FAIRFAX COUNTY PARK AUTHORITY

A Component Unit of the County of Fairfax, Virginia

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2011

ADMINISTRATION DIVISION

Financial Management Branch

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Fairfax, Virginia 22035

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Fairfax County Park Authority
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2011

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FAIRFAX COUNTY PARK AUTHORITY

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November 1, 2011

Honorable Chairman, Members of the Board of the Fairfax County Park Authority (the Authority), and Citizens of the County of Fairfax, Virginia:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Fairfax County Park Authority for the fiscal year ended June 30, 2011 which is prepared in conformity with U. S. generally accepted accounting principles. The accuracy, completeness, and presentation of the financial statements, along with the entire contents of this report, are the sole responsibility of management. Management has been diligent in adhering to internal control guidelines to ensure the highest degree of accuracy in its representations.

An independent audit firm, KPMG LLP, performed the audit of the financial statements included in this report to ascertain whether or not the financial statements are free of material misstatement. They have concluded that the financial statements do present fairly, in all material respects, the financial position of the governmental activities and the major funds of the Authority for the fiscal year ended June 30, 2011.

The reader is referred to the Management's Discussion and Analysis (MD&A) section for additional information regarding the activities and financial position of the Authority. All necessary disclosures have been included to enable the reader to gain the maximum understanding of the Authority's financial position.

Profile of the Authority

The Authority is a political subdivision of the Commonwealth of Virginia (the Commonwealth) created pursuant to the Park Authorities Act by ordinance adopted by the Board of Supervisors of the County of Fairfax (the County) on December 6, 1950, as amended on October 28, 1991. The Authority has been in operation since its creation in 1950. The Authority operates under the policy oversight of a 12-member Park Authority Board, in accordance with a Memorandum of Understanding with the County Board of Supervisors. The Authority manages acquisition, preservation, development, maintenance and operation of its assets and activities through five funds to include County General Fund, Park Revenue Fund, County Construction Fund, Park Construction Bond Fund, and Park Capital Improvement Fund. The Park Authority Board has direct fiduciary responsibility for the Park Revenue Fund and the Park Capital Improvement Fund, while Fairfax County has fiduciary responsibility for the other three funds. The Authority also aggressively seeks management initiatives and alternate funding sources to sustain the delivery of quality services and facilities. The Park Foundation, established in 2001, serves to coordinate and seek the generous gifts of individuals, foundations, and corporations who wish to contribute to delighting current and future generations of park visitors. Grants, donations, the Adopt-A-Field and Adopt-A-Park programs, as well as many "friends groups" and other partnerships have provided cash and in-kind contributions to the Authority.

Due to its location in the northeastern section of the Commonwealth of Virginia, within the Washington D.C. metropolitan area, the Authority serves residents of neighboring jurisdictions as well as those of Fairfax County. With 22,894 acres of land, a goal of 10% of the County, challenges continue as the population has grown to over one million residents. Leisure and recreational opportunities are provided through a wide variety of facilities and services which provide valued enhancements to the quality of life. Optimizing the quality of life in the

County is the ultimate goal and mission of the Authority through preservation of open space and natural areas, and by providing nature centers, recreation centers, historic sites, programs, golf courses, athletic fields, public gardens, and neighborhood, community, district and county-wide parks.

Full-time merit staff for all funds in fiscal year 2011 totaled 605 which include a support staff of engineers, park specialists, accountants, architects, landscape architects, planners and market research specialists and archaeologists. In addition to contracted program and service providers, 2,511 limited term and seasonal staff, and numerous volunteers, who contribute nearly 200,000 hours annually, provide a myriad of direct and support services.

Local Economy

Fairfax County is the most populous jurisdiction in both Virginia and the Washington D.C. metropolitan area with its population exceeding that of seven states. The County has become the economic center of the Washington D.C metropolitan area, generating high-quality jobs at a substantially higher rate than the rest of the region and the country. Northern Virginia now represents nearly half of the Washington D.C. metropolitan area economy.

No region of the County was totally exempt from the adverse effect of the economy. Homeowners saw losses in the value of their homes and thousands lost their homes due to foreclosures. Although experts have predicted that the economic growth will be slow to moderate for the next few years and have fluctuations of ups and downs, the County and surrounding Washington D.C. metropolitan areas are showing signs of stabilization.

The real estate market plays a vital role in the local economy as there is a direct correlation between home values and real estate taxes collected by the County. Residential property values make up over 75% of the County's real estate base and rose 2.34%. Final FY 2011 residential real estate assessments were better than originally projected with property values falling only 5.56% versus the projected 10 %. Another signal that the County's housing market is stabilizing is the downward trend in mortgage delinquencies.

Nonresidential property values also improved primarily because of strong increases in apartments and hotels. Office property values rose modestly as lease rates stabilized and office vacancy rates declined.

Another signal that the County's economy is stabilizing is its unemployment rate. The current unemployment rate for the County is 4.5% after peaking at 5.5% during the recession in February 2010. Job growth and expansion of the economy are being fueled by continued growth in the private sector. In 2010, Northrop Grumman Corporation, a giant in the defense contracting sector, announced that it was relocating its corporate headquarters from Los Angeles to Fairfax County during the summer of 2011. GeoEye, a Loudoun-based company, announced that it was relocating to Fairfax County to be closer to the National Geospatial-Intelligence Agency (NGA) after signing a $3.8 billion deal with NGA. NGA is also relocating from Bethesda, Maryland to Fort Belvoir.

With the addition of Northrop Grumman, Fairfax County is currently home to nine Fortune 500 company headquarters:

- Capital One Financial
- CSC
- Freddie Mac
- Gannett Corporation
- General Dynamics
- NII Holdings, Inc.
- Northrop Grumman
- SAIC
- Sallie Mae

TIME magazine called Fairfax County "one of the great economic success stories of our time". Business growth helps Fairfax County fund the nation's top-rated school system and other public services that contribute to the quality of life of residents. Fairfax County offers businesses a state-of-the-art telecommunications infrastructure, access to global markets through Washington Dulles International Airport and a well-educated workforce.

Fairfax County Economic Development Authority (FCEDA) promotes Fairfax County as a world-class center for commerce and trade and as the East coast's technology hub. FCEDA maintains offices in Bangalore, Munich, London, Seoul and Tel Aviv.

Long-Term Planning

In fiscal year 2006, the Authority adopted its 2006-2011 Strategic Plan developed using the Balanced Scorecard approach. The Authority has identified strategic objectives for achieving its overarching strategic goals of improving the quality of life for all residents while remaining financially responsible.

With the Park Authority Board's approval the existing five-year strategic plan and scorecard measures have been extended through fiscal year 2012 due to challenging resources associated with the difficult economic times. Strategic objectives identified in the plan remain relevant. Key focus areas in FY2011 included addressing park infrastructure, strengthening the Park Foundation, diversifying resources, implementing energy management initiatives, identifying core programs and services, sustaining workforce readiness, defining and assessing the role of public art in the Park System, organizing and coordinating communication and marketing, and amending park recommendations in the County Comprehensive Plan.

In October 2009, Fairfax County sold $269.09 million in AAA-rated tax-exempt general obligation bonds, including $202.2 million in taxable Build American Bonds (BAB's) under a new Federal stimulus program. Of this amount, the Authority received $11.5 million (4.3%) of the proceeds. In November 2008, voters approved a $65.0 million bond referendum ($14.5 million for land acquisition, $11.6 million for stewardship, $19.7 million for park and building renovation, and $19.2 million for park development) to continue projects identified in the Needs Assessment. These bond sales continue to allow the Park Authority to meet resident expectations identified in the Needs Assessment for the dual requirement to maintain Park Authority facilities and acquire land to build needed park facilities and preserve significant resources and open space.

Major Initiatives

Efforts in fiscal year 2011 continued to be focused on maintaining park programs and services. Some of the major initiatives include the following:

- The Greater Mason District Area in Fairfax County, Virginia recently earned certification as the fourth largest Community Wildlife Habitat in the nation. The National Wildlife Federations' (NWF) Certified Wildlife Habitat program recognizes individuals and organizations who add features to their backyards, gardens and balconies that attract wildlife. Hidden Oaks Nature Center at Annandale Community Park, Green Spring Gardens and Mason District Park are all included in the certified area.

- The Authority, in cooperation with the Friends of Huntley Meadows Park (FOHMP), began a pilot parking donation program at Huntley Meadows Park in Alexandria, Virginia in the spring of 2011. In its first two months, they received over $2,500. More than a quarter of a million visitors explore this wetlands sanctuary each year.

- The Parks and Community Together (PACT) program, in partnership with the County's homeless shelters including Bethany House, Embry Rucker, New Hope Housing, Good Shepherd Housing and NOVACO, successfully integrated 40 children into Park Authority camp programs in the summer of 2011.

- An equestrian program, Horses for Heroes, was created at Frying Pan Farm Park to benefit military veterans. This program provides horseback riding sessions ranging from therapeutic to para-equestrian levels. Each lesson is tailored to the skill level and needs of the rider. No experience is required and horse and safety equipment are conveniently provided on site.

- The Authority is participating in the national Cool Counties Initiative program to promote and practice energy efficiency and conservation in parks and recreation facilities by automating key mechanical systems and web-based control, installing high-efficiency motors and pumps and geothermal system, and lighting and related control system retrofits. Outdoor lighting controls, at 22 park athletic fields, were installed in 2011 with Federal funding from the Energy Efficiency and Conservation Block Grant. It is projected that these enhancements will result in significant annual energy savings.

<u>Financial Management</u>

As a component unit of Fairfax County, the Authority adheres to the same financial practices as the County. In 1975 the County Board of Supervisors adopted a set of County-developed policies known as the *Ten Principles of Sound Financial Management* which are amended periodically to address changing conditions. Relating primarily to capital planning, debt planning, cash management and productivity, these principles are used as a means of prudent and responsible allocation of the County's resources. Additionally, the County maintains a self-managed investment program under the direction and oversight of an investment committee. Investment activity, guided by a formal investment policy, is monitored daily, and investment strategy is reviewed biweekly. Investment policies are thoroughly reviewed on a quarterly basis.

<u>Budgetary and Accounting Controls</u>

The *Code of Virginia* requires that the County adopt a balanced budget. As a component unit of Fairfax County, the Authority adheres to the same budget policies as the County. The County maintains extensive budgetary controls at certain legal and managerial and administrative levels. The adopted Fiscal Planning Resolution places legal restrictions on expenditures at the agency or fund level. Managerial budgetary control is maintained at the fund, department, character and/or project level. Approval by the Board of Supervisors must be granted to alter the total expenditure appropriation of any agency or fund. The Park Board has fiduciary responsibility over the Park Revenue Fund and Park Capital Improvement Fund. The County Board of Supervisors has final approval on all budgets of the Authority.

Management is responsible for establishing and maintaining an internal control system which is designed to ensure that the assets of the Authority are protected from loss, theft, or misuse, and that U.S. generally accepted accounting principles are followed. This system of controls is designed to provide reasonable, but not absolute, assurance that its objectives are met. The concept of reasonable assurance connotes that the cost of controls should not exceed the benefits likely derived. The evaluation of costs and benefits requires estimates and judgments by management. Management has been diligent in adhering to its internal control guidelines to ensure the highest degree of accuracy in its representations. Additionally, as a recipient of federal, state and local financial assistance, the Authority is responsible for maintaining an internal control structure which ensures compliance with all laws and regulations associated with those programs. The internal control structure is subject to periodic evaluation by management, the internal audit staff of the County, and independent auditors.

In light of the economic times and the series of General Fund budget reductions, management pulled together an internal employee team, Revenue Assessment Team (RAT), representing all five divisions with senior and mid-level staff to review budget, financial and business related matters on a regular basis. RAT also provides support to two Park Authority's Board subcommittees, the Administration, Management and Budget Committee and the Funding Policy and Bond committee. These committees consider administrative matters such as budget priorities, approval of budget submissions, quarterly reporting on the three operating funds, capital funding reviews, fees and charges reviews, as well as recommending policies and guidance for the comprehensive management of the Park Authority's financial structure and support of the park bond programs.

The County's budget is adopted by May 1 for the upcoming fiscal year which begins on July 1. Two budget reviews, Carryover Review and Third Quarter Review, serve as the primary mechanisms for revising budget appropriations. State law requires that a public hearing be held prior to the adoption of amendments to the current year budget when adjustments exceed $500,000. Any such amendments of $500,000 or more require that the Board of Supervisors advertise a synopsis of the proposed changes.

Debt Administration

Fairfax County borrows money by issuing tax-exempt general obligation bonds to finance major capital projects. Bond financing spreads the cost of land acquisition and building construction over a period of many years, rather than charging the full cost to current taxpayers. By law, general obligation bonds must be approved in advance by County voters in a referendum. The County continues to maintain its status as a top rated issuer of tax-exempt securities and maintains ratings of AAA from Moody's Investors Service, Inc., AAA from Standard and Poor's Corporation, and AAA from Fitch Investor Service. The Authority holds an A- rating from Standard and Poor's and may from time to time issue its own bonds.

For additional information on the budgetary, accounting and debt policies, please refer to the Letter of Transmittal in the County of Fairfax, Virginia, Comprehensive Annual Financial Report (County CAFR).

Awards

Certificate of Achievement for Excellence in Financial Reporting

For two consecutive year, the Government Finance Officers Association of the United States and Canada (GFOA) awarded the prestigious Certificate of Achievement for Excellence in Financial Reporting to the Authority for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2010. In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, an entity must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both U.S. generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. It is believed that the current CAFR for the fiscal year ended June 30, 2011 continues to meet the Certificate of Achievement Program's requirements and will be submitted to the GFOA to determine its eligibility for another certificate.

National Gold Medal Award

The Authority received the 2010 Gold Medal Award for Excellence in Park and Recreation Management in Class I (population 250,000 and over) from the American Academy for Park and Recreation Administration (AAPRA) in partnership with the National Recreation and Park Association (NRPA). The Gold Medal Award recognizes excellence in long-range planning, resource management, volunteerism, environmental stewardship, program development, professional development and agency recognition. The Authority has won this highly coveted recognition twice previously, 1983 and 2002.

National Association of Government Communications (NAGC) Blue Pencil/Gold Screen Awards

The Authority was awarded the 2011 Award of Excellence in the Display Category for its exhibit Riverbend: A Rare and Rugged Refuge at Riverbend Park.

National Recreation and Park Association (NRPA) Awards

The National Recreation and Park Association awards programs highlight the efforts of those who go above and beyond the call of duty to make a difference in the community by working hard to advance parks, recreation and environmental conservation efforts that advance the quality of life for all people.

- ***2011 Southern Network Distinguished Professional Award:***
  This award honors NRPA members for their significant efforts and specialized areas of parks and recreations. Individuals are chosen for their contributions through professional services, volunteerism and education. Cindy Messinger, Deputy Director/COO, received this award for her demonstrated visionary leadership over her 30-year career with the Authority. She served as president of the Virginia Recreation and Park Society in 2007, led the Authority toward National Accreditation in 2008, and most recently, spearheaded successful efforts to receive the 2010 Gold Medal Award which recognized Fairfax County parks as the best in the nation.

- ***2011 Dorothy Mullen Arts and Humanities Award:***
  The Authority earned the Class 1 tier, a category for programs serving a population of 500, 000 or more, for its Summer Entertainment Series which provides free concerts, cultural performances, and children's shows that strengthen communities throughout the County.

- ***2011 National Corporate Humanitarian Award:***
  This award is presented annually to a corporation or foundation that has made significant and consistent contributions to the recreation, parks, and conservation field by sponsorship, creation, or implementation of a program or project. The Fairfax County Park Foundation received this award for its support to the Authority by raising private funds, obtaining grants and creating partnerships that support tax dollars to meet community needs for park land, facilities and services.

- ***2011 National Voluntary Service Award:***
  Harold L. Strickland, Park Authority Board member, representative for the Sully District, received this award for his efforts in the field of parks and recreation that helped to improve the quality and quantity of leisure opportunity for County residents.

- ***2011 Kudos Marketing Piece Award:***
  This award was received by the Authority for publishing the Non-Native Invasive ID and Control Handbook which assists County residents in the protection and enhancement of environmental values and enhances their quality of life.

Virginia Recreation and Park Society (VRPS) Award

Winnie Shapiro, former Park Authority Board member, Braddock District, received the 2011 Distinguished Volunteer Service Award from VRPS for her contributions to the efforts of advancing the parks and recreation movement through advocacy efforts, fund raising, and leadership.

Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated service of the financial staff of the Authority. We would like to express our appreciation to all members of the Financial Management Branch who prepared and compiled this report. The level of service provided is professional and commendable. We also wish to thank the Chairman and Park Authority Board for their direction and support in the professional management of the Authority's finances. The results would not have been possible without the Board's exceptional service commitment. We also acknowledge the cooperation and support from the County Executive and County Board of Supervisors for supporting the Authority's mission to preserve and protect the County's natural and cultural resources and to create and sustain quality facilities and services.

