Fairfax County Park Authority

Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2008

A Component Unit of the
County of Fairfax Virginia

Park Authority Mission:

To set aside public spaces for, and assist citizens in, the protection and enhancement of environmental values, diversity of natural habitats and cultural heritage to guarantee that these resources will be available to both present and future generations; to create and sustain quality facilities and services that offer citizens opportunities for recreation, improvement of their physical and mental well-being, and enhancement of their quality of life.

Park Authority Values

Enhancing Stewardship: We are stewards for a wonderfully rich community trust of natural and cultural resources. We will provide leadership to expand awareness, appreciation and protection of this heritage.

Fostering Diversity: We embrace the diversity of our community and seek to provide every resident with a wide variety of park experiences and recreational opportunities.

Developing Partnerships: We believe seeking and maintaining active partnerships with neighborhood and community organizations and individuals are essential to becoming a vital and treasured component of the communities we serve.

Providing Quality and Value: We are committed to providing high quality facilities and services that offer superior value and prompt efficient service to our customers and the community.

Communicating Effectively: We strive for productive two-way communication with residents and our staff to allow all to participate fully in creating quality parks and services.

Valuing Our Workforce: We believe our paid and volunteer staff is the key ingredient to our success and commit to creating a participative, team-oriented organization including career development opportunities and meaningful recognition.

Demonstrating Fiscal Responsibility: We are committed to building and preserving a park system that meets the community's needs in a cost effective, fiscally responsible manner.

FAIRFAX COUNTY PARK AUTHORITY
A Component Unit of the County of Fairfax, Virginia

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2008

ADMINISTRATION DIVISION
Financial Management Branch
12055 Government Center Parkway, Suite 927
Fairfax, Virginia 22035
(703) 324-8700, TTY (703) 803-3354
www.fairfaxcounty.gov/parks

Fairfax County Park Authority
Comprehensive Annual Financial Report
For the Year Ended June 30, 2008

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FAIRFAX COUNTY PARK AUTHORITY
12055 Government Center Parkway, Suite 927
Fairfax, VA 22035-1118

November 20, 2008

Honorable Chairman and 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, 2008 which is prepared in conformity with accounting principles generally accepted in the United States of America. 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 year ended June 30, 2008.

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: Financed from County General Fund, Park Revenue Fund, Financed from 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 the 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 over 24,000 acres of land, with 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 fiscal year 2008, all funds, total 618 which includes 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, up to 2,000 limited term and seasonal staff, and numerous volunteers contributing nearly 200,000 hours annually, provide a myriad of direct and support services.

<u>Local Economy</u>

Fairfax County is the most populous jurisdiction in both Virginia and the Washington metropolitan with its population exceeding that of seven states. The U.S. Department of Labor notes the County has become the economic center of the Washington area, generating high-paying professional and management jobs at a substantially higher rate than the rest of the region and the country. Northern Virginia now represents nearly half of the Washington area economy. Based on median household income data from the 2006 census, Fairfax County was rated number one by *Forbes Magazine* in its *2008 List of the Richest Counties in America* with its median household income of $100,318. Although the county's median household income rose 4.9% to $105,241 in 2007, it fell slightly behind rapidly growing neighboring Loudoun County which reported a median household income of $107,207. Washington area jurisdictions account for half of the 20 wealthiest U.S. counties on the Forbes list. *Money Magazine*, in its August 2008 issue, listed four Fairfax County locations among its 100 *Best Places to Live*. Sought-after attributes of communities cited were plentiful jobs, excellent schools, and a wide range of housing opportunities. Additional criteria were educational opportunities, quality of life, weather, and leisure and culture. In the article, Burke ranked 31st out of the 100 *Best Placed to Live* where proximity to the Authority's Burke Lake Park was cited as one of the reasons it was chosen.

Presently, the local economy of the County is experiencing a downward turn due to the large inventory of foreclosures resulting in loss of tax revenues. Although the number of homes sold within the past few months exceeded that of a year ago, home values are still declining. The trend is expected to continue through 2010 due to the timing of the majority of mortgage rate resets. Job growth, however, remains the key indicator in the County's economic performance. Although the unemployment rate rose in July 2008 to 3.2%, it still compared favorably to the national average unemployment rate of 5.5%.

The Fairfax County area is considered a world-class center of commerce and trade and is also the technology hub of the east coast. The County remains one of the most desirable places to live and work in the country due to its abundance of jobs, excellent school system, cultural amenities, nationally recognized award winning park system, and a well-educated and highly skilled populace.

<u>Long-Term Planning</u>

In fiscal year 2006, the Authority adopted its 2006-2010 Strategic Plan developed using the Balanced Scorecard approach. The agency has identified strategic objectives for achieving its overarching strategic goals of improving the quality of life for all residents while remaining financially responsible.

In January 2008, Fairfax County sold $234.5 million in AAA-rated tax-free general obligation bonds. Of this, the Authority received $53.6 million (22.9%) of the proceeds. This bond sale continues 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. Also in fiscal year 2008, a $65 million bond referendum was approved.

Major Initiatives

The Authority is pursuing accreditation through the National Recreation and Park Association (NRPA) to become a Commission for Accreditation of Park and Recreation Agencies (CAPRA) accredited agency. CAPRA is the only national accreditation of park and recreation agencies and is a valuable measure of an agency's overall quality of operation, management, and service to the community. Receipt of this prestigious award will provide assurance and validation to the County residents of a well-administered park system, which is held accountable to the public and ensures responsiveness to their needs.

Additionally, the Authority is submitting its CAFR to the Government Finance Officers Association of the United States and Canada (GFOA) as application for its Certificate of Achievement for Excellence in Financial Reporting. In order to receive the award, a governmental unit must publish an easily readable and efficiently organized CAFR which satisfies both generally accepted accounting principles and applicable legal requirements. This prestigious national award recognizes conformance with the highest standards for preparation of state and local government financial reports.

Financial Management

As a component unit of Fairfax County, the Authority adheres to the same financial policies 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, biweekly. Investment policies are thoroughly reviewed on a quarterly basis.

Budgetary and Accounting Controls

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 and controlled at the fund, department, and character 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 the accounting principles generally accepted in the United States of America 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, since the Authority is a recipient of federal, state and local financial assistance, it 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.

Revenue declines associated with real estate and financial markets, compounded by the rising costs of fuel and goods have created budget challenges for the Fairfax County government. To address these challenges, a Lines of Business (LOBs) process began for all County agencies and the Authority in September 2007. This analysis of programs and services will be utilized as a tool to identify opportunities to make modification, reduction, or elimination of programs on a selected basis. Budgetary reductions will be faced county-wide for fiscal year 2009 and during the planning for the fiscal year 2010 budget.

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 the following ratings: 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.

Awards

The Park Authority was recognized for its well-maintained and managed parks and for its professional excellence in other areas. The American Academy of Park and Recreation Administration has twice (1983 and 2002) awarded the highly coveted National Gold Medal Award, to the Fairfax County Park Authority, recognizing excellence in the field of parks and recreation management. This award can be re-applied for every five years. There have been numerous other awards received by the Authority during the fiscal year from organizations such as the Virginia Recreation and Parks Society.

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. We also wish to express our appreciation to the Chairman and Park Authority Board for their support in the professional management of the Park Authority's finances. We further express appreciation to the Park Authority Board, County Executive and County Board of Supervisors for supporting the Park Authority mission.

Respectfully submitted,

John W. Dargle, Jr.	Cindy Messinger	Miriam C. Morrison
Director	Deputy Director	Chief Financial Officer

FAIRFAX COUNTY PARK AUTHORITY
A Component Unit of the County of Fairfax, Virginia
As of June 30, 2008

Board Members

Harold L. Strickland, Chairman	Sully District
William G. Bouie, Vice Chairman	Hunter Mill District
Harrison A. Glasgow, Secretary	Member-at-Large
Frank S. Vajda, Treasurer	Mason District
Edward R. Batten, Sr.	Lee District
Kevin J. Fay	Dranesville District
George E. Lovelace	Member-at-Large
Gilbert S. McCutcheon	Mt. Vernon District
Harold Y. Pyon	Springfield District
Ken Quincy	Providence District
Marie Reinsdorf	Member-at Large
Winifred S. Shapiro	Braddock District

Director
John W. Dargle, Jr.

