government-wide statements, interest related to leases and subscriptions is accrued when incurred rather than expensed.		(1,590,871)
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.		270,639,011
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.		39,436,210
Change in net position of governmental activities		$ 446,816,045

See accompanying notes to the financial statements.

FAIRFAX COUNTY PUBLIC SCHOOLS **EXHIBIT E**
Statement of Net Position
Proprietary Funds
June 30, 2023

		Governmental Activities - Internal Service Activities
ASSETS		
Current assets:		
Cash on deposit with County of Fairfax, VA	$	164,009,857
Cash in escrow		459,603
Accounts Receivable		13,136,404
Accrued interest		43,948
Total current assets		177,649,812
Capital assets:		
Right-to-use subscriptions		902,773
Accumulated amortization for subscriptions		(52,985)
Total capital assets		849,788
Total assets		178,499,600
LIABILITIES		
Current liabilities:		
Accounts payable		13,863,078
Accrued interest payable		8,202
Unearned revenues		12,570,381
Compensated absences		212,684
Actuarial claims payable		38,030,447
Subscription liability		78,653
Total current liabilities		64,763,445
Non-current liabilities:		
Compensated absences		91,150
Actuarial claims payable		44,789,288
Subscription Liability		683,751
Total non-current liabilities		45,564,189
Total liabilities		110,327,634
NET POSITION		
Net Investment in capital assets		87,384
Unrestricted		68,084,582
Total net position	$	68,171,966

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, 2023

	Governmental Activities - Internal Service Funds
OPERATING REVENUES	
Charges for services	$ 502,402,426
OPERATING EXPENSES	
Salaries and wages	4,602,756
Claims and benefits	518,643,402
Professional consultant services	13,249,815
Other operating expenses	408,707
Depreciation and amortization	52,985
Total operating expenses	536,957,665
Operating loss	(34,555,239)
NONOPERATING REVENUES	
Interest revenue	1,293,856
Subscription interest expense	(8,202)
Total nonoperating revenues	1,285,654
Change in net position	(33,269,585)
Total net position - July 1, 2022	101,441,551
Total net position - June 30, 2023	$ 68,171,966

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, 2023

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from interfund services provided	$ 505,190,382
Payments to employees	(4,602,756)
Payments for claims and health benefits	(510,484,646)
Payments for professional services	(9,289,833)
Payments for other operating expenses	(408,706)
Net cash used in operating activities	(19,595,559)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	1,249,908
Net cash provided by investing activities	1,249,908
CASH FLOWS FROM FINANCING ACTIVITIES	
Implementation cost of right-to-use subscription	(97,634)
Principal payment on obligations under subscription	(42,736)
Net cash used in financing activities	(140,370)
Net decrease in cash and cash equivalents	(18,486,021)
Cash and cash equivalents - July 1, 2022	182,955,481
Cash and cash equivalents - June 30, 2023	$ 164,469,460
Reconciliation of operating income to net cash provided by operating activities:	
Operating loss	$ (34,555,239)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and Amortization	52,985
Decrease in accounts receivable	1,976,578
Increase in accounts payable	3,959,983
Increase in unearned revenues	811,378
Increase in compensated absences	7,584
Increase in actuarial claims payable	8,151,172
Total adjustments to operating income	14,959,680
Net cash used in operating activities	$ (19,595,559)

See accompanying notes to the financial statements.

FAIRFAX COUNTY PUBLIC SCHOOLS **EXHIBIT H**
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	Pension and Other Postemployment Benefit Trust Funds
ASSETS	
Cash and cash equivalents	$ 2,268,451
Cash with fiscal agent	2,379,882
Cash collateral for securities on loan	153,057,006
Short-term investments	50,763,024
Receivables:	
Accounts	51,398
Interest and dividends	2,530,231
Securities sold	23,368,887
Investments, at fair value:	
U.S. government obligations	160,214,589
Asset and mortgage backed	151,874,330
Corporate bonds	267,355,914
International bonds	586,765
Convertible securities	6,329,630
Commingled fixed income	169,316,809
Commingled equity	888,977,897
Stocks	314,666,906
Municipal bonds	525,748
Real estate	271,172,886
Multi asset class solutions	126,407,441
Hedge funds	225,645,325
Private debt	61,387,456
Natural Resources	13,554,618
Private equity	316,852,573
Infrastructure	53,947,972
Investment in pooled funds	207,528,719
Capital assets:	
Furniture and equipment	73,070
Accumulated depreciation	(70,691)
Right-to-use asset	2,778,489
Accumulated amortization: Right-to-use-asset	(177,692)
Total assets	3,473,367,633
LIABILITIES	
Right-to-use lease liability	2,761,361
Accounts payable	1,965,558
Securities purchased	25,402,687
Securities lending collateral	153,057,006
Total liabilities	183,186,612
NET POSITION	
Net position restricted for pension	3,076,733,102
Net position restricted for OPEB	213,447,919
Total net position	$ 3,290,181,021

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, 2023

	Pension and Other Postemployment Benefit Trust Fund
Additions	
Contributions:	
Employer	$ 132,692,634
Plan members	52,542,598
Total contributions	185,235,232
Investment earnings:	
From investing activities:	
Net appreciation in fair value of investments	110,261,952
Interest and dividends	31,891,011
Total gain from investing activities	142,152,963
Less investment expenses:	
Investment management fees	5,329,769
Investment consulting fees	1,071,809
Investment custodial fees	330,466
Investment salaries	374,465
Total investment expenses	7,106,509
Net gain from investing activities	135,046,454
From securities lending activities:	
Securities lending	7,693,751
Securities lending management fees	(7,058,754)
Net income from securities lending activities	634,997
Net investment gain	135,681,451
Total additions	320,916,683
Deductions	
Benefit payments	212,560,027
Refund of contributions	4,021,605
Administrative expenses	5,119,588
Depreciation and Amortization expenses	506,198
Total deductions	222,207,418
Change in net position	98,709,265
Net position - July 1, 2022	3,191,471,756
Net position - June 30, 2023	$ 3,290,181,021

See accompanying notes to the financial statements.

Notes to the Financial Statements

As of and for the year ended June 30, 2023

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, 2023. 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, 2023, 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.

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, 2023, 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 figure 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, 2023.

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 2023, reimbursements totaled $52,911,698 for educational services, in addition to $1,821,351 for construction projects performed on the City's behalf through FCPS' Capital Projects Fund.

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, 2023, restricted cash and investments reported in the Capital Projects Fund totaled $125,236,567.

Q. IMPLEMENTATION OF NEW ACCOUNTING PRONOUNCEMENTS

In fiscal year 2023, FCPS implemented the following new accounting standards as issued by GASB.

GASB Statement No. 92, *Omnibus 2020*. This Statement addresses a variety of topics to enhance comparability in accounting and financial reporting and improve consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The implementation of this new standard did not have a material impact on FCPS' financial statements for fiscal year 2023.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This Statement addresses issues related to public-private and public-public partnership arrangements. The Statement also provides guidance for accounting and financial reporting for availability payment arrangements. The implementation of this new standard did not have a material impact on FCPS' financial statements for fiscal year 2023.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provideds guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments. A SBITA is a contract conveying the right-to-use a vendor's information technology software, sometimes in combination with a tangible underlying capital asset, in an exchange or exchange-like transaction. A subscription liability and an intangible asset is recognized in the financial statements. The impact of the implementation of this standard can be found in the Statement of Net Position and Note III. H.

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 the differences between the 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 to pursue the following objectives:

- Preserve capital
- Protect investment principal
- Maintain sufficient liquidity to meet operating requirements
- Conform with Federal, State, and other legal requirements
- Diversify as a means to avoid incurring unreasonable risks connected to specific security types or individual financial institutions
- Achieve a rate of return consistent with relevant market benchmarks

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.

The County's policy calls for pooling, for investment purposes, all funds available to it and its component units that are not otherwise required to be kept separate. The County's investment policy, therefore, applies to the activities of the County's reporting entity, including FCPS, for both pooled and separate funds.

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 and savings 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, the African Development Bank, the International Bank for Reconstruction and Development
- Obligations of the State and its instrumentalities; of counties, cities, towns, and other public bodies located within the State and other state and local government units
- Qualified investment pools

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.

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. Level 1 information is quoted prices in accessible active markets, Level 2 would utilize information that is observable, either directly or indirectly from a source other than an active market, and Level 3 includes unobservable information to arrive at the valuation. Fair value measurements in their entirety are categorized based on the lowest level of input that is significant to their valuation.

3. INTEREST RATE RISK

The County's policy is to minimize the risk that the market 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, 2023, 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	$	280,038,366	3,102
Commercial Paper		93,912,980	76
Corporate Notes		66,073,130	538
Money Market Funds		100,549,030	1
Negotiable Certificates of Deposit		249,726,821	121
VA Investment Pool LGIP		13,861,004	51
VIP - Virginia Investment Pool		13,003,984	70
Total	$	817,165,315	
Portfolio weighted average maturity			1,154

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 are not placed in securities that have been assigned a negative short-term rating by Moody's Investors Service, Inc. (Moody's) Watchlist or Standard and Poor's, Inc. (S&P) Credit Watch. 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 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.
- 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, 2023, 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		Aaa/AAA		Unrated	
Corporate Notes	6.6%	Commercial Paper	10.4%	Money Market Funds	2.0%	Supranational	0.8%	Demand Deposit Accounts	6.6%
				LGIP	2.9%				
US Treasury and Agencies**	32.4%	Negotiable CD	27.2%	Bond Funds	7.4%			Collateralized CDs	3.7%
	39.0%		37.6%		12.3%		0.8%		10.3%

* 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, 2023.

** U.S. Treasury and Agencies AA+

5. CONCENTRATION OF CREDIT RISK

The County's investment policy sets the following allocation percentage 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 seeks 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 prospect that in the event that a depository financial institution fails, 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 names 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, so 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 counter party, 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 with pooled funds are insured, collateralized, 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.

The following table shows the fair value leveling of the investments for ERFC:

INVESTMENTS MEASURED BY FAIR VALUE HIERARCHY LEVEL

		Fair Value Measures Using		
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
Investments by fair value level	**6/30/2023**	**Level 1**	**Level 2**	**Level 3**
Short-term securities	$ 50,763,024	$ 6,995,251	$ -	$ 43,767,773
Debt securities				
Asset and mortgage backed	151,874,330	-	151,874,330	-
Corporate bonds	267,355,914	574,341	262,153,350	4,628,223
International bonds	586,765	-	586,765	-
Convertible securities	6,329,630	-	6,329,630	-
Municipal bonds	525,748	-	525,748	-
US Government obligations	160,214,589	156,033,602	4,180,987	-
Total debt securities	586,886,976	156,607,943	425,650,810	4,628,223
Equity investments	314,666,906	314,666,906	-	-
Total investments and short-term securities measured by fair value hierarchy level	$ 952,316,906	$ 478,270,100	$ 425,650,810	$ 48,395,996

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.
Investments measured at fair value and investments measured at NAV are presented in the following table.

INVESTMENTS MEASURED AT NET ASSET VALUE (NAV)						
		6/30/2023		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Equity investments						
Commingled large cap equity funds	$	371,475,360	$	-	Daily	None
Commingled global equity fund		374,815,414		-	Daily	None
Commingled emerging markets equity funds		142,687,123		-	Daily	3 days
Total equity investments measured at the NAV		888,977,897		-		
Fixed income investments						
Commingled TIPS fund		100,751,812		-	Daily	None
Commingled global fixed income fund		2,462,003		-	Daily	None
Commingled emerging markets debt funds		66,102,994		-	Monthly	30 days
Total fixed income investments measured at the NAV		169,316,809		-		
Private markets		445,742,619		292,539,494	Not eligible	N/A
Multi asset class solutions		126,407,441		-	Monthly	5 days
Hedge funds - opportunistic		225,645,325		-	Monthly	30 days
Real estate - commingled real estate equity funds		197,464,625		-	Quarterly	1-90 days
Real estate - private real estate fund		73,708,261		107,426,190	Not Eligible	N/A
Total investments measured at the NAV	$	2,127,262,977	$	399,965,684		
TOTAL INVESTMENTS AND SHORT-TERM SECURITIES	$	3,079,579,883				

- 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 - The fund in this category is an actively managed, multi-capitalization fund focused on attractively priced companies with strong and/or improving financial productivity. The fund invests in listed global equity securities located in both developed and emerging markets.

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

- Commingled Emerging Markets Debt Funds - 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, 2023, it is probable that all of the investments in this type will be sold at an amount different from the NAV per share of the plan’s ownership interest in partners’ capital.

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

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

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

- Commingled Real Estate Equity Funds - 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.

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 (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 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 Board.

Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 4.00 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 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 Board is required should investment managers seek to purchase securities on margin or leverage.

During fiscal year 2023, ERFC's fair value of CMOs was $2,320,236.

Securities Lending

The 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, U.S. 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 sixty 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 $153,057,006. As of June 30, 2023, are shown on the Statement of Fiduciary Net Position. As of June 30, 2023 the fair value of securities on loan for cash collateral was $149,574,094. 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, 2023, 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	$ 38,411,452	$ 39,413,537
International bonds	4,580	4,809
Domestic stock	108,490,725	110,901,122
US Government	2,667,337	2,737,538
Total	$ 149,574,094	$ 153,057,006

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 the portfolio's benchmark. One of the managers is expected to be within 50 percent of the Bloomberg Barclays Capital Government/Credit Index.

As of June 30, 2023, 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	$ 151,874,330	1.26	25.9%
Corporate bonds	267,355,914	2.32	45.5%
International bonds	586,765	0.02	0.1%
Convertible securities	6,329,630	0.12	1.1%
Municipal bonds	525,748	-	0.1%
US Government	160,214,589	2.93	27.3%
Total	$ 586,886,976	6.65 *	100.00%

* Weighted duration in years: 6.65

Short-term		
Short-term investment funds	$ 50,763,024	-
Total Short-Term	$ 50,763,024	-

Credit Risk

ERFC's policy on credit quality states that the average credit quality of the portfolio must be at least A. 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 lists the ratings of all of ERFC's fixed income investments, excluding pooled funds, according to Moody's Investment Services and Standard & Poor's.

The credit quality summary of ERFC's portfolio as of June 30, 2023, is portrayed below:

Investment Type		Amount	Rating	Percent of Fixed
Asset and mortgage backed	$	63,859,839	AAA	15.0%
		37,303,140	AA	8.7%
		12,282,686	A	2.9%
		21,650,978	BBB	5.1%
		3,695,830	BB	0.9%
		669,610	B	0.2%
		1,961,843	CCC	0.5%
		4,547,045	CC	1.1%
		1,208,085	C	0.3%
		4,695,274	Not Rated	1.1%
Convertible securities		3,837,416	BBB	0.9%
		2,492,214	B	0.6%
Corporate bonds		3,612,277	AA	0.8%
		44,854,304	A	10.5%
		156,463,095	BBB	36.8%
		37,027,409	BB	8.7%
		21,566,795	B	5.1%
		3,625,606	CCC	0.8%
		65,351	C	-%
		141,077	Not Rated	-%
International bonds		586,765	BB	0.1%
Municipal bonds		525,748	A	0.1%
Total Fixed Income	$	426,672,387		100.0%

Concentration of Credit Risk

ERFC's policy limits the securities of any one issuer to 10% at cost and 15% at market of each fixed income portfolio. The policy allows an exception for government securities and its agencies. As of June 30, 2023, ERFC had three active fixed income managers. The portfolios had values of $168.4 million, $184.9 million and $248.1 million. The fair value of the largest issue other than the U.S. Government in the portfolios of the active managers, excluding pooled funds, was 1.74 percent of that portfolio.