This CAFR reflects our commitment to the residents of Fairfax County, the Park Authority's Board, and all interested readers of this report, to provide information and conformance with the highest standards of financial reporting.

Respectfully submitted,

John W. Dargle, Jr. Director	Cindy Messinger Deputy Director/COO	Michael P. Baird Fiscal Administrator

FAIRFAX COUNTY PARK AUTHORITY

A Component Unit of the County of Fairfax, Virginia
As of June 30, 2011

Board Members

William G. Bouie, Chairman	Hunter Mill District
Harrison A. Glasgow, Vice Chairman	Member-at-Large
Frank S. Vajda, Secretary-Treasurer	Mason District
Edward R. Batten, Sr.	Lee District
Kevin J. Fay	Dranesville District
Linwood Gorham	Mount Vernon District
Harold Y. Pyon	Springfield District
Ken Quincy	Providence District
Marie Reinsdorf	Member-at-Large
Anthony J. Vellucci	Braddock District
Harold L. Strickland	Sully District
Kala Quintana	Member-at-Large

Director
John W. Dargle, Jr.

Deputy Director/COO
Cindy E. Messinger

Administration Division
Director/Chief Financial Officer
(Vacant)

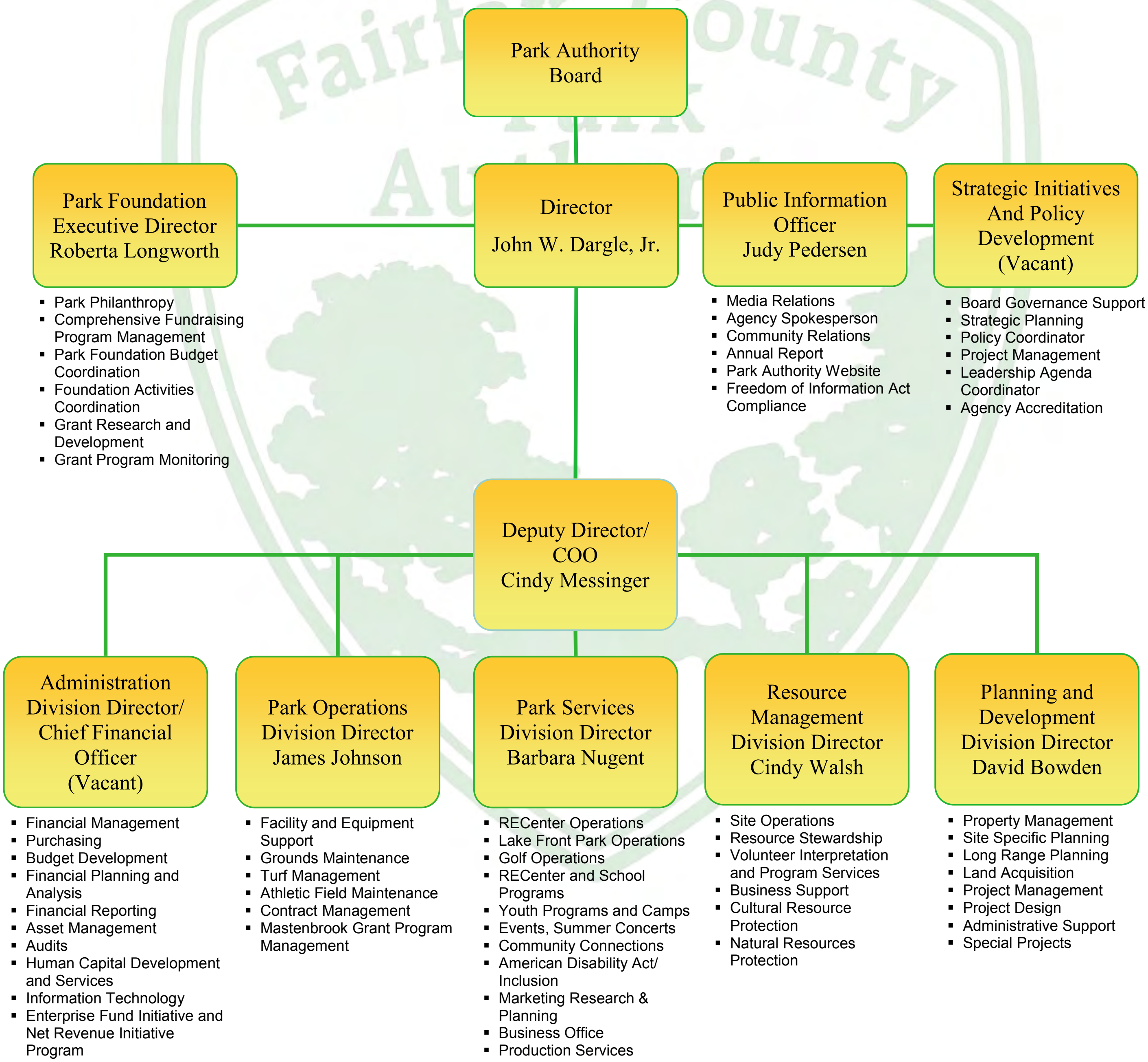
Park Operations Division
James T. Johnson, Director

Planning and Development Division
David R. Bowden, Director

Park Services Division
Barbara A. Nugent, Director

Resource Management Division
Cindy E. Walsh, Director

ORGANIZATION OF
FAIRFAX COUNTY PARK AUTHORITY



This report was prepared by:

COUNTY OF FAIRFAX, VIRGINIA
PARK AUTHORITY

FINANCIAL MANAGEMENT BRANCH

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Special thanks to Joanne Kerney, Graphic Artist, for cover design.

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Fairfax County Park Authority
Virginia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA CORPORATION SEAL CHICAGO

President

Jeffrey R. Emer

Executive Director

KPMG LLP
2001 M Street, NW
Washington, DC 20036-3389

Independent Auditors' Report

The Board of Supervisors
County of Fairfax, Virginia

The Fairfax County Park Authority Board:

We have audited the accompanying financial statements of the governmental activities and each major fund of the Fairfax County Park Authority (the Authority), a component unit of the County of Fairfax, Virginia, as of and for the year ended June 30, 2011, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the major funds of the Authority as of June 30, 2011, and the respective changes in financial position for the year then ended in conformity with U.S. generally accepted accounting principles.

As discussed in Note 1 to the financial statements, the Authority adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as of July 1, 2010.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The introductory section, other supplementary information, and the statistical section, as listed in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplementary information has been subject to the auditing procedures applied in the audit of the basic

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financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

KPMG LLP

October 25, 2011

Fairfax County Park Authority
A Component Unit of the County of Fairfax, Virginia
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011

I. INTRODUCTION

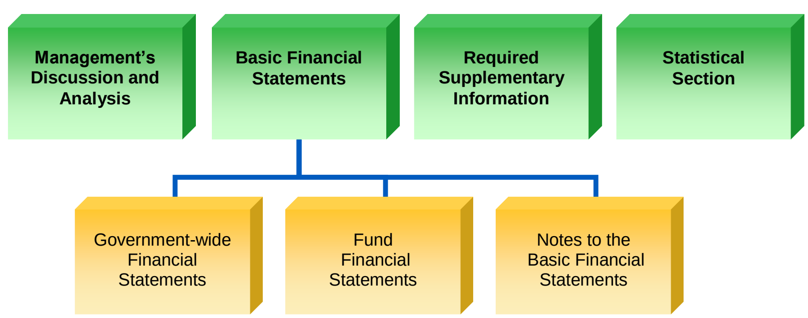
This section of the Fairfax County Park Authority's (the Authority) Comprehensive Annual Financial Report (CAFR) presents a discussion and analysis of the Authority's financial performance during the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to give perspective on the Authority's fiscal year 2011 financial performance as a whole.

The Management's Discussion and Analysis (MD&A) presents information that will help the reader ascertain and understand the reasons for changes in expenses, revenues, and net assets for the fiscal year ended June 30, 2011 and includes a comparative analysis to the fiscal year ended June 30, 2010.

II. OVERVIEW OF THE FINANCIAL STATEMENTS

The CAFR consists of four parts: Management's Discussion and Analysis, Basic Financial Statements and Notes to the Basic Financial Statements, Required Supplementary Information, and a Statistical Section. The Basic Financial Statements are organized to provide an understanding of the fiscal performance of the Authority as a whole, followed by an increasingly detailed look at the Authority's specific financial activities.

Components of the Financial Report



Government-wide Financial Statements

The government-wide financial statements can be found on pages 19-20 of this report.

The government-wide financial statements are designed to provide readers with a broad overview of the Authority in a manner similar to a private sector business. The Statement of Net Assets and the Statement of Activities are financial statements that provide information about the activities of the Authority as a whole, and present a long-term view of the Authority's finances. These financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

The ***Statement of Net Assets*** presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. The Statement of Net Assets can be found on page 19 of this report.

The ***Statement of Activities*** presents information showing how the Authority's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the Statement of Activities for some items that will only result in cash flows in future fiscal periods. The Statement of Activities can be found on page 20 of this report.

The government-wide financial statements of the Authority have only one category of operations titled Governmental Activities. The Authority's services and programs are included here, such as golf courses, lake parks, recreation centers, cultural activities, park maintenance and general administration. The County provides an annual subsidy to the Authority through its General Fund to supplement fees charged for the services provided at the Authority's facilities and for maintenance and support through the County Construction Fund.

Fund Financial Statements

The fund financial statements can be found on pages 21-24 of this report.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Authority uses governmental funds only.

Governmental funds are used to account for essentially 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 near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The fund financial statements utilize the current financial resources measurement focus and the modified accrual basis of accounting. Under modified accrual accounting, the fund recognizes revenues when they become available and measurable, and expenditures when the liability is incurred (if measurable), except for long-term debt and obligations which are recognized as they become due. Modified accrual accounting measures cash and all other financial assets that can be readily converted to cash and, as such, provides a more detailed short-term view of general operations.

Notes to the Basic Financial Statements

The Notes to the Basic Financial Statements can be found on pages 25 - 43 of this report.

The Notes to the Basic Financial Statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

III. FINANCIAL HIGHLIGHTS

- The assets of the Authority exceeded its liabilities by $563.2 million. Of this amount, $21.1 million is unrestricted, $3.3 million is restricted for capital projects, $1.9 million is restricted for debt service, and $0.7 million is restricted for repair and replacement.

- The Authority's governmental funds reported combined ending fund balances of $33.4 million, a decrease of $12.4 million in comparison with the prior year. During fiscal year 2011, the Authority received a transfer from the County's bond sale proceeds of $11.2 million.

- A wheelchair accessible swing, surrounded by rubber safety surfacing, safety fencing and sidewalks, was added to the unique playground at Clemyjontri Park at a cost of $0.09 million. This park is a place where children, who use wheelchairs, walkers or braces, or who have sensory or developmental disabilities, can have a parallel playground experience of fun and exploration.

- A Spray Park was constructed at the Family Recreation Area at Lee District Park at a cost of $3.5 million. The project included the construction of a restroom/ticket building, filter building, 176 parking spaces, brick paved plaza areas, landscaping planting, and an underground storm water storage/detention system. The zero-depth spray park wet area was donated by the Joey Pizzano Memorial Fund (JPMF). In addition, an ADA tree house was also constructed at Lee District Park in the Family Recreation Area at a cost of $0.23 million.

- Park renovations occurred at Ossian Hall Park at a cost of $2.3 million. The project included the installation of a full-sized synthetic turf field, an architectural feature, a performance space, a 127 space parking lot, new and improved pedestrian trails, two lighted multi-use courts, parking lot lighting, two new playgrounds, and extensive site landscaping.

- The mechanical systems were renovated at Spring Hill RECenter. This included the replacement of two dehumidification units serving the pool, one energy recovery unit serving the locker rooms and one air handling unit serving the fitness room. The three duct system in the fitness room was replaced with one system capable of providing the required air flow. A heat exchanger was installed in the chilled water system to provide free cooling in the winter. The cost of this project was $1.6 million.

- At Linway Terrace Park, the existing rectangular natural turf field was converted to a synthetic turf field at a cost of $0.8 million. Conversion of this field to synthetic turf helps address the County's overall shortage of rectangular playing fields.

IV. FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

Net assets may serve as a useful indicator of an entity's financial position. The following table represents a summary of the net assets of the Authority at June 30, 2011 and 2010:

Summary of Park Authority Net Assets
As of June 30

	2011	2010	$ Change	% Change
Assets				
Current	$ 44,338,843	58,895,708	(14,556,865)	(24.7) %
Capital, net	557,127,079	540,514,720	16,612,359	3.1
Other noncurrent	253,217	281,355	(28,138)	(10.0)
Total assets	601,719,139	599,691,783	2,027,356	0.3
Liabilities				
Current	11,101,752	13,293,385	(2,191,633)	(16.5)
Long-term liabilities	27,458,169	28,555,624	(1,097,455)	(3.8)
Total liabilities	38,559,921	41,849,009	(3,289,088)	(7.9)
Net Assets				
Invested in capital assets, net of related debt	536,126,640	516,804,325	19,322,315	3.7
Restricted for:				
Certain capital projects	3,307,876	6,748,891	(3,441,015)	(51.0)
Debt service	1,944,916	1,933,046	11,870	0.6
Repair and replacement	700,000	700,000	-	-
Unrestricted	21,079,786	31,656,512	(10,576,726)	(33.4)
Total net assets	$ 563,159,218	557,842,774	5,316,444	1.0

Analysis of Net Assets

At the end of the fiscal year, the Authority reported positive balances in all categories of net assets. Total net assets were $563.2 million. Of this amount $21.1 million was unrestricted, $5.3 million was restricted for certain capital projects and debt service, and $0.7 million was restricted for repair and replacement. This is a cumulative amount representing the accumulated results of all past years' operations.

The largest portion of the Authority's net assets, nearly 95.2%, reflects its investment of $536.1 million in capital assets (i.e., land, buildings and equipment) net of any related outstanding debt used to acquire those assets. The Authority uses these capital assets to provide services to residents; consequently, these assets are not available for future spending. Although the Authority's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated for these liabilities.

The Authority's overall total net assets have increased by $5.3 million, or 1%, during fiscal year 2011.

- ♦ Current assets have decreased by $14.6 million or 24.7% due primarily to the expenditures of land acquisition, a reduction of revenue from Park Revenue Fund, and a decrease of restricted assets in Park Construction Bond Fund.

- ♦ Capital assets have increased by $16.6 million or 3.1% mainly due to newly acquired land totaling $11.6 million and a net increase of $6.5 million in capital improvements for many parks. Linway Terrace Park had a new synthetic turf field installed, Spring Hill RECenter had renovations to their mechanical systems, Ossian Hall Park was totally renovated to include a full-sized synthetic turf field, an architectural feature, a performance space, new and improved pedestrian trails and two lighted multi-use courts.

- ♦ Invested in capital assets, net of related debt increased by $19.3 million or 3.7%. The increase reflects the increase in capital assets and a decrease in outstanding debt due to principal payments made during the year.

- ♦ Net assets restricted for certain capital projects decreased by $3.4 million or 51% due to the completion of a number of major projects during the year.

The results of this fiscal year's operations as a whole are reported in the Statement of Activities. The table below summarizes the changes in net assets for the fiscal years ended June 30, 2011 and 2010.

Summary of Park Authority Changes in Net Assets
For the Fiscal Years Ended June 30

	FY 2011	FY 2010	$ Change	% Change
Revenues:				
Program revenues:				
Charges for services	$ 40,993,655	40,442,334	551,321	1.4 %
Capital grants and contributions	13,182,612	27,036,755	(13,854,143)	(51.2)
General revenues:				
Intergovernmental	36,385,759	34,595,632	1,790,127	5.2
Investment earnings	170,585	244,589	(74,004)	(30.3)
Operating grants not restricted to specific programs	500,040	774,041	(274,001)	(35.4)
Capital contributions not restricted to specific programs	2,512,676	10,619,749	(8,107,073)	(76.3)
Total revenues	93,745,327	113,713,100	(19,967,773)	(17.6)
Expenses:				
Administration	10,640,173	19,314,041	(8,673,868)	(44.9)
Maintenance	20,216,277	19,708,858	507,419	2.6
Golf courses	10,275,083	9,975,330	299,753	3.0
Recreation centers	26,077,168	25,355,723	721,445	2.8
Lake parks	5,897,252	5,710,227	187,025	3.3
Other leisure services	5,272,258	5,555,311	(283,053)	(5.1)
Cultural enrichment	8,901,308	8,314,760	586,548	7.1
Interest on long-term debt	1,149,364	1,172,693	(23,329)	(2.0)
Total expenses	88,428,883	95,106,943	(6,678,060)	(7.0)
Increase (decrease) in net assets	5,316,444	18,606,157	(13,289,713)	(71.4)
Beginning net assets	557,842,774	539,236,617	18,606,157	3.5
Ending net assets	$ 563,159,218	557,842,774	5,316,444	1.0

Analysis of Changes in Net Assets

The Statement of Activities presents the Authority's revenues and expenses in a programmatic format. For each program, it presents gross expenses, offsetting program revenues and the resulting net cost of each program or activity. A large portion of the Authority's revenues are general*,* that is, not associated with any specific program or activity.

