FAIRFAX COUNTY
Retirement
SYSTEMS
POLICE Officers

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

A Fiduciary Component Unit of Fairfax County, Virginia

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Three systems...

one team.

FAIRFAX COUNTY Retirement SYSTEMS EMPLOYEES' POLICE Officers UNIFORMED

A Fiduciary Component Unit of Fairfax County, Virginia

This report was prepared by the financial, administrative and investment staff of the Fairfax County Employees' Retirement System.

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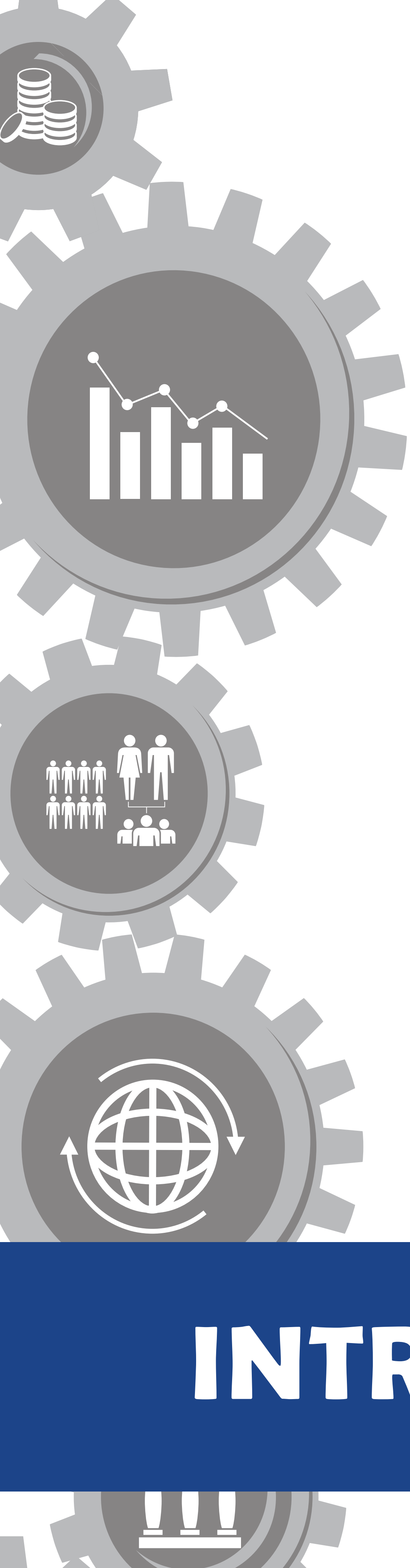
INTRODUCTORY



INTRODUCTORY

County of Fairfax, Virginia

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

November 16, 2023

Dear Members of the Board of Trustees:

I am pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the Fairfax County Police Officers Retirement System (System) for the fiscal year ended June 30, 2023. This ACFR is provided as an aid to understanding the structure and evaluating the status of the System. The System's management is responsible for the accuracy of financial information contained herein. The Management's Discussion and Analysis provides further detail to the financial statements.

History

The Fairfax County Police Officers Retirement System was created under authority granted by Chapter 303 of the Acts of Assembly (law of the Commonwealth of Virginia) on March 29, 1944, to provide defined benefit pension plan coverage for sworn full-time law enforcement officers of the Fairfax County Police Department. In 1981 Fairfax County enacted Article 7 of the Fairfax County Code, which adopted and continued Chapter 303 as amended. There were 1,258 active members, 57 in the Deferred Retirement Option Program (DROP), 102 terminated vested members and 1,398 retirees participating in the System as of June 30, 2023. For calculations surrounding the Total Pension Liability and its components, Cheiron, the System's actuary, used June 30, 2023, as the measurement date which coincides with the actuarial valuation date.

Provisions

The benefit provisions of the System are established by County Ordinance. The System provides normal service retirement and early service retirement benefits for members who attain age or service requirements. Coverage for service-connected disability benefits is immediate upon membership in the System. Ordinary (non-service-related) disability benefits are provided after the attainment of five years of service. Members are vested after five years of service and are eligible for benefits at the early or normal service retirement date.

FAIRFAX COUNTY Retirement SYSTEMS
EMPLOYEES' POLICE Officers UNIFORMED

Fairfax County Retirement Systems
12015 Route 50, Suite 350, Fairfax, VA 22033
Phone: 703-279-8200 * 1-800-333-1633 * Fax: 703-273-3185
www.fairfaxcounty.gov/retirement/

Capital Markets and Economic Conditions

In fiscal year 2023, for the year ending 2023, the system returned -3.65%, gross of fees (-3.87%, net of fees), ranking in the 98th percentile of all public funds in the BNY Mellon Total Public Fund Universe. For the three, five, and ten-year periods (annualized), the system returned gross of fees, +10.59%, (+8.37%, net of fees), ranking in the 23rd percentile, +6.83%, (+5.15%, net of fees), ranking in the 55th percentile, and +7.25% (+6.18, net of fees), ranking in the 65th percentile, respectively. Additional details on the markets and the System's investments are provided in the Investment Section.