Deposits

At June 30, 2023, short-term investments with the custodial bank totaled $50,763,024. These investments consist of U.S. 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, 2023, was as follows:

Investment Type	Fair Value
Stocks	$ 314,666,906
Bonds and mortgage securities	426,672,387
US Government obligations	160,214,589
Real estate	271,172,886
Multi asset class solutions (MACS)	126,407,441
Hedge funds - opportunistic	225,645,325
Private equity	316,852,573
Private debt	61,387,456
Infrastructure	53,947,972
Natural Resources	13,554,618
Commingled fixed income funds	169,316,809
Commingled equity funds	888,977,897
Subtotal investments	3,028,816,859
Cash collateral for securities on loan	153,057,006
Total	$ 3,181,873,865

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 foreign currency risk as of June 30, 2023:

Currency	Cash & Cash Equivalents	Equities	Fixed Income Securities	Private Markets	Grand Total
AUSTRALIAN DOLLAR	$ 2,105	$ 1,277,510	$ -	$ -	$ 1,279,615
BRAZIL REAL	40,916	-	-	-	40,916
CANADIAN DOLLAR	47,027	1,582,992	-	-	1,630,019
CHILEAN PESO	12,922	-	-	-	12,922
DANISH KRONE	177,135	2,437,728	-	-	2,614,863
EURO CURRENCY UNIT	400,021	18,878,180	-	32,021,949	51,300,150
HONG KONG DOLLAR	43,387	3,463,813	-	-	3,507,200
INDONESIAN RUPIAH	12,504	1,462	-	-	13,966
ISRAELI SHEKEL	11,041	4	-	-	11,045
JAPANESE YEN	153,570	2,723,329	-	-	2,876,899
MALAYSIAN RINGGIT	9,131	-	-	-	9,131
NEW TAIWAN DOLLAR	22,503	2,441,266	-	-	2,463,769
NORWEGIAN KRONE	1,672	-	-	-	1,672
PHILIPPINES PESO	1,344	-	-	-	1,344
POLISH ZLOTY	1,409	-	-	-	1,409
POUND STERLING	49,690	5,647,524	-	-	5,697,214
SOUTH AFRICAN RAND	1,681	-	586,765	-	588,446
SOUTH KOREAN WON	372	266	-	-	638
SWEDISH KRONA	15,380	3,969,144	-	-	3,984,524
SWISS FRANC	502,307	4,897,470	-	-	5,399,777
THAILAND BAHT	1,833	-	-	-	1,833
Grand Total	$ 1,507,950	$ 47,320,688	$ 586,765	$ 32,021,949	$ 81,437,352

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 Association of Counties and the Virginia Municipal League (VACo/VML). The Pooled Trust is an investment pooling vehicle created to allow participating local governments, school divisions, and authorities in the State to accumulate and invest assets to fund other postemployment benefits. Funds of participating jurisdictions are pooled and invested in the name of the Pooled Trust. FCPS' respective shares in the Pooled Trust are reported in the School OPEB Trust Fund's financial statements. Investment decisions are made by the Board of Trustees (Trustees) of the Pooled Trust.

The Trustees adopted an investment policy to establish investment objectives, risk tolerance levels, and asset allocation parameters. The investment objective is to maximize the total long-term rate of return with reasonable risk by seeking capital appreciation and, secondarily, principal protection. The Pooled Trust is segregated and managed as two distinct portfolios that are referred to as Portfolio I and Portfolio II. Portfolio I is structured to achieve a compound annualized total expected rate of return over a market cycle, including current income and capital appreciation, of 7.5%. Portfolio II is structured to achieve an expected rate of return of 6.0%. The investment performance of each Portfolio is reviewed quarterly and compared on a rolling three year basis and over other relevant time periods to the following: (a) a composite benchmark comprised of each asset classes' market index benchmarks, weighted by each Portfolio's long-term policy allocations, and (b) a peer group of other similar size fund sponsors.

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

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

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

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

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

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 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, 2023, the School OPEB Trust Fund's share in the Pooled Trust was $207,528,719 as reported on Exhibit U.

Concentration of Credit Risk

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

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

C. DUE FROM INTERGOVERNMENTAL UNITS

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

A significant portion of the receivable from the State in the General Fund 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 for custodial services and school use.

Amounts due from governments as of June 30, 2023, were as follows:

Fund	Federal Government	Commonwealth of Virginia	County	Other Jurisdictions	Total
General Fund	$ 61,460,386	$ 21,289,707	$ 97,240	$ 3,521,937	$ 86,369,270
Food and Nutrition Fund	8,821,666	24,136	72,329	-	8,918,131
Grants and Self-Supporting Programs Fund	30,782,268	2,817,422	-	-	33,599,690
Adult and Community Education	516,417	-	-	-	516,417
Total	$ 101,580,737	$ 24,131,265	$ 169,569	$ 3,521,937	$ 129,403,508

D. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

FCPS' General Fund advances money to other funds as needed to offset year-end cash deficits. The deficits occur due to timing differences between payments for expenditures and the receipt of cash to cover them. The $300,000 advance to the Adult and Community Education Fund is a result of the cash shortage in the fund.

The composition of interfund receivables and payables balances as of June, 30, 2023, was as follows:

Fund	Interfund Receivables	Interfund Payables
General Fund	$ 300,000	$ -
Adult and Community Education Fund	-	300,000
Total	$ 300,000	$ 300,000

The primary purpose for interfund transfers is to provide funding for FCPS' operations, and capital projects. The breakdown of interfund transfers for the fiscal year ended June 30, 2023 was as follows:

Fund	Transfers In	Transfers Out
General Fund	$ -	$ 50,131,397
Capital Projects Fund	26,085,422	-
Food and Nutrition Services Fund	1,800,000	-
Grants and Self-Supporting Fund	20,853,213	-
Adult and Community Education Fund	1,392,762	-
Total	$ 50,131,397	$ 50,131,397

E. CAPITAL ASSETS

A summary of capital asset activity for fiscal year 2023 is shown below:

Governmental Activities	Balance July 01, 2022	Increases	Decreases	Balance June 30, 2023
Non-depreciable/non-amortizable capital assets:				
Land	$ 46,837,095	$ -	$ -	$ 46,837,095
Construction in progress	343,497,904	218,472,002	(282,742,010)	279,227,896
Software in development	-	244,348	(244,348)	-
Total non-depreciable/non-amortizable capital assets	390,334,999	218,716,350	(282,986,358)	326,064,991
Depreciable/amortizable capital assets:				
Equipment	332,629,685	41,701,076	(8,465,416)	365,865,345
Library collections	18,706,970	2,029,475	(1,820,918)	18,915,527
Buildings	1,318,146,103	21	(1,912,961)	1,316,233,163
Building improvements	3,112,780,019	270,759,627	-	3,383,539,646
Land improvements	99,198,513	3,160,596	-	102,359,109
Software/licenses	14,037,906	-	-	14,037,906
Right-to-use lease assets:				
Parking lot	233,954	-	-	233,954
Buildings	45,330,805	14,449,274	-	59,780,079
Equipment	10,971,737	5,806,813	(3,221,819)	13,556,731
Right-to-use subscription assets	-	91,171,654	(9,382,767)	81,788,887
Total depreciable/amortizable capital assets	4,952,035,692	429,078,536	(24,803,881)	5,356,310,347
Accumulated depreciation/amortization:				
Equipment	(239,419,466)	(36,491,516)	7,741,532	(268,169,450)
Library collections	(11,583,697)	(2,256,644)	1,820,918	(12,019,423)
Buildings	(727,429,777)	(24,183,284)	-	(751,613,061)
Building improvements	(1,544,175,859)	(117,934,014)	-	(1,662,109,873)
Land improvements	(48,950,890)	(4,139,800)	-	(53,090,690)
Software/licenses	(9,827,609)	(776,032)	-	(10,603,641)
Right-to-use lease assets:				
Parking lot	(27,295)	(46,791)	-	(74,086)
Buildings	(5,444,718)	(6,525,630)	-	(11,970,348)
Equipment	(4,356,133)	(6,040,856)	3,193,651	(7,203,338)
Right-to-use subscription assets	-	(12,687,591)	-	(12,687,591)
Total accumulated depreciation/amortization	(2,591,215,444)	(211,082,158)	12,756,101	(2,789,541,501)
Depreciable/amortizable capital assets, net	2,360,820,248	217,996,378	(12,047,780)	2,566,768,846
Total capital assets, net	$ 2,751,155,247	$ 436,712,728	$ (295,034,138)	$ 2,892,833,837

Depreciation and amortization was charged to governmental programs during fiscal year 2023 as shown:

Governmental Activities		Depreciation and Amortization Expense
Instruction:		
Regular education:		
Elementary school	$	66,706,321
Middle school		17,663,142
High school		40,834,145
Special education		37,879,737
Adult and community education		422,058
Instructional support		14,286,675
Support programs:		
Administration and general support		9,665,136
Student transportation		9,665,136
Facilities management		8,462,270
Food service		5,444,553
Depreciation on capital assets held by FCPS' internal service funds is charged to the various functions based on asset usage		52,985
Total	$	211,082,158

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, 2023:

Governmental Activities	Balance July 01, 2022	Additions		Reductions	Balance June 30, 2023	Due within One Year	Due Beyond One Year
Compensated absences	$ 39,168,520	$ 32,012,169		$ (29,309,695)	$ 41,870,994	$ 29,309,696	$ 12,561,298
Actuarial claims payable	74,668,563	8,231,172		(80,000)	82,819,735	38,030,447	44,789,288
Lease liability	47,700,658	20,432,458	*	(11,593,732)	56,539,384	10,306,752	46,232,632
Notes payable / Financed Purchase Agreements	80,906,795	29,872,886	**	(19,855,599)	90,924,082	24,867,456	66,056,626
Subscription liability	-	75,745,210	***	(14,695,036)	61,050,174	13,352,183	47,697,991
Net pension liability	2,163,904,859	1,474,460,369		(447,021,099)	3,191,344,129	-	3,191,344,129
Net OPEB liability	380,070,500	404,576,591		(435,923,034)	348,724,057	-	348,724,057
Total	$ 2,786,419,895	$ 2,045,330,855		$ (958,478,195)	$ 3,873,272,555	$ 115,866,534	$ 3,757,406,021

* Lease liability of $20,432,458 includes the new leases of $20,256,088 from the Statement of Revenues, Expenditures, and Changes in Fund Balances and $176,370 rent abatement interest accretion from the Statement of Net Position.

** Financed purchase agreements of $29,872,886 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.

*** Subscription liability of $75,745,210 includes the addition of $74,927,364 for Governmental funds, $805,139 within the Internal Service Fund, and the addition of $12,707 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, 2023, are as follows:

Principal and Interest Requirements to Maturity

	Governmental Activities		
Fiscal Year	**Principal Payments**	**Interest Payments**	**Total Payments**
2024	$ 24,867,456	$ 2,210,058	$ 27,077,514
2025	18,313,498	1,664,364	19,977,862
2026	10,005,901	1,261,725	11,267,626
2027	9,363,145	945,214	10,308,359
2028	7,294,082	628,366	7,922,448
2029-2033	14,860,000	1,393,595	16,253,595
2034-2035	6,220,000	126,672	6,346,672
	$ 90,924,082	$ 8,229,994	$ 99,154,076

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 financial statements.

G. LEASES

1. Right-to-Use Leases as Lessee

Lease Liability

As of June 30, 2023, FCPS has entered into 163 leases as Lessee for the use of Ricoh copiers, the lease terms range from 24 months and 60 months respectively. An initial lease liability was recorded in the amount ranging from $1,369 to $1,876,878. FCPS is required to make annual fixed payments ranging from $46 to $145,489. 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, 2023, FCPS has entered into ten leases as Lessee for real estate, the lease term ranges from 60 months to 156 months. An initial lease liability was recorded in the amount ranging from $233,954 to $28,002,894. FCPS is required to make monthly fixed payments ranging from $3,850 to $285,034. Leases have interest rate ranging from 1.10% 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
2024	$	10,306,752	$	1,215,959	$	11,522,711
2025		7,830,001		920,264		8,750,265
2026		7,525,010		749,533		8,274,543
2027		6,907,860		605,190		7,513,050
2028		6,508,104		490,904		6,999,008
2029-2033		14,180,191		1,246,172		15,426,363
2034-2036	$	3,281,466	$	152,004		3,433,470
	$	56,539,384	$	5,380,026	$	61,919,410

2. Lease Receivable as Lessor

As of Jund 30, 2023, 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 14 months to 107 months and provide for renewal options ranging from one year to five years. An initial lease receivable was recorded in the amount ranging from $10,640 to $482,900. As of June 30, 2023, the value of the lease receivable ranged from $5,718 to $376,796. The lessee was required to make monthly fixed payments ranging from $200 to $4,820. The leases have interest rates ranging from 0.31% 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, 2023 ranges from $5,502 to $374,586, and FCPS recognized lease revenue of $639,847 in total during the fiscal year 2023.

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
2024	$	532,809	$	22,273	$	555,082
2025		448,096		15,952		464,048
2026		306,944		10,385		317,329
2027		297,177		5,204		302,381
2028		120,383		1,099		121,482
2029 - 2030		106,109		688		106,797
	$	1,811,518	$	55,601	$	1,867,119

The table of deferred Inflows of resources is disclosed below:

	Balance as of July 1, 2022	Additions	Reductions	Balance as of June 30, 2023
Deferred Inflows of Resources				
Land Improvements				
Centreville High School - Cingular	$ 12,809	$ 283,863	$ 54,737	$ 241,935
Centreville High School - Sprint Amendment	135,213	-	53,390	81,823
Chantilly High School - T-Mobile	102,733	-	44,028	58,705
Chantilly High School - Sprint	24,499	-	24,499	-
Chantilly High School - Cingular	428,743	-	54,157	374,586
Langley High School - Cingular	258,397	-	49,988	208,409
South Lake High School - T-Mobile	12,409	227,651	45,293	194,767
South Lakes High School - Cingular	263,692	-	51,037	212,655
South Lakes High School - Verizon	125,406	-	47,273	78,133
Thomas Jefferson High School - Sprint original	78,435	-	78,435	-
Thomas Jefferson High School - Cingular	192,835	-	60,895	131,940
Westgate Elementary School - Verizon	156,937	-	18,830	138,107
Westgate Elementary School - T-Mobile	94,001	-	47,529	46,472
Total Deferred Inflow of Resources	$ 1,886,109	$ 511,514	$ 630,091	$ 1,767,532

H. Subscription-Based Information Technology Arrangements

For the year ended June 30, 2023, the financial statements include the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset.

FCPS entered into 37 software subscription contracts which are qualified for this statement. The initial subscription liability was recorded in amounts ranging from $129,575 to $10,738,647. FCPS is required to make annual fixed payments ranging from $129,575 to $1,204,959. Subscriptions have interest rates ranging from 1.58 % to 3.16%, and the subscription contract terms range from 13 months to 120 months.

Principal and Interest Requirements to Maturity			
	Governmental Activities		
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2024	13,352,183	1,503,162	$ 14,855,345
2025	13,337,810	1,194,857	14,532,667
2026	6,550,801	885,704	7,436,505
2027	6,472,768	719,964	7,192,732
2028	6,384,780	555,118	6,939,898
2029-2033	14,951,832	922,609	15,874,441
	$ 61,050,174	$ 5,781,414	$ 66,831,588

I. CONSTRUCTION COMMITMENTS

On June 30, 2023, FCPS had contractual commitments of $182,648,245 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 $1,595,753 includes prepaid items and inventories of $354,722 and $1,241,031, respectively, among all governmental funds.

- Restricted: The restricted fund balance of $240,034,778 includes funds from Food Service, Grants Programs and Capital Projects.

- 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 $35,000,000 includes flexibility reserve which is committed to meet unforeseen circumstances by the School Board and other appropriated items.

- Assigned: The assigned fund balance of $317,180,621 for school operations includes $165,861,235 for outstanding encumbrances and other fiscal year balance carryovers; $23,834,387 for local school activities; $102,484,999 for fiscal year 2023 operating budget; and $25,000,000 for fiscal year 2025 operating budget.

- Unassigned: The unassigned fund balance totals $7,401,257, which will be utilized by the School Board during future budget development. This amount is comprised of $7,757,800 from the General Fund and a deficit of $(356,543) from the Adult and Community Education Fund. The deficit fund balance of the Adult and Community Education Fund was a result of decreased revenue due to lower enrollment as a result of the pandemic.

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
FUND BALANCES:				
Nonspendable:				
Inventories	$ -	$ -	$ 1,241,031	$ 1,241,031
Prepaid Items	349,586	-	5,136	354,722
	349,586	-	1,246,167	1,595,753
Restricted:				
Capital Projects	-	132,578,987	-	132,578,987
Grant Programs, Summer Fund and Remediation	-	-	54,015,738	54,015,738
Food Service	-	-	53,440,053	53,440,053
	-	132,578,987	107,455,791	240,034,778
Committed:				
Set Aside for fiscal year 2024 Budget	25,000,000	-	-	25,000,000
School Board Flexibility Reserve Fuel	8,000,000	-	-	8,000,000
Contingency	2,000,000	-	-	2,000,000
	35,000,000	-	-	35,000,000
Assigned:				
Schools/Projects Carryover	83,098,513	-	-	83,098,513
Outstanding Encumbered Obligations	53,337,692	-	-	53,337,692
Compensatory Services	30,000,000	-	-	30,000,000
Department Critical Needs Carryover	29,425,030	-	-	29,425,030
Set Aside for 2025 Beginning Balance	25,000,000	-	-	25,000,000
Local School Activities	23,834,387	-	-	23,834,387
Staffing Reserve Replenishment	21,473,000	-	-	21,473,000
Achievement Gap Closing Strategies	12,396,003	-	-	12,396,003
Transfer to Construction - Major Maintenance	7,050,970	-	-	7,050,970
Enhanced Summer School	6,677,271	-	-	6,677,271
Human Capital Management System Replacement	6,623,787	-	-	6,623,787
Substitute Incentive	3,500,000	-	-	3,500,000
Security Pilot	3,000,000	-	-	3,000,000
Utilities Inflation	2,853,515	-	-	2,853,515
Fuel	2,070,076	-	-	2,070,076
Transfer to Construction Fund	2,000,000	-	-	2,000,000
Administrative Scale Enhancement	1,815,994	-	-	1,815,994
Fine Arts Stipends	945,602	-	-	945,602
PreK Expansion	800,000	-	-	800,000
Athletic Trainers	580,950	-	-	580,950
Transfer to Adult and Community Education	357,831	-	-	357,831
Mental Health Teletherapy Support MS/HS	340,000	-	-	340,000
	317,180,621	-	-	317,180,621
Unassigned	7,757,800	-	(356,543)	7,401,257
Total Fund Balance	$ 360,288,007	$ 132,578,987	$ 108,345,415	$ 601,212,409

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. The original structure, ERFC, became effective July 1, 1973, and is coordinated with the benefits that 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 new simplified plan of benefits was developed effective July 1, 2001 with an exclusive level lifetime benefit structure. All newly hired full-time educational and administrative support employees are 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. For ERFC members hired on or after July 1, 2017, members of ERFC 2001 Tier 2, 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 five 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 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%. Additional detail regarding all benefit payment types can be found in the actuarial valuation and/or plan documents.