Revenues

In fiscal year 2011, revenues from governmental activities totaled $93.7 million, a decrease of $19.9 million or 17.6% from fiscal year 2010. This decrease was due primarily to decreases in capital grants and contributions and capital contributions not restricted to specific programs of $21.9 million offset by increases in charges for services and intergovernmental revenue.

Explanations of these changes include the following:

- Charges for services increased $0.6 million or 1.4% due to increases in fees and revenues from programs.

- Capital grants and contributions decreased $13.8 million or 51.2% primarily due to less land transfers and donations to the Authority compared to the previous fiscal year.

- Intergovernmental revenue increased $1.8 million or 5.2% due to an increase in fringe benefits paid by the County General Fund and an increase in maintenance paid by the County Construction Fund.

- Investment earnings decreased $0.07 million or 30.3% due to lower earning rates on investments due to economic conditions.

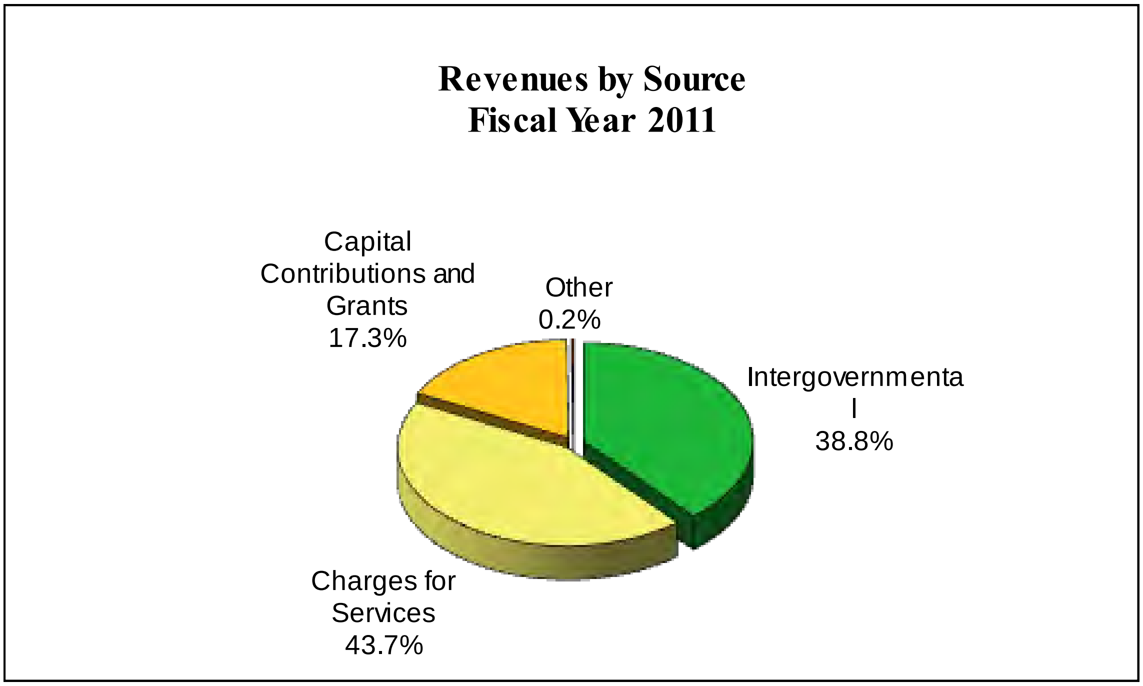
- Unrestricted operating grants and capital contributions decreased $8.4 million or 73.6 % primarily due to no sale of property incurred and a slight decrease in the grants received in fiscal year 2011.

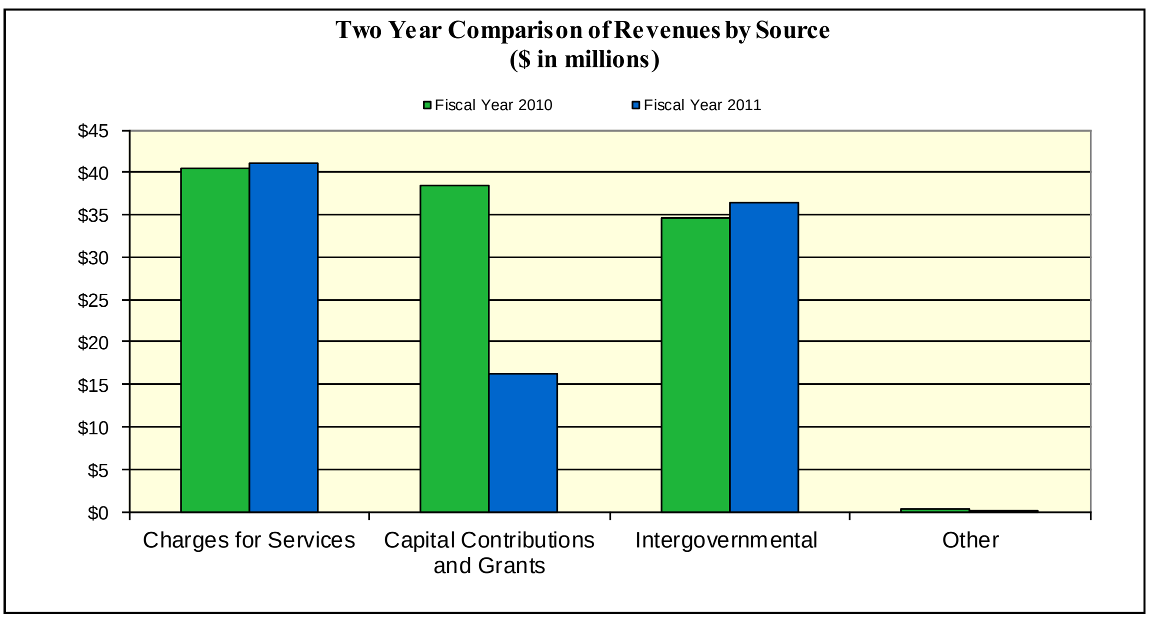
Expenses

No land disposals were recorded as expenses in fiscal year 2011 as occurred in fiscal year 2010. This resulting in the primary cause for the decrease in expenses of $6.7 million or 7% in fiscal year 2011.

Revenues

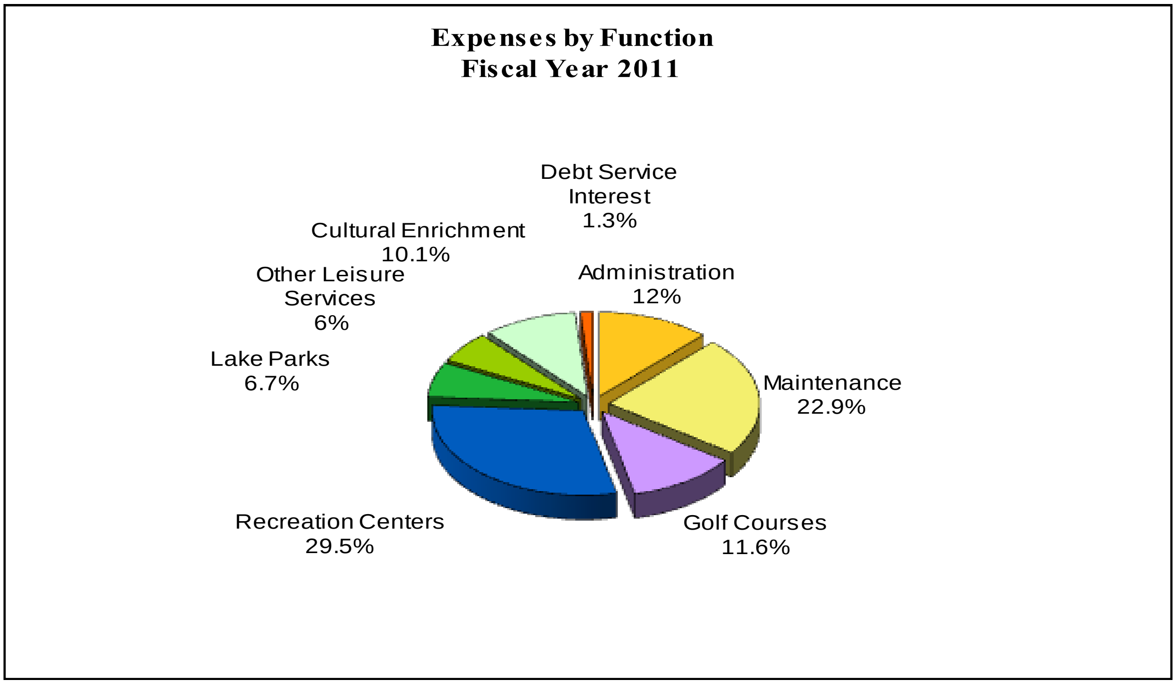
The Authority receives most of its funding from Charges for Services. The following graphics illustrate the Authority's major sources of revenue:

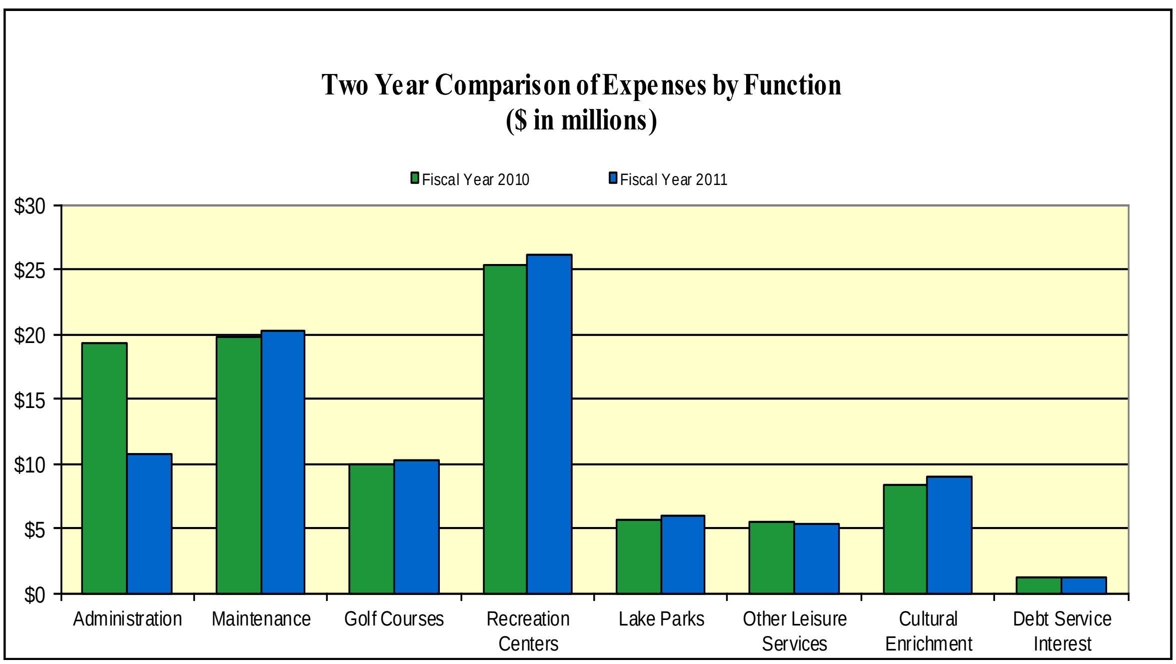




Expenses

For the fiscal year ended June 30, 2011, expenses for governmental activities totaled $88.4 million. The Authority's overall expenses have decreased by 7% from fiscal year 2010. The following graphics show the Authority's major expenses by function:





V. MAJOR FUND HIGHLIGHTS

The Authority considers all of its funds to be major. Each fund uses the modified accrual basis of accounting and the current financial resources measurement focus. The fund amounts have been aggregated for fiscal years 2011 and 2010 for the purpose of this analysis.

		Financed from County General Fund	Park Revenue Fund	Financed from County Construction Fund	Park Construction Bond Fund	Park Capital Improvement Fund	Total Major Funds
Fund balances, 6/30/2009	$	-	4,477,345	-	15,040,900	21,938,045	41,456,290
Revenues		29,808,732	39,166,263	6,507,182	11,701,090	11,939,269	99,122,536
Expenditures		(29,808,732)	(37,636,626)	(6,507,182)	(19,230,968)	(1,607,926)	(94,791,434)
Other financing sources (uses)		-	(160,000)	-	-	160,000	-
Fund balances, 6/30/2010		-	5,846,982	-	7,511,022	32,429,388	45,787,392
Revenues		30,572,280	39,950,420	7,491,465	11,309,527	2,935,743	92,259,435
Expenditures		(30,572,280)	(39,824,516)	(7,491,465)	(16,198,045)	(10,544,195)	(104,630,501)
Other financing sources (uses)		-	(800,000)	-	-	800,000	-
Fund balances, 6/30/2011		-	5,172,886	-	2,622,504	25,620,936	33,416,326
Net change in fund balance	$	-	(674,096)	-	(4,888,518)	(6,808,452)	(12,371,066)

At the end of the current fiscal year, the Authority's governmental funds reported a combined fund balance of $33.41 million, a decrease of $12.37 million compared to the prior year.

Although the combined fund balance decreased in fiscal year 2011, the fund balance of the Park Revenue Fund decreased $0.67 million as some funds were transferred to the Park Capital Improvement Fund and expenditures increased slightly. The fund balance of the Park Construction Bond Fund decreased $4.89 million due primarily to a lower amount received in bond proceeds and a slight decrease in expenditures. The fund balance of the Park Capital Improvement Fund decreased $6.8 million due to a significant increase in expenditures as a result of the acquisition of the Sappington property for $7.1 million, offset by a transfer of $0.8 million from the Park Revenue Fund. Fund balances of the Financed from County General Fund and the Financed from County Construction Fund were zero since expenditures fully offset revenue received from County appropriations.

VI. CAPITAL ASSETS

The Authority's investment in capital assets includes land, easement, buildings, improvements, equipment, and construction in progress (CIP), which is detailed as follows (net of accumulated depreciation):

Park Authority Capital Assets

		June 30, 2011	June 30, 2010
Land	$	341,478,663	330,601,488
Easement		16,844,494	16,073,946
Buildings and improvements		188,236,908	181,199,377
Equipment		1,708,261	2,064,926
Construction in progress		8,858,753	10,574,983
Total	$	557,127,079	540,514,720

Major capital asset events during fiscal year 2011 included the following:

- Land increased to $341.5 million, an increase of $10.9 million or 3%. The Authority's purchases of land with land transfers and donations during the year totaled $11.6 million and was offset by some land disposals and reclassifications to Easement in the amount of $0.7 million.

- Improvements increased as various projects were completed in fiscal year 2011 and moved from CIP resulting in an increase to Buildings and Improvements net of depreciation of $7.0 million, or 4.0%. Ossian Hall Park had extensive renovations with new playground equipment, wider asphalt trails, two multi-use courts, a synthetic turf field, more parking spaces, and a new community plaza to support musical and theatrical performances, including the Park Authority's first underground Low Impact Design (LID) storm water facility which uses the latest techniques in LID storm water treatment. Other completed projects were a Spray Park located in the Family Recreation Area at Lee District Park , a new synthetic turf field at Linway Terrace Park, a new Liberty Swing at Clemyjontri Park, and a new athletic field lighting system at Pine Ridge Park.

- Equipment balances decreased $0.4 million or 17.3% due to normal depreciation and reduced acquisition.

- CIP decreased $1.7 million or 16.2% due to the completion of Ossian Hall Park renovations, four synthetic turf fields, one each at Spring Hill Park, Arrowbrook Park, Linway Terrace Park and Pine Ridge Park, and the completion of the Spray Park at Lee District Park.

VII. DEBT ADMINISTRATION

The following table summarizes the Authority's gross debt outstanding, as reported in the Statement of Net Assets:

Park Authority Outstanding Debt			
		June 30, 2011	June 30, 2010
Revenue bonds payable	$	8,440,000	9,110,000
Loan payable		15,000,000	15,150,000
Total outstanding debt	$	23,440,000	24,260,000

<u>Revenue Bonds</u>

On September 15, 2001, the Authority issued $13,015,000 of Park Facilities Revenue Refunding Bonds, Series 2001. The bonds were issued to defease and refund in advance of their stated maturities, the Authority's outstanding revenue bonds, Series 1995, and pay the guaranty insurance premiums, underwriting fees and other issuance costs for such bonds. The Authority paid $670,000 of bond principal and $391,058 in interest during fiscal year 2011. All Series 1995 bonds were paid as of August 2003, allowing the release of $250,000 in supplemental debt service reserves.

<u>Loan Payable to the County</u>

On June 24, 2003 the Authority entered into a long-term agreement with the County to provide funding of $15,530,000 to finance the costs of the development and construction of a public golf course in the Laurel Hill area of southern Fairfax County. The Laurel Hill Golf Club began operating in fiscal year 2006 and opened its clubhouse in fiscal year 2007. Principal payments of $150,000 and interest payments of $677,813 were made in fiscal year 2011.