Internal and Budgetary Controls

The System's management is responsible for the financial information presented in this report in accordance with U.S. Generally Accepted Accounting Principles. Proper internal accounting controls exist to provide reasonable, but not absolute, assurance for both the safekeeping of assets and the fair presentation of the financial statements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

Investment Policies and Strategies

The Board of Trustees (Board) has adopted a Statement of Investment Objectives and Policy. This Statement establishes the investment goals, guidelines, constraints and performance standards that the Board of Trustees uses when exercising its fiduciary duties to manage the investment assets of the System. The Board operates in conformity with the standard of care required in making investments as stated in the Code of Virginia §51.1-803. Please see Note 3 to the Financial Section of this report for a description of this standard of care and details on the System's investment policies and strategies.

The Board receives quarterly reporting from staff to ensure compliance with its stated objectives and policy. Staff also monitors the performance of the System and its investment managers and updates the Board on a monthly basis throughout the year. Rate of return information included in the Investment Section is calculated using a time-weighted rate of return and is provided by BNY Mellon.

Securities of the System, except for the pooled funds and the County's pooled cash and temporary investments, are held in safekeeping, on the System's behalf, by BNY Mellon Asset Servicing as agent. The BNY Mellon Financial Corporation, the parent company, carries Financial Institution bond insurance coverage including a Computer Crime Policy. An additional Excess Securities policy covers all risk of physical loss to securities.

Funded Status

An actuarial valuation of the System to determine funding requirements is performed annually. The System's funding policy provides for periodic employer contributions at actuarially determined rates, which are calculated as a percentage of covered payroll, and are adjusted as necessary to accumulate sufficient assets to meet the costs of benefit payments when due. As of the latest annual valuation, performed as of June 30, 2023, the ratio of the market value of assets to total pension liabilities for benefits decreased from 81.75 percent to 75.53 percent. The actuarial section contains further information on the results of the June 30, 2023, valuation.

Based on the June 30, 2021, actuarial valuation, the employer contribution rate for 2023 following the adopted corridor-based funding policy remained at 46.04 percent. Working in concert with the County's Chief Financial Officer, the System's actuary (Cheiron) and other County staff, efforts continue to improve the funded status of the Plan. As a result of this work, and as referenced above, the County has increased the employer contribution rate above what was required by the adopted corridor-based funding policy for three consecutive years.

Major Initiatives

During fiscal year 2023, the Deputy Director position was reestablished and staffed; with Brad Baker joining the team in that role. This, along with new members of the team replacing the retiring Managers of Accounting and Technology, bring new perspectives and talents to the Retirement team.

This year, we also developed an email-based retiree newsletter, conducted several virtual retiree meetings on topics of interest, and redesigned the retiree-related pages on the Retirement website.

We also created two additional staff positions on the investment team, for succession planning purposes and to supplement existing staff. These positions are in the process of being filled and will be on board by the middle of fiscal year 2024.

Finally, we implemented an educational learning management solution for Board member education and to assist them in their duties as fiduciaries.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to The Fairfax County Police Officers Retirement System for its ACFR for the fiscal year ended June 30, 2022. This was the thirteenth consecutive year that the System has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Fairfax County Retirement Systems received the Public Pension Standards Award for Funding and Administration for the fiscal year ended June 30, 2023, from the Public Pension Coordinating Council (PPCC), in recognition of meeting the professional standards for plan funding as set forth in the Public Pensions Standards. The PPCC is a confederation of the National Association of the State Retirement Administrators, the National Conference on Public Employee Retirement Systems and the National Council on Teacher Retirement.

Other Information

Independent Audit and Actuarial Certifications

Cherry Bekaert LLP performed an annual audit of the financial statements of the System to obtain reasonable assurance about whether the financial statements are free from material misstatements, whether due to fraud or error. Additionally, Cheiron performed an annual actuarial valuation to assess the plan's ability to meet future obligations. The report of independent auditor and certification from the actuary are included in this report.

Acknowledgments

This report is intended to provide complete and reliable information for determining the financial status of the System. It is being submitted to the Board of Supervisors and other interested parties and is available to the public via the County's website located at www.fairfaxcounty.gov/retirement/.

This annual report for the Police Officers Retirement System is the result of the hard work of the System's Accounting team, as assisted by other members of the Retirement Systems Team.

As always, I am very thankful and feel privileged to lead the Retirement Systems team. These fine people work every day to provide the best-possible service and stewardship for the employees, retirees and citizens of Fairfax County. This year, however, I am particularly appreciative of their flexibility and diligence in adapting to a significant change in how we do business. That, along with the support of County technology and administrative resources, allowed us to continue to serve our members during the COVID-19 pandemic.

Finally, I must express my deep appreciation, on behalf of the 2,815 members and beneficiaries of the Police Officers Retirement System, for your dedicated service as trustees.