At December 31, 2022, the date of the most recent actuarial valuation, ERFC's membership was composed of:

Retirees and beneficiaries currently receiving benefits	13,747
Terminated employees entitled to benefits but not yet receiving them	6,067
Active plan members	22,916
Total	42,730

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 three percent of annual salary. The employer is required to contribute at an actuarially determined rate which was 6.70 percent for fiscal year 2023. Employer contributions to the pension plan were $117,155,967 and $111,119,456 for the years ended June 30, 2023 and June 30, 2022 respectively.

The actuarial valuations as of odd numbered years are used to set the employer contribution rate for the two-year period beginning 18 months after the valuation date. As such, the December 31, 2019 valuation recommended that the contribution rate for the two-year period beginning July 1, 2021 to June 30, 2023 be increased from 6.44 percent to 6.70 percent.

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

At June 30, 2023, ERFC's net pension liability was $1,002,078,069 and was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021 and rolled forward to June 30, 2022 measurement date. For the year ended June 30, 2023, FCPS recognized pension expense of $125,343,998 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	$ 35,875,681	$ (11,264,782)
Change in assumptions	112,564,567	(11,522,245)
Net difference between expected and actual earnings on pension plan investments	94,632,782	-
FCPS' contributions subsequent to the measurement date	117,155,967	-
Total	$ 360,228,997	$ (22,787,027)

A total of $117,155,967 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, 2024. 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:		
2024	$	45,100,631
2025		28,466,571
2026		11,923,199
2027		116,113,424
2028		18,682,178
	$	220,286,003

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2021, using the entry age actuarial cost method and rolled forward to the measurement date of June 30, 2022. Significant actuarial assumptions used in the valuation include:

Actuarial Assumptions	
Inflation	2.75%
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 analysis of expected investment return, asset allocation and relevant Actuarial Standards of Practice, the rate was lowered from 7.25 to 7.00 percent. The amortization period for assumption changed from 10 years to 20 years in order to continue adopting best actuarial practices. The investment consultant's inflation expectation is 2.3 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	14.0%	6.2%
Domestic Small Cap Equity	10.0%	7.2%
International Equity	5.0%	6.8%
International Small Cap Equity	5.0%	8.2%
Emerging International Equity	5.0%	8.5%
Global Equity	5.0%	6.4%
Emerging Market Debt	2.0%	2.8%
US Fixed Income	21.0%	0.4%
Multi-Asset Class Strategies	4.0%	3.6%
Hedge Funds Opportunistic	5.0%	4.9%
Infrastructure	4.0%	6.5%
Real Estate (Core)	9.0%	4.4%
Private Equity	7.0%	10.8%
Private Debt	4.0%	6.1%
	100.0%	

Discount Rate

A single discount rate of 7.00 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 7.00 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, 2021	$ 3,710,207,503	$ 3,272,147,083	$ 438,060,420
Changes for the year:			
Service cost	92,063,438	-	92,063,438
Interest	268,463,381	-	268,463,381
Differences between expected and actual experience	(5,133,211)	-	(5,133,211)
Changes of assumptions	133,042,334	-	133,042,334
Contributions - employer	-	111,119,456	(111,119,456)
Contributions - employee	-	50,017,839	(50,017,839)
Net investment income	-	(232,237,621)	232,237,621
Benefit payments, including refunds of employee contributions	(198,655,496)	(198,655,496)	-
Administrative expense	-	(4,481,381)	4,481,381
Net changes	289,780,446	(274,237,203)	564,017,649
Balances at June 30, 2022	$ 3,999,987,949	$ 2,997,909,880	$ 1,002,078,069

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 following table presents ERFC's net pension liability, calculated using a single discount rate of 7.25 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
FCPS' ERFC net pension liability	$ 1,519,640,176	$ 1,002,078,069	$ 500,828,426

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, 2023. 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 may 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. 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 and D, 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. In addition, if normal retirement occurs before Social Security benefits are scheduled to begin, an additional monthly benefit is paid to retirees. 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 and Plan D require member contributions of 5.33 percent of compensation.

FCPS is required to contribute at an actuarially determined rate, which for the year ended June 30, 2023, was 28.88 percent of annual covered payroll. In the event the FCERS' funded ratio (the ratio of the actuarial value of assets to the actuarial accrued liability) falls below 90 percent, the contribution rate will be adjusted to bring the funded ratio back within these parameters. Employer contributions to the pension plan were $65,282,543 and $60,366,922 for the years ended June 30, 2023 and June 30, 2022, respectively.

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

At June 30, 2023, FCPS reported a liability of $495,214,529 for its proportionate share of the net pension liability. The net pension liability was determined based on an actuarial valuation as of June 30, 2022 using the December 31, 2021 data rolled forward to June 30, 2022. At June 30, 2022, FCPS' proportion was 26.35 percent, an increase of 1.20 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, FCPS recognized pension expense of $63,157,441. At June 30, 2022, 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	$ 51,381,247	$ (7,470,613)
Changes of assumptions	36,948,250	-
Net difference between projected and actual earnings on pension plan investments	6,360,200	-
Change in proportion applicable to FCPS	14,637,350	(13,436,575)
FCPS' contributions subsequent to the measurement date	65,282,543	-
Total	$ 174,609,590	$ (20,907,188)

A total of $65,282,543 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, 2024. 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:	
2024	$ 19,288,276
2025	15,848,106
2026	9,336,813
2027	43,946,664
	$ 88,419,859

Actuarial Assumptions

The total pension liability for the year ended June 30, 2022 was determined as part of the December 31, 2021, actuarial valuation using the entry age actuarial cost method and rolled forward to the measurement date of June 30, 2022. 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 Disability Annuity PubG-2010 Combined Mortality projected to MP-2020

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study performed in 2022.

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, 2023, 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	$ 709,143,103	$ 495,214,529	$ 316,150,106

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, 2023. 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 http://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, 2023 was 16.62 percent of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employer contributions to the pension plan were $290,478,121 and $275,534,721 for the years ended June 30, 2023 and June 30, 2022, respectively.

In June 2022, the State made a special contribution of approximately $442.4 million to VRS. This special payment was authorized by a State budget amendment included in Chapter 1 of the 2022 Appropriation Act, 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, 2023, FCPS reported a liability of $1,694,051,531 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. 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, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, FCPS' proportion was 17.79 percent as compared to 18.40 percent at June 30, 2021.

For the year ended June 30, 2023, FCPS recognized pension expense of $81,290,532. 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, 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	$ -	$ (116,811,550)
Net difference between projected and actual earnings on pension plan investments	-	(220,868,843)
Change of Assumptions	159,714,936	-
Changes in proportion and differences between FCPS contributions and proportionate share of contributions	12,017,478	(66,087,139)
FCPS' contributions subsequent to the measurement date	290,478,121	-
Total	$ 462,210,535	$ (403,767,532)

A total of $290,478,121 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, 2024. 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:	
2024	$ (65,525,419)
2025	(89,687,526)
2026	(163,510,031)
2027	86,687,858
	$ (232,035,118)

Actuarial Assumptions

The total pension liability for VRS was based on an actuarial valuation as of June 30, 2021, 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, 2022.

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, 2021 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, 2019. 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)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00 %	5.71 %	1.94 %
Fixed Income	15.00	2.04	0.31
Credit Strategies	14.00	4.78	0.67
Real Assets	14.00	4.47	0.63
Private Equity	14.00	9.73	1.36
Multi-Asset Public Strategies	6.00	3.73	0.22
Private Investment Partnership	3.00	6.55	0.20
Total	100.00 %		5.33 %
		Inflation	2.50 %
Expected arithmetic nominal return (a)			7.83 %

(a) The above allocation provides a one-year return of 7.83%. 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 6.72%, 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 that time, providing a median return of 7.11%, 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 assumed that member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2022, the rate contributed by FCPS for VRS will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100.0 percent of the actuarially determined contribution rate. From July 1, 2022, on, school divisions are assumed to continue to contribute 100.0 percent of the actuarially determined contribution rates. Based on those assumptions, VRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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	$ 3,025,705,719	$ 1,694,051,531	$ 609,792,186

Pension Plan Fiduciary Net Position

Detailed information about the VRS net position is available in the separately issued VRS 2022 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, 2022 to the Statement of Net Position:

	ERFC	FCERS	VRS	Total
Deferred Outflows of Resources:				
Differences between expected and actual experience	$ 35,875,681	$ 51,381,247	$ -	$ 87,256,928
Net difference between projected and actual earnings on pension plan investments	94,632,782	6,360,200	-	100,992,982
Employer contributions made in fiscal year 2023	117,155,967	65,282,543	290,478,121	472,916,631
Changes in assumptions	112,564,567	36,948,250	159,714,936	309,227,753
Changes in proportionate share of contributions	-	14,637,350	12,017,478	26,654,828
Deferred Outflows of Resources	$ 360,228,997	$ 174,609,590	$ 462,210,535	$ 997,049,122
Deferred Inflows of Resources:				
Differences between expected and actual experience	$ (11,264,782)	$ (7,470,613)	$ (116,811,550)	$ (135,546,945)
Changes in proportionate share of contributions	-	(13,436,575)	(66,087,139)	(79,523,714)
Changes in assumptions	(11,522,245)	-	-	(11,522,245)
Net difference between projected and actual earnings on pension plan investments	-	-	(220,868,843)	(220,868,843)
Deferred Inflows of Resources	$ (22,787,027)	$ (20,907,188)	$ (403,767,532)	$ (447,461,747)
Pension expense for the year ended June 30, 2023	$ 125,343,998	$ 63,157,441	$ 81,290,532	$ 269,791,971
Net pension liability as of June 30, 2023	$ 1,002,078,069	$ 495,214,529	$ 1,694,051,531	$ 3,191,344,129

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 2023, 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 30,2022; also shown is the data used for the prior fiscal year.

	Fiscal Years Ended June 30, 2022	June 30, 2021
Medical		
Actives		
Count	20,528	19,878
Average age	46.3	46.0
Average service	11.3	10.9
Retirees and spouses		
Count	10,174	10,135
Average age	72.6	72.3
Life Insurance		
Actives		
Count	4,451	4,457
Average age	53.1	52.6
Average service	11.7	11.2
Retirees and spouses		
Count	3,050	2,844
Average age	72.2	71.7

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 $15,536,667 for the year ended June 30, 2023. 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, 2023 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	$ 247,699,784
Plan Fiduciary Net Position (market value of assets)	(213,447,919)
Net OPEB liability as of June 30, 2023	$ 34,251,865
Plan fiduciary net position as a percentage of the OPEB liability	86.17%

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% - 8.50% 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, 2023 are summarized in the following table:

Asset Class	**Expected Real Rate of Return**	**Allocation**
Large Cap U.S.Equity	4.40%	24.78%
Small Cap U.S.Equity	4.89%	10.82%
International (Non-U.S) Equity (Developed)	4.89%	13.05%
Emerging Markets Equity	5.28%	3.42%
Cash (Gov't)	0.98%	2.57%
Core U.S. Fixed Income (Market Duration)	1.76%	4.01%
Long Duration Bonds – Credit	3.03%	13.85%
Non-US Developed Bond (50% Hedged)	1.37%	3.88%
Private Real Estate (Core)	3.23%	10.16%
Private Equity	7.33%	7.18%
Hedge Funds - Equity Long/Short (Buy List)	4.89%	6.28%
Total Portfolio		100.0%

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, 2023, the annual money-weighted rate of return on investments, net of investment expense was 7.66 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing actual invested.

The plan's funds are invested in domestic and international equity and fixed income funds through the Virginia Pooled OPEB Trust Fund established as the investment vehicle for participating employers. 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	$ 274,095,778	$ 247,699,784	$ 225,363,784
Plan fiduciary net position	(213,447,919)	(213,447,919)	(213,447,919)
Net OPEB liability	$ 60,647,859	$ 34,251,865	$ 11,915,865

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	$ 237,234,694	$ 247,699,784	$ 260,475,549
Plan fiduciary net position	(213,447,919)	(213,447,919)	(213,447,919)
Net FCPS OPEB liability	$ 23,786,775	$ 34,251,865	$ 47,027,630

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

For the year ended June 30, 2023, FCPS recognized FCPS OPEB plan expense of $(9,204,116). At June 30, 2023, 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	$ 54,114,892	$ 17,021,583
Net difference between projected and actual earnings on FCPS OPEB plan investments	6,251,231	-
Change of assumptions	-	42,786,768
Total	$ 60,366,123	$ 59,808,351

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:		
2024	$	(14,330,890)
2025		2,584,078
2026		12,125,007
2027		(428,022)
2028		287,866
Thereafter		319,733
	$	557,772

Changes in the Net FCPS OPEB Liability

	Fiscal Year Ended June 30, 2023	
Total FCPS OPEB Liability		
Service cost	$	3,623,750
Interest cost		17,048,408
Difference between expected and actual experiences		(7,539,869)
Benefit payments		(10,536,667)
Net Change in Total FCPS OPEB Liability		2,595,622
Total FCPS OPEB Liability - Beginning		245,104,162
Total FCPS OPEB Liability - Ending (a)	$	247,699,784
Plan Fiduciary Net Position		
Contributions - Employer	$	15,536,667
Net Investment Income		14,986,379
Benefit payments		(10,536,667)
Administrative Expense		(100,336)
Net Change in Plan Fiduciary Net Position		19,886,043
Plan Fiduciary Net Position - Beginning		193,561,876
Plan Fiduciary Net Position - Ending (b)	$	213,447,919
Net FCPS OPEB Liability - Ending (a) - (b)	$	34,251,865

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:

- At Retirement - For Teacher and other professional school employees who retire, the monthly benefit is $4.00 per year of service per month with no cap on the benefit amount.

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

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

Contributions

The contribution requirement for active employees is governed by Section 51.1-1401(E) of the Code, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required 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 $21,152,523 and $20,059,856 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, 2023, FCPS reported a liability of $222,176,275 for its proportionate share of the net HIC OPEB liability. The net HIC OPEB liability was measured as of June 30, 2022 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, 2021 and rolled forward to the measurement date of June 30, 2022. 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, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, FCPS' proportion was 17.79 percent as compared to 18.39 percent at June 30, 2021.

For the year ended June 30, 2023, FCPS recognized HIC OPEB expense of $17,322,199. 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, 2022, 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
Changes in proportionate share	$ 3,038,552	$ 8,232,659
Differences between expected and actual experience	-	9,056,254
Net difference between projected and actual earnings on HIC OPEB plan investments	-	223,003
Change of assumptions	6,490,903	567,365
FCPS' contributions subsequent to the measurement date	21,152,523	-
Total	$ 30,681,978	$ 18,079,281

A total of $21,152,523 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, 2024. 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:	
2024	$ (1,111,759)
2025	(1,130,909)
2026	(1,311,484)
2027	(913,045)
2028	(1,986,054)
Thereafter	(2,096,575)
	$ (8,549,826)

Actuarial Assumptions

The total HIC OPEB liability for VRS was based on an actuarial valuation as of June 30, 2021, 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, 2022.

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%

The actuarial assumptions used in the June 30, 2021 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, 2019. 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 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)	**Target Allocation**	**Arithmetic Long-Term Expected Rate of Return**	**Weighted Average Long-Term Expected Rate of Return***
Public Equity	34.00 %	5.71 %	1.94 %
Fixed Income	15.00	2.04	0.31
Credit Strategies	14.00	4.78	0.67
Real Assets	14.00	4.47	0.63
Private Equity	14.00	9.73	1.36
Multi-Asset Public Strategies	6.00	3.73	0.22
Private Investment Partnership	3.00	6.55	0.20
Total	100.00 %		5.33 %
		Inflation	2.50 %
* Expected arithmetic nominal return			7.83 %

* The above allocation provides a one-year return of 7.83%. 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 6.72%, including expected inflation of 2.5%.
* On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, 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, 2022, 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, 2021 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	$ 250,395,211	$ 222,176,275	$ 198,255,793

HIC OPEB Plan Fiduciary Net Position

Detailed information about the HIC OPEB plan's fiduciary net position is available in the separately issued VRS 2022 ACFR. A copy of the 2021 VRS CAFR may be obtained from the VRS website at http://www.varetire.org, or by writing to the VRS Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

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, safety belt, repatriation, felonious assault and accelerated death option.