<u>Conduit Debt</u>

On December 27, 2005, the Authority entered into a long-term conservation easement agreement, the "Salona Agreement", in the amount of $12,900,000 with the Northern Virginia Conservation Trust and the DuVal family. This agreement permanently preserves 41 acres of open space as a public park in McLean, VA and will be enforced in perpetuity by the Northern Virginia Conservation Trust. The County made principal payments of $645,000 and interest payments of $391,289 in fiscal year 2011.

As the County is responsible, under the related documents and subject to appropriation, to pay the principal and interest on the Notes, the related transactions, including the liability for the Notes, have been recorded in the County's financial statements and not in those of the Authority. The Notes are not general obligation debt of the County, and the full faith and credit of the County is not pledged to the Notes. As of June 30, 2011, $9,352,500 of these Notes are outstanding. The easement is recorded on the Authority's Basic Financial Statements.

Additional information on the Authority's long-term obligations can be found in Note F, pages 37-39, of the Notes to the Basic Financial Statements.

VIII. GENERAL BUDGET HIGHLIGHTS

The original and final budgeted amounts are shown in the Budgetary Comparison Schedules on pages 45 and 46. Revisions that alter the total appropriations of the budgets must be approved by the County Board of Supervisors.

Financed from County General Fund

The Authority's revenue for the leisure services programs (charges for services) continues to be impacted due to lower than expected actual revenue as a result of reduced participants. It was also impacted by the elimination of five RecPAC sites. Intergovernmental revenue increased from the original Adopted Budget Plan to offset expenditure increases. Total expenditures appropriation increased from the original fiscal year 2011 Adopted Budget Plan level from $21.6 million to $22.1 million or by $0.5 million. This increase consists of $0.4 million from fiscal year 2010 Carryover funding and $0.1 million for the Tysons Urban Center park project.

Budgetary Trends

The approved FY 2011 County General Fund totals $3,308.1 million, a decrease of $92.2 million, or 2.71% , from the Fiscal Year 2010 Revised Budget Plan total. Due to the significant shift in the economy for the last several years, fiscal year 2011 county-wide revenues projected a shortfall of $257.2 million resulting in across-the-board budget reductions of each agency's budget. Funding reductions, rising costs and decreases in program revenues resulting from families allocating smaller percentages of their budgets to recreational activities have placed considerable financial constraints on the Authority's operations. County-wide revenues continue to show signs of economic weakness. Non-residential property values experienced their largest decline over the past 22 years. However, the County is faring better than much of the country due to final fiscal year 2011 residential real estate assessments being better than originally projected.

IX. ECONOMIC FACTORS AND TRENDS

The County and the surrounding Washington, D.C. metropolitan areas are showing signs of stabilizing. However, it is anticipated that there will continue to be fluctuations of ups and downs. Experts predict that the economic growth will be slow to moderate for the next few years. The real estate market plays a vital role in the local economy as there is a direct correlation between home values and real estate taxes collected by the County. Final FY 2011 residential real estate assessments were better than originally projected with property values falling only 5.56% versus the projected 10%. Residential property values make up over 75% of the County's real estate base and rose 2.34%.

The current unemployment rate in the County is 4.5% compared to 5.1% at June, 2010 indicating that unemployment may also be stabilizing and reversing its upward trend. The County's unemployment rate peaked at 5.5% in February 2010 .

Currently, the Authority's property holdings continue to increase, however faced with subsequent years' budget reductions, growth may decline in the future. Decreases in funding will increase the maintenance backlog for park repair and maintenance, impacting safety, access, and cleanliness of parks and facilities. Repairs to park equipment will be delayed, impacting the availability of park site amenities. The Authority continues to strive to meet the needs of the County's growing population and the need to protect its natural and cultural resources.

X. FAIRFAX COUNTY PARK AUTHORITY HIGHLIGHTS

The Authority continues to provide quality park and recreation services, programs and facilities which enhance the quality of life for the residents of the County on a daily basis. This is done through the protection and preservation of open space and natural areas, nature centers, recreation centers, historic sites, golf courses, athletic fields, public gardens, horticulture sites, trails, neighborhood community, district and countywide parks as well as park programs, classes, camps and tours. The Authority currently owns, maintains, and operates over 416 beautiful parks. Based on a survey of 1,025 Fairfax County households, conducted in coordination with George Mason University in 2007, 79% of the County's households considered the park system to be 'extremely' or 'very' important to their quality of life. Delivering high-quality service in parks is an important focus for the Authority as demand and usage continue to grow. The Authority seeks to provide quality recreational opportunities through construction, development and maintenance of a wide variety of facilities to meet the varied needs and interests of the County's residents. The Authority strives to improve the quality of life for the residents of the County by keeping pace with the community demands, continually enhancing the park system, and demonstrating stewardship for park land. Notable enhancements include increased open space through land acquisition, protection of critical natural and cultural resources, expanded trails, new inclusive features, and upgraded playability of outdoor facilities.

In fiscal year 2011, the Authority acquired 370 acres of land, increasing its ownership to 22,894 park acres which equates to over 8.9% of the land mass of Fairfax County. There were 14 land acquisition activities that resulted in additional Authority holdings. This includes six purchases, the largest of which was 220.2405 acres, the Woodlands/Sappington property (Sully District), and eight dedications and developer transfers.

Four synthetic turf fields were completed; one each at Spring Hill Park, Arrowbrook Park, Linway Terrace Park and Pine Ridge Park. Other new facilities completed includes the Roll Top Observatory at Turner Farm. The observatory building is a converted radar tower previously owned by the U.S. Government, Army Defense Mapping Agency that was used for an assortment of functions including NIKE missile monitoring and other radar functions. This is the only observatory in the Park Authority. Another new addition to the Park Authority is the Liberty Swing at Clemyjontri Park. This new park amenity allows those in wheelchairs, walkers or braces or who have sensory or developmental disabilities the opportunity to enjoy the freedom and delight of getting on a swing. In addition, the Harbor Sprayground, located in the Family Recreation Area at Lee District Park, was opened. The zero water depth sprayground, built by the Joey Pizzano Memorial Fund, carries the theme of the Chesapeake Bay throughout the interactive water features and is fully accessible for people of all abilities.

Parks give all County residents and visitors, regardless of age, background or economic conditions, the opportunity to seek active recreation as well as natural and cultural enrichment. Park patron use, which includes paid and unpaid visits to staffed and non-staffed parks, continues to reflect strong demand and support with over 17.1 million visitors in fiscal year 2011. The Authority is continually challenged by the declining economy stressing the park system with revenue and budget reductions in addition to rising fuel, utility, repair and maintenance costs, aging infrastructure, and needs for active natural and cultural resource management. Residents demand for services continues to grow with the rising population and changing needs and diversity of the community.

The continuing urbanization of the County requires different types of parks and recreational services and facilities. The increasing urbanization of the County's growth areas require that the existing suburban park system be supplemented by parks that are more suitable for the unique urban context and provide appropriate functions, uses, amenities, visual form, ownership, and accessibility to various users of an urban environment. In addition, seniors comprise the most rapidly expanding population group needing park and other County services.

In order to meet the growing fiscal challenges in fiscal year 2012, the Authority's Board and staff, along with the County Board of Supervisors, will continue working on developing a comprehensive Business Plan that will include a sustainable financial model for ensuring the Authority's continued success in the future.

XI. CONTACTING THE AUTHORITY'S MANAGEMENT

This CAFR is designed to provide a general overview of the financial condition of the Authority. If you have questions about this report or need additional financial information, please contact the Fairfax County Park Authority, Financial Management Branch, 12055 Government Center Parkway, Suite 927, Fairfax, Virginia 22035. This report can also be found on the Authority's website at www.fairfaxcounty.gov/parks.

Fairfax County Park Authority **Exhibit A**
A Component Unit of the County of Fairfax, Virginia
Statement of Net Assets
June 30, 2011

ASSETS		
Equity in pooled cash and temporary investments	$	36,330,123
Receivables:		
Accounts receivable		19,356
Accrued interest		46,613
Due from primary government		1,889,959
Due from intergovernmental units		100,000
Restricted assets:		
Equity in pooled cash and temporary investments		4,007,876
Investments		1,944,916
Other noncurrent assets:		
Deferred bond issuance costs		253,217
Capital assets:		
Non-depreciable:		
Land		341,478,663
Easement		16,844,494
Construction in progress		8,858,753
Depreciable:		
Equipment		13,549,013
Buildings and improvements		339,167,331
Accumulated depreciation		(162,771,175)
Total assets		601,719,139
LIABILITIES		
Accounts payable and other accrued liabilities		2,651,360
Accrued salaries and benefits		1,920,451
Due to primary government		180,972
Contract retainages		355,420
Deferred revenue		5,163,462
Performance and other deposits		650,852
Accrued interest payable		179,235
Long-term liabilities:		
Portion due or payable within one year:		
Compensated absences payable		2,553,948
Loans payable		180,000
Bonds payable		689,783
Deferred amount on refunding		(49,743)
Portion due or payable after one year:		
Compensated absences payable		1,958,866
Loans payable		14,820,000
Bonds payable		7,703,255
Deferred amount on refunding		(397,940)
Total liabilities		38,559,921
NET ASSETS		
Invested in capital assets, net of related debt		536,126,640
Restricted for:		
Certain capital projects		3,307,876
Debt service		1,944,916
Repair and replacement		700,000
Unrestricted		21,079,786
Total net assets	$	563,159,218

See accompanying notes to the financial statements.

Fairfax County Park Authority **Exhibit B**
A Component Unit of the County of Fairfax, Virginia
Statement of Activities
For the Fiscal Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues: Charges for services	Program Revenues: Capital grants and contributions	Net (Expense)/ Revenue and Changes in Net Assets: Governmental activities
Governmental activities:				
Administration	$ 10,640,173	1,161,779	4,324,866	(5,153,528)
Maintenance / renovation	20,216,277	-	261,359	(19,954,918)
Golf courses	10,275,083	9,663,300	612,562	779
Recreation centers	26,077,168	23,642,808	2,604,853	170,493
Lake parks	5,897,252	2,787,336	501,415	(2,608,501)
Other leisure services	5,272,258	1,733,561	2,470,306	(1,068,391)
Cultural enrichment	8,901,308	2,004,871	2,407,251	(4,489,186)
Interest on long-term debt	1,149,364	-	-	(1,149,364)
Total governmental activities	$ 88,428,883	40,993,655	13,182,612	(34,252,616)

General revenues:	
Intergovernmental	$ 36,385,759
Investment earnings	170,585
Operating grants not restricted to specific programs	500,040
Capital contributions not restricted to specific programs	2,512,676
Total general revenues	39,569,060
Change in net assets	5,316,444
Net assets, June 30, 2010	557,842,774
Net assets, June 30, 2011	$ 563,159,218

See accompanying notes to the financial statements.

Fairfax County Park Authority **Exhibit C**
A Component Unit of the County of Fairfax, Virginia
Balance Sheet-Governmental Funds
June 30, 2011

	Financed from County General Fund	Park Revenue Fund	Financed from County Construction Fund	Park Construction Bond Fund	Park Capital Improvement Fund	Total Governmental Funds
ASSETS						
Equity in pooled cash and temporary investments	$ -	10,456,599	-	-	25,873,524	36,330,123
Receivables:						
Accounts receivable	-	19,356	-	-	-	19,356
Accrued interest	-	10,010	-	-	36,603	46,613
Due from primary government	1,185,335	-	704,624	-	-	1,889,959
Due from intergovernmental units	-	-	-	100,000	-	100,000
Restricted assets:						
Equity in pooled cash and temporary investments	-	-	-	3,307,876	700,000	4,007,876
Investments	-	1,944,916	-	-	-	1,944,916
Total assets	1,185,335	12,430,881	704,624	3,407,876	26,610,127	44,338,843
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	262,075	956,027	704,624	454,720	273,914	2,651,360
Accrued salaries and benefits	923,260	997,191	-	-	-	1,920,451
Due to primary government	-	180,972	-	-	-	180,972
Contract retainages	-	-	-	330,652	24,768	355,420
Deferred revenue	-	5,024,379	-	-	139,083	5,163,462
Performance and other deposits	-	99,426	-	-	551,426	650,852
Total liabilities	1,185,335	7,257,995	704,624	785,372	989,191	10,922,517
Fund balances:						
Restricted for:						
Capital projects	-		-	2,622,504	9,333,240	11,955,744
Debt service	-	1,944,916	-	-	-	1,944,916
E.C. Lawrence Trust	-	-	-	-	1,507,926	1,507,926
Repair and replacement	-	-	-	-	700,000	700,000
Committed to:						
Other capital projects	-	-	-	-	14,079,770	14,079,770
Assigned to:						
Park operation and maintenance	-	3,227,970	-	-	-	3,227,970
Total fund balances	-	5,172,886	-	2,622,504	25,620,936	33,416,326
Total liabilities and fund balances	$1,185,335	12,430,881	704,624	3,407,876	26,610,127	44,338,843

Fairfax County Park Authority **Exhibit C-1**
A Component Unit of the County of Fairfax, Virginia
Reconciliation of the Balance Sheet—Governmental Funds to the Statement of Net Asset
June 30, 2011

Fund balance - Total governmental funds		$ 33,416,326
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and are not reported as assets in governmental funds.		
Capital assets:		
Non-depreciable:		
Land	341,478,663	
Easement	16,844,494	
Construction in progress	8,858,753	
Depreciable:		
Equipment	13,549,013	
Buildings and improvements	339,167,331	
Accumulated depreciation	(162,771,175)	557,127,079
Deferred bond issuance costs reported in governmental activities are not financial resources and are not reported as assets in governmental funds.		253,217
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in governmental funds:		
Accrued interest payable	(179,235)	
Compensated absences payable	(4,512,814)	
Loan payable	(15,000,000)	
Bonds payable due within one year	(695,000)	
Bonds payable due in more than one year	(7,745,000)	
Bonds payable discount	46,962	
Deferred amount on refunding	447,683	(27,637,404)
Net assets of governmental activities		$ 563,159,218

Fairfax County Park Authority **Exhibit D**
A Component Unit of the County of Fairfax, Virginia
Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds
For the Fiscal Year Ended June 30, 2011

	Financed from County General Fund	Park Revenue Fund	Financed from County Construction Fund	Park Construction Bond Fund	Park Capital Improvement Fund	Total Governmental Funds
REVENUES						
Intergovernmental	$ 28,794,293	-	7,491,465	11,300,000	3,294	47,589,052
Charges for services	1,733,561	36,806,554	-	-	637	38,540,752
Revenue from the use of money and property	-	2,447,828	-	9,527	1,092,229	3,549,584
Gifts, donations, and contributions	44,426	500,040	-	-	1,546,858	2,091,324
Developers' contributions	-	-	-	-	292,725	292,725
Other	-	195,998	-	-	-	195,998
Total revenues	30,572,280	39,950,420	7,491,465	11,309,527	2,935,743	92,259,435
EXPENDITURES						
Current:						
Administration	8,003,156	1,055,720	-	70,270	471,329	9,600,475
Maintenance	11,307,636	-	6,897,872	2,242	10,415	18,218,165
Golf courses	-	9,076,180	-	7,008	364	9,083,552
Recreation centers	-	23,260,036	-	24	14,953	23,275,013
Lake parks	2,637,367	2,590,381	-	2,948	697	5,231,393
Other leisure services	2,382,599	-	-	26,168	117,685	2,526,452
Cultural enrichment	6,232,088	1,825,748	-	14,377	158,152	8,230,365
Capital outlay	9,434	124,347	593,593	16,075,008	9,770,600	26,572,982
Debt service:						
Principal retirement	-	820,000	-	-	-	820,000
Interest and other charges	-	1,072,104	-	-	-	1,072,104
Total expenditures	30,572,280	39,824,516	7,491,465	16,198,045	10,544,195	104,630,501
Excess (deficiency) of revenues over (under) expenditures	-	125,904	-	(4,888,518)	(7,608,452)	(12,371,066)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	800,000	800,000
Transfers out	-	(800,000)	-	-	-	(800,000)
Total other financing sources (uses)	-	(800,000)	-	-	800,000	-
Net change in fund balances	-	(674,096)	-	(4,888,518)	(6,808,452)	(12,371,066)
Fund balances, June 30, 2010	-	5,846,982	-	7,511,022	32,429,388	45,787,392
Fund balances, June 30, 2011	$ -	5,172,886	-	2,622,504	25,620,936	33,416,326

See accompanying notes to the financial statements.