Respectfully submitted,

J.K. Weiler

Jeffrey K. Weiler
Executive Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Fairfax County Police Officers Retirement System
Virginia

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

PPCC

Public Pension Coordinating Council

Public Pension Standards Award For Funding and Administration 2023

Presented to

Fairfax County Police Officers Retirement System

In recognition of meeting professional standards for
plan funding and administration as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

Alan H. Winkle
Alan H. Winkle
Program Administrator

Board of Trustees

Eight members serve on the Fairfax County Police Officers Retirement System Board of Trustees. Three of the members are citizens appointed by the Fairfax County Board of Supervisors. Three of the members are elected by Fairfax County Government Employees, and one member is elected by retirees. The Director of Finance serves as an Ex-Officio member.

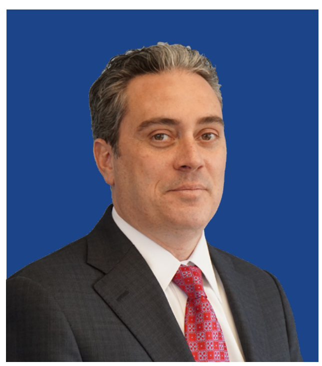
James E. Krause - *President*
Elected Member Trustee
Term Expires: August 31, 2024

Richard A. Barron- Vice *President*
Elected Member Trustee
Term Expires: December 31, 2026

Christopher J. Pietsch - *Treasurer*
Ex-Officio Trustee
Fairfax County Director of Finance

James E. Bitner
Board of Supervisors Appointee
Term Expires: June 30, 2026

James R. Dooley, Jr.
Elected Retired Member Trustee
Term Expires: June 30, 2026



Brendan D. Harold
Board of Supervisors Appointee
Term Expires: TBD

Jay A. Jupiter
Board of Supervisors Appointee
Term Expires: December 31, 2025

Aaron D. Spooner
Elected Member Trustee
Term Expires: December 31, 2024

Administrative Organization

Administrative Staff

Jeffrey K. Weiler
Executive Director

Brad D. Baker
Deputy Director

Katherine O. Molnar, CFA
Chief Investment Officer

Investment Managers

Acadian Asset Management	Boston, MA
AlphaSimplex Group, LLC	Cambridge, MA
AQR Capital Management, LLC	Greenwich, CT
Aspect Capital Ltd	London, United Kingdom
BlackRock, Inc	San Francisco, CA
Blockchain Capital	San Francisco, CA
Blue Owl Capital, Inc	New York, NY
Bridgewater Associates, LP	Westport, CT
Citadel Advisors, LLC	Miami, FL
Coatue Management, LLC	New York, NY
Cohen & Steers Capital Management, Inc	New York, NY
Crabel Capital Management, Inc	Los Angeles, CA
Crestline Management	Fort Worth, TX
Czech Asset Management, LP	Old Greenwich, CT
DoubleLine Capital, LP	Los Angeles, CA
DWS	Chicago, IL
EJF Capital, LLC	Arlington, VA
First Eagle Investment Management	New York, NY
Frazier Healthcare Partners	Menlo Park, CA
Hoisington Investment Management, Co	Austin, TX
Kirkoswald Asset Management, LLC	New York, NY
Landmark Partners	Simsbury, CT
Lavrock Ventures	McLean, VA
Loomis, Sayles & Company, LLC	Boston, MA
Man Asset Management, Ltd	London, United Kingdom
Marathon Asset Management, LP	New York, NY

Investment Managers

Morgan Creek Capital Management, LLC	Chapel Hill, NC
Onyxpoint Global Management, LP	New York, NY
Parametric Portfolio Associates, LLC	Minneapolis, MN
Parataxis	New York, NY
PIMCO	Newport Beach, CA
Pinnacle Associates GP, LLC	New York, NY
Polychain Capital	San Francisco, CA
Prudential Global Investment Management	Newark, NJ
Red Tree Venture Capital	Redwood City, CA
Sands Capital Management, LLC	Arlington, VA
Section Partners	Palo Alto, CA
Simplify Asset Management	New York, NY
Solus Alternative Asset Management	New York, NY
Starboard Value, LP	New York, NY
The Hive	Palo Alto, CA
Two Sigma	New York, NY
Van Eck Securities Corporation	New York, NY
Verition	Greenwich, CT
WCM Investment Management	Laguna Beach, CA

Professional Services

Actuary

Cheiron
Actuaries
McLean, VA

Custodian Bank

BNY Mellon Asset Servicing
Pittsburgh, PA

Independent Auditor

Cherry Bekaert LLP
Certified Public Accountants
Orlando, FL

Legal Counsel

Morgan, Lewis & Bockius LLP
Washington, DC

Reed Smith LLP
Tysons Corner, VA

Sands Anderson PC
Richmond, VA

Schedule of fees and schedule of commissions are located in the Investment Section, pages 68-69.