The benefit amounts provided to members covered under the GLI OPEB plan are subject to a reduction factor. The benefit amount reduces by 25.0 percent on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25.0 percent on each subsequent January 1 until it reaches 25.0 percent of its original value. For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the GLI OPEB plan. The minimum benefit was set at $8,000 by statue in 2015. This amount is increased annually based on the VRS Plan 2 cost-of-living adjustment and is currently $8,984 as of June 30, 2023.

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, 2023 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 $9,503,445 and $9,003,779 for the years ended June 30, 2023 and June 30, 2022, respectively.

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

At June 30, 2023, FCPS reported a liability of $92,295,917 for its proportionate share of the net GLI OPEB liability. The net GLI OPEB liability was measured as of June 30, 2022 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, 2021, and rolled forward to the measurement date of June 30, 2022. 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, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, FCPS' proportion was 7.67 percent as compared to 7.94 percent at June 30, 2021.

For the year ended June 30, 2023, FCPS recognized GLI OPEB expense of $3,108,317. 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, 2022, 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
Changes in proportionate share	$ 1,202,957	$ 3,510,907
Differences between expected and actual experience	7,308,674	3,702,690
Net difference between projected and actual earnings on GLI OPEB plan investments	-	5,767,136
Change of assumptions	3,442,492	8,989,993
FCPS' contributions subsequent to the measurement date	9,503,445	-
Total	$ 21,457,568	$ 21,970,726

A total of $9,503,445 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, 2024. 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:		
2024	$	(1,678,978)
2025		(1,787,200)
2026		(5,212,021)
2027		(4,687)
2028		(1,333,717)
	$	(10,016,603)

Actuarial Assumptions

The total GLI OPEB liability for VRS was based on an actuarial valuation as of June 30, 2021, 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, 2022.

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 four-year period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. 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)	Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates on based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Long-term Expected Rate of Return

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00 %	5.71 %	1.94 %
Fixed Income	15.00	2.04	0.31
Credit Strategies	14.00	4.78	0.67
Real Assets	14.00	4.47	0.63
Private Equity	14.00	9.73	1.36
Multi-Asset Public Strategies	6.00	3.73	0.22
Private Investment Partnership	3.00	6.55	0.20
Total	100.00 %		5.33 %
		Inflation	2.50 %
Expected arithmetic nominal return (a)			7.83 %

(a) The above allocation provides a one-year return of 7.83%. 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 6.72%, 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 7.11%, 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, 2022, 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 100.0 percent of the actuarially determined contribution rate. From July 1, 2021 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	$ 134,301,364	$ 92,295,917	$ 58,349,769

GLI OPEB Plan Fiduciary Net Position

Detailed information about the GLI OPEB plan's fiduciary net position is available in the separately issued VRS 2022 ACFR. A copy of the 2022 VRS ACFR may be downloaded from the VRS website at http://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, 2023 for the FCPS OPEB plan and June 30, 2022 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	$ 54,114,892	$ -	$ 7,308,674	$ 61,423,566
Employer contributions made in fiscal year 2023	-	21,152,523	9,503,445	30,655,968
Changes of assumptions	-	6,490,903	3,442,492	9,933,395
Net difference between projected and actual earnings on OPEB plan investments	6,251,231	-	-	6,251,231
Changes in proportionate share of contributions	-	3,038,552	1,202,957	4,241,509
Deferred Outflows of Resources	$ 60,366,123	$ 30,681,978	$ 21,457,568	$ 112,505,669
Deferred Inflows of Resources:				
Differences between expected and actual experience	$ 17,021,583	$ 9,056,254	$ 3,702,690	$ 29,780,527
Changes of assumptions	42,786,768	567,365	8,989,993	52,344,126
Changes in proportionate share of contributions	-	8,232,659	3,510,907	11,743,566
Net difference between projected and actual earnings on OPEB plan investments	-	223,003	5,767,136	5,990,139
Deferred Inflows of Resources	$ 59,808,351	$ 18,079,281	$ 21,970,726	$ 99,858,358
OPEB expense for the year ended June 30, 2023	$ (9,204,116)	$ 17,322,199	$ 3,108,317	$ 11,226,400
Net OPEB liability as of June 30, 2023	$ 34,251,865	$ 222,176,275	$ 92,295,917	$ 348,724,057

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 2023.

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 2023, there were no significant reductions in insurance coverage from the prior year.

Changes in the acturial balances of liability claims during fiscal years 2022 and 2023 are as follows:

	Health Benefits	Insurance	Total
July 1, 2021 - liability balance	$ 21,880,000	$ 50,236,735	$ 72,116,735
Claims and changes in estimates	465,918,929	10,927,616	476,846,545
Claims Payments	(461,128,929)	(13,165,788)	(474,294,717)
June 30, 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

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

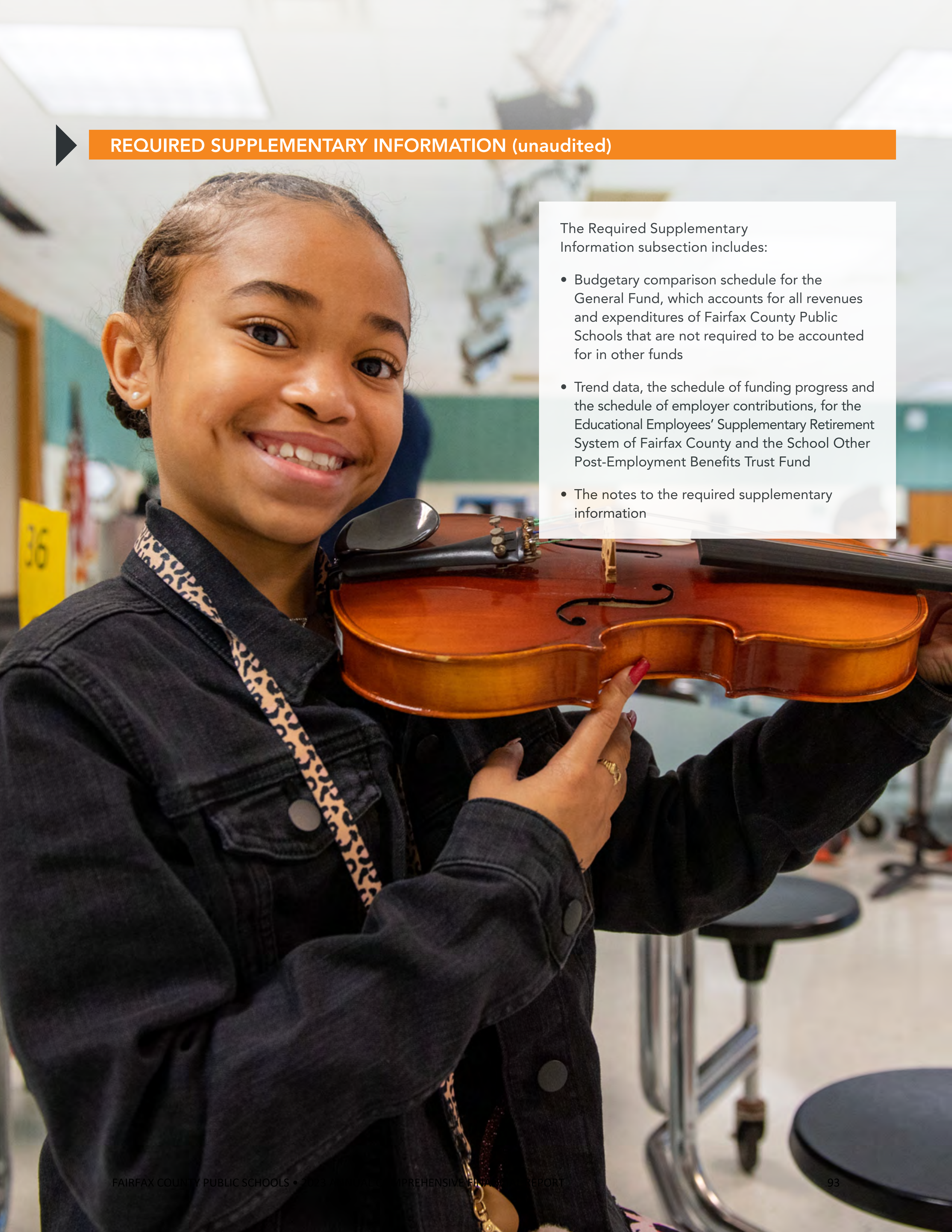
Public Health Service Act

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, 2023, there were 52 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, 2023

	Budget - Original	Budget - Final	Actual - Budget Basis	Variance from Final Budget Positive (Negative)
REVENUES				
Intergovernmental:				
Federal government	$ 47,168,910	$ 203,178,640	$ 169,727,802	$ (33,450,838)
Commonwealth of Virginia	869,718,278	895,031,419	886,891,446	(8,139,973)
Charges for services:				
Tuition and fees	10,917,142	10,917,142	12,959,683	2,042,541
Revenue from the use of money and property	3,686,259	3,686,259	3,725,602	39,343
Recovered costs	51,248,621	51,248,621	52,911,698	1,663,077
Other	9,323,373	9,323,373	8,731,618	(591,755)
Total revenues	992,062,583	1,173,385,454	1,134,947,849	(38,437,605)
EXPENDITURES				
Current:				
Instruction:				
Regular education:				
Elementary school	1,031,663,978	1,171,025,700	1,070,894,626	100,131,074
Middle school	295,415,622	327,572,111	294,251,588	33,320,523
High school	657,532,955	743,116,291	674,228,782	68,887,509
Special education	632,087,672	678,602,184	619,139,857	59,462,327
Adult and community education	237,907	186,505	337,208	(150,703)
Instructional support	205,525,331	224,586,958	217,703,205	6,883,753
Support programs:				
Administration and general support	152,311,018	185,509,055	167,040,275	18,468,780
Student transportation	181,546,210	199,751,442	165,931,067	33,820,375
Facilities management	99,187,370	138,854,879	106,960,421	31,894,458
Total expenditures	3,255,508,063	3,669,205,125	3,316,487,029	352,718,096
Excess (deficiency) of revenues over (under) expenditures	(2,263,445,480)	(2,495,819,671)	(2,181,539,180)	314,280,491
OTHER FINANCING SOURCES (USES)				
Transfers in from County of Fairfax, VA	2,276,185,924	2,276,185,924	2,276,185,924	-
Transfers out to other governmental funds	(31,148,590)	(50,131,397)	(50,131,397)	-
Transfers out to County of Fairfax, VA	(3,466,625)	(3,466,625)	(3,196,763)	269,862
Total other financing sources, net	2,241,570,709	2,222,587,902	2,222,857,764	269,862
Net change in fund balances	$ (21,874,771)	$ (273,231,769)	$ 41,318,584	$ 314,550,353

See accompanying notes to the required supplementary information.

Fairfax County
PUBLIC SCHOOLS
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FAIRFAX COUNTY PUBLIC SCHOOLS
Schedule of Changes in Net Pension Liability and Related Ratios
ERFC Pension Plan
Last Ten Fiscal Years (1)

	ACFR Reporting Year Measurement Date June 30 of prior year				
	2023	**2022**	**2021**	**2020**	**2019**
Total Pension Liability					
Service Cost	$ 92,063,438	$ 91,770,647	$ 92,719,549	$ 90,633,074	$ 88,599,697
Interest on the Total Pension Liability	268,463,381	253,330,122	243,578,788	231,477,042	221,106,804
Changes of benefit terms		-	-	-	-
Difference between expected and actual experience of the Total Pension Liability	(5,133,211)	29,758,913	(12,696,483)	27,726,555	12,140,768
Changes of assumptions	133,042,334	(17,342,443)	-	-	-
Benefits payments, including refunds of employee contributions	(198,655,496)	(191,265,982)	(185,986,496)	(181,932,073)	(177,720,296)
Net Change in Total Pension Liability	$ 289,780,446	$ 166,251,257	$ 137,615,358	$ 167,904,598	$ 144,126,973
Total Pension Liability - Beginning	3,710,207,503	3,543,956,246	3,406,340,888	3,238,436,290	3,094,309,317
Total Pension Liability - Ending (a)	$ 3,999,987,949	$ 3,710,207,503	$ 3,543,956,246	$ 3,406,340,888	$ 3,238,436,290
Plan Fiduciary Net Position					
Contributions - Employer	$ 111,119,456	$ 104,784,310	$ 104,741,255	$ 96,982,911	$ 91,704,877
Contributions - Employee	50,017,839	48,934,340	49,095,601	46,645,396	44,169,100
Net Investment Income	(232,237,621)	720,738,680	108,472,534	117,727,500	188,145,489
Benefits payments, including refunds of employee contributions	(198,655,496)	(191,265,982)	(185,986,496)	(181,932,073)	(177,720,296)
Pension Plan Administrative Expense	(4,481,381)	(4,423,439)	(4,381,191)	(4,262,159)	(4,300,927)
Net Change in Plan Fiduciary Net Position	(274,237,203)	678,767,909	71,941,703	75,161,575	141,998,243
Prior Period Adjustment	(4,001)	-	-	-	-
Plan Fiduciary Net Position - Beginning	3,272,147,083	2,593,383,175	2,521,441,472	2,446,279,897	2,304,281,654
Plan Fiduciary Net Position - Ending (b)	$ 2,997,909,880	$ 3,272,151,084	$ 2,593,383,175	$ 2,521,441,472	$ 2,446,279,897
Net Pension Liability - Ending (a) - (b)	1,002,078,069	438,056,419	950,573,071	884,899,416	792,156,393
Plan fiduciary net position as a percentage of Total Pension Liability	74.95%	88.19%	73.18%	74.02%	75.54%
Covered Payroll	$ 1,658,499,343	$ 1,627,085,559	$ 1,626,417,003	$ 1,549,247,780	$ 1,469,629,439
Net Pension Liability as a Percentage of Covered Payroll	60.43%	26.93%	58.45%	57.12%	53.90%

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

See accompanying notes to the required supplementary information.

ACFR Reporting Year Measurement Date June 30 of prior year 2018	2017	2016 (2)	2015 (2)	
				Total Pension Liability
$ 78,925,763	$ 77,760,915	$ 77,493,999	$ 75,787,752	Service Cost
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
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
(173,385,583)	(170,347,847)	(167,842,576)	(167,049,790)	Benefits payments, including refunds of employee contributions
$ 157,208,562	$ 147,873,327	$ 91,538,806	$ 82,409,909	**Net Change in Total Pension Liability**
2,937,100,755	2,789,227,428	2,697,688,622	2,615,278,713	**Total Pension Liability - Beginning**
$ 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
$ 80,094,538	$ 76,599,695	$ 74,324,396	$ 74,174,082	Contributions - Employer
43,062,632	41,383,642	39,982,963	40,018,590	Contributions - Employee
250,981,777	(15,766,967)	32,083,908	304,640,803	Net Investment Income
(173,385,583)	(170,347,847)	(167,842,576)	(167,049,790)	Benefits payments, including refunds of employee contributions
(4,059,408)	(4,004,882)	(3,751,825)	(3,629,320)	Pension Plan Administrative Expense
196,693,956	(72,136,359)	(25,203,134)	248,154,365	**Net Change in Plan Fiduciary Net Position**
-	-	-	-	**Prior Period Adjustment**
2,107,587,698	2,179,724,057	2,204,927,191	1,956,772,826	**Plan Fiduciary Net Position - Beginning**
$ 2,304,281,654	$ 2,107,587,698	$ 2,179,724,057	$ 2,204,927,191	**Plan Fiduciary Net Position - Ending (b)**
790,027,663	829,513,057	609,503,371	492,761,431	**Net Pension Liability - Ending (a) - (b)**
74.47%	71.76%	78.15%	81.73%	**Plan fiduciary net position as a percentage of Total Pension Liability**
$ 1,430,259,607	$ 1,374,735,094	$ 1,328,419,881	$ 1,328,419,881	**Covered Payroll**
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 (1)

	Actuarial Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
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 (2)	5.6 (2)

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

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 Pension Liability and Related Ratios
FCERS Pension Plan
Last Ten Fiscal Years (1)

	ACFR Reporting Year Measurement Date June 30 of prior year				
	2023	**2022**	**2021**	**2020**	**2019**
FCPS' proportion of net pension liability	26.35%	25.15%	25.93%	26.87%	26.93%
FCPS' proportionate share of net pension liability	$ 495,214,529	$ 297,680,732	$ 471,704,069	$ 454,079,606	$ 444,409,864
FCPS' covered payroll	209,026,738	202,135,714	214,722,233	208,849,573	200,800,463
FCPS' proportionate share of net pension liability as a percentage of covered payroll	236.91%	147.27%	219.68%	217.42%	221.32%
Plan fiduciary net position as a percentage of the total pension liability	72.10%	81.30%	69.50%	70.80%	70.50%

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

The amounts presented for each fiscal year were determined as of June 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				
2018	**2017**	**2016**	**2015**	
27.15%	27.20%	28.03%	28.21%	FCPS' proportion of net pension liability
$ 439,330,794	$ 415,142,671	$ 360,555,377	$ 293,867,011	FCPS' proportionate share of net pension liability
198,340,140	192,679,291	192,655,643	189,438,838	FCPS' covered payroll
221.50%	215.46%	187.15%	155.13%	FCPS' proportionate share of net pension liability as a percentage of covered payroll
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 (1)

	Actuarial Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	FCPS' Covered Payroll	Contributions as a Percentage of Covered Payroll
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

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

The amounts presented for each fiscal year were determined as of June 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 Pension Liability and Related Ratios
VRS Pension Plan
Last Ten Fiscal Years (1)

	ACFR Reporting Year Measurement Date June 30 of prior year				
	2023	**2022**	**2021**	**2020**	**2019**
FCPS' proportion of the net pension liability	17.79%	18.40%	18.51%	18.47%	18.19%
FCPS' proportionate share of the net pension liability	$ 1,694,051,531	$ 1,428,167,708	$ 2,693,015,856	$ 2,430,714,832	$ 2,139,026,999
FCPS' covered payroll	1,657,850,320	1,626,372,170	1,626,469,344	1,549,185,402	1,470,715,666
FCPS' proportionate share of net pension liability as a percentage of covered payroll	102.18%	87.81%	165.57%	156.90%	145.44%
Plan fiduciary net position as a percentage of the total pension liability	82.61%	85.46%	71.47%	73.51%	74.81%

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

The amounts presented for each fiscal year were determined as of June 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					
2018	2017	2016		2015	
18.16%	17.95%	17.89%		18.15%	FCPS' proportion of the net pension liability
$ 2,232,727,000	$ 2,515,447,000	$ 2,251,917,000		$ 2,193,660,000	FCPS' proportionate share of the net pension liability
1,432,051,405	1,368,572,241	1,330,241,479	(2)	1,327,488,219	FCPS' covered payroll
155.91%	183.80%	169.29%		165.25%	FCPS' proportionate share of net pension liability as a percentage of covered payroll
72.92%	68.28%	70.68%		70.88%	Plan fiduciary net position as a percentage of the total pension liability

(2) Restated from prior year to reflect measurement date presentation.