Fairfax County Park Authority **Exhibit D-1**
A Component Unit of the County of Fairfax, Virginia
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances—Governmental Funds to the Statement of Activities
For the Fiscal Year June 30, 2011

Net change in fund balances - Total governmental funds		$ (12,371,066)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.		
Capital outlay	26,572,981	
Depreciation expense	(10,511,237)	16,061,744
Donations of capital assets increase net assets in the Statement of Activities, but do not appear in the governmental funds because they are not financial resources.		1,509,000
In the Statement of Activities, the gain or loss on the disposition of capital assets is reported. However, in the governmental funds only the proceeds from sales are reported, which increases fund balance. Thus, the difference is the depreciated cost of the capital assets dispositions.		(2,171)
Gross sales proceeds are adjusted as they appear as gain on sale on government wide financial statatements		(23,108)
Certain costs reported in prior year construction in progress balances were determined not to be capital		(933,106)
Repayment of bond principal is reported as an expenditure in governmental funds and thus has the effect of reducing fund balance because current financial resources have been used. In addition, proceeds from the issuance of long-term debt are reported as financing sources in the governmental funds and, thus, increase fund balances.		
Principal payments of bonds	670,000	
Principal payments of notes	150,000	820,000
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences	332,411	
Interest expense and amortization of bond issuance costs	(77,260)	255,150
Change in net assets of governmental activities		$ 5,316,444

Fairfax County Park Authority
A Component Unit of the County of Fairfax, Virginia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

A. Summary of Significant Accounting Policies

The accounting policies of the Fairfax County Park Authority (the Authority) conform to the U.S. generally accepted accounting principles as applicable to governmental units. The following is a summary of the Authority's significant accounting policies:

1. Reporting Entity

The Authority, through appropriations from the County of Fairfax, Virginia (the County) and operating revenues, maintains and operates the public parks and recreational facilities located in the County. The Authority was originally created by the Board of Supervisors (the Board) of the County on December 6, 1950, to continue in existence for 30 years unless the Board provided for an earlier termination. Its existence, however, may not be terminated while any obligation incurred by the Authority remains binding unless the Board agrees to assume such obligations. The Board approved three interim extensions of the life of the Authority between 1981 and 1991. On October 28, 1991, the Board extended the life of the Authority for a period of 30 years, until October 28, 2021.

The County's Board of Supervisors appoints the Board members of the Authority and a substantial portion of the Authority's operations are financed by the County. Therefore, the Authority is considered a component unit of the County. The Authority has no component units. The Park Foundation is immaterial to the Authority as a whole and therefore does not meet the criteria in Governmental Accounting Standards Board (GASB) Statement No. 39 to be stated as a component unit for fiscal year 2011.

2. Basis of Presentation – Government-wide and Fund Financial Statements

The Basic Financial Statements include both government-wide (based on the Authority as a whole) and fund financial statements. The focus is on both the Authority as a whole and the fund financial statements, including the major individual funds of the governmental type categories. The Authority categorizes its primary activities solely as governmental activities. In the government-wide Statement of Net Assets, the governmental type activities are reported using the economic resources measurement focus and the accrual basis of accounting that incorporate long-term assets and long-term obligations. The government-wide Statement of Activities reflects both the gross and net cost per functional category. The Statement of Activities reduces gross expenses, including depreciation, by related program and general revenues.

In the fund financial statements, financial transactions and accounts of the Authority are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government activities column in the government-wide statements, reconciliations are presented to explain the adjustments necessary to reconcile the fund financial statements to the government-wide statements.

3. Measurement Focus and Basis of Accounting

The basis of accounting determines when transactions are reported in the Basic Financial Statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions where the Authority either gives or receives value without directly receiving or giving equal value in exchange include grants and donations. Revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Program revenues consist primarily of charges to customers who purchase, use or directly benefit from goods, services, or privileges provided by a given function such as recreational classes, tours, golf lessons and green fees, and camps.

Governmental funds use the flow of current financial resources measurement focus. This focus is based on the determination of, and changes in, financial position, and generally only current assets and current liabilities are included on the balance sheet. These funds use the modified accrual basis of accounting, whereby revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the fiscal period. Available means collectible within the current period or within 45 days after fiscal year end. The Authority recognizes revenues provided by appropriations from the County for the Financed from County General Fund and the County Construction Fund. Expenditures are recorded when the related liability is incurred and payment is due, except for principal and interest on long-term debt which are recorded only when payment is due.

The Authority considers all of its funds to be major and reports the following funds:

<u>*General Fund:*</u>

Financed from County General Fund - This is the primary operating fund of the Authority. This fund is used to account for all financial transactions and resources except those required to be accounted for in other funds. This fund accounts for the operations of the park facilities that are financed by the County.

<u>*Special Revenue Fund:*</u>

Park Revenue Fund - This fund accounts for the operations of the park facilities that are financed from park operating revenues.

<u>*Capital Projects Funds*</u>:

Financed from County Construction Fund - This fund accounts for specific park construction and maintenance projects related to park facilities that are financed from the County Construction Fund. No annual operating budget is prepared for this fund as it is budgeted as part of the County's Capital Construction Program.

Park Construction Bond Fund - This fund accounts for construction projects and capital improvements of the Authority that are financed primarily by County general obligation bond proceeds. The County bond obligations are not included within the Authority's financial statements as they are County debt and therefore are included in the County's government-wide statement of net assets. The County is responsible for paying all debt service on these bonds. No annual operating budget is prepared for this fund.

Park Capital Improvement Fund - This fund accounts for construction projects and capital improvements of the Authority that are financed primarily by property rentals, developers' contributions and transfers from the Park Revenue Fund. No annual operating budget is prepared for this fund.

4. Equity in Pooled Cash and Temporary Investments

The Authority maintains its cash in the County treasury. As of June 30, 2011, $36,330,123 of the Authority's cash was held in the County's cash and investment pool. The County invests cash in temporary investments consisting of money market investments that have a remaining maturity at the time of purchase of one year or less and are reported at amortized cost, which approximates fair value. The County allocates the interest earned on a monthly basis to the individual funds based on each fund's average daily balance of equity in pooled cash, except for the capital projects fund financed by County general obligation bonds. Interest earned on the assets of that fund, the Park Bond Construction Fund, is allocated directly to the County General Fund because debt service is funded by the County General Fund.

5. Investments

Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost, which approximates fair value. The investments of the Authority are held in Fidelity Treasury Funds through money market accounts in U.S. Bank National Association.

6. Restricted Assets

Restricted assets typically reflect the receipt of proceeds from revenue bonds which have been restricted for future debt service payments and revenue bond requirement for a reserve for repair and replacement of certain capital assets. In addition, unspent proceeds from general obligation bonds issued by the County and unspent loan proceeds received from the County are restricted for use in capital improvements.

7. Capital Assets

Capital assets, including land, easements, buildings, improvements, equipment and construction in progress, are reported in the governmental activities column in the government-wide financial statements. Purchased property and equipment are recorded at historical cost or at estimated historical cost based on appraisals or on other acceptable methods when historical cost is not available. Donated capital assets are stated at their fair market value as of the date of donation. The Authority capitalizes all buildings, building improvements, and equipment that cost $5,000 or more with useful lives of longer than one year.

Accumulated depreciation is reported as a reduction of depreciable capital assets. Depreciation is computed using the straight-line method based on estimated useful lives of 30 to 50 years for buildings; 5 to 15 years for equipment; and 10 to 30 years for improvements.

8. Compensated Absences

Employees of the Authority are granted annual and sick leave based on their length of service, and may accrue compensatory leave for hours worked in excess of their scheduled hours. Unused annual and compensatory leave is payable to employees upon termination based on the employees' current rate of pay up to certain limits. Sick leave does not vest with the employee.

The compensated absences liability in the government-wide Statement of Net Assets is separated into current (expected to be paid within one year) and long-term (expected to be paid after one year). The amount expected to be paid within one year is an estimate based on historical usage. This liability is satisfied by the County General Fund.

9. Deferred Revenue

The Authority receives proceeds for passes sold to park patrons, in advance of usage, from patrons and refundable deposits from developers for future services. These amounts are unearned and reported as deferred revenue. The balance of deferred revenue as of June 30, 2011 was $5,163,462.

10. Net Assets

Net assets are comprised of three categories: Net assets invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The first category reflects the portion of net assets which is associated with non-liquid capital assets, less the outstanding debt (net) related to these capital assets. The related debt (net) is the debt less the outstanding liquid assets and any associated unamortized costs. Restricted net assets are restricted assets, net of related debt. Net assets which are neither restricted nor related to capital assets are reported as unrestricted net assets.

11. Long-Term Obligations

For long-term liabilities, only that portion expected to be financed from expendable, available financial resources is reported as a fund liability of a governmental fund. In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Assets.

Total capital assets of the Authority are the combined balances of land, easements, buildings, improvements, and equipment reduced by accumulated depreciation. This total is further reduced by the Laurel Hill debt and the revenue bonds payable net of the required debt service reserve and is reported as invested in capital assets, net of related debt on the Statement of Net Assets.

12. Fund Balance Classification

The Authority Board, as the highest level of authority, sets policies and establishes priorities for land acquisition, park development and operations for the Authority.

In the governmental fund financial statements, the Authority reports several categories of fund balance. The restricted fund balance category include amounts that can be spent only for the specific purposes stipulated by external resource providers such as creditors, grantors, contributors, or laws and regulations of other governments; or by law through constitutional provisions or enabling legislation. The committed fund balance category includes amounts that can be used only for the specific purposes imposed by the Authority's highest level of decision-making authority which requires formal action at the same level to remove. The assigned fund balance category includes amounts that are intended to be used by the Authority for specific purposes, but are neither restricted nor committed. Unassigned fund balances are the residual classification for the County General Fund and includes all spendable amounts not contained in the other categories.

Restricted for Debt Service:

The Master Indenture of Park Facilities Revenue Bonds (Series 1995) and subsequent Park Facilities Refunding Bond (Series 2001) requires the Authority to establish Debt Service Reserves. The restricted balance for debt service, $1,944,916, includes prepayment of principal and interest on the 2001 Revenue Refunding Bonds by the Authority as detailed below:

Reserve for Debt Service:		
Debt service reserve required by bond documents	$	1,059,428
Additional reserve for future debt payments		885,488
Total reserve	$	1,944,916

Restricted for E.C. Lawrence Trust:

In January 1997, the Authority Board received $1,306,555 from the E.C. Lawrence Trust. In accordance with the Authority Board resolution, $1,275,000 is to remain in perpetuity with interest to be spent on the E.C. Lawrence Park. On June 12, 2002, the Authority Board took action to increase the portion of the fund held in perpetuity to $1,507,926 which includes $1,275,000 plus a portion of the accumulated interest. As of June 30, 2011, the fund balance of the Park Capital Improvement Fund includes a combined principal investment and interest amount of $1,507,926 that has been restricted for E.C. Lawrence Park.

Restricted for Repair and Replacement Fund:

The 2001 Bond Indenture requires the Authority to have an accumulated fund balance sufficient to pay costs of major repairs, replacement and capital additions to certain facilities. The restricted fund balance of $700,000 is determined by the Authority to be necessary in any fiscal year for repairs and replacements to these facilities. Amounts on deposit in the balance may also be used to pay debt service on the Bonds if necessary.

Restricted for Capital Projects:

The fund balance of $2,622,504 in the Park Construction Bond Fund is funded by County general obligation bond proceeds and is restricted for capital projects to improve recreational facilities such as playgrounds, picnic areas, trails and recreation center/ swimming pool complexes or to acquire new land and develop and improve park facilities.

The fund balance of $9,333,240 in the Park Capital Improvement Fund is funded through grants, proffers and contributions and is restricted for specific park improvement.

Committed to Capital Projects:

The Authority's committed fund balance of $14,079,770 in the Park Capital Improvement Fund is required by the Authority for the maintenance and renovation of revenue-generating facilities.

Assigned to Park Operation and Maintenance:

The Authority's assigned fund balance of $3,277,970 in the Park Revenue Fund is for unanticipated operating and maintenance expenses.

13. Encumbrances

The Authority uses encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to reserve that portion of the applicable appropriation. Encumbrances represent the estimated amount of expenditures ultimately to result if unperformed contracts and open purchase orders are completed. Encumbrances for the capital projects funds do not lapse until the completion of the projects and are reported as reservations of fund balance at year end. Funding for all other encumbrances lapses at year end and requires re-appropriation by the County Board of Supervisors.

Significant Encumbrances by Function as of June 30, 2011:

Restricted for:		
Cultural Enrichment	$	84,143
Commited for:		
Maintenance		35,432
Golf courses		68,575
Recreation centers		1,052,622
Lake Parks		1,498,098
Other leisure services		553,216
Cultural enrichment		905,252
Assigned to:		
Other leisure services		36,278
Total Encumbrances	$	4,233,616

Significant Encumbrances by Vendor as of June 30, 2011:

Aquatic Specialists	$	69,160
Ardent Company LLC		249,300
Burgess Nipples Inc		35,484
Burgess Nipples Inc		82,584
Cresco Inc		33,092
Cresco Inc		54,140
Dalton Electric Service Inc		42,500
Finley Asphalt & Sealing Inc		321,499
Graybar Electric Co Inc		78,903
Grunley Construction Co Inc		311,230
Jeffrey Stack Inc		1,085,850
Itek Construction		36,278
John Milner Associates Inc		39,357
John Milner Associates Inc		30,432
J Roberts Inc		57,990
Lardner Klein Landscape Architects PC		53,711
Shaffer Wilson Sarver & Gray PC		35,432
Southern Asphalt Company Inc		106,633
Southern Asphalt Company Inc		412,248
The Matthews Group Inc		477,541
The Matthews Group Inc		496,675
The Matthews Group Inc		123,578
Total Encumbrances	$	4,233,616

14. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

15. Tax Status

The Authority, as a local government authority, is not subject to federal, state, or local income taxes and accordingly, no provision for income taxes is recorded.

B. Deposits and Investments

1. Deposit and Investment Policies

The Authority's available cash is invested in the County's cash and investment pool. The County maintains an investment policy, the overall objectives of which are the preservation of capital and the protection of investment principal; maintenance of sufficient liquidity to meet operating requirements; conformance with federal, state, and other legal requirements; diversification to avoid incurring unreasonable risks regarding specific security types or individual financial institutions; and attainment of a market rate of return. Oversight of investment activity is the responsibility of the County's Investment Committee, which is comprised of the chief financial officer and certain key management and investment staff. It is the County's policy to pool for investing purposes all available funds of the County and its component units that are not otherwise required to be kept separate. The investment policy, therefore, applies to the activities of the reporting entity with regard to investing the financial assets of its pooled investment funds.

The County's pension trust funds have adopted investment policies to provide a well-managed in vestment program to meet the long-term goals of the pension trust funds, provide a high degree of diversification, maintain appropriate asset coverage of fund liabilities, and also optimize investment return without introducing higher volatility to contribution levels. Investment decisions for the funds' assets are made by the Boards of Trustees or investment managers selected by the Boards of Trustees. While the pension trust funds are not subject to the provisions of the Employee Retirement Income Security Act (ERISA), the Boards of Trustees endeavor to adhere to the spirit of ERISA. The Boards of Trustees believe that risks can be managed by establishing constraints on the investment portfolio and by properly monitoring the investment markets, the pension trust funds' asset allocation, and investment managers. Furthermore, investment portfolios have specific benchmarks and investment guidelines.

The County's other post-employment benefits (OPEB) trust fund is a participant in the Virginia Pooled OPEB Trust. Funds of participating jurisdictions are pooled and are invested in the name of the Virginia Pooled OPEB Trust. The County's respective share in this pool is reported on the face of the corresponding OPEB trust fund statements as found in the other supplementary information section of the County CAFR. The Board of Trustees of the Virginia Pooled OPEB Trust has adopted an investment policy consistent with prudent risk-taking. Investment decisions for the funds' assets are made by the Board of Trustees. The Board of Trustees establishes investment objectives, risk tolerance and asset allocation policies in light of the investment policy, market and economic conditions, and generally prevailing prudent investment practices. Specific investment information for the Virginia Pooled OPEB Trust can be obtained by writing to VML/VACo Finance Program, 1108 East Main Street, Richmond, Virginia 23219.

Under the Code of Virginia (Code), Investment of Public Funds Act, the County is authorized to purchase the following investments:

- Commercial paper
- U.S. Treasury and agency securities
- U.S. Treasury strips
- Negotiable certificates of deposits and bank notes
- Money market funds
- Bankers acceptances
- Repurchase agreements
- Medium term corporate notes
- Local government investment pool
- Asset-backed securities
- Hedged debt obligations of sovereign governments
- Securities lending programs
- Obligations of the Asian Development Bank
- Obligations of the African Development Bank
- Obligations of the International Bank for Reconstruction and Development

- Obligations of the Commonwealth of Virginia and its instrumentalities
- Obligations of counties, cities, towns, and other public bodies located within the Common wealth of Virginia
- Obligations of state and local government units located within other states
- Savings accounts or time deposits in any bank or savings institution within the Common wealth that complies with the Code

The County's investment policy precludes the investment of pooled funds in derivative securities, reverse repurchase agreements, or security lending programs.

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

2. Interest Rate Risk

The Authority's investment within the County's pooled investment portfolio is covered by the County's policy 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. All other pooled funds are invested primarily in shorter-term securities, with a maximum maturity of one year.