Organization Chart

Board of Supervisors

Kathy L. Smith, Penelope A. Gross, Dalia A. Palchik, James R. Walkinshaw
Walter L. Alcorn, Pat Herrity, Daniel G. Storck, Jeffrey C. McKay, John W. Foust, Rodney L. Lusk

Board of Trustees

(Eight Members - see page 7)
Richard A. Barron, James E. Bitner, James R. Dooley, Jr., Brendan D. Harold,
Jay A. Jupiter, James E. Krause, Christopher J. Pietsch, Aaron D. Spooner

Executive Director
Jeffrey K. Weiler

Deputy Director
Brad D. Baker

Chief Investment Officer
Katherine O. Molnar, CFA

Retirement Systems Management Team

Robert Harvey - Technology
Michelle Pagano-Dierkes - Accounting and Financial Reporting
John Prather - Membership Services
Jennifer Snyder - Investment Operations
Meir Zupovitz - Retiree Services
Vacant - Communications

FINANCIAL

FINANCIAL

Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor

To the Board of Supervisors
County of Fairfax, Virginia

To the Board of Trustees
Fairfax County Police Officers' Retirement System

Report on the Audit of the Financial Statements

Opinion
We have audited the accompanying financial statements of the Fairfax County Police Officers' Retirement System (the "System"), a pension trust fund of the County of Fairfax, Virginia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which comprise collectively the System's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the System as of June 30, 2023, and the changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of System, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the System's basic financial statements. The accompanying other supplementary information as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information
Management is responsible for the other information included in the annual report. The other information comprises the introductory, investment, actuarial, and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2023, on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Orlando, Florida
November 16, 2023

Management's Discussion and Analysis
(Unaudited)

This section presents management's discussion and analysis of the Fairfax County Police Officers Retirement System's ("System" or "Plan") financial performance and provides an overview of the financial activities for the fiscal year ended June 30, 2023. The information in this section should be reviewed in conjunction with the Letter of Transmittal located in the Introductory Section.

Overview of Financial Statements and Accompanying Information

The financial presentation is composed of four parts: (1) the financial statements; (2) notes to the financial statements; (3) required supplementary information and (4) other supplementary information. Below is the summary of the information provided in each of these sections.

Financial Statements

The System presents the Statement of Fiduciary Net Position as of June 30, 2023 and Statement of Changes in Fiduciary Net Position for the fiscal year ended June 30, 2023. The Statement of Fiduciary Net Position provides a snapshot of the financial position. It reports the assets, liabilities and resulting net position restricted for pension benefits. The Statement of Changes in Fiduciary Net Position presents the Plan's transactions under the categories of Additions and Deductions. Additions include contributions from the County and by participating employees, net depreciation in the fair value of investments, dividend and interest income. Investment income is reduced by investment-related expenses such as asset management fees, custody charges and consulting fees. Deductions include outlays for monthly pension benefits, death benefits, refunds of contributions to employees and fees paid for professional services and administrative expenses.

Notes to Financial Statements

The Notes to Financial Statements are an integral part of the financial statements and include additional information and schedules to provide a better understanding of the fiduciary fund financial statements. The Notes to Financial Statements include detailed information that is not readily evident in the financial statements such as the accounting policies, plan membership and benefits, and summary disclosures. Specifically:

- Note 1 Describes significant accounting policies.
- Note 2 Provides a description of the System, the funding policy, and member contributions and benefits.
- Note 3 Describes the investments and disclosures on fair value hierarchy, interest rate, credit quality, foreign currency risk, derivatives disclosures, and security lending.
- Note 4 Describes the net pension liability, actuarial method and assumptions.
- Note 5 Discusses the accounting of subscription-based information technology arrangements (SBITAs), the right-to-use subscription asset, and a subscription liability.
- Note 6 Explains the System's tax status.

Required Supplementary Information

This section consists of historical trend exhibits such as the Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Net Pension Liability, Schedule of Employer Contributions accompanied by the Notes to Schedule of Employer Contributions and Schedule of Money-Weighted Rate of Return. A Summary of Significant Changes to the Pension System is also included.

Other Supplementary Information

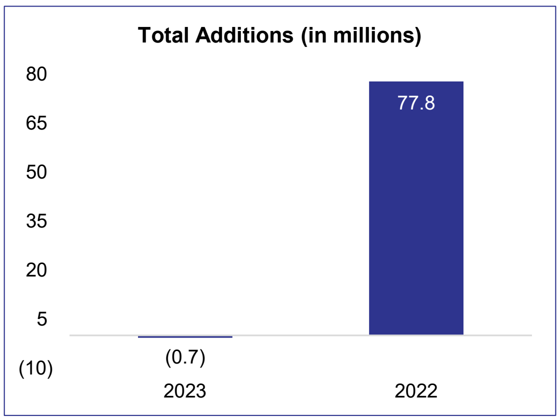
This section includes the Schedule of Administrative Expenses and the Schedule of Investment and Consultant Expenses.