FAIRFAX COUNTY PUBLIC SCHOOLS **EXHIBIT K-5**
Schedule of Contributions
VRS Pension Plan
Last Ten Fiscal Years (1)

		Actuarial Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	FCPS' Covered Payroll	Contribution as a Percentage of Covered Payroll
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	(2)	192,885,015	192,885,015	-	1,330,241,479	14.5

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

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

See accompanying notes to the required supplementary information.

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

	2023	2022	2021	2020
Total OPEB Liability				
Service Cost	$ 3,623,750	$ 4,149,646	$ 3,878,113	$ 5,046,137
Interest on the Total OPEB Liability	17,048,408	15,412,471	15,321,158	12,378,488
Changes of benefit terms		-	-	-
Difference between expected and actual experiences	(7,539,869)	33,747,285	(6,730,917)	58,670,164
Changes of assumptions	-	(18,880,891)	(998,727)	(15,662,364)
Benefit payments	(10,536,667)	(10,527,658)	(10,348,747)	(23,875,000)
Net Change in Total OPEB Liability	**2,595,622**	**23,900,853**	**1,120,880**	**36,557,425**
Total OPEB Liability - Beginning	**245,104,162**	**221,203,309**	**220,082,429**	**183,525,004**
Total OPEB Liability - Ending (a)	**$ 247,699,784**	**$ 245,104,162**	**$ 221,203,309**	**$ 220,082,429**
Plan Fiduciary Net Position				
Contributions - Employer	$ 15,536,667	$ 15,527,658	$ 15,348,747	$ 28,875,000
Contributions - Employee				-
Net Investment Income	14,986,379	(19,691,861)	47,506,802	4,561,466
Benefit payments	(10,536,667)	(10,527,658)	(10,348,747)	(23,875,000)
Administrative Expense	(100,336)	(120,889)	(101,244)	(101,363)
Net Change in Plan Fiduciary Net Position	**19,886,043**	**(14,812,750)**	**52,405,558**	**9,460,103**
Plan Fiduciary Net Position - Beginning	**193,561,876**	**208,374,626**	**155,969,068**	**146,508,965**
Plan Fiduciary Net Position - Ending (b)	**$ 213,447,919**	**$ 193,561,876**	**$ 208,374,626**	**$ 155,969,068**
Net OPEB Liability - Ending (a) - (b)	**$ 34,251,865**	**$ 51,542,286**	**$ 12,828,683**	**$ 64,113,361**
Plan Fiduciary Net Position as a percentage of Total OPEB Liability	86.17%	78.97%	94.20%	70.87%
Covered Payroll	$ 1,862,771,699	$ 1,765,660,378	$ 1,750,085,165	$ 1,699,111,811
Net OPEB Liability as a Percentage of Covered Payroll	1.84%	2.92%	0.73%	3.77%

(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

2019	2018	2017	
			Total OPEB Liability
$ 5,220,696	$ 8,319,993	N/A	Service Cost
17,156,591	29,187,359	N/A	Interest on the Total OPEB Liability
(39,066,967)	-	N/A	Changes of benefit terms
(24,767,704)	33,883,573	N/A	Difference between expected and actual experiences
-	(170,067,992)	N/A	Changes of assumptions
(29,286,809)	(54,806,266)	N/A	Benefit payments
(70,744,193)	**(153,483,333)**	N/A	**Net Change in Total OPEB Liability**
254,269,197	**$ 407,752,530**	N/A	**Total OPEB Liability - Beginning**
$ 183,525,004	**$ 254,269,197**	**$ 407,752,530**	**Total OPEB Liability - Ending (a)**
			Plan Fiduciary Net Position
$ 34,286,809	$ 59,806,266	$ 22,404,000	Contributions - Employer
-	-	-	Contributions - Employee
6,422,536	11,564,600	13,288,807	Net Investment Income
(29,286,809)	(54,806,266)	(17,404,000)	Benefit payments
(89,000)	(86,550)	(83,537)	Administrative Expense
11,333,536	**16,478,050**	**18,205,270**	**Net Change in Plan Fiduciary Net Position**
135,175,429	**118,697,379**	**100,492,109**	**Plan Fiduciary Net Position - Beginning**
$ 146,508,965	**$ 135,175,429**	**$ 118,697,379**	**Plan Fiduciary Net Position - Ending (b)**
$ 37,016,039	**$ 119,093,768**	**$ 289,055,151**	**Net OPEB Liability - Ending (a) - (b)**
79.83%	53.16%	29.11%	Plan Fiduciary Net Position as a percentage of Total OPEB Liability
$ 1,393,958,673	$ 1,340,334,878	$ 1,256,877,000	Covered Payroll
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)

	2023	2022	2021	2020
Actuarially determined contribution	$ 10,536,667	$ 10,527,658	$ 10,348,747	$ 23,875,000
Contributions made in relation to the actuarially determined contribution	15,536,667	15,527,658	15,348,747	28,875,000
Contribution deficiency (excess)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)
Covered payroll	1,862,771,699	1,765,660,378	1,750,085,165	1,699,111,811
Contributions as a percentage of covered payroll	0.83%	0.88%	0.88%	1.70%

(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)

	2023	2022	2021	2020
Annual money-weighted rate of return net of investment expense	7.66%	(9.36)%	30.09%	3.05%

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

EXHIBIT L-2

Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	
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)

	2023	2022	2021
FCPS' proportion of net OPEB liability	17.79%	18.39%	18.55%
FCPS' proportionate share of net OPEB liability	$ 222,176,275	$ 236,047,340	$ 242,022,384
FCPS' covered payroll	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	13.40%	14.51%	14.88%
Plan fiduciary net position as a percentage of the total OPEB liability	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

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
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
2014	15,534,713	14,738,061	796,652	1,327,753,219	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.

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 Year Measurement Date June 30 of prior year		
	2023	**2022**	**2021**
FCPS' proportion of net OPEB liability	7.67%	7.94%	7.95%
FCPS' proportionate share of net OPEB liability	$ 92,295,917	$ 92,480,874	$ 132,610,252
FCPS' covered payroll	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	5.54%	5.64%	8.11%
Plan fiduciary net position as a percentage of the total OPEB liability	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 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
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
2014	7,062,141	6,395,901	666,240	1,332,479,417	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, 2023

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, 2023:

		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	$ 3,453,440,770				$ (42,306,997)	$(2,276,185,924)	$ 1,134,947,849
Total expenditures	(3,483,602,524)	17,682,563	29,872,886	74,927,364	41,435,919	3,196,763	(3,316,487,029)
Total other financing sources	72,351,416	(17,682,563)	(29,872,886)	(74,927,364)	-	2,272,989,161	2,222,857,764
Net change in fund balances	$ 42,189,662	$ -	$ -	$ -	$ (871,078)	$ -	$ 41,318,584

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, 2022 and the ERFC pension funding report as of December 31, 2022:

- 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

The actuarial assumptions used in the June 30, 2021, 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, 2019. 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

The actuarial assumptions used in the June 30, 2021, 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, 2019. 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, English for Speakers of Other Languages, 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
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FAIRFAX COUNTY PUBLIC SCHOOLS **EXHIBIT M**
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			
	Food and Nutrition Services	Grants Self-Supporting Programs	Adult and Community Education	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	$ 46,671,421	$ 23,339,181	$ 82,566	$ 70,093,168
Receivables:				
Accounts	1,128,910	9,599	22,973	1,161,482
Accrued interest	135,855	26,434	14,680	176,969
Due from intergovernmental units:				
Federal government	8,821,666	30,782,268	516,417	40,120,351
Commonwealth of Virginia	24,136	2,817,422	-	2,841,558
County of Fairfax, VA	72,329	-	-	72,329
Inventories	1,241,031	-	-	1,241,031
Prepaid Items	-	-	5,136	5,136
Total assets	$ 58,095,348	$ 56,974,904	$ 641,772	$ 115,712,024
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 673,947	$ 343,539	$ 88,572	$ 1,106,058
Accrued salaries and withholdings	345,708	11,324	260,628	617,660
Interfund payables	-	-	300,000	300,000
Unearned revenues	2,394,609	2,604,303	343,979	5,342,891
Total liabilities	3,414,264	2,959,166	993,179	7,366,609
Fund balances:				
Nonspendable	1,241,031	-	5,136	1,246,167
Restricted	53,440,053	54,015,738	-	107,455,791
Unassigned	-	-	(356,543)	(356,543)
Total fund balances	54,681,084	54,015,738	(351,407)	108,345,415
Total liabilities and fund balances	$ 58,095,348	$ 56,974,904	$ 641,772	$ 115,712,024

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, 2023

	Special Revenue Funds			
	Food and Nutrition Services	**Grants Self-Supporting Programs**	**Adult and Community Education**	**Total Nonmajor Governmental Funds**
REVENUES				
Intergovernmental:				
Federal government	$ 61,386,098	$ 61,798,844	$ 1,246,356	$ 124,431,298
Commonwealth of Virginia	2,777,626	6,979,221	941,410	10,698,257
County of Fairfax, VA	-	2,002,936	-	2,002,936
Charges for services:				
Tuition and fees	-	2,437,361	3,150,991	5,588,352
Food sales	31,966,658	-	-	31,966,658
Revenue from the use of money and property	711,964	282,752	75,787	1,070,503
Other	77,557	1,108,945	2,180	1,188,682
Total revenues	96,919,903	74,610,059	5,416,724	176,946,686
EXPENDITURES				
Current:				
Instruction:				
Regular education:				
Elementary school	-	41,439,835	-	41,439,835
Middle school	-	1,604,022	-	1,604,022
High school	-	6,191,713	310,996	6,502,709
Special education	-	4,780,560	-	4,780,560
Adult and community education	-	-	6,459,316	6,459,316
Instructional support	-	23,826,120	-	23,826,120
Support programs:				
Administration and general support	-	2,469,757	-	2,469,757
Student transportation	-	458,657	-	458,657
Facilities management	-	650,688	-	650,688
Food service	89,689,363	-	-	89,689,363
Capital outlay	3,876,369	4,368,170	-	8,244,539
Debt service:				
Principal	792,186	2,877	2,760	797,823
Interest	85,549	374	491	86,414
Total expenditures	94,443,467	85,792,773	6,773,563	187,009,803
Excess (deficiency) of revenues over (under) expenditures	2,476,436	(11,182,714)	(1,356,839)	(10,063,117)
OTHER FINANCING SOURCES				
Transfers in	1,800,000	20,853,213	1,392,762	24,045,975
Leases	2,573,525	-	-	2,573,525
Total other financing sources	4,373,525	20,853,213	1,392,762	26,619,500
Net change in fund balances	6,849,961	9,670,499	35,923	16,556,383
Fund balances - July 1, 2022	48,647,696	44,345,239	(387,330)	92,605,605
Decrease in reserve for inventories	(816,573)	-	-	(816,573)
Fund balances - June 30, 2023	$ 54,681,084	$ 54,015,738	$ (351,407)	$ 108,345,415

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, 2023

	Budget - Original	Budget - Final	Actual - Budget Basis	Variance from Final Budget Positive (Negative)
REVENUES				
Intergovernmental:				
Federal government	$ 46,489,647	$ 46,500,443	$ 61,386,098	$ 14,885,655
Commonwealth of Virginia	1,533,116	1,533,116	2,777,626	1,244,510
Charges for services:				
Food sales	40,465,734	40,465,734	31,966,658	(8,499,076)
Revenue from the use of money and property	21,183	21,183	711,964	690,781
Other	15,000	15,000	77,557	62,557
Total revenues	88,524,680	88,535,476	96,919,903	8,384,427
EXPENDITURES				
Current:				
Food service	94,749,795	138,983,173	91,869,942	47,113,231
Total expenditures	94,749,795	138,983,173	91,869,942	47,113,231
Excess (deficiency) of revenues over (under) expenditures	(6,225,115)	(50,447,697)	5,049,961	55,497,658
OTHER FINANCING SOURCES				
Transfers in	-	1,800,000	1,800,000	-
Net change in fund balances	$ (6,225,115)	$ (48,647,697)	$ 6,849,961	$ 55,497,658

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, 2023

	Budget - Original	Budget - Final	Actual - Budget Basis	Variance from Final Budget Positive (Negative)
REVENUES				
Intergovernmental:				
Federal government	$ 42,214,187	$ 96,313,023	$ 61,798,844	$ (34,514,179)
Commonwealth of Virginia	9,473,385	25,208,985	6,979,221	(18,229,764)
Charges for services:				
Tuition and fees	2,291,000	2,291,000	2,437,361	146,361
Revenue from the use of money and property	10,000	10,000	282,752	272,752
Other	380,107	1,459,854	1,108,945	(350,909)
Total revenues	54,368,679	125,282,862	72,607,123	(52,675,739)
EXPENDITURES				
Current:				
Instruction:				
Regular education:				
Elementary school	38,833,825	56,348,564	41,439,835	14,908,729
Middle school	584,849	4,869,516	1,604,022	3,265,494
High school	6,961,049	9,670,551	6,194,964	3,475,587
Special education	5,394,693	8,533,332	4,780,560	3,752,772
Instructional support	20,088,932	76,300,148	24,216,870	52,083,278
Support programs:				
Administration and general support	6,503,484	22,639,382	2,678,757	19,960,625
Student transportation	2,820,294	4,425,882	4,227,077	198,805
Facilities management	-	9,696,874	650,688	9,046,186
Total expenditures	81,187,126	192,484,249	85,792,773	106,691,476
Excess (deficiency) of revenues over (under) expenditures	(26,818,447)	(67,201,387)	(13,185,650)	54,015,737
OTHER FINANCING SOURCES				
Transfers in from County of Fairfax, VA	2,002,936	2,002,936	2,002,936	-
Transfers in	20,853,213	20,853,213	20,853,213	-
Total other financing sources	22,856,149	22,856,149	22,856,149	-
Net change in fund balances	$ (3,962,298)	$ (44,345,238)	$ 9,670,499	$ 54,015,737

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, 2023

	Budget - Original	Budget - Final	Actual - Budget Basis	Variance from Final Budget Positive (Negative)
REVENUES				
Intergovernmental:				
Federal government	$ 1,144,933	$ 1,149,753	$ 1,246,356	$ 96,603
Commonwealth of Virginia	1,160,814	1,160,814	941,410	(219,404)
Charges for services:				
Tuition and fees	4,087,355	4,087,355	3,150,991	(936,364)
Revenue from the use of money and property	20,000	20,000	75,787	55,787
Other	5,000	5,000	2,180	(2,820)
Total revenues	6,418,102	6,422,922	5,416,724	(1,006,198)
EXPENDITURES				
Current:				
Instruction:				
Regular education:				
Adult and community education	7,422,352	7,428,356	6,773,563	654,793
Total expenditures	7,422,352	7,428,356	6,773,563	654,793
Excess (deficiency) of revenues over (under) expenditures	(1,004,250)	(1,005,434)	(1,356,839)	(351,405)
OTHER FINANCING SOURCES				
Transfers in	1,004,250	1,392,762	1,392,762	-
Net change in fund balances	$ -	$ 387,328	$ 35,923	$ (351,405)

Fairfax County PUBLIC SCHOOLS
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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

FAIRFAX COUNTY PUBLIC SCHOOLS **EXHIBIT R**
Combining Statement of Net Position
Internal Service Funds
June 30, 2023