The County's pension trust funds manage interest rate risk for fixed income accounts by limiting the credit quality of the securities held as well as the duration of the portfolio against the duration of the benchmark. In addition, the fund's investment policy states that the average effective duration of each manager's portfolio should be within 25% of the portfolio's benchmark duration.

3. 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 advisers with which the County does business.

In addition, the pooled investments are limited to the safest types of securities and are diversified so that potential losses on individual securities will be minimized. Also, new investments shall not be made in securities that are listed on Moody's Investors Service, Inc. (Moody's) Watch list or Standard & Poor's, Inc. (S&P) Credit Watch with a negative rating.

The policy specifies the following acceptable credit ratings for specific types of investments in the pooled portfolio:

- ♦ U.S. government sponsored enterprise instruments shall be rated by both Moody's and S&P -with a minimum rating of Prime 1 and A-1, respectively.

- ♦ Prime quality commercial paper shall be rated by at least two of the following: Moody's, with a minimum rating of Prime 1; S&P, with a minimum rating of A-1; Fitch Investor's Services, Inc. (Fitch), with a minimum rating of F-1; or by Duff and Phelps, Inc., with a minimum rating of D-1.

- ♦ Mutual funds must have a rating of AA or better by S&P, Moody's, or another nationally recognized rating agency.

- ♦ Bank deposit notes must have a rating of at least A-1 by S&P and P-1 by Moody's.

- ♦ Banker's acceptances must have a rating by Fitch of at least B/C.

- ♦ Corporate notes must have a rating of at least AA by Moody's and a rating of at least AA by S&P.

While the overall investment guidelines for the primary government's pension trust funds do not specifically address credit risk, investment managers have specific quality limits appropriate for the type of mandate they are managing and that fit within the total risk tolerance of the fund. Additional information regarding investment type in the pooled portfolio can be found in the County CAFR.

4. Concentration of Credit Risk

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

Repurchase agreements and money market funds	30% maximum
Bank notes, banker's acceptances and negotiable certificates of deposit	40% maximum
Commercial paper	35% maximum
Corporate notes	25% maximum
US Treasury and agency securities	100% maximum
Non-negotiable certificates of deposit	40% maximum

In addition, not more than 5% 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, banker's acceptances, corporate notes, and bank notes. The County shall seek to maintain a minimum of 5% of the investment portfolio in a combination of mutual funds or open repurchase agreements to meet liquidity requirements.

Whereas the overall investment guidelines for the County's pension trust funds do not specifically address concentration of credit risk, investment managers have specific concentration limits appropriate for the type of mandate they are managing and that fit within the total risk tolerance of the fund. The Fairfax County Employees' Retirement System (ERS) does not have investments (other than U.S. Government and U.S. Government guaranteed obligations) in any one organization that represent 5% or more of net assets held in trust for pension benefits.

The County's OPEB trust funds investment policy for equity holdings states that all holdings must be publicly traded on U.S. markets with no single issue exceeding 5% of each individual manager portfolio at market value.

5. Custodial Credit Risk

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

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

Certain investments of the Authority are separately held by its fiscal agent, U.S. Bank National Association, in the Authority's name. These investments are held in Fidelity Treasury Funds through money market accounts. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost, which approximates fair value. The Authority follows the County's investment policy with respect to acceptable credit ratings for its investments. Investments in the amount of $1,944,916 are restricted for debt service requirements related to the 2001 Park Facilities Revenue Refunding Bonds and the Laurel Hill Note Payable.

6. Foreign Currency Risk

Per the County's policy, pooled investments are limited to U.S. dollar denominated instruments, however the pension trust funds of the County are allowed to invest in foreign currency denominated instruments.

Additional information related to the interest rate risk and the credit risk, such as the weighted average maturity and credit quality ratings of investments, pertaining to the entire cash and investment pool can be found in the County CAFR.

C. Receivables

Receivables as of June 30, 2011 consist of the following:

Receivables:		
Accounts receivable	$	19,356
Accrued interest receivable		46,613
Total receivables	$	65,969

D. Interfund Balances and Transfers

Due from Primary Government

The Authority's revenues in certain funds consist of a transfer from the County to offset actual expenditures incurred during the fiscal year. Consistent with the Authority's funding mechanism, the amount due from the County is equal to the Authority's total outstanding liabilities in these funds on the modified accrual basis of accounting. As of June 30, 2011, the amount due from the County was $1.89 million. Of this amount, $1.19 million is due from the Financed from County General Fund and represents accrued salaries, accrued fringe benefits, accounts payable and accrued liabilities. The remaining $0.7 million is due from the Financed from County Construction Fund and represents accounts payable and accrued liabilities.

Interfund Transfers

Interfund transfers are used to finance construction projects, capital purchases, and capital improvements. There was a transfer of $0.8 million from the Park Revenue Fund to the Park Capital Improvement Fund as of June 30, 2011.

E. Capital Assets

The following is a summary of the changes in capital assets for fiscal year 2011:

		Balances June 30, 2010	Increases	Decreases	Balances June 30, 2011
Capital assets, not being depreciated:					
Land	$	330,601,488	11,691,683	(814,508)	341,478,663
Easement		16,073,946	770,548	-	16,844,494
Construction in progress		10,574,983	6,563,735	(8,279,965)	8,858,753
Total capital assets, not being depreciated		357,250,417	19,025,966	(9,094,473)	367,181,910
Capital assets, being depreciated:					
Buildings and improvements		322,255,823	16,919,228	(7,720)	339,167,331
Equipment		13,601,624	298,154	(350,765)	13,549,013
Total capital assets, being depreciated		335,857,447	17,217,382	(358,485)	352,716,344
Less accumulated depreciation for:					
Buildings and improvements		(141,056,447)	(9,874,600)	623	(150,930,424)
Equipment		(11,536,697)	(636,638)	332,584	(11,840,751)
Total accumulated depreciation		(152,593,144)	(10,511,238)	333,207	(162,771,175)
Total capital assets, being depreciated, net		183,264,303	6,706,144	(25,278)	189,945,169
Total capital assets, net	$	540,514,720	25,732,109	(9,119,751)	557,127,079

Depreciation Expense by Function:		
Administration	$	215,591
Maintenance		2,097,438
Golf courses		1,210,716
Recreation centers		2,860,847
Lake parks		689,938
Other leisure services		2,745,701
Cultural enrichment		691,006
Total depreciation expense	$	10,511,237

F. Long-Term Obligations

Bonds Payable

In February 1995, the Authority issued $13,870,000 of Park Facilities Revenue Bonds, Series 1995 to fund the construction of additional golf facilities for County residents and patrons. On September 20, 2001, the Authority issued $13,015,000 of Park Facilities Revenue Refunding Bonds, Series 2001 dated September 15, 2001, with an average interest rate of 4.36% to advance refund $11,670,000 of the outstanding Series 1995 Bonds with an average interest rate of 6.62%. Proceeds of $12,615,112 were used to purchase U.S. Government securities which were deposited in an irrevocable escrow fund to provide for the resources to redeem the Series 1995 Bonds on July 15, 2003. The reacquisition price exceeded the net carrying amount of the refunded bonds by $945,112, and this amount is being amortized over the remaining life of the refunding bonds. These bonds are solely the obligations of the Authority and are payable from the Park Revenue Fund's revenues from operations, earnings from investments, and certain fund balance reserves.

The debt service requirements to maturity for the outstanding bonds are:

Fiscal Year	Interest Rate		Principal	Interest	Total
2012	4.00		695,000	364,428	1,059,428
2013	4.10		725,000	335,665	1,060,665
2014	4.20		750,000	305,053	1,055,053
2015	4.30		785,000	272,425	1,057,425
2016	4.40		815,000	237,618	1,052,618
2017-2021	4.50-4.75		4,670,000	573,206	5,243,206
	Totals	$	8,440,000	2,088,395	10,528,395

As set forth in the Park Facilities Revenue Refunding Bonds, Series 2001 covenant, the Authority is required to maintain reserves for major repairs and replacements and debt service, and to meet specific revenue levels. The Authority is in compliance with all bond covenants.

Loan Payable to the County of Fairfax

On June 24, 2003, the Authority entered into a long-term loan agreement with the County in the amount of $15,530,000. The loan provided funds to finance the development and construction of a public golf course located in the Laurel Hill area of the southern part of the County.

The debt service requirements to maturity for the outstanding loan are:

Fiscal Year	Interest Rate	Principal	Interest	Total
2012	4.00	180,000	673,313	853,313
2013	5.00	210,000	666,112	876,112
2014	5.00	245,000	655,613	900,613
2015	5.00	285,000	643,363	928,363
2016	5.00	330,000	629,113	959,113
2017-2021	5.00	2,395,000	2,850,313	5,245,313
2022-2026	5.00-4.25	3,915,000	2,122,613	6,037,613
2027-2031	4.25	5,090,000	1,166,413	6,256,413
2032-2033	4.25	2,350,000	150,875	2,500,875
	Totals	$ 15,000,000	9,557,728	24,557,728

Conduit Debt

On December 27, 2005, the Authority issued two long-term notes to finance the acquisition of a permanent conservation easement totaling $12,900,000. This acquisition permanently preserves 41 acres of open space as a public park in McLean, Virginia and will be enforced in perpetuity by the Northern Virginia Conservation Trust.

As the County is responsible, under the related documents and subject to appropriation, to pay the principal and interest on the notes, the related transactions, including the liability for the notes, have been recorded in the County's financial statements and not in those of the Authority. The notes are not general obligation debt of the County, and the full faith and credit of the County is not pledged to the notes. As of June 30, 2011, $9,352,500 of these notes are outstanding.

The Memorandum of Understanding between the County Board of Supervisors (BOS) and the Authority states that the BOS has agreed to administer the employees of the Authority. All salaries of the Authority, including payments for compensated absences, lie within this understanding and have been made from the County General Fund.

The following is a summary of changes in the government-wide long-term obligations of the Authority for fiscal year 2011:

	Balance June 30, 2010	Additions	Reductions	Balance June 30, 2011	Due within One Year
Revenue bonds payable:					
Principal amount of bonds payable	9,110,000	-	670,000	8,440,000	695,000
Discount on bonds payable	(52,179)	-	(5,217)	(46,962)	(5,217)
Deferred amount on refundings	(497,426)	-	(49,743)	(447,683)	(49,743)
Long-term loan payable	15,150,000	-	150,000	15,000,000	180,000
Compensated absences payable	4,845,228	2,409,658	2,742,072	4,512,814	2,553,949
Total	$ 28,555,623	2,409,658	3,507,112	27,458,169	3,373,989

Bond Rating

The County has the highest credit ratings possible for a local government for its general obligation bonds: AAA from Moody's Investors Service, Inc., AAA from Standard and Poor's Corporation, and AAA from Fitch Investors Service. The Authority maintains an "A-" rating from Standard and Poor's for its revenue bond debt.

G. Commitments and Contingencies

Various claims and lawsuits may arise in the ordinary course of business. In the opinion of legal counsel, there are no significant cases, claims, or assessments of any nature against the Authority that are pending or threatened as of June 30, 2011.

The Authority is due revenue for rent and royalty payments related to the Federal Lands to Park program which was remitted in error to another local government, the District of Columbia. Litigation is in progress to recover these amounts plus interest with unknown probability of the timing of settlement.

H. Other Information

1. Retirement Plans

Plan Description

Employees of the Authority participate in the Fairfax County Employees' Retirement System (ERS), a cost-sharing multiple-employer defined benefit pension plan which covers full-time and certain part-time employees who are not covered by other plans of the County or the Virginia Retirement System. Benefit provisions are established and may be amended by County ordinances.

All benefits vest at five years of creditable service. To be eligible for normal retirement, an individual must meet the following criteria: (a) attain the age of 65 with five years of creditable service, or (b) attain the age of 50 with age plus years of creditable service being greater than or equal to 80. 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. Annual cost-of-living adjustments (COLA) are provided to retirees and beneficiaries equal to the lesser of 4.0% or the percentage increase in the Consumer Price Index for the Washington-Baltimore Metropolitan area. The plan provides that unused sick leave credit may be used in the calculation of average final compensation by projecting the final salary during the unused sick leave period. The benefit for early retirement is actuarially reduced and payable at early termination.

Effective July 1, 2005, a Deferred Retirement Option Program (DROP) was established for eligible members of the ERS. Members who are eligible for normal service retirement are eligible to participate in this program. DROP provides the ability for an employee to retire for purposes of the pension plan, while continuing to work and receive a salary for a period of three years. During the DROP period, the pension plan accumulates the accrued monthly benefit into an account balance identified as belonging to the member. The account balance is credited with interest in the amount of 5.0% 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.

Funding Policy

The contribution requirements of ERS members are established and may be amended by County ordinances. Members may elect to join Plan A or Plan B. Plan A requires member contributions of 4.0% of compensation up to the Social Security wage base and 5.33% of compensation in excess of the wage base. Plan B requires member contributions of 5.33% of compensation.

For fiscal year 2011, the County contributed a contractually fixed rate of 14.7% of annual covered payroll. This rate was established by the Board of Trustees of the Retirement System and approved by the County Board of Supervisors to cover the actuarially-determined normal cost plus administrative expenses of the ERS. In the event the ERS's funded ratio (the ratio of the actuarial value of assets to the actuarial accrued liability) exceeds 120% or falls below 90%, the contribution rate will be adjusted to bring the funded ratio back within these parameters.

Annual Pension Cost

For the fiscal years 2011, 2010 and 2009, the County contributed $2,422,781, $1,693,006, and $1,771,679 respectively, to the plan on behalf of the Authority.

Information concerning ERS as a whole, including annual pension cost, actual contributions and annual required contributions, is available in the County CAFR for the fiscal year ended June 30, 2011. Additionally, the ERS issues a publicly available annual financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Employees' Retirement System, 10680 Main Street, Suite 280, Fairfax, Virginia 22030, or by calling (703) 279-8200.

2. Risk Management

The Authority is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees and residents, and natural disasters. For all of these risks, the Authority participates in the County's insurance program which includes self-insurance and the purchase of certain commercial insurance policies, and reports its share of the program's costs. There were no claims settlements in excess of insurance coverage in any of the past three fiscal years. Information regarding the County's insurance program is available in the County CAFR for the fiscal year ended June 30, 2011.

3. Other Post-Employment Benefits (OPEB)

The Authority participates in the County's program to subsidize the health and other benefits of certain retirees and certain surviving spouses.

Beginning in fiscal year 2008, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 45, Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions. This statement establishes standards for measurement, recognition and reporting of post-employment benefits including health care, life insurance, and other non-pension benefits offered to retirees of the County. Historically, the County's subsidy was funded on a pay-as-you-go basis, however, GASB Statement No. 45 requires that the County recognize the cost of its retiree health subsidy and other post-employment benefits during the period of employees' active employment while the benefits are being earned. The unfunded actuarial accrued liability is required to be disclosed in order to accurately account for the total future cost of post-employment benefits and the financial impact on the County. This funding methodology mirrors the funding approach used for pension benefits. The legal authority to establish a trust fund to pre-fund OPEB was provided by the Virginia General Assembly and Governor in March 2007 and the County has accordingly established trust funds to fund the OPEB cost.

<u>Plan Description</u>

The Fairfax County OPEB Trust Fund is a single-employer defined benefit plan administered by Fairfax County. The County provides medical/dental, vision, and life insurance benefits to eligible retirees and their spouses. In order to participate, retirees must have reached the age of 55 or be on disability retirement and must have health benefit coverage in a plan provided by the County. Retirees must have five years of service in order to participate in this program. Beginning in fiscal year 2004, the amount of monthly subsidy provided by the County is based on years of service and ranges from $30 per month to $220 per month. Retirees receiving the subsidy prior to fiscal year 2004 are grandfathered at $100 per month unless their years of service entitle them to receive a higher monthly subsidy.

In addition, the Board of Supervisors has established a program to subsidize the continuation of term life insurance, at reduced coverage amounts, for retirees. Retirees generally pay for 50% of their coverage amounts at age-banded premium rates, with the County incurring the balance of the cost. Benefit provisions are established and may be amended by the Board of Supervisors.

Additional information regarding these programs is available in the County CAFR for the fiscal year ended June 30, 2011.

Funding Policy

The contributions to the OPEB Trust Fund are established and may be amended by the Board of Supervisors. The contributions are typically based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits. GASB Statement No. 45 requires recognition of the current expense of OPEB based on each governing body's annual required contribution, but does not require funding of the related liability.

Fairfax County is one of the founding participants in the Virginia Pooled OPEB Trust Fund sponsored by the Virginia Municipal League and the Virginia Association of Counties (VML/VACo). The Virginia Pooled OPEB Trust Fund is established as an investment vehicle for participating employers to accumulate assets to fund OPEB. Plan assets for purposes of GASB Statement No. 45 are usually in the form of stocks, bonds, and other classes of investments, that have been segregated and restricted in a trust, in which (a) contributions to the plan are irrevocable, (b) assets are dedicated to providing benefits to retirees and their beneficiaries, and (c) assets are legally protected from creditors of the employer or plan administrator, for the payment of benefits in accordance with the terms of the plan. Further information, including financial statements, can be obtained by writing to VML/VACo Finance Program, 1108 East Main Street, Richmond, Virginia 23219.