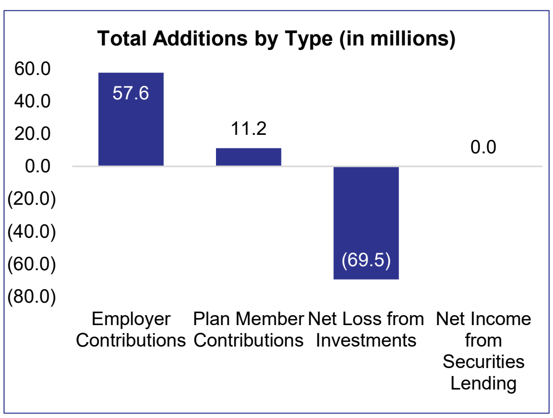
The Required Supplementary Information and Other Supplementary notes are immediately following the Notes to the Financial Statements.

Financial Highlights

The net position restricted for pension benefits as of June 30, 2023, and June 30, 2022, was $1,677.9 million and $1,786.7 million, respectively. The net position restricted for pension benefits representing assets available to pay for current and future member pension benefits, decreased by $108.9 million or 6.1 percent.

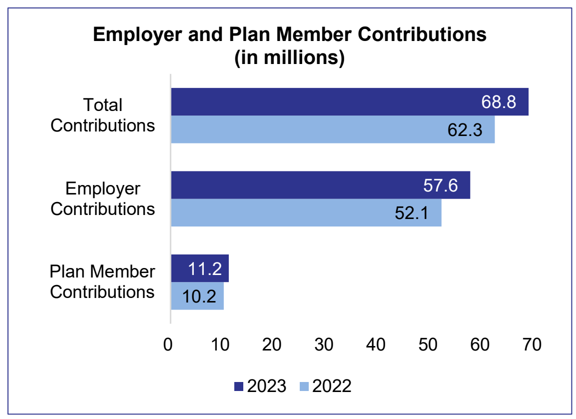
Total additions to fiduciary net position has decreased from $77.8 million in fiscal year 2022 to ($0.7) million in 2023.

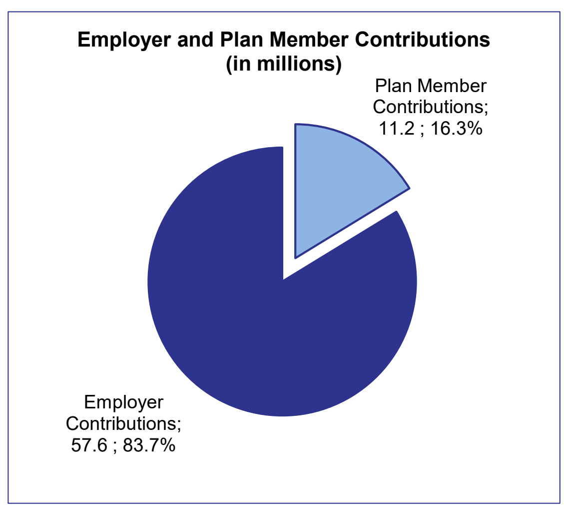




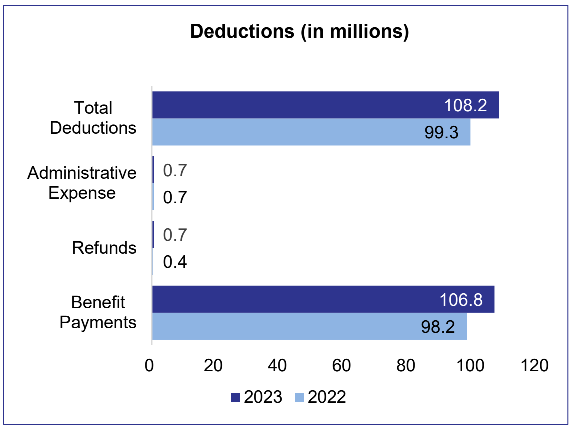
Net income from investments (excluding securities lending) decreased by 548.7 percent from $15.5 million in 2022 to a loss of $69.5 million in 2023. The net money-weighted rate of return on investments on a fair value basis was -4.81 percent in fiscal year 2023, and has decreased from 0.94 percent in fiscal year 2022.

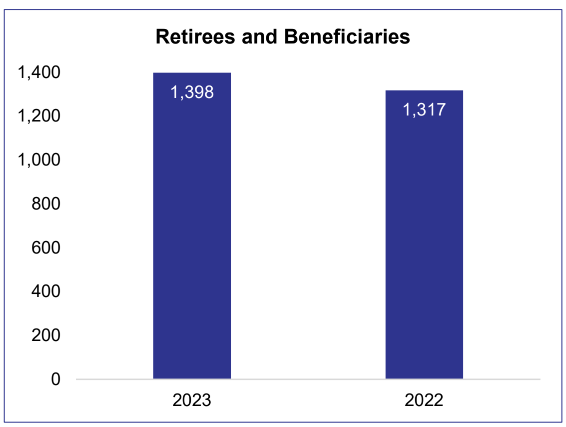
Employer and employee contributions received during the year totaled to $68.8 million, an increase of 10.4 percent or $6.5 million compared to 2022 received contributions of $62.3 million. The employer contributions increased by 10.6 percent from $52.1 million in fiscal year 2022 to $57.6 million in fiscal year 2023. The employee contributions increased by 9.0 percent from 10.2 million in fiscal year 2022 to $11.2 million in fiscal year 2023.