Deputy Director, Chief Operating Officer
Cindy E. Messinger

Administration Division
Miriam C. Morrison, Director,
Chief Financial Officer

Park Operations Division
James T. Johnson, Director

Planning and Development Division
David R. Bowden, Director

Park Services Division
Charles Bittenbring, Director

Resource Management Division
Cindy E. Walsh, Acting Director

ORGANIZATION OF
FAIRFAX COUNTY PARK AUTHORITY

Park Authority Board

Director

Park Foundation Executive Director

- Park Philanthropy
- Comprehensive Fundraising Program Management
- Park Foundation Budget Coordination
- Foundation Activities Coordination
- Grant Research and Development
- Grant Program Monitoring

Public Information Officer

- Media Relations
- Agency Spokesperson
- Community Relations
- Annual Report
- Park Authority Website
- Freedom of Information Act Compliance

Strategic Initiatives And Policy Development

- Board Governance Support
- Strategic Planning
- Policy Coordinator
- Project Management
- Leadership Agenda Coordinator
- Agency Accreditation

Chief Operating Officer

Administration Division

- Financial Management
- Purchasing
- Budget Development
- Financial Planning and Analysis
- Asset Management
- Audits
- Human Capital Development and Services
- Information Technology
- Enterprise Fund Initiative and Net Revenue Initiative Program

Park Operations Division

- Facility and Equipment Support
- Grounds Maintenance
- Turf Management
- Athletic Field Maintenance
- Contract Management
- Mastenbrook Grant Program Management

Park Services Division

- RECenter Operations
- Lake Front Operations
- Golf Operations
- Programs, RECenter, Schools
- Youth Programs and Camps
- Events, Summer Concerts
- Community Connections
- ADA/Inclusion
- Marketing Research & Planning
- Business Office
- Production Services

Resource Management Division

- Site Operations
- Volunteer Interpretation and Program Services
- Business Support
- Cultural Resource Protection
- Natural Resources

Planning and Development Division

- Property Management
- Site Specific Planning
- Long Range Planning
- Land Acquisition and Management
- Project Management
- Project Design
- Administrative Support
- Special Projects

This report was prepared by:

COUNTY OF FAIRFAX, VIRGINIA
PARK AUTHORITY

FINANCIAL MANAGEMENT BRANCH

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Seema Ajrawat, Fiscal Administrator

CAFR PROJECT TEAM

Marcia Smeenk, CPA, Financial Reporting
Dolores Claytor, Audit, Policies & Procedures
Shashi Dua, Revenue
Susan Tavallai, Budget
Melinda Samimi, Accounts Payable
Hong Li, Capital Projects
Hao Nguyen, System Support

A special thanks to Joanne Kearney for designing the cover.

KPMG LLP
2001 M Street, NW
Washington, DC 20036

Independent Auditor's 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, 2008, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express opinions on these 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 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 financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 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, 2008, and the respective changes in financial position for the year then ended in conformity with U.S. generally accepted accounting principles.

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 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are 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

November 12, 2008

KPMG LLP, a U.S. limited liability partnership, is the U.S. member firm of KPMG International, a Swiss cooperative.

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, 2008

I. INTRODUCTION

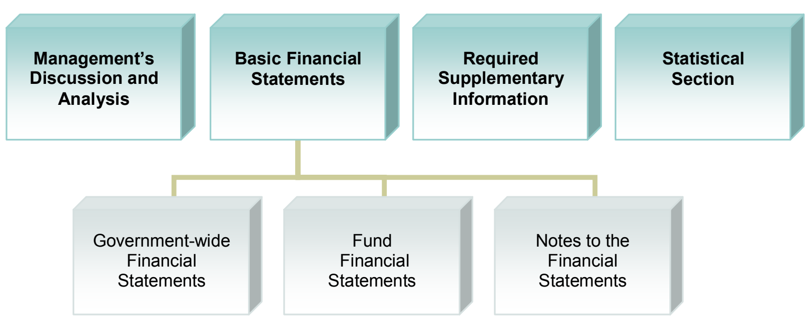
This section of the Fairfax County Park Authority's (the Authority) Comprehensive Annual Financial Report (CAFR) presents a discussion and analysis of the Authority's financial performance during the fiscal year ended June 30, 2008. The intent of this discussion and analysis is to give perspective on the Authority's fiscal year 2008 financial performance as a whole.

The Management's Discussion and Analysis (MD&A) presents information that will help the reader to ascertain and understand the reasons for changes in expenses, revenues, and net assets for the fiscal year ended June 30, 2008 and includes a comparative analysis for the fiscal year ended June 30, 2007.

II. OVERVIEW OF THE FINANCIAL STATEMENTS

The CAFR consists of four parts: Management's Discussion and Analysis, Basic Financial Statements and Notes to those statements, Required Supplementary Information, and a Statistical Section. The 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 17-18 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 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 17 of this report.

The ***Statement of Activities*** presents information showing how the Authority's net assets changed during the most recent 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 this statement for some items that will only result in cash flows in future fiscal periods. The Statement of Activities can be found on page 18 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 19-22 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 Financial Statements

The notes to the financial statements can be found on pages 23-39 of this report.

The notes to the 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 $527.6 million. Of this amount, $18.7 million is unrestricted, $18.4 million is restricted for capital projects, $0.1 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 $44.0 million, an increase of $35.8 million in comparison with the prior year. During fiscal year 2008, the Authority received a transfer from the County's bond sale proceeds of $53.6 million.

- Synthetic turf field installation continued throughout fiscal year 2008 with the completion of six fields at a cost of $5.0 million. The multi-sport, multi-use field installed at Patriot Park is the largest in the County.

- During fiscal year 2008, additional work was done at the Laurel Hill site including a service road, irrigation pond and landscaping improvements totaling $1.0 million.

- A fitness center addition to the South Run RECenter is scheduled to be completed in early fiscal year 2009.

- The Board of Supervisors approved, for fiscal year 2009, a $65.0 million bond referendum for the Authority.

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, 2008 and 2007:

Summary of Net Assets
As of June 30

Assets		2008	2007	$ Change	% Change
Current	$	55,716,100	32,232,239	23,483,861	72.9 %
Capital, net		513,381,172	488,245,420	25,135,752	5.1
Other noncurrent		337,625	365,760	(28,135)	(7.7)
Total assets		569,434,897	520,843,419	48,591,478	9.3
Liabilities					
Other liabilities		11,943,198	24,306,552	(12,363,354)	(50.9)
Long-term liabilities		29,845,175	30,680,391	(835,216)	(2.7)
Total liabilities		41,788,373	54,986,943	(13,198,570)	(24.0)
Net Assets					
Invested in capital assets,					
net of related debt		489,764,149	464,350,705	25,413,444	5.5
Restricted for:					
Certain capital projects		18,433,627	164,506	18,269,121	11,105.4
Debt service		86,313	113,834	(27,521)	(24.2)
Repair and replacement		700,000	700,000	-	-
Unrestricted		18,662,435	527,431	18,135,004	3,438.4
Total net assets	$	527,646,524	465,856,476	61,790,048	13.3

Analysis of Net Assets

At the end of the current fiscal year, the Authority reported positive balances in all categories of net assets. Total net assets were $527,646,524. Of this amount $18,662,435 was unrestricted, $18,519,940 was restricted for certain capital projects and debt service, and $700,000 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 92.8%, reflects its investment of $489,764,149 in capital assets (i.e., land, buildings and equipment) less 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 net assets have increased by $61.8 million or 13.3%, during fiscal year 2008.

- Current assets have increased by $23.5 million or 72.9%, due primarily to transfer from the County of $53.6 million in proceeds from the sale of bonds.
- Capital assets have increased by $25.1 million or 5.1% due to land transfer by the County of $9.7 million and to an increase in capital improvements such as synthetic turf athletic fields.
- Other liabilities decreased by $12.4 million due to the prior years interfund loan payoff when additional bonds were sold in fiscal year 2008.
- Invested in capital assets increased by $25.4 million or 5.5%. The increase reflects the increase in capital assets offset by a decrease in debt due to principal payments made during the year.
- Net assets restricted for certain capital projects increased by $18.3 million due to the remaining balance of the funds transferred from the County for Park Construction Bond Fund projects.

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, 2008 and 2007.

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

Revenues:	FY 2008	FY 2007	$ Change	% Change
Program revenues:				
Charges for services	$ 39,915,798	38,064,488	1,851,310	4.9 %
Capital grants and contributions	23,060,953	3,758,445	19,302,508	513.6
General revenues:				
Intergovernmental	70,820,769	50,645,885	20,174,884	39.8
Investment earnings	1,326,509	1,197,458	129,051	10.8
Operating grants not restricted to specific programs	449,743	295,228	154,515	52.3
Capital contributions not restricted to specific programs	12,695,894	2,809,907	9,885,987	351.8
Total revenue	148,269,666	96,771,411	51,498,255	53.2
Expenses:				
Administration	11,482,214	11,414,098	68,116	0.6
Maintenance	20,623,520	21,758,038	(1,134,518)	(5.2)
Golf courses	10,374,460	9,650,140	724,320	7.5
Recreation centers	24,168,081	22,827,112	1,340,969	5.9
Lake parks	5,133,721	5,039,904	93,817	1.9
Other leisure services	4,770,382	3,953,144	817,238	20.7
Cultural enrichment	8,703,530	8,211,081	492,449	6.0
Interest on long-term debt	1,223,710	1,245,703	(21,993)	(1.8)
Total expenses	86,479,618	84,099,220	2,380,398	2.8
Increase (decrease) in net assets	61,790,048	12,672,191	49,117,857	387.6
Beginning net assets	465,856,476	453,184,285	12,672,191	2.8
Ending net assets	$ 527,646,524	465,856,476	61,790,048	13.3

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 2008, revenues from governmental activities totaled $148.3 million, an increase of 53.2% from fiscal year 2007. This increase was primarily due to the transfer from the County to the Park Construction Bond Fund of $53.6 million.