Annual OPEB Cost

The County's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, the net OPEB asset and the funding progress schedules can be found in the County CAFR for the fiscal year ended June 30, 2011.

4. On-behalf Payments

On-behalf payments for salaries and fringe benefits are direct payments made by one entity (the County) to a third-party recipient for the employees of another, legally separate entity (the Authority). On-behalf payments include salaries, pension plan contributions, employee health and life insurance premiums, and salary supplements. The County expended $28,387,836 in on-behalf payments for the Authority for fiscal year 2011. This amount consisted of $19,575,929 in salaries; $2,928,078 in health, life, catastrophic loss and unemployment insurance premiums; $2,147,545 in Federal Insurance Contributions Act (FICA); $2,422,781 in pension plan contributions; and $1,313,503 in liability insurance premium payments. The Authority is not required to reimburse the County for these payments, therefore, the Authority recognized revenues and expenditures for the amounts paid on behalf of the Authority by the County General Fund.

5. Related Parties

During fiscal year 2011, the Authority purchased, in the ordinary course of business, services from the County under a Memorandum of Understanding. These included office services, transportation, and communications. Also, a County-owned building serves as the Authority's administrative headquarters. No rent is charged to the Authority by the County.

I. New Accounting Pronouncements:

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54)*, establishes new categories for reporting fund balance and revises the definitions for governmental fund types. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2010. The Authority implemented this Statement in fiscal year 2011.

GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangement (GASB 60),* addresses how to account for and report service concession arrangements (SCAs), a type of public-private or public-partnership that state and local governments are increasingly entering into. The requirements for this Statement are effective for financial statements for periods after December 15, 2011. The Authority is currently evaluating the impact of GASB 60 for fiscal year 2012.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position (GASB 63),* provides financial reporting guidance outflows of resources and deferred inflows of resources. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011. The Authority is currently evaluating the impact of GASB 63 for fiscal year 2012.

GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions—an amendment of GASB Statement No. 53,* enhances comparability and improve financial reporting by clarifying the circumstances in which hedge accounting should continue when a swap counterparty, or a swap counterparty's credit provider, is replaced. The requirements for this Statement are effective for financial statements for periods beginning after June 15, 2011. The Authority is currently evaluating the impact of GASB 64 for fiscal year 2012.

Fairfax County Park Authority **RSI - 1**
A Component Unit of the County of Fairfax, Virginia
Budgetary Comparison Schedule - General Fund (Financed from County General Fund)
For the Fiscal Year June 30, 2011

		Budgeted Amounts		Actual Amounts	Variance from Final Budget
		Original	Final	(Budget Basis)	Positive (Negative)
REVENUES					
Charges for services	$	2,156,338	1,850,000	1,777,986	(72,014)
Intergovernmental		19,465,050	20,262,220	19,982,356	(279,864)
Total revenues		21,621,388	22,112,220	21,760,342	(351,878)
EXPENDITURES					
Administration		5,044,129	6,130,473	5,727,001	(403,472)
Maintenance		8,335,382	7,939,870	8,264,059	324,189
Other leisure services		4,027,464	4,027,464	3,619,772	(407,692)
Cultural enrichment		4,214,413	4,014,413	4,149,510	135,097
Total expenditures	$	21,621,388	22,112,220	21,760,342	(351,878)
Net change in fund balance		-	-	-	-

See accompanying notes to the required supplementary information

Fairfax County Park Authority **RSI - 2**
A Component Unit of the County of Fairfax, Virginia
Budgetary Comparison Schedule - Park Revenue Fund
For the Fiscal Year June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final	(Budget Basis)	Positive (Negative)
REVENUES				
Charges for services	$ 39,038,242	39,038,242	36,806,554	(2,231,688)
Revenue from the use of money and property	2,999,523	2,999,523	2,447,828	(551,695)
Gifts and donations	355,500	355,500	500,040	144,540
Other	248,549	248,549	195,998	(52,551)
Total revenues	42,641,814	42,641,814	39,950,420	(2,691,394)
EXPENDITURES				
Administration	2,770,050	2,770,050	2,120,009	650,041
Golf courses	9,959,029	9,959,029	9,177,767	781,262
Recreation centers	27,060,473	27,060,473	25,873,179	1,187,294
Cultural enrichment	2,024,449	2,024,449	1,825,748	198,701
Laurel Hill debt service	827,813	827,813	827,813	-
Total expenditures	42,641,814	42,641,814	39,824,516	2,817,298
Excess (deficiency) of revenues over (under) expenditures	-	-	125,904	125,904
OTHER FINANCING USES				
Transfers out	-	(800,000)	(800,000)	-
Total other financing uses	-	(800,000)	(800,000)	-
Net change in fund balance	$ -	(800,000)	(674,096)	125,904

See accompanying notes to the required supplementary information

Fairfax County Park Authority
A Component Unit of the County of Fairfax, Virginia
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2011

Budget Data

The Authority's budgets are formulated using the following procedures:

The Authority submits to the County Board of Supervisors proposed operating and capital budgets that have been approved by the Authority's Board for the forth-coming fiscal year.

The budgets are legally enacted through passage of an ordinance by the County Board of Supervisors, as part of the County's budget adoption process. The legal level of budgetary control is exercised at the fund level, and the administrative controls are exercised at the character level.

Annual operating budgets are adopted for all appropriated governmental funds, except for the capital projects funds in which budgetary control is achieved on a project-by-project basis. All unexpended appropriations lapse at year-end. The budgets are on a basis consistent with U.S. generally accepted accounting principles (GAAP) for all governmental funds with the following exceptions:

- Certain offsetting on-behalf payments made by the County General Fund are excluded from revenues and expenditures for budgetary purposes in the Financed from County General Fund.

- Debt service and capital outlays in the Financed from County General Fund and Park Revenue Fund are budgeted as functional expenditures.

The Lake Parks function is budgeted with the Maintenance function in the Financed from County General Fund and in the Recreation Centers function in the Park Revenue Fund.

The schedule below reconciles the amounts on the Budgetary Comparison Schedule - General Fund (Financed from the County General Fund) to the amounts on the Statement of Revenues, Expenditures and Changes in Fund Balances.

	General Fund (Financed from County General Fund)	Park Revenue Fund
Actual Revenue (Budget Basis)	$ 21,760,342	39,950,420
Perspective differences:		
Certain on-behalf payments made by County are not budgeted, as they are an expenditure of the County, but must be recorded as a revenue and expenditure by the Authority under U.S. GAAP	8,811,937	-
Actual Revenue (U.S. GAAP Basis)	30,572,279	39,950,420
Actual Expenditure (Budget Basis)	21,760,342	39,824,516
Perspective differences:		
Certain on-behalf payments made by County are not budgeted, as they are an expenditure of the County, but must be recorded as a revenue and expenditure by the Authority under U.S. GAAP	8,811,937	-
Actual Expenditure (U.S. GAAP Basis)	30,572,279	39,824,516
Other Financing Sources and Uses (Budget Basis)		(800,000)
Perspective differences:	-	-
Other Financing Sources and Uses (U.S. GAAP Basis)	$ -	(800,000)

LIST OF TABLES

The Statistical Section presents detailed information to enhance the understanding of the Authority's overall financial health. Ten years of data is shown for all tables.

Financial Trends

These schedules contain comparisons of financial statement information to assess the financial performance of the Authority since the implementation of Governmental Accounting Standards Board Statement Number 34 (GASB 34), *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, in fiscal year 2002.

Revenue Capacity

This schedule represents the Authority's primary own-source revenue.

Debt Capacity

This schedule provides information on the type of debt as well as outstanding debt ratios.

Demographic and Economic Information

These schedules provided additional insight into the environment in which the Authority operates.

Operating Information

These schedules are specific to the Authority and provide additional information about its operations.

Fairfax County Park Authority
Table 1 – Net Assets by Component
Fiscal Years 2002 to 2011
(accrual basis of accounting)

	Fiscal Year				
	2002	2003	2004	2005	2006
Governmental activities					
Invested in capital assets, net of related deb	$ 320,774,784	334,038,797	358,542,958	388,835,308	430,404,264
Restricted	2,375,370	16,284,142	23,913,727	23,154,898	12,045,269
Unrestricted	6,698,282	2,185,018	5,818,198	7,615,150	10,734,752
Total governmental activities net assets	$ 329,848,436	352,507,957	388,274,883	419,605,356	453,184,285

Fiscal Year 2007	2008	2009	2010	2011	
					Governmental activities
464,350,705	489,764,149	502,460,903	516,804,325	536,132,146	Invested in capital assets, net of related debt
978,340	19,219,940	15,954,951	9,381,937	5,952,792	Restricted
527,431	18,662,435	20,820,763	31,656,512	21,096,805	Unrestricted
465,856,476	527,646,524	539,236,617	557,842,774	563,181,743	Total governmental activities net assets

Fairfax County Park Authority
Table 2 – Changes in Net Assets
Fiscal Years 2002 to 2011
(accrual basis of accounting)

	Fiscal Year				
	2002	2003	2004	2005	2006
Expenses					
Governmental activities:					
Administration	$ 7,559,554	7,690,087	8,030,321	9,538,435	11,211,933
Maintenance	16,967,536	16,739,837	14,498,402	16,807,101	18,138,320
Golf courses	7,041,416	6,925,815	6,865,349	7,193,198	9,107,594
Recreation centers	16,158,103	16,629,903	17,373,627	19,028,313	21,915,161
Lake parks	3,907,277	4,191,917	4,178,222	4,300,738	4,660,063
Other leisure services	3,871,628	3,941,379	3,643,022	3,776,913	3,911,204
Cultural enrichment	6,171,645	6,366,322	6,895,722	7,434,966	7,635,598
Interest on long-term debt	1,174,170	1,015,441	1,461,405	1,389,455	1,264,380
Total governmental activities expenses	62,851,329	63,500,701	62,946,070	69,469,119	77,844,253
Program Revenues [1]					
Governmental activities:					
Charges for services					
Administration	875,590	1,295,506	894,113	910,676	929,850
Golf courses	8,861,250	7,419,644	7,985,064	7,702,364	9,741,161
Recreation centers	13,287,021	13,360,295	14,490,877	15,824,626	18,436,374
Lake parks	2,175,703	1,821,116	2,327,936	2,467,875	2,509,462
Other leisure services	2,731,160	2,731,734	2,588,265	2,455,045	2,459,922
Cultural enrichment	954,860	972,055	1,118,816	1,183,750	1,339,687
Capital grants and contributions	438,332	92,797	538,743	176,909	18,174,241
Total revenues	29,323,916	27,693,147	29,943,814	30,721,245	53,590,697
Net (expense)/revenue - governmental activities	(33,527,413)	(35,807,554)	(33,002,256)	(38,747,874)	(24,253,556)
General revenues and other changes in net assets					
Governmental activities:					
Intergovernmental	36,176,933	52,096,923	61,387,610	62,967,795	49,909,598
Investment earnings	373,872	199,323	280,882	502,119	877,972
Operating grants not restricted to specific programs	223,130	249,015	310,370	240,740	252,779
Capital contributions not restricted to specific programs	84,838,708	5,921,814	3,795,552	6,367,693	6,792,136
Total governmental general revenues and other changes	121,612,643	58,467,075	65,774,414	70,078,347	57,832,485
Changes in net assets					
Changes in net assets - governmental activities	88,085,230	22,659,521	32,772,158	31,330,473	33,578,929
Change in accounting principle [2]	-	-	2,994,768	-	-
Total changes in net assets [3]	$ 88,085,230	22,659,521	35,766,926	31,330,473	33,578,929

1) Beginning in fiscal year 2009, bond proceeds are reclassified from Intergovernmental to Program Revenue.
2) Developer contributions are recognized as revenue rather than deferred revenue.
3) Change in net assets - governmental activities, adjusted for change in accounting principle.

Fiscal Year 2007	2008	2009	2010	2011	
					Expenses
					Governmental activities:
11,414,098	11,482,214	9,803,152	19,314,041	10,640,173	Administration
21,758,038	20,623,520	20,206,716	19,708,858	20,216,277	Maintenance
9,650,140	10,374,460	9,975,192	9,975,330	10,275,083	Golf courses
22,827,112	24,168,081	25,407,033	25,355,723	26,077,168	Recreation centers
5,039,904	5,133,721	5,917,656	5,710,227	5,897,252	Lake parks
3,953,144	4,770,382	5,947,812	5,555,311	5,272,258	Other leisure services
8,211,081	8,703,530	8,681,949	8,314,760	8,901,308	Cultural enrichment
1,245,703	1,223,710	1,199,491	1,172,693	1,149,364	Interest on long-term debt
84,099,220	86,479,618	87,139,001	95,106,943	88,428,883	**Total governmental activities expenses**
					Program Revenues [1)]
					Governmental activities:
					Charges for services
974,363	970,548	1,124,180	1,196,644	1,161,779	Administration
10,570,312	11,145,594	10,278,410	10,115,276	9,663,300	Golf courses
20,022,204	21,070,108	21,836,617	22,529,812	23,642,808	Recreation centers
2,731,405	2,670,412	2,778,658	2,919,675	2,787,336	Lake parks
2,277,754	2,312,751	2,217,356	1,849,597	1,733,561	Other leisure services
1,488,450	1,746,385	1,803,191	1,831,330	2,004,871	Cultural enrichment
3,758,445	23,060,953	19,790,204	27,036,755	13,182,612	Capital grants and contributions
41,822,933	62,976,751	59,828,616	67,479,089	54,176,267	**Total revenues**
(42,276,287)	(23,502,867)	(27,310,385)	(27,627,854)	(34,252,616)	**Net (expense)/revenue - governmental activities**
					General revenues and other changes in net assets
					Governmental activities:
50,645,885	70,820,769	36,617,597	34,595,632	36,385,759	Intergovernmental
1,197,458	1,326,509	553,207	244,589	170,585	Investment earnings
295,228	449,743	305,698	774,041	500,040	Operating grants not restricted to specific programs
2,809,907	12,695,894	1,423,976	10,619,749	2,512,676	Capital contributions not restricted to specific programs
54,948,478	85,292,915	38,900,478	46,234,011	39,569,060	**Total governmental general revenues and other changes**
					Changes in net assets
12,672,191	61,790,048	11,590,093	18,606,157	5,316,444	Changes in net assets - governmental activities
-	-	-	-	-	Change in accounting principle [2)]
12,672,191	61,790,048	11,590,093	18,606,157	5,316,444	**Total changes in net assets** [3)]

Fairfax County Park Authority
Table 3 – Fund Balances, Governmental Funds
Fiscal Years 2002 to 2011
(modified accrual basis of accounting)

	Fiscal Year				
	2002	**2003**	**2004**	**2005**	**2006**
General Fund					
Reserved	$ -	-	13,000	19,400	248,620
Unreserved	-	-	(13,000)	(19,400)	(248,620)
Total General Fund*	-	-	-	-	-
All other governmental funds					
Reserved	8,065,799	35,997,584	36,518,580	29,047,387	13,934,639
Unreserved, reported in:					
Revenue fund	(1,266,005)	(1,725,783)	(183,342)	(701,001)	(12,577)
Capital projects funds	7,296,461	4,701,582	11,822,825	12,290,914	14,866,903
Total unreserved	6,030,456	2,975,799	11,639,483	11,589,913	14,854,326
Restricted, reported in:					
Revenue fund	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Committed, reported in:					
Capital projects funds	-	-	-	-	-
Assigned, reported in					
Revenue fund	-	-	-	-	-
Total all other governmental Funds	$ 14,096,255	38,973,383	48,158,063	40,637,300	28,788,965

* The Authority's General Fund is financed through the County General Fund and therefore has no fund balance of its own other than that arising from encumbrances existing at year end.