Total deductions from fiduciary net position increased by $8.9 million from $99.3 million in 2022 to $108.2 million in 2023. Member retirement benefit payments of $106.8 million in 2023 make up the majority of total deduction and increased by $8.6 million or 8.8 percent from $98.2 million in 2022. The number of retired members and beneficiaries receiving a benefit payment increased 6.2 percent from 1,317 to 1,398 payees as of June 30, 2023.





The net pension liability as calculated per Generally Accepted Accounting Principles in the United States of America (GAAP) as of June 30, 2023, and June 30, 2022, was $543.7 million and $398.9 million, respectively. The plan fiduciary net position as a percentage of total pension liability as of June 30, 2023, and June 30, 2022, was 75.53 percent and 81.75 percent, respectively. The net pension liability as a percentage of covered payroll has increased from 352.71 percent in fiscal year 2022 to 434.64 percent in fiscal year 2023. The covered payroll increased from $113.1 million in fiscal year 2022 to $125.1 million in fiscal year 2023.

	2023	2022
Net Pension Liability (in millions)	$543.7	$398.9
Net Position as Percentage of TPL	75.53%	81.75%
Covered Payroll (in millions)	$125.1	$113.1
Net Pension Liability as Percentage of Covered Payroll	434.64%	352.71%

Financial Analysis

Plan Fiduciary Net Position

When viewed over time, increases or decreases in plan fiduciary net position can be used to measure the financial condition of a pension plan.

For fiscal year 2023, the fiduciary net position of the Police Officers Retirement System decreased 6.1 percent, resulting in a total fiduciary net position value of $1,677.9 million, reflecting a decrease of $108.9 million over fiscal year 2022.

Total assets as of June 30, 2023, was $1,776.4 million, representing a decrease of $26.7 million, or 1.5 percent over the previous fiscal year. The main component of the decrease was due to the 5.7 percent or $101.8 million decrease in cash and investments, from $1,774.3 million in fiscal year 2022 to $1,672.5 million in fiscal year 2023 as a result of the unfavorable market conditions. The receivables increased by $79.0 million or 343.4 percent.

The table below details the Police Retirement System's net position for the current and prior year.

Net Position for Current and Prior Fiscal Year

Fiscal Year	Ending Balances (millions)	Net Change in Dollars (millions)	Net Change in Percent
2023	$1,677.9	($108.9)	-6.1%
2022	1,786.7	(21.5)	-1.2%

Summary of Plan Fiduciary Net Position

Assets	**2023**	**2022**	**Difference**	**Percentage of Change**
Total Cash and Investments	$1,672,481,360	$1,774,295,930	($101,814,570)	-5.7%
Cash Collateral, Securities Lending	1,722,107	5,771,185	(4,049,078)	-70.2%
Capital Assets, net	157,026	9,280	147,746	1592.1%
Total Receivables	102,031,545	23,010,200	79,021,345	343.4%
Total Assets	1,776,392,038	1,803,086,595	(26,694,557)	-1.5%
Liabilities				
Purchase of Investments	$91,419,727	$4,090,549	$87,329,178	2134.9%
Cash Collateral, Securities Lending	1,722,107	5,771,185	(4,049,078)	-70.2%
Accounts Payables and Others	5,369,483	6,486,739	(1,117,256)	-17.2%
Total Liabilities	98,511,317	16,348,473	82,162,844	502.6%
Net Position Restricted for Pension Benefits	**$1,677,880,721**	**$1,786,738,122**	**($108,857,401)**	-6.1%

Total liabilities as of June 30, 2023, were $98.5 million, representing an increase of $82.2 million, or 502.6 percent, over the previous year. The increase in total liabilities was the result of the increase in accounts payable due to purchase of investments from $4.1 million as of fiscal year 2022 to $91.4 million as of fiscal year 2023. There was a 27.3 percent decrease in accrued expenses, including the year-end accrual for management fees.

The total assets of $1,776.4 million exceeded its liabilities of $98.5 million at the close of the Plan year ended June 30, 2023 with $1,677.9 million in fiduciary net position restricted for pension benefits.

The Plan's investments are exposed to various risks including interest rate, market and credit risks. These risks may be influenced by changes in economic conditions and market conditions. Therefore, it is reasonable to assume that there will be changes in the values of the investments held in trust, which could materially affect the amounts reported in the financial statements. Detailed information on investment results are in the Investment Section of this report.