	Health Benefits	Insurance	Total Internal Service Funds
ASSETS			
Current assets:			
Cash on deposit with County of Fairfax, VA	$ 104,107,718	$ 59,902,139	$ 164,009,857
Cash in escrow	-	459,603	459,603
Receivables:			
Accounts Receivable	13,136,404	-	13,136,404
Accrued interest	43,948	-	43,948
Total current assets	117,288,070	60,361,742	177,649,812
Capital assets:			
Right-to-use subscriptions	-	902,773	902,773
Accumulated amortization for subscriptions	-	(52,985)	(52,985)
Total capital assets	-	849,788	849,788
Total assets	117,288,070	61,211,530	178,499,600
LIABILITIES			
Current liabilities:			
Accounts payable	13,433,342	429,736	13,863,078
Accrued interest payable	-	8,202	8,202
Unearned revenues	12,570,381	-	12,570,381
Compensated absences	149,466	63,218	212,684
Actuarial claims payable	27,190,900	10,839,547	38,030,447
Subscription liability	-	78,653	78,653
Total current liabilities	53,344,089	11,419,356	64,763,445
Non-current liabilities:			
Compensated absences	64,057	27,093	91,150
Actuarial claims payable	1,431,100	43,358,188	44,789,288
Noncurrent subscription Liability	-	683,751	683,751
Total non-current liabilities	1,495,157	44,069,032	45,564,189
Total liabilities	54,839,246	55,488,388	110,327,634
NET POSITION			
Net Investment in capital assets	-	87,384	87,384
Unrestricted	62,448,824	5,635,758	68,084,582
Total net position	$ 62,448,824	$ 5,723,142	$ 68,171,966

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, 2023

	Health Benefits	Insurance	Total Internal Service Funds
OPERATING REVENUES			
Charges for services	$ 479,546,865	$ 22,855,561	$ 502,402,426
OPERATING EXPENSES			
Salaries and wages	3,169,078	1,433,678	4,602,756
Claims and benefits	497,702,154	20,941,248	518,643,402
Professional consultant services	10,378,403	2,871,412	13,249,815
Other operating expenses	46,786	361,921	408,707
Depreciation and amortization	-	52,985	52,985
Total operating expenses	511,296,421	25,661,244	536,957,665
Operating loss	(31,749,556)	(2,805,683)	(34,555,239)
NONOPERATING REVENUES			
Interest revenue	1,293,856	-	1,293,856
Subscription interest expense	-	(8,202)	(8,202)
Total operating revenues (expenses), net	1,293,856	(8,202)	1,285,654
Change in net position	(30,455,700)	(2,813,885)	(33,269,585)
Total net position - July 1, 2022	92,904,524	8,537,027	101,441,551
Total net position - June 30, 2023	$ 62,448,824	$ 5,723,142	$ 68,171,966

FAIRFAX COUNTY PUBLIC SCHOOLS **EXHIBIT T**
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2023

	Health Benefits	Insurance	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund services provided	$ 482,334,821	$ 22,855,561	$ 505,190,382
Payments to employees	(3,169,078)	(1,433,678)	(4,602,756)
Payments for claims and health benefits	(495,758,408)	(14,726,238)	(510,484,646)
Payments for professional services	(6,419,492)	(2,870,341)	(9,289,833)
Payments for other operating expenses	(46,786)	(361,920)	(408,706)
Net cash provided by (used in) operating activities	(23,058,943)	3,463,384	(19,595,559)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	1,249,908	-	1,249,908
Net cash provided by investing activities	1,249,908	-	1,249,908
CASH FLOWS FROM FINANCING ACTIVITIES		-	
Implementation cost of subscriptions	-	(97,634)	(97,634)
Principal payment for obligations under subscriptions	-	(42,736)	(42,736)
Net cash used in financing activities	-	(140,370)	(140,370)
Net increase (decrease) in cash and cash equivalents	(21,809,035)	3,323,014	(18,486,021)
Cash and cash equivalents - July 1, 2022	125,916,753	57,038,728	182,955,481
Cash and cash equivalents - June 30, 2023	$ 104,107,718	$ 60,361,742	$ 164,469,460
Reconciliation of operating loss to net cash provided by operating activities:			
Operating loss	$ (31,749,556)	$ (2,805,683)	$ (34,555,239)
Adjustments to reconcile loss to net cash provided by (used in) operating activities:			
Depreciation and amortization	-	52,985	52,985
Decrease in accounts receivable	1,976,578	-	1,976,578
Increase in accounts payable	3,958,911	1,072	3,959,983
Increase in unearned revenues	811,378	-	811,378
Increase (decrease) in compensated absences	(8,254)	15,838	7,584
Increase in actuarial claims payable	1,952,000	6,199,172	8,151,172
Total adjustments to operating loss	8,690,613	6,269,067	14,959,680
Net cash provided by (used in) operating activities	$ (23,058,943)	$ 3,463,384	$ (19,595,559)

Fairfax County
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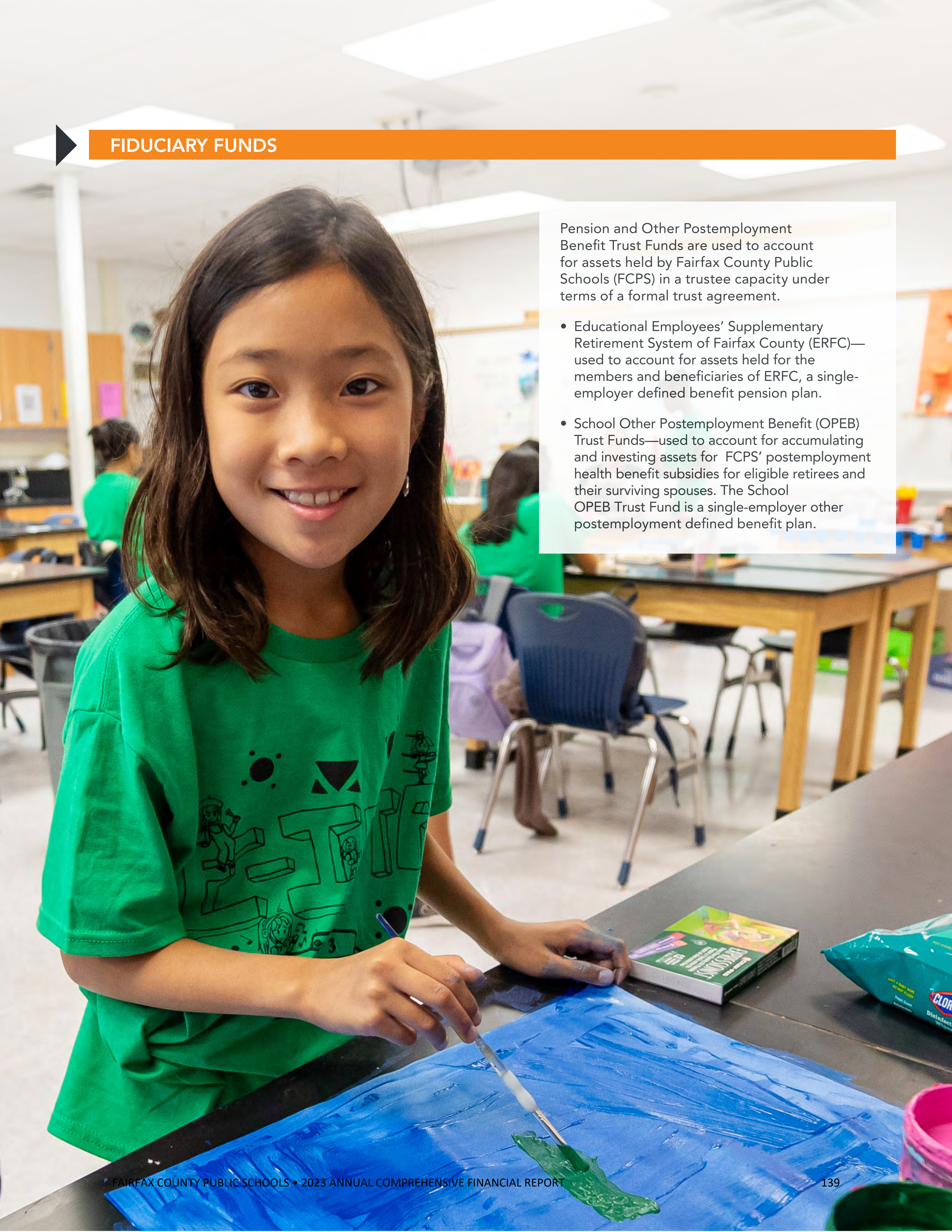
FIDUCIARY FUNDS



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, 2023

	Educational Employees' Supplementary Retirement System	School Other Postemployment Benefits Trust	Total Pension and Other Postemployment Benefit Trust Funds
ASSETS			
Cash and cash equivalents	$ 2,268,451	$ -	$ 2,268,451
Cash with fiscal agent	2,379,882	-	2,379,882
Cash collateral for securities on loan	153,057,006	-	153,057,006
Short-term investments	50,763,024	-	50,763,024
Receivables:			
Accounts	14,198	37,200	51,398
Interest and dividends	2,530,231	-	2,530,231
Securities sold	17,449,687	5,919,200	23,368,887
Investments, at fair value:			
U.S. government obligations	160,214,589	-	160,214,589
Asset and mortgage backed	151,874,330	-	151,874,330
Corporate bonds	267,355,914	-	267,355,914
International bonds	586,765	-	586,765
Convertible securities	6,329,630	-	6,329,630
Commingled fixed income	169,316,809	-	169,316,809
Commingled equity	888,977,897	-	888,977,897
Stocks	314,666,906	-	314,666,906
Municipal bonds	525,748	-	525,748
Real estate	271,172,886	-	271,172,886
Multi asset class solutions	126,407,441	-	126,407,441
Hedge funds	225,645,325	-	225,645,325
Private debt	61,387,456	-	61,387,456
Natural Resources	13,554,618	-	13,554,618
Private equity	316,852,573	-	316,852,573
Infrastructure	53,947,972	-	53,947,972
Investment in pooled funds	-	207,528,719	207,528,719
Capital assets:			
Furniture and equipment	73,070	-	73,070
Accumulated depreciation	(70,691)	-	(70,691)
Right-to-use asset	2,778,489	-	2,778,489
Accumulated amortization: Right-to-use-asset	(177,692)	-	(177,692)
Total assets	3,259,882,514	213,485,119	3,473,367,633
LIABILITIES			
Right-to-use lease liability	2,761,361	-	2,761,361
Accounts payable	1,928,358	37,200	1,965,558
Securities purchased	25,402,687	-	25,402,687
Securities lending collateral	153,057,006	-	153,057,006
Total liabilities	183,149,412	37,200	183,186,612
NET POSITION			
Net position restricted for pension	3,076,733,102	-	3,076,733,102
Net position restricted for OPEB	-	213,447,919	213,447,919
Total net position restricted for pension and OPEB	$ 3,076,733,102	$ 213,447,919	$ 3,290,181,021

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, 2023

	Educational Employees' Supplementary Retirement System	School Other Postemployment Benefits Trust	Total Pension and Other Postemployment Benefit Trust Funds
ADDITIONS			
Contributions:			
Employer	$ 117,155,967	$ 15,536,667	$ 132,692,634
Plan members	52,542,598	-	52,542,598
Total contributions	169,698,565	15,536,667	185,235,232
Investment earnings:			
From investing activities:			
Net appreciation in fair value of investments	95,289,778	14,972,174	110,261,952
Interest and dividends	31,876,806	14,205	31,891,011
Total gain from investing activities	127,166,584	14,986,379	142,152,963
Less investment expenses:			
Investment management fees	5,230,148	99,621	5,329,769
Investment consulting fees	1,071,809	-	1,071,809
Investment custodial fees	329,751	715	330,466
Investment salaries	374,465	-	374,465
Total investment expenses	7,006,173	100,336	7,106,509
Net gain from investing activities	120,160,411	14,886,043	135,046,454
From securities lending activities:			
Securities lending	7,693,751	-	7,693,751
Securities lending management fees	(7,058,754)	-	(7,058,754)
Net income from securities lending activities	634,997	-	634,997
Net investment gain	120,795,408	14,886,043	135,681,451
Total additions	290,493,973	30,422,710	320,916,683
DEDUCTIONS			
Benefit payments	202,023,360	10,536,667	212,560,027
Refund of contributions	4,021,605	-	4,021,605
Administrative expenses	5,119,588	-	5,119,588
Depreciation and Amortization expenses	506,198	-	506,198
Total deductions	211,670,751	10,536,667	222,207,418
Change in net position	78,823,222	19,886,043	98,709,265
Net position - July 1, 2022	2,997,909,880	193,561,876	3,191,471,756
Net position - June 30, 2023	$ 3,076,733,102	$ 213,447,919	$ 3,290,181,021

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 (1)
Last Ten Fiscal Years
(Dollars in Thousands)
Unaudited

	Fiscal Year				
Governmental Activities	**2023**	**2022**	**2021 (3)**	**2020 (2)**	**2019**
Net investment in capital assets	$ 2,674,697	$ 2,607,835	$ 2,564,344	$ 2,553,192	$ 2,505,368
Restricted	240,035	168,546	103,938	48,881	65,263
Unrestricted (deficit)	(2,579,753)	(2,888,217)	(3,323,137)	(3,338,234)	(3,346,426)
Total net position	$ 334,979	$ (111,836)	$ (654,855)	$ (736,161)	$ (775,795)

(1) Starting in fiscal year 2014, net assets changed to net position.

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

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

Source: FCPS Annual Comprehensive Financial Reports 2014-2023

TABLE 1

Fiscal Year 2018	2017	2016	2015	2014	Governmental Activities
$ 2,418,471	$ 2,372,731	$ 2,298,394	$ 2,226,691	$ 2,126,682	Net investment in capital assets
79,502	64,143	66,320	60,964	103,699	Restricted
(3,497,379)	(2,933,512)	(2,892,239)	(2,961,330)	200,355	Unrestricted (deficit)
$ (999,406)	$ (496,638)	$ (527,525)	$ (673,675)	$ 2,430,736	Total net position

FAIRFAX COUNTY PUBLIC SCHOOLS
Changes in Net Position (1)
Last Ten Fiscal Years
(Dollars in Thousands)
Unaudited

Governmental Activities	Fiscal Year 2023	2022	2021	2020	2019
Expenses					
Instruction	$ 2,872,879	$ 2,567,219	$ 2,817,431	$ 2,769,242	$ 2,518,673
Support programs	449,678	439,177	414,153	413,596	372,899
Food service	88,861	80,333	72,649	84,429	83,458
Local school activities	41,436	32,243	12,750	-	-
Interest on long-term debt	4,453	2,995	3,829	3,223	3,173
Total expenses	3,457,307	3,121,967	3,320,812	3,270,490	2,978,203
Program Revenues					
Charges for services:					
Instruction	74,328	63,331	59,838	60,020	55,765
Support programs	3,142	9,038	3,107	10,847	15,192
Food service	31,967	3,808	1,328	29,708	40,865
Local school activities	42,307	32,369	12,620	-	-
Operating grants and contributions	595,312	587,819	411,859	339,385	329,314
Capital grants and contributions	245,242	196,671	194,679	196,132	200,894
Total program revenues	992,298	893,036	683,431	636,092	642,030
Total net expense	(2,465,009)	(2,228,931)	(2,637,381)	(2,634,398)	(2,336,173)
General Revenues and Other Changes in Net Position					
Grants and contributions not restricted to specific purposes:					
Federal government	25,036	5,945	14,210	5,889	6,011
Commonwealth of Virginia	606,182	581,204	557,655	506,674	499,661
County of Fairfax, VA	2,275,311	2,172,661	2,143,322	2,136,017	2,051,659
Revenue for the use of money (2)	1,731	757	62	343	413
Other	3,565	3,541	3,439	2,141	2,039
Total general revenues and other changes in net position	2,911,825	2,764,108	2,718,688	2,651,064	2,559,783
Change in Net Position	$ 446,816	$ 535,177	$ 81,307	$ 16,666	$ 223,610

(1) In fiscal year 2013, net assets was changed to net position.
(2) Revenue from the use of money varies from year to year primarily due to fluctuations in interest rates.