Explanations of these changes include the following:

- Charges for services increased $1.9 million due to increases in fees and revenue from programs.

- Capital grants and contributions increased $19.3 million due to the County transfer of from the sale of bonds on behalf of the Authority, and land transfers which did not occur in fiscal year 2007. The County transfer of $53.6 million was allocated between Capital grants and contributions, $21.8 million, and Intergovernmental revenue, $31.8 million.

- Intergovernmental revenue increased $20.2 million due to the County bond proceeds transfer

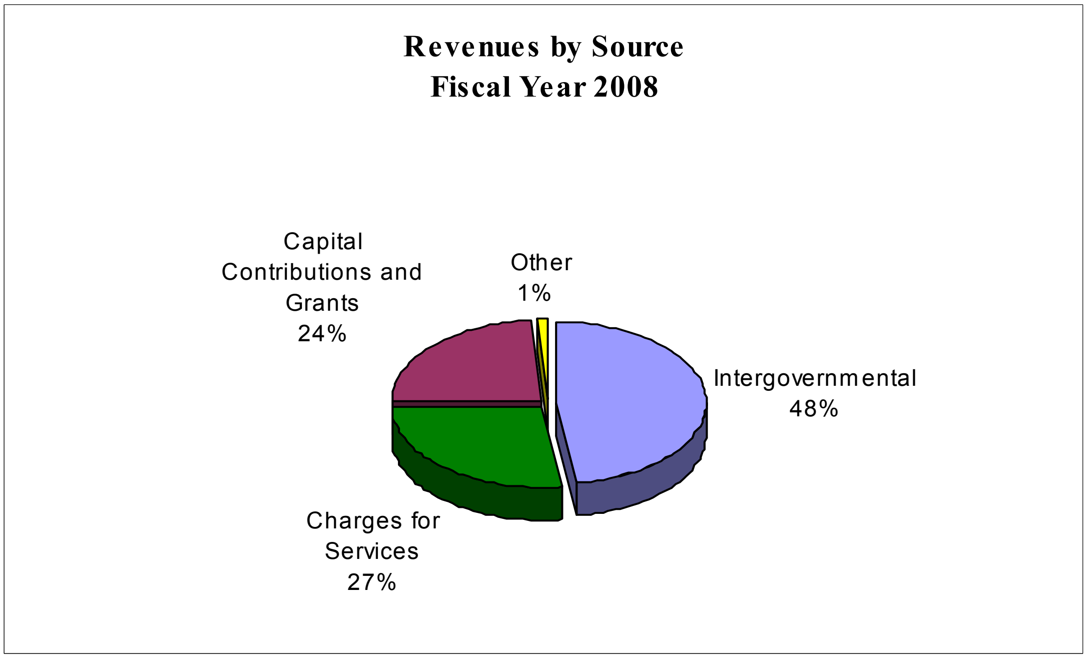
- Investment earnings increased $0.1 million due to the additional pooled cash associated with the County transfers. This was offset by lower earnings rates on investments due to economic conditions.

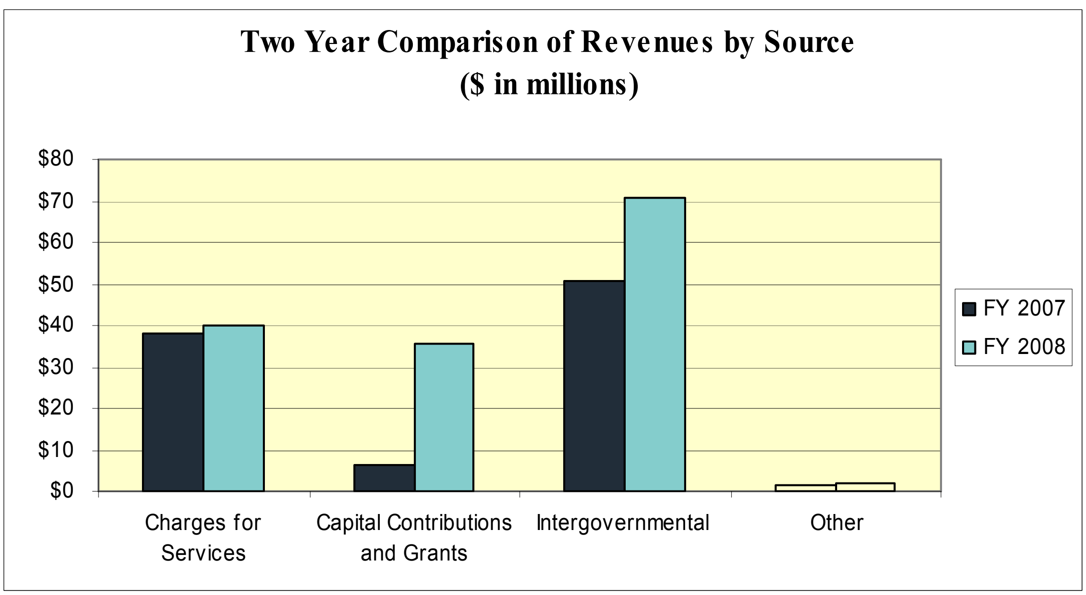
- Operating grants and unrestricted capital grants increased $10.0 million primarily due to $9.7 million in donated land and larger number of grants awarded in fiscal year 2008.

Expenses

The $2.4 million increase in expenses is due to the following: $1.3 million in recreation center costs, mainly improvements at Spring Hill and Audrey Moore RECenters; $0.8 million in other leisure services which includes installation of artificial turf fields; $0.7 in golf course costs; $0.5 in cultural enrichment and the remaining $0.2 for lake parks and administration. These costs are offset by a decrease in maintenance and renovation costs of $1.1 million.

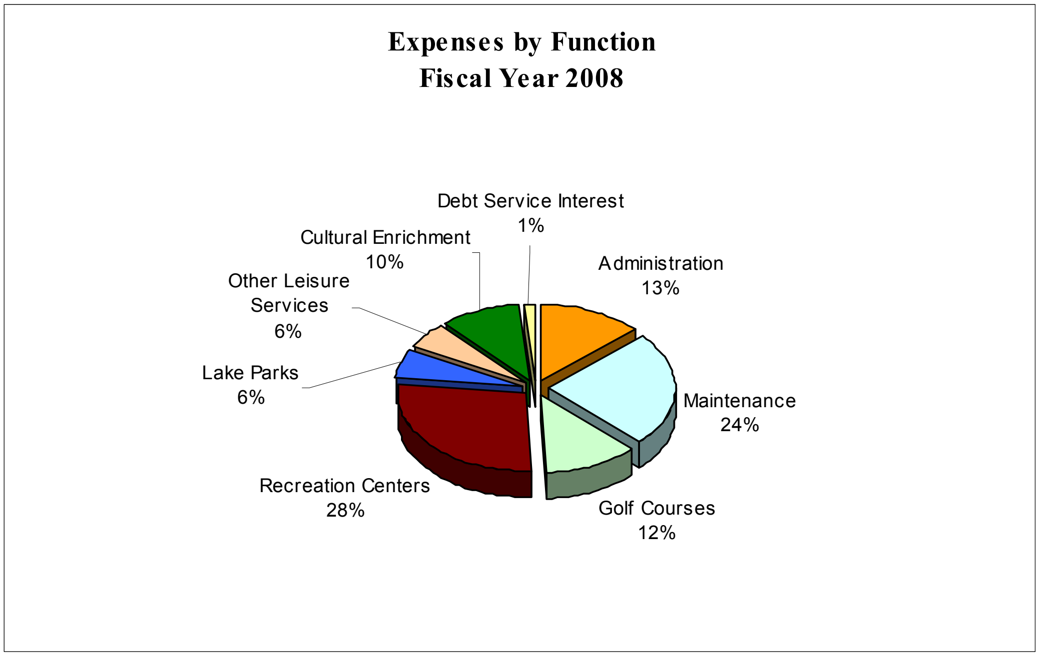
The Authority receives most of its funding from the County. The following graphics illustrate the Authority's major sources of revenue:

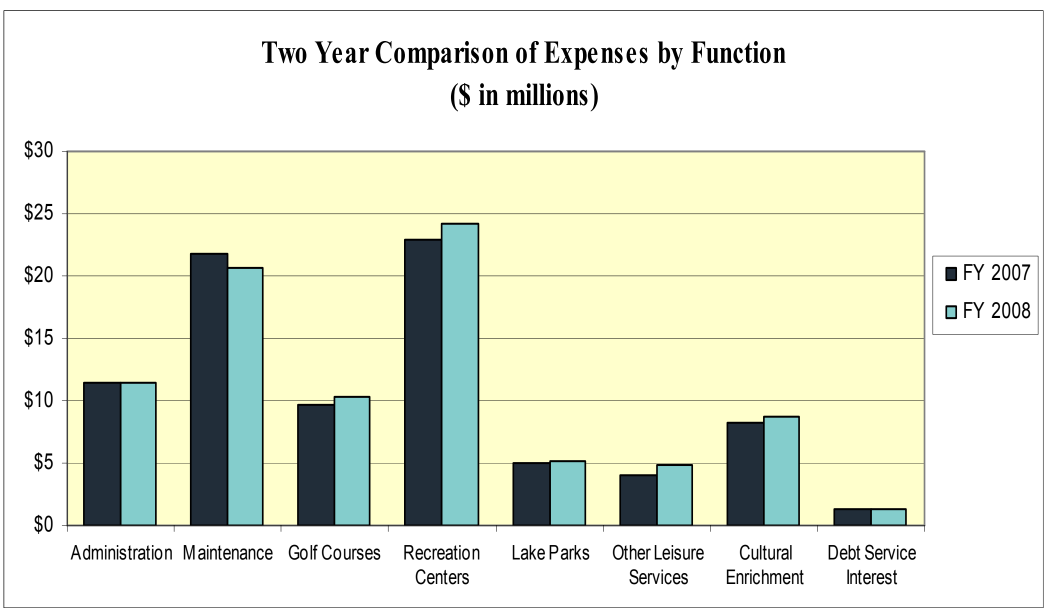




Expenses

For the fiscal year ended June 30, 2008, expenses for governmental activities totaled $86,479,618. The Authority's overall expenses have increased by 2.83% from fiscal year 2007. 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 2008 and 2007 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, 6/30/2006	$ -	1,917,581	-	9,159,402	17,711,982	28,788,965
Revenues	32,736,484	36,472,098	9,252,336	11,010,000	6,884,050	96,354,968
Expenditures	(32,736,484)	(35,189,074)	(9,252,336)	(35,676,895)	(4,147,475)	(117,002,264)
Fund balances, 6/30/2007	-	3,200,605	-	(15,507,493)	20,448,557	8,141,669
Revenues	33,220,198	38,536,285	8,197,663	53,839,480	4,817,975	138,611,601
Expenditures	(33,220,198)	(37,472,588)	(8,197,663)	(21,814,225)	(2,069,140)	(102,773,814)
Other financing sources (uses)	-	(800,000)	-	-	800,000	-
Fund balances, 6/30/2008	-	3,464,302	-	16,517,762	23,997,392	43,979,456
Net change in fund balance	$ -	263,697	-	32,025,255	3,548,835	35,837,787

At the end of the current fiscal year, the Authority's governmental funds reported a combined fund balance of $43,979,456, an increase of $35,837,787 compared to the prior year.

The fund balance of the Park Revenue Fund increased $263,697 in fiscal year 2008 due to increases in fees charged for services and was offset by an $800,000 transfer to the Park Capital Improvement Fund. The fund balance of the Park Construction Bond Fund increased $32,025,255 due to the receipt of $53.6 million from the County from the sale of bonds. The fund balance of the Park Capital Improvement Fund increased $3,548,835 due to a transfer from the Park Revenue Fund of $800,000 and an increase in gifts, donations and contributions.

VI. CAPITAL ASSETS

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

Capital Assets			
		June 30, 2008	June 30, 2007
Land	$	329,639,515	319,051,256
Buildings and improvements		162,287,708	144,520,112
Equipment		2,513,027	2,609,254
Construction in progress		18,940,922	22,064,798
Total	$	513,381,172	488,245,420

Major capital asset events during fiscal year 2008 included the following:

- Land increased to $329.6 million, a net increase of $10.6 million. This increase was primarily due to the Board of Supervisor land transfers totaling $9.7 million.
- During fiscal year 2008 no new buildings were added, however, work on the South Run RECenter Fitness Center addition was nearing completion. Improvements increased as various projects were completed and moved from CIP resulting in an increase to Buildings and improvements of $17.8 million, or 12.3%.
- Equipment balances decreased 3.7% due to normal depreciation and reduced acquisition.
- CIP decreased $3.1 million or 14.2% due to a larger number of projects closed during the year including completed synthetic turf fields.

Additional information on the Authority's capital assets can be found in Note E, page 33, of the Notes to the Financial Statements.

VII. DEBT ADMINISTRATION

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

Outstanding Debt			
		June 30, 2008	June 30, 2007
Revenue bonds payable	$	10,385,000	10,990,000
Loan payable		15,375,000	15,455,000
Total outstanding debt	$	25,760,000	26,445,000

Revenue Bonds

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 $605,000 of bond principal and $460,947 in interest during fiscal year 2008. All Series 1995 bonds were paid as of August 2003, allowing the release of $250,000 supplemental debt service reserve.

Loan Payable to the County

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 $80,000 and interest payments totaling $685,863 were made in fiscal year 2008.

Conduit Debt

On December 28, 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 $456,354 in fiscal year 2008.

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, 2008, $11,287,500 of these notes are outstanding. The easement is recorded on the Authority's financial statements.

Additional information on the Authority's long-term obligations can be found in Note F, page 33, of the Notes to the Financial Statements.

VIII. GENERAL BUDGET HIGHLIGHTS

The original and final budgeted amounts are shown in the Budgetary Comparison Schedules on pages 41 and 42. Revisions that alter the total appropriations of the budgets must be approved by the County Board of Supervisors.

Park General Fund

The Authority's revenue for the leisure services programs (charges for services) decreased due to lower than expected actual revenue based on historical trends. Intergovernmental revenue increased from the original Adopted Budget Plan to offset General Fund transfers from expenditure increase. Total expenditure appropriation increased from the original Adopted Budget Plan level for fiscal year 2008 from $26,110,649 to $26,463,223 or by $352,574. This increase is due to FY 2007 carryover funding adjustment of $431,780 and an increase of $150,000 for a fuel adjustment as a result of FY 2008 Third Quarter Review which were offset by a decrease of $229,206 in seasonal salaries due to budget constraints.

Budgetary Trends

The fiscal year 2008 budgeted county-wide revenues were approximately $10 million less than budgeted resulting in across-the-board budget reductions of 3% of each agency's personnel budget. Funding reductions have placed considerable financial constraints on operations. Further effects of rising costs of fuel, utilities, and food are evident in decreases in program revenues as families allocate a smaller percentage of their budget to recreational activities.

IX. ECONOMIC FACTORS AND TRENDS

The economy of the County and the surrounding Washington D.C. metropolitan area experienced declines in certain areas during the fiscal year. The housing market continued to be a focus as foreclosures flooded the market lowering average sales prices. 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 colleted by the County. As a result, county-wide revenues are anticipated to decline even further in FY 2009 and FY 2010 with projected shortfalls of over $500 million. Reductions taken to the budget will be nearly 7% by FY 2009. FY 2010 reductions could be as high as 15% of the Park Budget for the General Fund. These trends will place burdens on the park system and may impact programs and services available to citizens.

Currently, the Authority's property holdings continue to increase, however faced with subsequent years' budget reductions, growth may decline in the future. Presently, there are unmet needs for trail maintenance and park infrastructure. 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 has continued to offer leisure and recreational opportunities for nearly 60 years, since its establishment in 1950, through an impressive array of opportunities which enrich the quality of life for County citizens. 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, and neighborhood, community, district and countywide parks as well as park programs, classes, camps and tours. The Authority currently owns, maintains, and operates over 400 beautiful parks and over 24,000 acres of land. Based on the 2007 annual survey of 1,025 Fairfax County households, conducted in coordination with George Mason University, 79% of the County 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 Park Authority as demand and usage continue to grow. Park patron use continues to reflect strong demand and support with 5.2 million visits in fiscal year 2008.

In fiscal year 2008, the Authority acquired 172.0 acres of land. These acquisitions included additional acreage for Old Colchester Park and preserve over 140 acres of undeveloped land on the Occoquan River, protecting this land from future development and preserving the remnants of the historic Town of Colchester, the first European settlement in Fairfax County. Acquisition in fiscal year 2008 also included the dedication of Dulles Corner Park, adding additional acreage to the Authority's system as well as a fully constructed park, and the transfer of multiple properties from the Board of Supervisors in our continued partnership to protect open space in Fairfax County. In 2008, five existing natural turf rectangular fields were converted to synthetic turf; two at Lake Fairfax Park, one at Carl Sandburg Middle School, one at Hutchison School Site fields, and one at Braddock Park. Also completed in 2008 was Patriot Park West located adjacent to the Mott Center. The keystone of the park is a lighted, multi-sport, multi-use synthetic turf field -- the largest field in the county measuring 420 feet by 230 feet. Also, in a continuing quest to improve the environment, the Authority utilized Low Impact Development techniques to provide storm water management for development projects at Patriot Park, Ox Hill Battlefield Park, Lake Fairfax Park and Hutchison School Site. Leading a multi-agency team, the Authority is fulfilling the County Board of Supervisors' promise of converting the Lorton Prison into Laurel Hill Park with the opening of Giles Run Meadow which includes a fishing area, disc golf, sustainable mountain biking trails, picnic and play area, interpretive features and an expansion of the Laurel Hill Greenway extending the Cross County Trail.