	2023	2022	Difference	Percentage of Change
Accrued Expenses (in thousands)	$3,491.6	$4,805.1	($1,313.5)	-27.3%

Summary of Additions and Deductions

Additions	2023	2022	Difference	Percentage of Change
Employer Contributions	$57,592,394	$52,066,100	$5,526,294	10.6%
Plan Member Contributions	11,166,493	10,241,464	925,029	9.0%
Net Income (Loss) from Investments	(69,480,276)	15,484,036	(84,964,312)	-548.7%
Net Income from Securities Lending	21,712	51,439	(29,727)	-57.8%
Total Additions, Net of Losses	(699,677)	77,843,039	(78,542,716)	-100.9%
Deductions				
Benefit Payments	$106,820,896	$98,193,106	$8,627,790	8.8%
Refunds	654,387	437,846	216,541	49.5%
Administrative Expense	682,441	663,508	18,933	2.9%
Total Deductions	108,157,724	99,294,460	8,863,264	8.9%
Net Increase/(Decrease)	**($108,857,401)**	**($21,451,421)**	**($87,405,980)**	407.5%

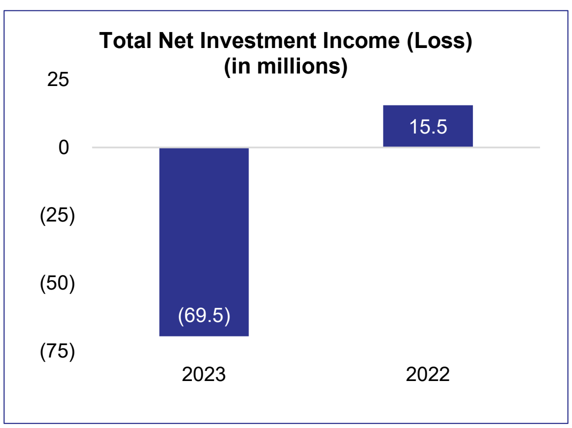
Dollars (in thousands)	2023	2022	Difference	Percentage of Change
Interest	$6,278.9	$9,611.4	($3,332.5)	-34.7%
Dividends	5,840.5	3,969.2	1,871.3	47.2%
Total	**$12,119.4**	**$13,580.6**	**($1,461.2)**	-10.8%

Additions and Deductions

Total additions to the retirement fund consist of contributions from employers and active members and changes in the value of assets. Total additions decreased by $78.5 million or 100.9 percent, attributed primarily due to a significant downturn in investment gains in fiscal year 2023 versus fiscal year 2022. The interest and dividend income experienced a decrease of 10.8 percent. The significant decrease in total additions was due to the unfavorable market environment in fiscal year 2023.

Total contributions for the fiscal year ended June 30, 2023, amounted to $68.8 million. This was an increase of $6.5 million when compared with the activity of fiscal year 2022. While the contribution rate remained at 46.04 percent, employer contributions increased by 10.6 percent and employee contributions increased by 9.0 percent for fiscal year 2023. The increases in employer and employee contributions were primarily due to overall salary increases for contributing membership and impacted by other factors including buybacks, different membership tiers, the timing of members coming in and out of the plan, and the number of pay periods fluctuating from year to year.

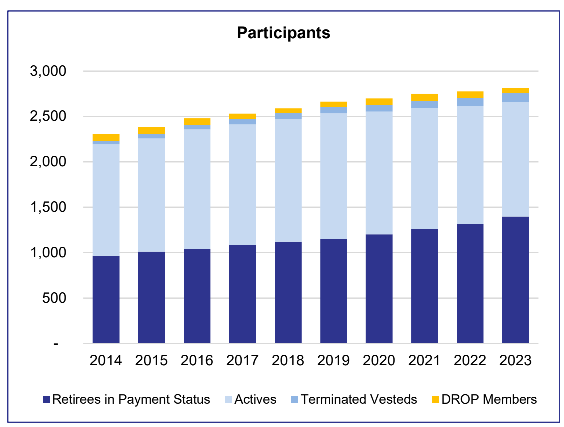
Investment returns had a downturn for fiscal year 2023, reflecting unfavorable returns in the capital markets. Total net investment income (including securities lending) decreased from a gain of $15.5 million in fiscal year 2022 to a loss of $69.5 million in fiscal year 2023, as a result of unfavorable investment performance.



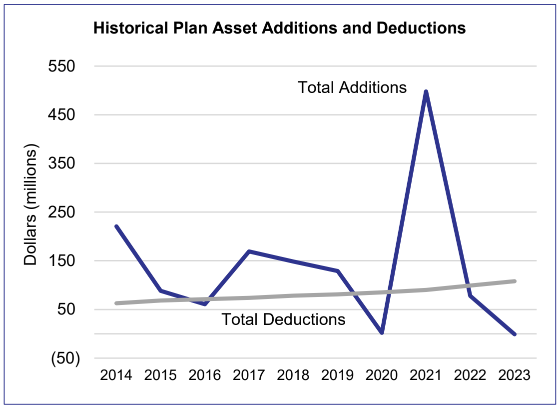
Total deductions of the System consist of the payments of benefits to retirees and beneficiaries, the refund of contributions to former members and the cost of administering the System. The total deductions for fiscal year 2023 were $108.2 million, an increase of $8.9 million, or 8.9 percent, over fiscal year 2022.

Regular pension benefit payments increased as the number of retirees and beneficiaries receiving benefit payments rose to 1,398 in fiscal year 2023 from 1,317 in fiscal year 2022. Benefit payments also increased due to a cost-of-living adjustment increase of 4.0 percent and higher average benefits for new retirees. Refunds reflected a 49.5 percent increase due to more employees requesting refunds or higher balances of refunded amount.