Source: FCPS Annual Comprehensive Financial Reports 2014-2023

TABLE 2

Fiscal Year 2018	2017	2016	2015	2014	Governmental Activities
					Expenses
$ 2,443,217	$ 2,471,926	$ 2,256,704	$ 2,220,230	$ 2,216,228	Instruction
365,265	379,770	361,025	360,930	360,657	Support programs
78,855	82,869	76,123	77,804	81,128	Food service
-	-	-	-	-	Local school activities
2,965	2,831	2,908	2,865	3,043	Interest on long-term debt
2,890,302	2,937,396	2,696,760	2,661,829	2,661,056	Total expenses
					Program Revenues
					Charges for services:
55,534	52,135	48,935	47,392	49,753	Instruction
13,637	14,037	15,624	15,672	11,536	Support programs
39,358	41,659	39,604	39,592	41,567	Food service
-	-	-	-	-	Local school activities
317,227	287,733	267,993	259,109	262,295	Operating grants and contributions
173,864	181,916	184,126	171,313	160,008	Capital grants and contributions
599,620	577,480	556,282	533,078	525,159	Total program revenues
(2,290,682)	(2,359,916)	(2,140,478)	(2,128,751)	(2,135,897)	Total net expense
					General Revenues and Other Changes in Net Position
					Grants and contributions not restricted to specific purposes:
5,623	6,776	5,446	4,635	4,739	Federal government
470,174	464,403	453,988	448,297	427,765	Commonwealth of Virginia
1,966,920	1,913,519	1,825,153	1,768,498	1,716,989	County of Fairfax, VA
230	118	48	21	19	Revenue for the use of money (2)
2,266	5,987	1,993	1,688	1,703	Other
2,445,213	2,390,803	2,286,628	2,223,139	2,151,215	Total general revenues and other changes in net position
$ 154,531	$ 30,887	$ 146,150	$ 94,388	$ 15,318	**Change in Net Position**

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

	Fiscal Year				
	2023	**2022**	**2021**	**2020 (1)**	**2019**
General Fund:					
Nonspendable	$ 349	$ 54	$ 54	$ 453	$ 664
Committed	35,000	31,875	39,930	41,023	39,292
Assigned	317,181	281,534	215,665	124,278	95,082
Unassigned	7,758	4,636	3,405	1,702	91
Total General Fund	$ 360,288	318,098	$ 259,054	$ 167,456	$ 135,129
All other governmental funds:					
Nonspendable	$ 1,246	$ 2,111	$ 1,434	$ 1,557	$ 987
Restricted	240,035	168,546	103,938	48,881	65,236
Assigned	-	-	-	-	-
Unassigned	(357)	(440)	(593)	(288)	(20)
Total all other governmental funds	$ 240,924	$ 170,216	$ 104,779	$ 50,150	$ 66,203

(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 2014-2023 and FCPS Final Budget Review Reports 2014-2023.

TABLE 3

Fiscal Year 2018	2017	2016	2015	2014	
					General Fund:
$ 649	$ 401	$ 144	$ 396	$ 427	Nonspendable
43,495	55,182	49,986	54,084	57,205	Committed
92,439	87,476	91,943	90,075	97,550	Assigned
2,018	3,800	-	2,141	2,086	Unassigned
$ 138,601	$ 146,859	$ 142,073	$ 146,696	$ 157,268	Total General Fund
					All other governmental funds:
$ 1,162	$ 1,219	$ 1,529	$ 1,852	$ 2,348	Nonspendable
79,501	63,590	66,320	61,362	104,066	Restricted
-	-	-	-	-	Assigned
(86)	(553)	-	-	-	Unassigned
$ 80,577	$ 64,256	$ 67,849	$ 63,214	$ 106,414	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				
	2023	**2022**	**2021**	**2020**	**2019**
Revenues					
Intergovernmental	$ 3,731,928	$ 3,536,391	$ 3,316,983	$ 3,175,758	$ 3,074,135
Charges for services	50,515	20,378	15,580	48,357	59,564
Revenue from the use of money and property	4,796	3,411	1,391	3,239	4,689
Recovered costs (1)	54,733	52,908	47,657	48,777	47,453
Revenue from local school activities	42,307	32,369	12,620	-	-
Other	19,843	11,687	7,888	11,025	15,974
Total revenues	3,904,122	3,657,144	3,402,119	3,287,156	3,201,815
Expenditures					
Current :					
Instruction	2,926,596	2,762,947	2,607,719	2,600,047	2,518,656
Support programs	457,613	421,078	383,606	388,496	373,001
Food service	89,689	85,694	67,174	79,772	83,253
Local school activities	41,436	32,243	12,750	-	-
Capital outlay	351,166	253,685	207,092	223,390	237,578
Debt service:					
Principal	46,102	31,109	26,936	21,201	19,792
Interest	2,862	3,101	3,398	3,305	3,190
Total expenditures	3,915,464	3,589,857	3,308,675	3,316,211	3,235,470
Excess (deficiency of revenues over (under) expenditures	(11,342)	67,287	93,444	(29,055)	(33,655)
Other financing sources (uses)					
Transfers in	50,131	41,948	44,299	33,263	30,677
Transfers out	(50,131)	(41,948)	(44,299)	(33,263)	(30,677)
Leases (2)	20,256	56,536	52,847	21,799	16,041
Financed Purchase Leases	29,873	-	-	-	-
Right-to-use subscription	74,928	-	-	-	-
Total other financing sources, net	125,057	56,536	52,847	21,799	16,041
Net change in fund balances	$ 113,715	$ 123,823	$ 146,291	$ (7,256)	$ (17,614)
Debt service as a percentage of noncapital expenditures	1.4%	1.0%	1.0%	0.8%	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 2014-2023.

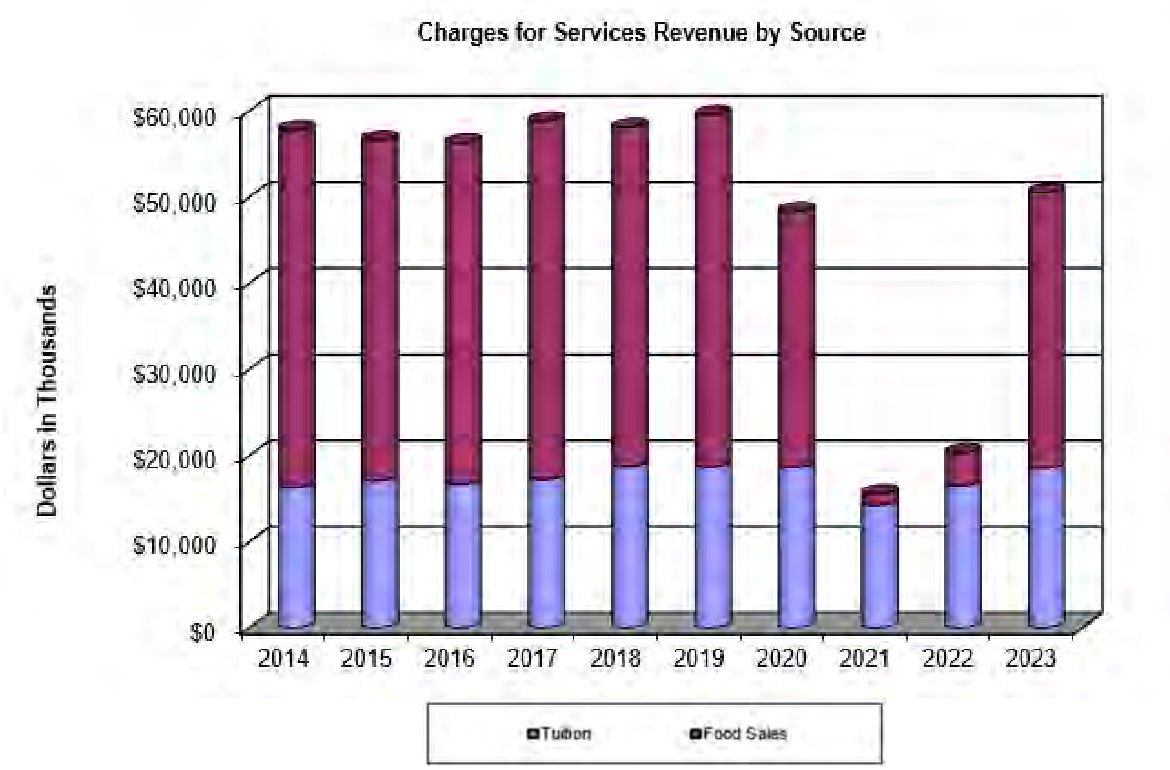
TABLE 4

2018	2017	2016	2015	2014	
					Revenues
$ 2,920,689	$ 2,838,365	$ 2,726,484	$ 2,639,091	$ 2,559,313	Intergovernmental
58,106	58,851	56,291	56,650	57,838	Charges for services
4,239	4,094	3,948	3,630	3,183	Revenue from the use of money and property
46,010	44,793	44,033	42,426	42,140	Recovered costs (1)
-	-	-	-	-	Revenue from local school activities
15,789	22,180	12,154	14,420	13,900	Other
3,044,833	2,968,283	2,842,910	2,756,217	2,676,374	Total revenues
					Expenditures
					Current :
2,405,116	2,318,272	2,206,938	2,154,041	2,121,484	Instruction
359,618	353,367	353,194	350,964	345,640	Support programs
77,569	77,427	74,128	75,526	77,987	Food service
-	-	-	-	-	Local school activities
179,222	224,279	215,607	229,852	214,819	Capital outlay
					Debt service:
20,477	18,157	14,444	15,238	14,407	Principal
3,122	2,803	2,909	2,751	3,273	Interest
3,045,124	2,994,305	2,867,220	2,828,372	2,777,610	Total expenditures
(291)	(26,022)	(24,310)	(72,155)	(101,236)	Excess (deficiency of revenues over (under) expenditures
					Other financing sources (uses)
32,090	29,378	30,687	30,491	36,874	Transfers in
(32,090)	(29,378)	(30,687)	(30,491)	(36,874)	Transfers out
7,858	28,079	24,646	18,340	11,148	Capital leases and installment purchases (2)
-	-	-	-	-	
-	-	-	-	-	
7,858	28,079	24,646	18,340	11,148	Total other financing sources, net
$ 7,567	$ 2,057	$ 336	$ (53,815)	$ (90,088)	Net change in fund balances
0.8%	0.8%	0.7%	0.7%	0.7%	Debt service as a percentage of noncapital expenditures

Fiscal Year

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
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
2014	16,271	28.1	41,567	71.9	57,838



(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 2014-2023

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
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
2014	1.50	2.65	2.75	2.75	3.65

(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

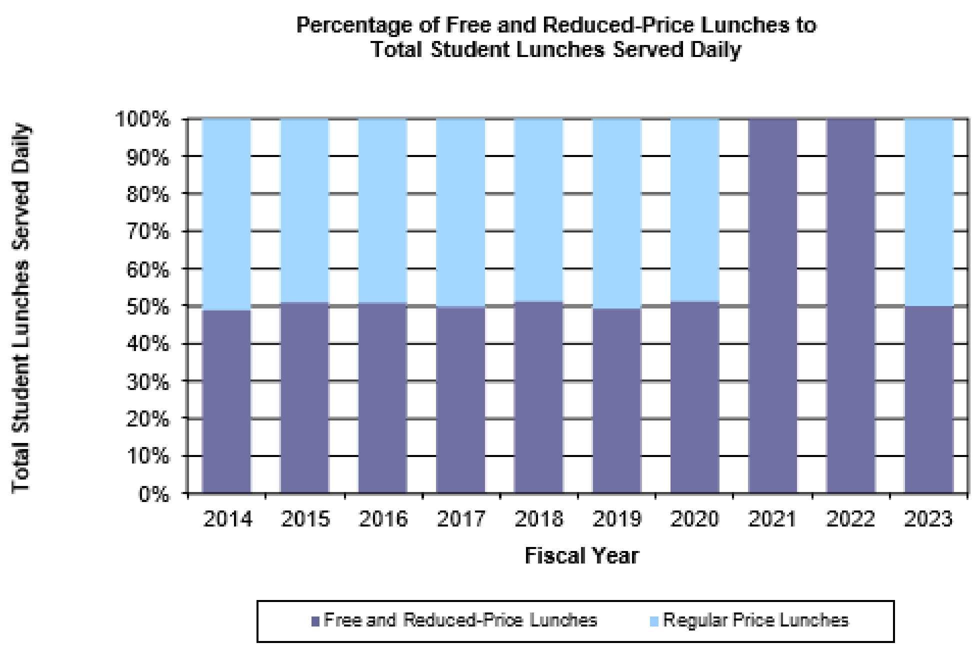
FAIRFAX COUNTY PUBLIC SCHOOLS **TABLE 7**
Principal Food Service Sales by Client
Current Fiscal year and ten years ago
(Dollars in Thousands)
Unaudited

Client	Fiscal Year 2023 Sales	Fiscal Year 2023 Rank	Fiscal Year 2023 Percentage of Total Sales	Fiscal Year 2014 Sales	Fiscal Year 2014 Rank	Fiscal Year 2014 Percentage of Total Sales
Student	$ 28,598	1	89.46 %	$ 32,698	1	78.67 %
School-age child care(SACC)	1,950	2	6.10	2,574	3	6.19
Vending	1,100	3	3.44	2,678	2	6.44
Adult	269	4	0.84	501	7	1.21
Catering/other	50	5	0.16	733	6	1.76
Daycare	-		-	1,577	4	3.79
Senior nutrition	-		-	806	5	1.94
Total:	$ 31,967		100.00 %	$ 41,567		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**
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
2014		19,090	83,355	40,786	2,743



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 community 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)**	**Personal Income (3)**	**Debt Per Capita (4)**
2023	$ 56,539	$ 90,924	$ 61,050	0.19 %	$ 178
2022	47,701	80,906	-	0.12	110
2021	109,792	-	-	0.11	94
2020	83,881	-	-	0.09	72
2019	83,283	-	-	0.09	72
2018	87,033	-	-	0.10	76
2017	99,652	-	-	0.12	88
2016	89,731	-	-	0.10	79
2015	79,529	-	-	0.10	70
2014	76,413	-	-	0.09	68

(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.

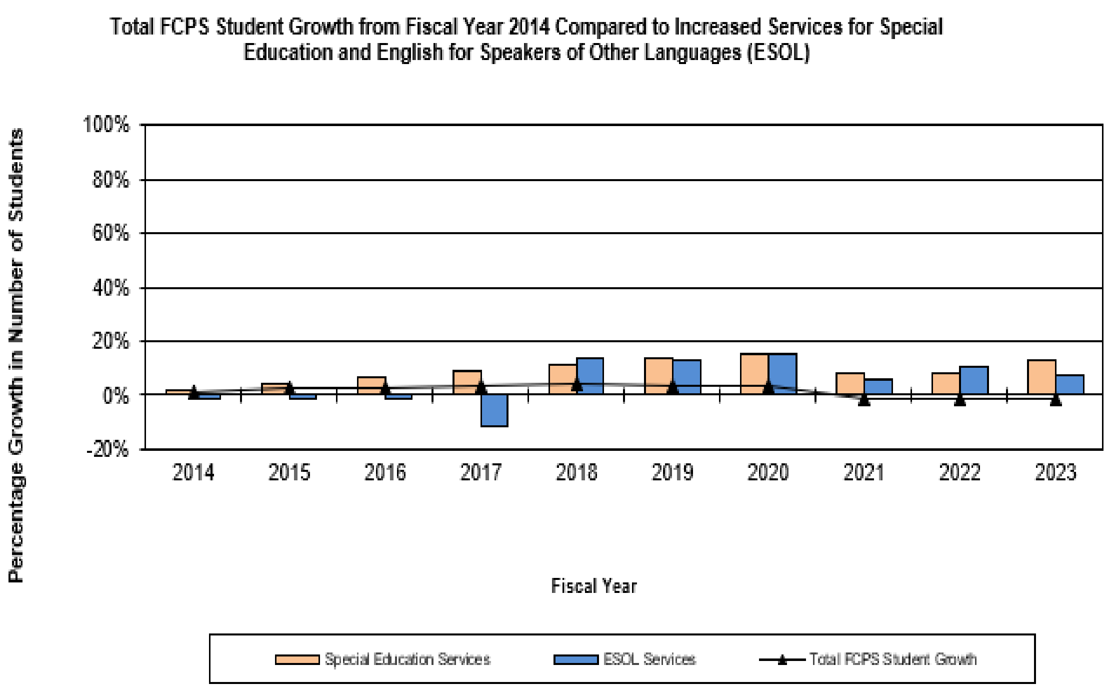
(3) See Table 12 for personal income and population totals. The calculations are based on calendar year figures that fall within the fiscal year.