The Authority continues to face the challenges of urbanization, increasing support for diversity and changes in uses for recreational services and facilities, rising fuel, utility repair and maintenance costs, aging infrastructure, and needs for active resource management. In addition, seniors comprise the most rapidly expanding population group needing park and other County services.

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 Financial Management Branch, Fairfax County Park Authority, 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, 2008

		Governmental Activities
ASSETS		
Equity in pooled cash and temporary investments	$	32,025,247
Receivables:		
Accounts		245,904
Accrued interest		30,662
Due from primary government		2,343,769
Restricted assets:		
Equity in pooled cash and temporary investments		19,133,627
Investments		1,936,891
Capital assets:		
Non-depreciable:		
Land		329,639,515
Construction in progress		18,940,922
Depreciable:		
Buildings and improvements		285,218,751
Equipment		13,493,903
Accumulated depreciation		(133,911,919)
Other noncurrent assets:		
Deferred bond issuance costs		337,625
Total assets		569,434,897
LIABILITIES		
Accounts payable and other accrued liabilities		3,346,924
Accrued salaries and benefits		3,364,615
Contract retainages		723,425
Deferred revenue		4,053,325
Performance and other deposits		248,355
Accrued interest payable		206,554
Long-term liabilities:		
Portion due or payable within one year:		
Compensated absences payable		2,741,488
Loans payable		100,000
Bonds payable		625,000
Discount on bonds payable		(5,217)
Deferred amount on refunding		(49,743)
Portion due or payable after one year:		
Compensated absences payable		2,003,212
Loans payable		15,275,000
Bonds payable		9,760,000
Discount on bonds payable		(57,396)
Deferred amount on refunding		(547,169)
Total liabilities		41,788,373
NET ASSETS		
Invested in capital assets, net of related debt		489,764,149
Restricted for:		
Certain capital projects		18,433,627
Debt service		86,313
Repair and replacement		700,000
Unrestricted		18,662,435
Total net assets	$	527,646,524

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, 2008

				Net (Expense) Revenue and Changes in Net Assets
		Program Revenues		
Functions/Programs	Expenses	Charges for services	Capital grants and contributions	Governmental activities
Governmental activities:				
Administration	$ 11,482,214	970,548	1,946,986	(8,564,680)
Maintenance / Renovation	20,623,520	-	1,963,964	(18,659,556)
Golf courses	10,374,460	11,145,594	1,474,329	2,245,463
Recreation centers	24,168,081	21,070,108	3,491,491	393,518
Lake parks	5,133,721	2,670,412	5,455,455	2,992,146
Other leisure services	4,770,382	2,312,751	8,074,073	5,616,442
Cultural enrichment	8,703,530	1,746,385	654,655	(6,302,490)
Interest on long-term debt	1,223,710	-	-	(1,223,710)
Total governmental activities	$ 86,479,618	39,915,798	23,060,953	(23,502,867)

General revenues:	
Intergovernmental	$ 70,820,769
Investment earnings	1,326,509
Operating grants not restricted to specific programs	449,743
Capital contributions not restricted to specific programs	12,695,894
Total general revenues	85,292,915
Change in net assets	61,790,048
Net assets, June 30, 2007	465,856,476
Net assets, June 30, 2008	$ 527,646,524

See accompanying notes to the financial statements.

Beginning in fiscal year 2008, bond proceeds expended during the fiscal year are reclassified from Intergovernmental to Program Revenue.

FAIRFAX COUNTY PARK AUTHORITY **Exhibit C**
A Component Unit of the County of Fairfax, Virginia
Balance Sheet - Governmental Funds
June 30, 2008

	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	$ -	8,375,598	-	-	23,649,649	32,025,247
Receivables:						
Accounts	-	6,424	-	239,480	-	245,904
Accrued interest	-	6,788	-	-	23,874	30,662
Due from primary government	2,077,291	-	531,671	-	-	2,608,962
Other assets	-	-	-	-	-	-
Restricted assets:						
Equity in pooled cash and temporary investments	-	-	-	18,433,627	700,000	19,133,627
Investments	-	1,936,788	-	-	103	1,936,891
Total assets	2,077,291	10,325,598	531,671	18,673,107	24,373,626	55,981,293
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	300,800	856,284	464,121	1,500,814	224,905	3,346,924
Accrued salaries and benefits	1,776,491	1,588,124	-	-	-	3,364,615
Due to primary government	-	265,193	-	-	-	265,193
Contract retainages	-	-	65,637	654,531	3,257	723,425
Deferred revenue	-	4,044,126	-	-	9,199	4,053,325
Performance and other deposits	-	107,569	1,913	-	138,873	248,355
Total liabilities	2,077,291	6,861,296	531,671	2,155,345	376,234	12,001,837
Fund balances:						
Reserved for:						
Encumbrances	344,650	-	641,568	7,933,258	2,436,780	11,356,256
Debt service	-	1,936,788	-	-	103	1,936,891
Repair and replacement	-	-	-	-	700,000	700,000
Unreserved (deficit)	(344,650)	1,527,514	(641,568)	8,584,504	20,860,509	29,986,309
Total fund balances	-	3,464,302	-	16,517,762	23,997,392	43,979,456
Total liabilities and fund balances	$ 2,077,291	10,325,598	531,671	18,673,107	24,373,626	55,981,293

See accompanying notes to the financial statements.

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 Assets
June 30, 2008

Fund balance - Total governmental funds		$ 43,979,456
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. The cost of the assets is $647,293,091 and accumulated depreciation is $133,911,919.		513,381,172
Deferred bond issuance costs reported in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		337,625
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds:		
Accrued interest payable	(206,554)	
Compensated absences payable	(4,744,700)	
Loan payable	(15,375,000)	
Bonds payable due within one year	(625,000)	
Bonds payable due in more than one year	(9,760,000)	
Bonds payable discount	62,613	
Deferred amount on refunding	596,912	(30,051,729)
Net assets of governmental activities		$ 527,646,524

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, 2008

	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	$ 30,844,926	-	8,197,663	53,600,000	215,451	92,858,040
Charges for services	2,312,751	34,872,825	-	-	6,254	37,191,830
Revenue from the use of money and property	-	2,921,895	-	-	1,798,497	4,720,392
Gifts, donations, and contributions	62,521	449,743	-	-	2,213,450	2,725,714
Developers' contributions	-	-	-	-	575,156	575,156
Other	-	291,822	-	239,480	9,167	540,469
Total revenues	33,220,198	38,536,285	8,197,663	53,839,480	4,817,975	138,611,601
EXPENDITURES						
Current:						
Administration	7,959,850	1,424,969	-	1,631,094	431,679	11,447,592
Maintenance	12,358,525	-	6,368,274	(16,663)	135,690	18,845,826
Golf courses	-	9,212,397	-	-	15,442	9,227,839
Recreation centers	-	21,343,663	-	944	1,095	21,345,702
Lake parks	2,791,535	2,051,249	-	-	-	4,842,784
Other leisure services	3,254,329	-	-	42,194	246,099	3,542,622
Cultural enrichment	6,555,959	1,485,313	-	10,730	67,747	8,119,749
Capital outlay	300,000	119,954	1,829,389	20,145,926	1,171,388	23,566,657
Debt service:						
Principal retirement	-	685,000	-	-	-	685,000
Interest and other charges	-	1,150,043	-	-	-	1,150,043
Total expenditures	33,220,198	37,472,588	8,197,663	21,814,225	2,069,140	102,773,814
Excess (deficiency) of revenues over (under) expenditures	-	1,063,697	-	32,025,255	2,748,835	35,837,787
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	-	263,697	-	32,025,255	3,548,835	35,837,787
Fund balances, June 30, 2007	-	3,200,605	-	(15,507,493)	20,448,557	8,141,669
Fund balances, June 30, 2008	$ -	3,464,302	-	16,517,762	23,997,392	43,979,456

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 Ended June 30, 2008

Net change in fund balances - Total governmental funds		$ 35,837,787
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	23,566,657	
Depreciation expense	(8,127,648)	15,439,009
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.		9,704,500
In the statement of activities, the 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 disposed.		(4,462)
Certain costs in CIP beginning balance were expensed because total costs were under $5,000		(3,295)
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	605,000	
Principal payments of notes	80,000	685,000
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	205,176	
Interest expense and amortization of bond issuance costs	(73,667)	131,509
Change in net assets of governmental activities		$ 61,790,048

Fairfax County Park Authority
A Component Unit of the County of Fairfax, Virginia
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

A. Summary of Significant Accounting Policies

The accounting policies of the Fairfax County Park Authority (the Authority) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the Authority's more 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 2008.