** Fiscal year 2011 fund balance classifications have been revised due to the implementation of the GASB 54, Fund

Fiscal Year					
2007	2008	2009	2010	2011**	
					General Fund
431,780	344,650	472,434	425,498	-	Reserved
(431,780)	(344,650)	(472,434)	(425,498)	-	Unreserved
-	-	-	-	-	Total General Fund*
					All Other Governmental Funds
11,643,276	13,648,497	9,983,561	10,381,385	-	Reserved
					Unreserved, reported in:
1,254,818	1,527,514	2,539,977	3,913,936	-	Revenue fund
(4,756,425)	28,803,445	28,932,752	31,492,071	-	Capital projects funds
(3,501,607)	30,330,959	31,472,729	35,406,007	-	Total unreserved
					Restricted, reported in:
-	-	-	-	1,944,916	Revenue fund
-	-	-	-	14,163,670	Capital projects funds
					Committed, reported in:
-	-	-	-	14,079,770	Capital projects funds
					Assigned, reported in:
-	-	-	-	3,227,970	Revenue fund
8,141,669	43,979,456	41,456,290	45,787,392	33,416,326	Total All Other Governmental Funds

Fairfax County Park Authority
Table 4 – Changes in Fund Balances, Governmental Funds
Fiscal Years 2002 to 2011
(modified accrual basis of accounting)

	Fiscal Year				
	2002	2003	2004	2005	2006
Revenues					
Intergovernmental	$ 36,183,933	52,111,392	61,394,170	63,089,067	50,514,710
Charges for services	26,635,411	25,653,315	27,752,238	28,418,775	32,821,560
property	2,554,027	2,726,137	3,047,333	2,801,446	3,740,902
Gifts, donations, and contributions	703,740	349,057	1,443,189	1,147,570	2,798,695
Other	650,102	120,149	169,596	167,895	227,946
Total revenues	66,727,213	80,960,050	93,806,526	95,624,753	90,103,813
Expenditures					
Administration	7,393,791	7,529,145	7,809,251	9,312,026	10,191,093
Maintenance	15,005,291	14,759,116	12,714,841	15,131,859	16,274,370
Golf courses	6,037,544	5,911,791	5,907,797	6,229,441	8,140,515
Recreation centers	14,027,954	14,384,581	15,016,704	16,645,855	19,066,139
Lake parks	3,629,316	3,915,469	3,864,839	3,998,455	4,366,191
Other leisure services	3,180,401	3,145,226	2,900,400	3,045,694	3,197,775
Cultural enrichment	6,023,153	6,219,445	6,610,664	7,161,910	7,375,336
Intergovernmental expense	-	-	-	-	779,250
Capital outlay	14,341,180	12,434,873	31,081,752	24,829,641	30,802,096
Debt service					
Principal	330,000	2,729,691	530,000	15,493,364	570,000
Interest and other charges	1,157,876	583,585	1,180,366	1,297,271	1,189,383
Total expenditures	71,126,506	71,612,922	87,616,614	103,145,516	101,952,148
Excess of revenues over (under) expenditures	(4,399,293)	9,347,128	6,189,912	(7,520,763)	(11,848,335)
Other financing sources (uses)					
Refunding bonds issued	12,915,870	-	-	-	-
Payments to escrow agent	(12,615,112)	-	-	-	-
Revenue notes issued	16,064,972	16,667,431	14,735,928	14,938,364	-
Retirement of revenue notes	(16,064,972)	(16,667,431)	(14,735,928)	(14,938,364)	-
Loan/note proceeds	-	15,530,000	-	-	-
Transfers in	1,379,575	3,163,217	-	900,000	210,000
Transfers out	(1,379,575)	(3,163,217)	-	(900,000)	(210,000)
Total other financing sources (uses)	300,758	15,530,000	-	-	-
Net change in fund balances	(4,098,535)	24,877,128	6,189,912	(7,520,763)	(11,848,335)
Change in accounting principle	-	-	2,994,768	-	-
Net change in fund balances - adjusted for change in accounting principle	$ (4,098,535)	24,877,128	9,184,680	(7,520,763)	(11,848,335)
Debt service as a percentage of noncapital expenditures	2.62%	5.60%	3.03%	2.78% [1)]	2.47%

[1)] FY 2005 excludes the $15,029,231 Hunter Tract note repayment made with County funds.

Fiscal Year 2007	2008	2009	2010	2011	
					Revenues
53,073,848	92,858,040	54,283,968	46,768,880	47,589,052	Intergovernmental
35,310,324	37,191,830	37,495,388	37,895,041	38,540,752	Charges for services
6,058,235	4,720,392	4,138,535	13,368,009	3,549,584	Revenue from the use of money and property
1,524,948	3,300,870	1,816,401	902,634	2,384,049	Gifts, donations, and contributions
387,613	540,469	399,241	187,972	195,998	Other
96,354,968	138,611,601	98,133,533	99,122,536	92,259,435	**Total revenues**
					Expenditures
11,175,200	11,447,592	9,485,448	9,048,363	9,600,475	Administration
19,859,760	18,845,826	18,315,522	17,649,492	18,218,165	Maintenance
8,768,528	9,227,839	8,743,520	8,684,674	9,083,552	Golf courses
19,884,029	21,345,702	22,557,675	22,362,952	23,272,013	Recreation centers
4,712,584	4,842,784	5,434,110	5,037,360	5,231,393	Lake parks
2,865,793	3,542,622	3,983,664	3,247,056	2,526,452	Other leisure services
7,946,946	8,119,749	8,071,343	7,594,822	8,230,365	Cultural enrichment
-	-	-	-	-	Intergovernmental expense
39,958,236	23,566,657	22,213,709	19,290,945	26,572,982	Capital outlay
					Debt service
660,000	685,000	725,000	775,000	820,000	Principal
1,171,188	1,150,043	1,126,708	1,100,770	1,072,104	Interest and other charges
117,002,264	102,773,814	100,656,699	94,791,434	104,627,501	**Total expenditures**
(20,647,296)	35,837,787	(2,523,166)	4,331,102	(12,368,066)	**Excess of revenues over (under) expenditures**
					Other financing sources (uses)
-	-	-	-	-	Refunding bonds issued
-	-	-	-	-	Payments to escrow agent
-	-	-	-	-	Revenue notes issued
-	-	-	-	-	Retirement of revenue notes
-	-	-	-	-	Loan/note proceeds
-	800,000	-	160,000	800,000	Transfers in
-	(800,000)	-	(160,000)	(800,000)	Transfers out
-	-	-	-	-	**Total other financing sources (uses)**
(20,647,296)	35,837,787	(2,523,166)	4,331,102	(12,368,066)	Net change in fund balances
-	-	-	-	-	Change in accounting principle
(20,647,296)	35,837,787	(2,523,166)	4,331,102	(12,368,066)	Net change in fund balances - adjusted for change in accounting principle
2.38%	2.32%	2.36%	2.48%	2.42%	Debt service as a percentage of noncapital expenditures

Fairfax County Park Authority
Table 5 - User Fee Revenue by Source, Park Revenue Fund
Fiscal Years 2002 to 2011
(modified accrual basis of accounting)

Fiscal Year	Admissions	Classes/Lessons	Golf Fees	Sales	Rentals	Total
2002	8,433,954	9,811,767	6,207,354	1,323,272	829,807	26,606,154
2003	7,958,805	10,045,139	5,136,800	1,139,058	889,119	25,168,921
2004	8,829,491	10,445,791	5,772,456	1,286,693	901,351	27,235,782
2005	9,452,280	11,020,133	5,545,293	1,426,536	946,236	28,390,478
2006	11,305,323	11,902,575	6,921,119	1,512,002	1,172,445	32,813,464
2007	11,756,973	13,190,327	7,621,269	1,633,530	1,173,774	35,375,873
2008	12,776,087	13,910,878	7,954,964	1,789,830	3,480,006	39,911,765
2009	12,985,816	14,139,145	7,248,308	1,763,024	3,449,932	39,586,225
2010	13,400,561	14,239,873	7,078,965	1,683,163	3,611,887	40,014,449
2011	13,625,076	15,099,789	6,639,157	1,687,540	3,552,361	40,603,923

Fairfax County Park Authority
Table 6 - Outstanding Debt by Type
Fiscal Years 2002 to 2011

Fiscal Year End	Revenue Bonds(1)	Notes Payable County/ISS(1)	Notes Payable County/EDA(1)	Total	Percentage of Personal Income (2)	Debt Per Capita (2)
2002	13,735,000	16,064,972	-	29,799,972	0.06	30
2003	13,230,000	14,442,740	15,530,000	43,202,740	0.08	43
2004	12,700,000	14,735,928	15,530,000	42,965,928	0.08	42
2005	12,145,000	-	15,530,000	27,675,000	0.05	27
2006	11,575,000	-	15,530,000	27,105,000	0.04	26
2007	10,990,000	-	15,455,000	26,445,000	0.04	25
2008	10,385,000	-	15,375,000	25,760,000	0.04	25
2009	9,760,000	-	15,275,000	25,035,000	0.03	24
2010	9,110,000	-	15,150,000	24,260,000	0.03	23
2010	8,440,000	-	15,000,000	23,440,000	0.03	22

Notes:

(1) Details of the Authority's outstanding debt are located in the notes to the financial statements

(2) Per capita personal income for Fairfax County was used to calculate Percentage of Personal Income ratio and the Population of Fairfax County was used to calculate Debt Per Capita ratio. See Table 7.

The Estimated Population and Per Capita Personal Income numbers for 2000-2007 were revised based on actual data versus an estimation from the prior year. The 2011 numbers were calculated based on the 2010 population and income data in Table 7.

County of Fairfax, Virginia
Table 7 - Demographic and Economic Statistics
Fiscal Years 2001 to 2010

Calendar Year	Estimated Population(1)	Personal Income (2) (000s)	Per Capita Personal Income(2)	Median Age(3)	Higher Degree and 25 Years of Age or Older % (3)	School Enrollment(4)	Unemployment Rates(5)
2001	984,366	51,126,001	51,938	36.4	56.2	158,331	2.5
2002	1,004,435	52,744,891	52,512	37.3	55.9	161,385	3.4
2003	1,012,090	54,771,275	54,117	37.9	56.3	163,386	3.1
2004	1,022,298	58,830,183	57,547	37.6	57.4	164,195	2.7
2005	1,033,646	63,917,568	61,837	38.1	58.5	164,408	2.5
2006	1,037,311	67,111,947	64,698	38.4	58.7	164,284	2.2
2007	1,041,507	70,500,650	67,691	39.1	59.0	164,486	2.2
2008	1,050,315	74,385,409	70,822	39.4	58.5	166,307	3.4
2009	1,074,227	77,325,008	71,982	37.3	58.1	169,538	5.2
2010	1,081,726	72,577,324	67,094	37.5	56.1	172,391	4.9

Notes:

(1) Population data is obtained from the Fairfax County Department of Systems Management for Human Services.

(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 Fairfax County, alone, 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 2009 has been updated to reflect actual reported figures, while 2010 has been estimated using percent change in her capita personal income from 2008 to 2009.

(3) Median age and educational attainment information are obtained from the U.S. Census Bureau's American Community Survey.

(4) Public school enrollment is obtained from Fairfax County Public Schools.

(5) Unemployment rates are obtained from the Virginia Employment Commission, Annual Unemployment Statistics for the calendar year, not seasonally adjusted. The previously reported estimated figures for the most recent prior year have been updated to reflect the final reported figures from the Commission.

County of Fairfax, Virginia
Table 8 - Principal Employers
Current Year and Nine Years Ago

Fiscal Year 2011 (1)				Fiscal Year 2002 (1)			
Rank	Employer	Number of Employees (2)	Pct. of Total County Employment (3)	Rank	Employer	Number of Employees (2)	Pct. of Total County Employment (3)
1	Fairfax County Public Schools	22,939	3.98 %	1	Fairfax County Public Schools	20,510	3.82 %
2	Federal Government	22,648	3.93 %	3	Federal Government	11,142	2.08 %
3	Fairfax County Government	11,871	2.06 %	2	Fairfax County Government	11,385	2.12 %
4	Booz-Allen Hamilton	7,000-10,000	1.47 %	4	Inova Health System	9,000-10,000	1.77 %
5	Inova Health System	7,000-10,000	1.47 %	5	Science Applications International	5,000-6,000	1.02 %
6	Science Applications International	4,000-6,999	0.95 %	6	Booz-Allen & Hamilton, Inc.	4,000-5,000	0.84 %
7	Federal Home Loan Mortgage	4,000-6,999	0.95 %	7	Lockheed Martin Corporation	3,000-4,000	0.65 %
8	George Mason University	4,000-6,999	0.95 %	8	American Management Systems, Inc.	3,000-4,000	0.65 %
9	Northrup Grumman	4,000-6,999	0.95 %	9	Raytheon Company	3,000-4,000	0.65 %
10	The Mitre Corp	1,000-3,999	0.43 %	10	Northrup Grumman	3,000-4,000	0.65 %
Totals			17.16 %				14.26 %

Source: Fairfax County Economic Development Authority (using Virginia Employment Commission data), Fairfax County Public Schools, Fairfax County Department of Management and Budget

Notes:

(1) Employment information for fiscal year 2011, excluding data for Fairfax County Government and Fairfax County Public Schools, is from the 1st quarter of calendar year 2011 VEC, which represents the most recent data available. Employment information for fiscal year 2002 is from third quarter 2001 through second quarter 2002, corresponding to the actual County fiscal year, except for Federal Government employment, which uses the VEC's annually reported figure.

(2) Employment estimates for separate facilities of the same firm have been combined to create company totals. Employment ranges for the private sector are given to ensure confidentiality.

(3) Percentages are based on the midpoint of the employment range. Average total County employment for fiscal year 2011 is estimated at 576,746, based on VEC's reported monthly employment for July 2010 through June 2011. Average total County employment for fiscal year 2002 was estimated at 536,871 according to the same VEC approach.

Fairfax County Park Authority
Table 9 - Full-Time Equivalent Employees, by Division
Fiscal Years 2002 to 2011

Fiscal Year	Administration	Resource Management	Park Operations	Park Services	Planning and Development	Total
2002	56	102	183	217	31	589
2003	56	98	186	216	32	588
2004	56	92	183	232	33	596
2005	55	96	183	247	33	614
2006	58	96	183	244	33	614
2007	63	95	183	240	34	615
2008	64	97	183	240	34	618
2009	62	98	184	244	32	620
2010	62	88	175	244	31	600
2011	60	103	168	240	34	605

*Source: Fairfax County Department of Management and Budget.

Fairfax County Park Authority
Table 10 - Park Amenities
Fiscal Years 2002 to 2011

	Fiscal Year									
Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Parks, Recreation and Cultural										
Park Acreage	22,621	22,644	22,987	23,517	23,677	23,977	24,149	22,600*	22524**	22,894
Parks, Recreation and Cultural	388	388	388	397	415	417	421	417	415	418
Athletic Fields	295	274	274	275	288	288	289	289	284	273
Aquatic & Fitness Center	8	8	8	9	9	9	9	9	9	9
Dog Parks	4	5	5	5	7	7	7	7	7	7
Historic Sites	60	60	65	65	64	64	64	67	67	68
Hiking & Fitness Trails (in miles)	204	204	204	204	292	297	299	312	314	317
Indoor Gymnasiums	2	2	2	2	2	2	2	2	2	2
Indoor Ice Rinks	1	1	1	1	1	1	1	1	1	1
Marinas	3	3	3	3	3	3	3	3	3	3
Miniature Golf Course	4	5	5	5	5	5	5	5	5	5
Multi-Use Courts	143	119	118	119	132	132	132	132	132	132
Nature Areas	7	7	7	7	7	7	7	7	7	7
Outdoor Swimming Pools	1	1	1	1	1	1	1	1	1	1
Outdoor Volleyball Courts	11	11	11	11	13	13	13	13	13	13
Picnic Shelters	21	33	36	36	31	31	31	31	38	40
Playgrounds	201	201	205	205	194	194	201	201	201	204
Regulation Golf Courses	8	8	8	8	8	9	9	9	9	9
BMX/Skateparks	0	0	1	1	1	1	1	1	1	1
Tennis & Raquetball Courts	222	222	223	225	229	229	229	229	229	229
Waterparks	1	1	1	1	1	1	1	1	1	1

*Total acreage was reduced in Fiscal Years 2009 to reconcile to the Grantor's Index / Parks to Parcels.
**Reduction due to outsale of Vulcan (115 acres); partially offset with the acquisition of 39 aces, resulting in a net reduction of (76) acres.

Fairfax County Park Authority
Table 11 - Additional Facts
Fiscal Years 2002 to 2011

Fiscal Year	Acres of Park Land Acquired, Dedicated, or Proffered During the Year	Cumulative Acres of Park Land Acquired, Dedicated, or Proffered	Recreation Center Attendance	Golf Course Rounds	Visits to Natural, Cultural, Historic, and Interpretive Sites	Maintainable Linear Feet of Trail	Number of Park Athletic Fields Maintained
2002	2,558	22,621	1,514,138	375,711	418,561	1,098,538	295
2003	23	22,644	1,532,537	285,392	459,828	1,067,485	274
2004	343	22,987	1,582,774	321,381	469,774	1,076,294	274
2005	530	23,517	1,658,377	296,750	479,533	1,077,194	275
2006	160	23,677	1,775,980	319,595	574,127	1,114,182	289
2007	300	23,977	1,773,319	318,117	526,975	1,568,160	285
2008	172	24,149	1,778,914	322,175	566,815	1,578,720	289
2009	114	22,600*	1,847,391	298,631	606,411	1,647,360	289
2010	(76)**	22,524	1,868,390	289,384	616,441	1,657,920	284
2011	370	22,894	1,988,830	281,930	723,351	1,673,971	273

*Total acreage was reduced in Fiscal Year 2009 to reconcile to the Grantor's Index / Parks to Parcels.
**Reduction due to outsale of Vulcan (115 acres); partially offset with the acquisition of 39 aces, resulting in a net reduction of (76) acres.