(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 2014-2023

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
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
2014	93,281	23,847	51,472	15,295	183,895

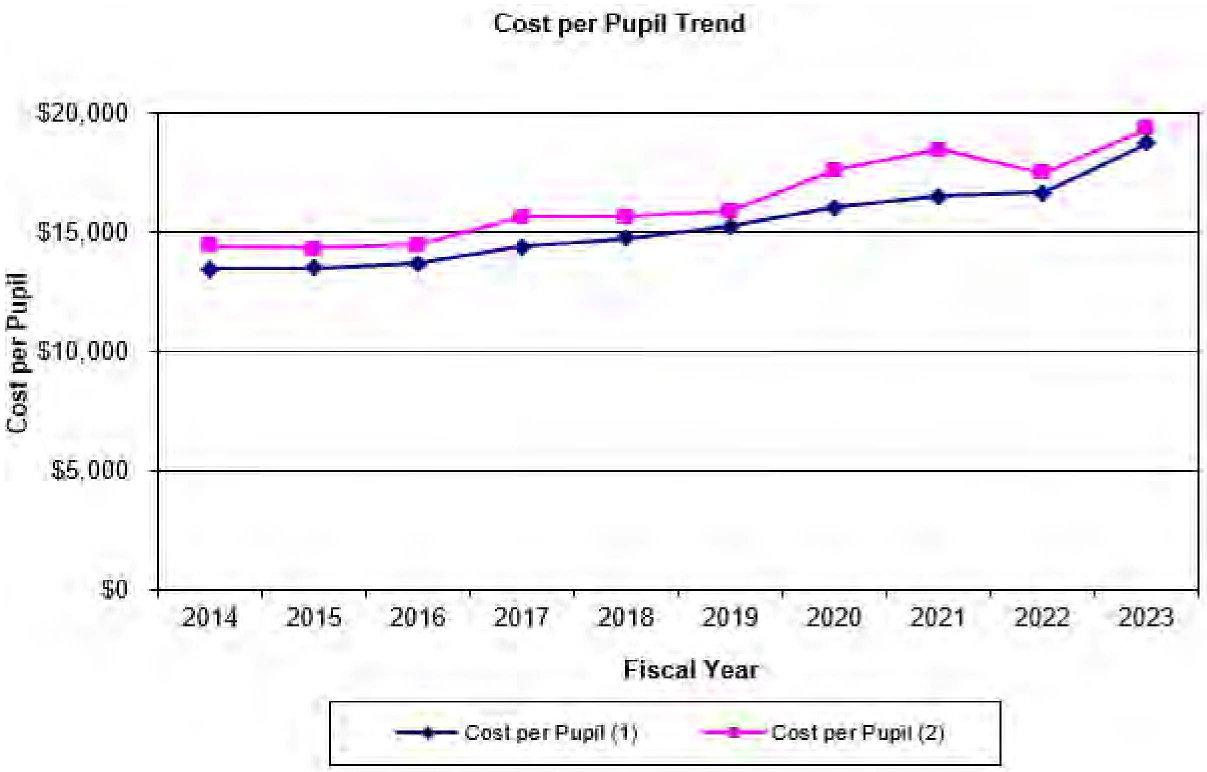


(1) Includes Family and Early Childhood Education Program (FECEP), kindergarten, and grades 1 to 6 membership.
(2) Includes membership in grades 9 through 12, including alternative programs.
(3) Includes Level 2 and preschool services.

Source: FCPS Approved Budgets 2014-2024

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

Fiscal Year	Cost per Pupil (1)	Cost per Pupil (2)
2023	$ 18,772	$ 19,229
2022	16,674	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
2014	13,472	14,471



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 2014-2023
FCPS Annual Comprehensive Financial Reports 2014-2023

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)
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
2013	1,130,924	80,982,075	71,607	37.3	58.2	181,259	3.7

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 2022 is estimated using percent change in per capita personal income from 2021
(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 Nine Years Ago

Unaudited

	Fiscal Year 2023 (1)				Fiscal Year 2014 (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	27,821	1	4.48	%	23,586	2	4.09	%
Fairfax County Public Schools	25,526	2	4.11		24,590	1	4.27	
Inova Health System	20,000	3	3.22		7,000-10,000	4	1.47	
Fairfax County Government	12,426	4	2.00		12,240	3	2.12	
George Mason University	5,000-9,999	5	1.21		5,000-10,000	5	1.30	
Booz-Allen Hamilton	5,000-9,999	6	1.21		4,000-6,999	6	0.95	
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	10	0.95	
Federal Home Loan Mortgage	5,000-9,999	10	1.21		4,000-6,999	7	0.95	
Gerneral Dynamics					4,000-6,999	8	0.95	
Northrop Grumman					4,000-6,999	9	0.95	
Locked Martin Corporation					1,000-3,999		0.43	
Computer Science Corporation					1,000-3,999		0.43	
Navy Federal Credit Union					1,000-3,999		0.43	
			21.08	%			19.33	%

(1) Employment information for fiscal year 2023, excluding data for Fairfax County Government and FCPS, is from the 4th quarter of calendar year 2022 Virginia Employment Commission and Fairfax County's Economic Development Authority. Employment information for fiscal year 2014 was presented in the fiscal year 2014 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 2023 is estimated at 620,328 based on VEC. Average total County employment for fiscal year 2014 was estimated at 576,368.

(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	**2023**	**2022**	**2021**	**2020**	**2019**
School Based:					
Principals	199.0	199.0	199.0	198.0	199.0
Assistant principals & directors	507.0	466.0	469.0	463.0	462.0
Teachers	15,739.9	15,841.7	15,734.3	15,655.7	15,585.5
Instructional assistants	2,785.4	2,778.7	2,794.7	2,781.8	2,820.6
Custodian	1,349.5	1,372.0	1,360.0	1,347.5	1,332.5
Other school based personnel	2,713.2	2,775.8	2,760.6	2,658.6	2,644.2
Non-School Based:					
Administration	1,453.8	1,375.1	1,313.1	1,219.7	1,176.6
Teachers (1)	72.5	52.9	54.5	22.5	22.5
Office assistants	223.2	227.7	226.7	227.6	229.1
Trades personnel	482.0	481.0	477.0	467.0	464.0
Total	25,525.5	25,569.9	25,388.9	25,041.4	24,936.0

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

Source: FCPS - Office of Budget Services

TABLE 14

Fiscal Year 2018	2017	2016	2015	2014	Function
					School Based:
199.0	199.0	198.0	197.0	196.0	Principals
453.0	451.0	459.0	454.0	454.0	Assistant principals & directors
15,420.3	15,464.0	15,295.3	15,086.8	15,221.3	Teachers
2,779.7	2,741.7	2,790.3	2,600.3	2,719.6	Instructional assistants
1,324.0	1,306.5	1,327.0	1,301.5	1,345.0	Custodian
2,649.3	2,632.3	2,619.3	2,658.1	2,690.8	Other school based personnel
					Non-School Based:
1,153.3	1,150.6	1,140.1	1,125.6	1,158.1	Administration
30.5	31.5	31.0	27.5	38.0	Teachers (1)
234.1	235.6	243.1	251.6	274.1	Office assistants
472.0	476.0	478.0	479.0	493.0	Trades personnel
24,715.2	24,688.2	24,581.1	24,181.4	24,589.9	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
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
2014	1668	1520	1471

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
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
2014	21.4	24.3	25.0

Source: Metropolitan/Washington Area Boards of Education Guides 2014-2023

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

Fiscal Year	Contract Length	Salary: Beginning Teacher	Salary: Maximum Teacher	Salary: Average Teacher
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
2014	194 days	46,756	100,898	67,245

Source: Metropolitan/Washington Area Boards of Education Guides 2014-2023

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Elementary schools	142	142	142	141	141	141	141	139	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	1,827	1,635	1,673	1,705	1,604	1,593	1,856	1,852	1,685	1,586

Source: FCPS - Office of the Comptroller

FAIRFAX COUNTY PUBLIC SCHOOLS **TABLE 19**
School Building Statistics (1) **(Page 1 of 4)**
As of June 30, 2023
Unaudited

	Year Opened	Site Acreage	Building Size (2)	Student Population (3)	Square Foot Per Population
Elementary Schools					
Aldrin ES	1994	14	97,436	463	210
Annandale Terrace ES	1964	12	101,044	607	166
Armstrong ES	1986	14	80,000	360	222
Bailey's ES	1952	10	107,670	778	138
Bailey's Upper ES	2014	4	101,866	522	195
Beech Tree ES	1968	10	70,408	372	189
Belle View ES	1952	11	97,304	405	240
Belvedere ES	1954	11	76,970	621	124
Bonnie Brae ES	1988	13	86,390	829	104
Braddock ES	1959	12	70,714	833	85
Bren Mar Park ES	1957	10	62,888	493	128
Brookfield ES	1967	13	90,000	699	129
Bucknell ES	1954	10	96,820	254	381
Bull Run ES	1999	41	98,590	747	132
Bush Hill ES	1954	11	71,700	670	107
Camelot ES	1969	10	89,591	604	148
Cameron ES	1953	8	82,274	486	169
Canterbury Woods ES	1965	12	89,744	787	114
Cardinal Forest ES	1966	13	81,275	628	129
Centre Ridge ES	1990	14	93,981	699	134
Centreville ES	1994	13	98,625	776	127
Cherry Run ES	1983	11	83,532	469	178
Chesterbrook ES	1926	14	82,431	527	156
Churchill Road ES	1958	10	68,008	605	112
Clearview ES	1979	14	98,358	609	162
Clermont ES	1968	13	80,222	552	145
Coates ES	2009	14	89,439	822	109
Columbia ES	1967	10	55,018	366	150
Colvin Run ES	2003	13	98,590	784	126
Crestwood ES	1955	11	74,887	556	135
Crossfield ES	1988	14	89,134	567	157
Cub Run ES	1986	16	77,850	585	133
Cunningham Park ES	1967	10	69,842	436	160
Deer Park ES	1995	10	86,990	562	155
Dogwood ES	2002	14	98,590	677	146
Dranesville ES	1988	13	88,776	607	146
Eagle View ES	2006	13	98,590	621	159
Fairfax Villa ES	1965	12	70,248	515	136
Fairhill ES	1965	10	74,478	545	137
Fairview ES	1939	14	82,115	735	112
Flint Hill ES	1955	10	74,770	616	121
Floris ES	1955	10	82,811	690	120
Forest Edge ES	1971	13	96,669	441	219
Forestdale ES	1964	10	55,075	559	99
Forestville ES	1981	18	84,102	552	152
Fort Belvoir Primary ES	1998	20	95,341	701	136
Fort Belvoir Upper ES	2016	20	137,997	663	208
Fort Hunt ES	1969	13	82,363	569	145
Fox Mill ES	1979	14	75,854	629	121
Franconia ES	1932	7	71,658	522	137

FAIRFAX COUNTY PUBLIC SCHOOLS | **TABLE 19**
School Building Statistics (1) | **(Page 2 of 4)**
As of June 30, 2023
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	337	191
Freedom Hill ES	1949	12	81,949	517	159
Garfield ES	1953	8	78,373	312	251
Glen Forest ES	1957	10	88,455	820	108
Graham Road ES	1950	8	81,354	420	194
Great Falls ES	1953	10	85,697	547	157
Greenbriar East ES	1968	10	90,547	888	102
Greenbriar West ES	1972	10	93,203	637	146
Groveton ES	1972	13	92,326	768	120
Gunston ES	1954	10	74,930	560	134
Halley ES	1995	20	98,900	602	164
Haycock ES	1955	10	85,897	869	99
Hayfield ES	1967	13	81,437	623	131
Herndon ES	1961	14	86,795	797	109
Hollin Meadows ES	1965	10	93,203	601	155
Hunt Valley ES	1968	13	90,187	733	123
Hunters Woods ES	1969	11	101,613	728	140
Hutchison ES	1975	39	106,408	1,056	101
Hybla Valley ES	1964	10	92,861	844	110
Island Creek ES	2003	19	98,590	692	142
Keene Mill ES	1961	11	92,137	770	120
Kent Gardens ES	1957	11	77,901	1,023	76
Kings Glen ES	1969	8	74,619	422	177
Kings Park ES	1964	10	82,762	643	129
Lake Anne ES	1967	10	85,419	596	143
Lane ES	1995	20	98,625	732	135
Laurel Hill ES	2009	9	98,590	734	134
Laurel Ridge ES	1970	13	112,320	787	143
Lees Corner ES	1987	11	81,843	592	138
Lemon Road ES	1955	12	69,914	535	131
Little Run ES	1963	10	55,104	308	179
London Towne ES	1969	13	90,770	698	130
Lorton Station ES	2003	13	101,122	703	144
Louise Archer ES	1939	8	52,938	519	102
Lynbrook ES	1957	11	88,674	609	146
Mantua ES	1961	12	83,815	927	90
Marshall Road ES	1961	11	94,444	670	141
Mason Crest ES	2012	11	98,590	651	151
McNair ES	2001	15	98,625	544	181
McNair Upper ES	2020	15	105,652	624	169
Mosaic ES	1963	12	72,619	955	76
Mount Eagle ES	1949	6	59,084	345	171
Mount Vernon Woods ES	1965	10	92,950	564	165
Navy ES	1956	10	91,862	913	101
Newington Forest ES	1983	13	90,080	570	158
North Springfield ES	1952	12	92,000	480	192
Oak Hill ES	1983	12	77,850	702	111
Oak View ES	1968	10	86,390	760	114
Oakton ES	1945	9	90,317	775	117

FAIRFAX COUNTY PUBLIC SCHOOLS **TABLE 19**
School Building Statistics (1) **(Page 3 of 4)**
As of June 30, 2023
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	357	194
Orange Hunt ES	1974	14	84,852	872	97
Parklawn ES	1958	11	78,846	885	89
Pine Spring ES	1955	11	68,654	622	110
Poplar Tree ES	1990	11	97,274	673	145
Powell ES	2003	17	98,590	927	106
Ravensworth ES	1963	10	80,152	600	134
Riverside ES	1968	11	81,411	726	112
Rolling Valley ES	1967	10	77,528	571	136
Rose Hill ES	1957	11	83,976	676	124
Sangster ES	1988	14	88,552	926	96
Saratoga ES	1989	14	104,185	578	180
Shrevewood ES	1966	13	69,480	657	106
Silverbrook ES	1988	14	104,085	798	130
Sleepy Hollow ES	1954	10	72,361	446	162
Spring Hill ES	1965	13	106,458	866	123
Springfield Estates ES	1958	11	89,166	609	146
Stenwood ES	1964	10	70,109	541	130
Stratford Landing ES	1963	10	103,383	727	142
Sunrise Valley ES	1979	15	85,702	543	158
Terra Centre ES	1980	12	88,395	628	141
Terraset ES	1977	14	104,830	617	170
Timber Lane ES	1955	10	80,709	616	131
Union Mill ES	1986	13	93,420	894	104
Vienna ES	1923	15	74,904	382	196
Virginia Run ES	1989	21	90,800	704	129
Wakefield Forest ES	1955	14	64,458	670	96
Waples Mill ES	1991	14	92,420	843	110
Washington Mill ES	1963	12	97,248	540	180
Waynewood ES	1959	10	89,904	714	126
West Springfield ES	1965	10	65,001	567	115
Westbriar ES	1965	10	88,472	812	109
Westgate ES	1968	10	84,912	577	147
Westlawn ES	1952	9	93,749	732	128
Weyanoke ES	1949	10	78,103	562	139
White Oaks ES	1980	16	95,386	712	134
Willow Springs ES	1990	21	90,015	902	100
Wolftrap ES	1968	10	74,436	539	138
Woodburn ES	1953	10	64,735	494	131
Woodlawn ES	1938	11	97,567	472	207
Woodley Hills ES	1952	10	78,268	478	164
Middle Schools:					
Carson MS	1998	33	178,723	1,358	132
Cooper MS	1962	20	114,350	1,053	109
Franklin MS	1984	35	138,756	830	167
Frost MS	1964	98	110,027	1,209	91
Glasgow MS	1961	22	199,406	1,783	112
Herndon MS	1927	27	193,776	957	202
Holmes MS	1967	28	158,399	882	180

	Year Opened	Site Acreage	Building Size (2)	Student Population (3)	Square Foot Per Population
Middle Schools (Cont'd):					
Hughes MS	1980	25	183,556	996	184
Irving MS	1960	21	156,962	1,167	135
Jackson MS	1954	20	150,819	1,054	143
Key MS	1971	21	221,670	678	327
Kilmer MS	1967	23	194,855	1,154	169
Liberty MS	2002	80	178,723	921	194
Longfellow MS	1960	18	161,516	1,224	132
Poe MS	1960	26	178,500	868	206
Rocky Run MS	1980	25	191,146	933	205
Sandburg MS	1963	35	269,678	1,434	188
South County MS	2012	37	176,021	950	185
Stone MS	1991	25	157,263	676	233
Thoreau MS	1960	20	179,007	1,196	150
Twain MS	1960	24	148,430	990	150
Whitman MS	1965	20	166,633	867	192
High and Secondary Schools (3):					
Annandale HS	1954	28	324,589	2,149	151
Bryant HS	1960	0	155,708	199	782
Centreville HS	1988	36	325,562	2,600	125
Chantilly HS	1972	35	380,175	2,917	130
Edison HS	1962	43	359,470	2,250	160
Falls Church HS	1967	40	306,713	2,103	146
Hayfield SEC	1969	58	340,199	2,159	158
Herndon HS	1967	40	415,722	2,341	178
Justice HS	1959	21	298,989	2,333	128
Lake Braddock SEC	1971	60	418,336	2,896	144
Langley HS	1965	43	337,966	2,115	160
Lewis HS	1958	25	310,405	1,685	184
Madison HS	1959	31	347,588	2,128	163
Marshall HS	1962	47	368,116	2,102	175
McLean HS	1955	31	285,612	2,433	117
Mount Vernon HS	1961	42	458,181	1,951	235
Oakton HS	1967	59	409,661	2,679	153
Robinson SEC	1971	78	367,153	2,512	146
South County HS	2005	69	377,832	2,257	167
South Lakes HS	1978	60	363,455	2,513	145
Thomas Jefferson HS	1964	39	388,767	1,971	197
West Potomac HS	1960	45	459,831	2,725	169
West Springfield HS	1967	10	387,429	2,650	146
Westfield HS	2000	76	422,298	2,648	159
Woodson HS	1962	98	388,533	2,461	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, 2022, Buildings are under construction during the fiscal year include project future square footage.
(3) Student population based on September 2022 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.
(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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