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 full 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-wide statements governmental activities column, reconciliations are presented to explain the adjustments necessary to reconcile the fund financial statements to the governmental activities of the government-wide statements.

3. Measurement Focus and Basis of Accounting

The basis of accounting determines when transactions are reported on the 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:

General Fund:

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.

Special Revenue Fund:

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

Capital Projects Funds:

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, 2008, $51,158,874 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's General Fund because debt service is funded by the County's 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, buildings and 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.

9. Deferred Revenue

The Authority receives proceeds for Park Services' passes, 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, 2008 was $4,053,325, an increase of $106,421 over the previous year end.

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, building and 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 Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. These reservations of fund balance include reserve for encumbrances, reserve for debt service and reserve for repair and replacement fund. Designations of unreserved fund balances represent tentative management plans that are subject to change.

Reserve for Encumbrances:

The Authority has encumbered a total of $11,356,256 for commitments related to unperformed contracts for goods and services. These encumbrances are related primarily to construction projects in the Park Construction Bond Fund.

Reserve 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. A total of $1,936,891 is reserved for debt service that 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	$	1,066,412
Additional reserve for future debt payments		870,479
Total reserve	$	1,936,891

Reserve for Repair and Replacement Fund:

The 2001 Bond Indenture requires the Authority to have a reserve accumulation sufficient to pay costs of major repairs, replacement and capital additions to certain facilities. The Authority is required to maintain an amount determined by the Authority to be necessary in any fiscal year for repairs and replacements to these facilities plus $500,000. Amounts on deposit in the reserve may also be used to pay debt service on the Bonds if necessary. The current balance in the Repair and Replacement Reserve is $700,000.

Designations of Unreserved Fund Balance:

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, 2008, the unreserved fund balance of the Park Capital Improvement Fund includes a combined principal investment and interest amount of $1,507,926 that has been designated for E.C. Lawrence Park.

13. Use of Estimates

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

14. 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 aren't otherwise required to be kept separate. The investment policy, therefore, applies to the activities of the reporting entity with regard to investing the financial assets of its pooled investment funds.

The County's pension trust funds have adopted investment policies to provide a well-managed investment program to meet the long-term goals of the pension trust funds, provide a high degree of diversification, maintain appropriate asset coverage of fund liabilities, and also optimize investment return without introducing higher volatility to contribution levels. Investment decisions for the funds' assets are made by the Boards of Trustees or investment managers selected by the Boards of Trustees. 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 are reported on the face of the corresponding OPEB trust fund statements as found in the other supplementary information section of the County of Fairfax, Comprehensive Annual Financial Report (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, (the 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 Commonwealth of Virginia
- Obligations of state and local government units located within other states
- Savings accounts or time deposits in any bank or savings institution within the Commonwealth that complies with the Code.

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) Watchlist 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 Comprehensive Annual Financial Report, County of Fairfax, fiscal year 2008.

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	35%	maximum

In addition, not more than 10% 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. Also, the maximum amount of funds that may be placed in repurchase agreements with a single dealer shall be $125 million. The County shall seek to maintain a minimum of $75 million 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

$86,313 is restricted for debt service requirements related to the 2001 Park Facilities Revenue Refunding Bonds.

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, 2008 consist of the following:

Receivables:		
Accounts receivable	$	245,904
Accrued interest receivable		30,662
Total receivables	$	276,566

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.

Interfund Transfers

Interfund transfers are used to finance construction projects, capital purchases, and capital improvements. There was a transfer of $800,000 from the Revenue Fund to the Park Capital Improvement Fund as of June 30, 2008.

Park Interfund Receivables

Pooled Cash representing bond proceeds of $11,826,143 was transferred from the Park Construction Bond Fund to the Park Capital Improvement Fund in repayment of the loan received at the end of fiscal year 2007 for the purchase of land.

E. Capital Assets

The following is a summary of the changes in capital assets for fiscal year 2008:

	Balances June 30, 2007	Increases	Decreases	Balances June 30, 2008
Capital assets, not being depreciated:				
Land	$ 319,051,256	10,588,259	-	329,639,515
Construction in progress	22,064,798	10,352,674	(13,476,550)	18,940,922
Total capital assets, not being depreciated	341,116,054	20,940,933	(13,476,550)	348,580,437
Capital assets, being depreciated:				
Buildings and improvements	259,969,454	25,249,297	-	285,218,751
Equipment	13,436,866	554,182	(497,145)	13,493,903
Total capital assets, being depreciated	273,406,320	25,803,479	(497,145)	298,712,654
Less accumulated depreciation for:				
Buildings and improvements	(115,449,343)	(7,481,701)	-	(122,931,044)
Equipment	(10,827,605)	(645,947)	492,677	(10,980,875)
Total accumulated depreciation	(126,276,948)	(8,127,648)	492,677	(133,911,919)
Total capital assets, being depreciated, net	147,129,372	17,675,831	(4,468)	164,800,735
Total capital assets, net	$ 488,245,426	38,616,764	(13,481,018)	513,381,172

Depreciation by Function:	
Administration	$ 228,046
Maintenance	1,813,269
Golf courses	1,144,492
Recreation centers	2,825,013
Lake parks	293,877
Other leisure services	1,261,828
Cultural enrichment	561,123
Total depreciation expense	$ 8,127,648

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
2009	3.60 %	$	625,000	439,413	1,064,413
2010	3.75		650,000	415,976	1,065,976
2011	3.80		670,000	391,058	1,061,058
2012	4.00		695,000	364,427	1,059,427
2013	4.10		725,000	335,665	1,060,665
2014-2018	4.20-4.75		4,095,000	1,175,620	5,270,620
2019-2021	4.75		2,925,000	212,680	3,137,680
	Totals	$	10,385,000	3,334,839	13,719,839

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
2009	2.50 %	$	100,000	684,062	784,062
2010	3.00		125,000	681,562	806,562
2011	3.00		150,000	677,813	827,813
2012	4.00		180,000	673,313	853,313
2013	5.00		210,000	666,112	876,112
2014-2018	5.00		1,660,000	3,134,563	4,794,563
2019-2023	5.00		2,965,000	2,597,062	5,562,062
2024-2028	4.25		4,455,000	1,762,050	6,217,050
2029-2033	4.25		5,530,000	724,625	6,254,625
	Totals	$	15,375,000	11,601,162	26,976,162

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, 2008, $11,287,500 of these notes are outstanding.

The following is a summary of changes in the government-wide long-term obligations of the Authority for fiscal year 2008:

		Balance June 30, 2007	Additions	Reductions	Balance June 30, 2008	Due within One Year
Revenue bonds payable:						
Principal amount of bonds payable	$	10,990,000	-	605,000	10,385,000	625,000
Discount on bonds payable		(67,830)	-	(5,217)	(62,613)	(5,217)
Deferred amount on refundings		(646,655)	-	(49,743)	(596,912)	(49,743)
Long-term loan payable		15,455,000	-	80,000	15,375,000	100,000
Compensated absences payable		4,949,876	2,654,904	2,860,080	4,744,700	2,741,488
Total	$	30,680,391	2,654,904	3,490,120	29,845,175	3,411,528

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, 2008.

The Authority is due revenue for the 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.

As of June 30, 2008, the Authority had contractual commitments of $11,356,256 in the following funds: Financed from County General Fund, $344,650; Financed from County Construction Fund, $641,568; Park Construction Bond Fund, $7,933,258; and Park Capital Improvement Fund, $2,436,780. The commitments are primarily related to various capital projects in progress.

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 Statistical 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 2008, the County contributed a contractually fixed rate of 9.59% 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 2008, 2007 and 2006, the County contributed $1,694,063, $1,672,824 and $1,341,793, 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's CAFR for fiscal year 2008. 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, VA 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's CAFR for fiscal year 2008.

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 Postemployment 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.

Plan Description

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 of Fairfax, Virginia, Comprehensive Annual Financial Report for the fiscal year ended June 30, 2008.

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 of Fairfax, Virginia, Comprehensive Annual Financial Report for the fiscal year ended June 30, 2008.

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 \$29,217,931 in on-behalf payments for the Authority for fiscal year 2008. This amount consisted of \$22,012,396 in salaries; \$2,881,583 in health, life, catastrophic loss and unemployment insurance premiums; \$1,595,185 in Federal Insurance Contributions Act (FICA); \$1,694,063 in pension plan contributions; and \$1,034,704 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 2008, 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 Pronouncement

Accounting and Financial Reporting for Pollution Remediation Obligations — GASB Statement No. 49

Effective in fiscal year 2009, this statement addresses accounting and financial reporting standards for pollution remediation obligations and provides guidance on how to calculate obligations associated with pollution cleanup efforts. The Authority will identify its pollution remediation obligations, if any exist, and will be evaluating the impact on its financial statements.

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 Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final	(Budget Basis)	Positive (Negative)
REVENUES				
Charges for services	$ 2,461,005	2,294,957	2,375,272	80,315
Intergovernmental	23,649,644	24,168,266	23,639,391	(528,875)
Total revenues	26,110,649	26,463,223	26,014,663	(448,560)
EXPENDITURES				
Administration	5,882,666	6,173,831	6,226,450	52,619
Maintenance	10,240,209	10,511,016	10,041,655	(469,361)
Other leisure services	4,941,382	4,911,680	4,862,995	(48,685)
Cultural enrichment	5,046,392	4,866,696	4,883,563	16,867
Total expenditures	$ 26,110,649	26,463,223	26,014,663	(448,560)
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 Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final	(Budget Basis)	Positive (Negative)
REVENUES				
Charges for services	$ 34,094,904	34,771,040	34,951,674	180,634
Revenue from the use of money and property	3,017,643	3,162,561	2,921,895	(240,666)
Gifts and donations	249,600	295,811	449,743	153,932
Other	385,995	385,995	291,822	(94,173)
Total revenues	37,748,142	38,615,407	38,615,134	(273)
EXPENDITURES				
Administration	2,408,200	2,565,465	2,494,148	(71,317)
Golf courses	9,390,136	9,590,136	9,332,351	(257,785)
Recreation centers	23,193,092	23,703,092	23,394,914	(308,178)
Cultural enrichment	1,559,090	1,609,090	1,485,312	(123,778)
Laurel Hill debt service	765,863	765,863	765,863	-
Total expenditures	37,316,381	38,233,646	37,472,588	(761,058)
Excess of revenues over expenditures	431,761	381,761	1,142,546	760,785
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(800,000)	(800,000)
Total other financing sources (uses)	-	-	(800,000)	(800,000)
Net change in fund balance	$ 431,761	381,761	342,546	(39,215)

See accompanying notes to 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, 2008

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 GAAP for all governmental funds with the following exceptions:

- ♦ Deferred revenue for unused park passes is not recognized for budgetary purposes in the Park Revenue Fund.
- ♦ Certain offsetting on-behalf payments made by the County's 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) and Park Revenue 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)	$ 26,014,663	38,615,134
Basis differences:		
Revenue from unused passes are recognized as deferred Revenue per generally accepted accounting principles (GAAP)	-	(78,849)
Perspective difference:		
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 GAAP	7,205,535	-
Actual Revenue (GAAP basis)	33,220,198	38,536,285
Actual Expenditure (Budget basis)	26,014,663	37,472,588
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 GAAP	7,205,535	-
Actual Expenditure (GAAP basis)	33,220,198	37,472,588
Other Financing Sources and Uses (Budget Basis)	-	(800,000)
Perspective differences:		
Other Financing Sources and Uses (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 data is shown except for the financial statement data under Financial Trends which present seven years.

Financial Trends

These schedules contain comparisons of seven years of financial statement information to assess the financial performance of the Authority since the implementation of Governmental Accounting Standards Board Statement (GASB) Number 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
Last Seven Fiscal Years
(accrual basis of accounting)

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
Governmental activities							
Invested in capital assets, net of related debt	$ 320,774,784	334,038,797	358,542,958	388,835,308	430,404,264	464,350,705	489,764,149
Restricted	2,375,370	16,284,142	23,913,727	23,154,898	12,045,269	978,340	19,219,940
Unrestricted	6,698,282	2,185,018	5,818,198	7,615,150	10,734,752	527,431	18,662,435
Total governmental activities net assets	$ 329,848,436	352,507,957	388,274,883	419,605,356	453,184,285	465,856,476	527,646,524

Note: Accrual basis financial information for the Park Authority as a whole is available beginning in fiscal year 2002, the year GASB 34 was implemented.

Fairfax County Park Authority **Table 2**
Changes in Net Assets
Last Seven Fiscal Years
(accrual basis of accounting)

	Fiscal Year						
	2002	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**
Expenses							
Governmental activities:							
Administration	$ 7,559,554	7,690,087	8,030,321	9,538,435	11,211,933	11,414,098	11,482,214
Maintenance	16,967,536	16,739,837	14,498,402	16,807,101	18,138,320	21,758,038	20,623,520
Golf courses	7,041,416	6,925,815	6,865,349	7,193,198	9,107,594	9,650,140	10,374,460
Recreation centers	16,158,103	16,629,903	17,373,627	19,028,313	21,915,161	22,827,112	24,168,081
Lake parks	3,907,277	4,191,917	4,178,222	4,300,738	4,660,063	5,039,904	5,133,721
Other leisure services	3,871,628	3,941,379	3,643,022	3,776,913	3,911,204	3,953,144	4,770,382
Cultural enrichment	6,171,645	6,366,322	6,895,722	7,434,966	7,635,598	8,211,081	8,703,530
Interest on long-term debt	1,174,170	1,015,441	1,461,405	1,389,455	1,264,380	1,245,703	1,223,710
Total governmental activities expenses	62,851,329	63,500,701	62,946,070	69,469,119	77,844,253	84,099,220	86,479,618
Program Revenues [1]							
Governmental activities:							
Charges for services							
Administration	875,590	1,295,506	894,113	910,676	929,850	974,363	970,548
Golf courses	8,861,250	7,419,644	7,985,064	7,702,364	9,741,161	10,570,312	11,145,594
Recreation centers	13,287,021	13,360,295	14,490,877	15,824,626	18,436,374	20,022,204	21,070,108
Lake parks	2,175,703	1,821,116	2,327,936	2,467,875	2,509,462	2,731,405	2,670,412
Other leisure services	2,731,160	2,731,734	2,588,265	2,455,045	2,459,922	2,277,754	2,312,751
Cultural enrichment	954,860	972,055	1,118,816	1,183,750	1,339,687	1,488,450	1,746,385
Capital grants and contributions	438,332	92,797	538,743	176,909	18,174,241	3,758,445	23,060,953
Total revenues	29,323,916	27,693,147	29,943,814	30,721,245	53,590,697	41,822,933	62,976,751
Net (expense)/revenue							
Governmental activities	(33,527,413)	(35,807,554)	(33,002,256)	(38,747,874)	(24,253,556)	(42,276,287)	(23,502,867)
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	50,645,885	70,820,769
Investment earnings	373,872	199,323	280,882	502,119	877,972	1,197,458	1,326,509
Operating grants not restricted to specific programs	223,130	249,015	310,370	240,740	252,779	295,228	449,743
Capital contributions not restricted to specific programs	84,838,708	5,921,814	3,795,552	6,367,693	6,792,136	2,809,907	12,695,894
Total governmental general revenues and other changes	121,612,643	58,467,075	65,774,414	70,078,347	57,832,485	54,948,478	85,292,915
Changes in net assets							
Governmental activities	88,085,230	22,659,521	32,772,158	31,330,473	33,578,929	12,672,191	61,790,048
Change in accounting principle [2]	-	-	2,994,768	-	-	-	-
Total changes in net assets	$ 88,085,230	22,659,521	35,766,926	31,330,473	33,578,929	12,672,191	61,790,048

[1] Beginning in fiscal year 2008, bond proceeds expended during the fiscal year are reclassified from Intergovernmental to Program Revenue.
[2] Developer contributions are recognized as revenue rather than deferred revenue.

Note: Accrual basis financial information for the Park Authority as a whole is available beginning in fiscal year 2002, the year GASB 34 was implemented.

Fairfax County Park Authority **Table 3**
Fund Balances, Governmental Funds
Last Seven Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year						
	2002	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**
General Fund							
Reserved	$ -	-	13,000	19,400	248,620	431,780	344,650
Unreserved	-	-	(13,000)	(19,400)	(248,620)	(431,780)	(344,650)
Total General Fund*	-	-	-	-	-	-	-
All other governmental funds							
Reserved	8,065,799	35,997,584	36,518,580	29,047,387	13,934,639	11,643,276	13,648,497
Unreserved, reported in:							
Revenue fund	(1,266,005)	(1,725,783)	(183,342)	(701,001)	(12,577)	1,254,818	1,527,514
Capital projects funds	7,296,461	4,701,582	11,822,825	12,290,914	14,866,903	(4,756,425)	28,803,445
Total unreserved	6,030,456	2,975,799	11,639,483	11,589,913	14,854,326	(3,501,607)	30,330,959
Total all other governmental funds	$ 14,096,255	38,973,383	48,158,063	40,637,300	28,788,965	8,141,669	43,979,456

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

Note: Fund balance information is available beginning in fiscal year 2002, the year GASB 34 was implemented.

Fairfax County Park Authority **Table 4**
Changes in Fund Balances, Governmental Funds
Last Seven Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
Revenues							
Intergovernmental	$ 36,183,933	52,111,392	61,394,170	63,089,067	50,514,710	53,073,848	92,858,040
Charges for services	26,635,411	25,653,315	27,752,238	28,418,775	32,821,560	35,310,324	37,191,830
Revenue from the use of money and property	2,554,027	2,726,137	3,047,333	2,801,446	3,740,902	6,058,235	4,720,392
Gifts, donations, and contributions	703,740	349,057	1,443,189	1,147,570	2,798,695	1,524,948	3,300,870
Other	650,102	120,149	169,596	167,895	227,946	387,613	540,469
Total revenues	66,727,213	80,960,050	93,806,526	95,624,753	90,103,813	96,354,968	138,611,601
Expenditures							
Administration	7,393,791	7,529,145	7,809,251	9,312,026	10,191,093	11,175,200	11,447,592
Maintenance	15,005,291	14,759,116	12,714,841	15,131,859	16,274,370	19,859,760	18,845,826
Golf courses	6,037,544	5,911,791	5,907,797	6,229,441	8,140,515	8,768,528	9,227,839
Recreation centers	14,027,954	14,384,581	15,016,704	16,645,855	19,066,139	19,884,029	21,345,702
Lake parks	3,629,316	3,915,469	3,864,839	3,998,455	4,366,191	4,712,584	4,842,784
Other leisure services	3,180,401	3,145,226	2,900,400	3,045,694	3,197,775	2,865,793	3,542,622
Cultural enrichment	6,023,153	6,219,445	6,610,664	7,161,910	7,375,336	7,946,946	8,119,749
Intergovernmental expense					779,250		
Capital outlay	14,341,180	12,434,873	31,081,752	24,829,641	30,802,096	39,958,236	23,566,657
Debt service							
Principal	330,000	2,729,691	530,000	15,493,364	570,000	660,000	685,000
Interest and other charges	1,157,876	583,585	1,180,366	1,297,271	1,189,383	1,171,188	1,150,043
Total expenditures	71,126,506	71,612,922	87,616,614	103,145,516	101,952,148	117,002,264	102,773,814
Excess of revenues over (under) expenditures	(4,399,293)	9,347,128	6,189,912	(7,520,763)	(11,848,335)	(20,647,296)	35,837,787
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	-	800,000
Transfers out	(1,379,575)	(3,163,217)	-	(900,000)	(210,000)	-	(800,000)
Total 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)	(20,647,296)	35,837,787
Change in accounting principle			2,994,768				
Net change in fund balances - adjusted	$ (4,098,535)	24,877,128	9,184,680	(7,520,763)	(11,848,335)	(20,647,296)	35,837,787
Debt service as a percentage of noncapital expenditures	2.62%	5.60%	3.03%	2.78% [1)]	2.47%	2.38%	2.32%

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

Fairfax County Park Authority **Table 5**
User Fee Revenue by Source, Park Revenue Fund
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year		Admissions	Classes/Lessons	Golf Fees	Sales	Rentals	Total
1999	$	5,869,529	5,313,135	5,146,058	1,107,994	841,446	18,278,162
2000		6,250,544	5,779,839	5,675,871	1,126,342	892,663	19,725,259
2001		8,109,393	6,454,591	5,700,427	1,261,352	955,305	22,481,068
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

Fairfax County Park Authority **Table 6**
Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year End	Revenue Bonds(1)	Notes Payable County/ISS(1)	Notes Payable County/EDA(1)	Total	Percentage of Personal Income (2)	Per Capita (2)
1999	$ 13,325,000	-	-	13,325,000	0.03 %	14
2000	13,030,000	-	-	13,030,000	0.03	13
2001	12,720,000	14,881,000	-	27,601,000	0.05	28
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	0.07	42
2005	12,145,000	-	15,530,000	27,675,000	0.04	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

Notes:

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

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

The Estimated Population and Per Capita Personal Income numbers for 2000-2007 (Table 7) were revised based on actual data versus an estimation from the prior year. The 2008 numbers were calculated based on the 2007 population and income data in Table 7.

Fairfax County Park Authority **Table 7**
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Estimated Population(1)	Personal Income (2) (000s)	Per Capita Personal Income(2)	Median Age(3)	Bachelor's or Higher Degree and 25 Years of Age or Older % (3)	School Enrollment(4)	Unemployment Rates(5)
1998	931,452	$ 40,232,206	$ 43,193	37.0	N/A	148,036	1.5 %
1999	946,371	44,769,027	47,306	N/A	N/A	151,418	1.5
2000	969,749	48,522,361	50,036	36.0	54.8	154,523	1.6
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

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 2007 is estimated using percentage change in per capita personal income from 2005 to 2006.

(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.

County of Fairfax, VA **Table 8**
Principal Employers
Current Year and Nine Years Ago

	Fiscal Year 2008 (1)			Fiscal Year 1999		
Employer	Number of Employees (2)	Rank	Percentage of Total County Employment (3)	Number of Employees (2)	Rank	Percentage of Total County Employment (3)
Fairfax County Public Schools	22,994	1	3.91 %	18,388	1	3.74 %
Federal Government	15,087	2	2.56	11,111	2	2.26
Fairfax County Government	12,263	3	2.08	10,911	3	2.22
Inova Health System	7,000 - 10,000	4	1.45	4,000 - 5,000	7	0.92
Booz Allen Hamilton	7,000 - 10,000	5	1.45	-	-	-
Northrup Grumman	7,000 - 10,000	6	1.45	4,000 - 5,000	8	0.92
Science Applications International Corporation	4,000 - 6,999	7	0.94	5,000 - 6,000	5	1.12
Federal Home Loan Mortgage	4,000 - 6,999	8	0.94	-	-	-
Lockheed Martin	4,000 - 6,999	9	0.94	3,000 - 4,000	9	0.71
Sprint	4,000 - 6,999	10	0.94	-	-	-
Kaiser Permanente	-	-	-	10,000 - 11,000	4	2.14
TRW, Inc.	-	-	-	5,000 - 6,000	6	1.12
Electronic Data Systems	-	-	-	3,000 - 4,000	10	0.71
Totals			16.66 %			15.86 %

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 2008, excluding data for Fairfax County Government and Fairfax County Public Schools, is from the 1st quarter of calendar year 2008, which represents the most recent data available. Employment information for fiscal year 1999 is from 3rd quarter 1998 through 2nd quarter 1999, corresponding to the actual County fiscal year.

(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 2008 is estimated at 588,192. Data covers only 3rd quarter and 4th quarter 2007 (July-December). Average total County employment for fiscal year 1999 is estimated at 491,534, according to the Virginia Employment Commission.

Fairfax County Park Authority **Table 9**
Full-time Equivalent Employees, General Fund and Revenue Fund
Last Ten Fiscal Years

Fiscal Year	Administration	Resource Management	Park Operations	Park Services	Planning and Development	Total
1999	50	100	178	208	31	567
2000	55	100	178	203	31	567
2001	55	100	183	210	31	579
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

Fairfax County Park Authority **Table 10**
Park Amenities
Last Ten Fiscal Years

Function	Fiscal Year 1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Parks, Recreation and Cultural										
Park Acreage	17,269	19,326	20,063	22,621	22,644	22,987	23,517	23,677	23,977	24,149
Parks, Recreation and Cultural	350+	386	387	388	388	388	397	415	417	421
Athletic Fields	295	295	295	295	274	274	275	288	288	289
Aquatic & Fitness Center	8	8	8	8	8	8	9	9	9	9
Dog Parks	0	1	1	4	5	5	5	7	7	7
Historic Sites	51	54	60	60	60	65	65	64	64	64
Hiking & Fitness Trails (in miles)	182	190	204	204	204	204	204	292	297	299
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	4	4	4	5	5	5	5	5	5
Multi-use Courts	138	135	143	143	119	118	119	132	132	132
Nature Areas	6	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	14	14	14	11	11	11	11	13	13	13
Picnic Shelters	12	15	19	21	33	36	36	31	31	31
Playgrounds	271	197	201	201	201	205	205	194	194	201
Regulation Golf Courses	8	8	8	8	8	8	8	8	9	9
BMX/Skateparks	0	0	0	0	0	1	1	1	1	1
Tennis & Raquetball Courts	252	222	222	222	222	223	225	229	229	229
Waterparks	1	1	1	1	1	1	1	1	1	1

Fairfax County Park Authority **Table 11**
Additional Facts
Last Ten Fiscal Years

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
1999	123	17,269	1,370,813	364,177	421,564	924,000	295
2000	2,057	19,326	1,425,064	373,491	410,677	1,026,561	295
2001	737	20,063	1,362,501	350,290	445,511	1,026,561	295
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

Fairfax County Park Authority Sites

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A publication of
Fairfax County, Virginia

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