Participant Count	**2023**	**2022**
Actives	1,258	1,299
DROP Members	57	73
Terminated Vesteds	102	88
Retirees and Beneficiaries in Payment Status	1,398	1,317
Total	**2,815**	**2,777**



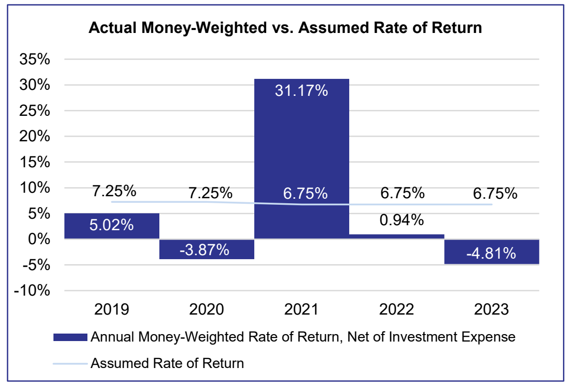
Historical additions to and deductions from fiduciary net position indicate a pattern of steadily increasing deductions as compared to fluctuating additions as a result of the unpredictable market environment.



The System utilizes two methodologies when analyzing investment returns. They may vary from each other in any given period. For GAAP accounting valuation purposes, a money-weighted return is used. A money-weighted rate of return calculates the investment performance accounting for all cash flows (contributions and withdrawals) occurring during the performance measurement period. The System's investment returns, net of fees, on a money-weighted rate of return decreased from 0.94 percent in fiscal year 2022 to -4.81 percent in fiscal year 2023.

For investment performance reporting purposes, the System relies on a time-weighted approach. A time-weighted rate of return minimizes the impact of cash flows occurring throughout the measurement period. This methodology allows the System to compare its investment performance with relevant benchmark returns, as well as its performance with other pension plans. The System's investment returns, net of fees, on a time-weighted rate of return decreased from 0.89 percent to -3.87 percent in fiscal year 2023.

The annual money-weighted rate of return of -4.81 percent did not exceed the assumed 6.75 percent rate of return, net of fees, for the year ended June 30, 2023.



An actuarial valuation is performed annually by Cheiron. The actuarial value of the assets as of the last valuation on June 30, 2023, was $1,810.9 million, while actuarial liabilities as of the same period was $2,221.6 million. As of June 30, 2023, the date of the most recent actuarial valuation, the funded ratio of the System was 81.52 percent. This was a decrease of 0.69 percent from the June 30, 2022, valuation funded ratio of 82.21 percent.

Under GAAP calculation, using the December 31, 2022, data rolled forward to June 30, 2023, the plan fiduciary net position as a percentage of the total pension liability was 75.53 percent. It decreased from 81.75 percent in fiscal year 2022, primarily as a result of the increase in the Total Pension Liability. The Total Pension Liability as of June 30, 2023, and June 30, 2022, was $2,221.6 million and $2,185.6 million, respectively.

Management's Discussion and Analysis

(Dollars in millions)	2023	2022
Actuarial Accrued Liability	$2,221.6	$2,185.6
Actuarial Value of Assets	1,810.9	1,796.9
Unfunded Actuarial Liability	$410.7	$388.7
Funding Ratio	81.52%	82.21%
Total Pension Liability	$2,221.6	$2,185.6
Plan Fiduciary Net Position	1,677.9	1,786.7
Net Pension Liability	$543.7	$398.9
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.53%	81.75%

Contacting the System's Financial Management

This financial report is designed to provide our membership, the Board of Trustees and the County's Board of Supervisors with a general overview of the System's financial condition. If you have any questions about this report or need additional information, contact the Fairfax County Retirement System, 12015 Route 50, Fairfax, VA 22033. This report can also be found on the County's internet site at www.fairfaxcounty.gov/retirement/.

Basic Financial Statements

Statement of Fiduciary Net Position

As of June 30, 2023

Assets		
Cash and Short-Term Investments		
Equity in County's Pooled Cash and Temporary Investments	$4,800,880	
Cash Collateral Received for Securities on Loan	1,722,107	
Short-Term Investments	(14,990,585)	
Total Cash and Short-Term Investments		($8,467,598)
Capital Assets		
Building Improvements, net	4,935	
Equipment, net	3,341	
Right-to-Use Subscription, net	148,750	
Total Capital Assets		157,026
Receivables		
Accounts Receivable	2,572,423	
Accrued Interest and Dividends	1,921,394	
Investment Proceeds and Other Receivables	97,537,728	
Total Receivables		102,031,545
Investments		
Common Stock	199,797,921	
Preferred Securities	1,567,104	
Natural Resources	4,798,375	
Fixed Income		
Asset-Backed Securities	26,640,326	
Corporate Bonds	46,253,805	
International Bonds	34,422,387	
U.S. Government Obligations	114,224,593	
Pooled and Mutual Funds	1,254,966,554	
Total Investments		1,682,671,065
Total Assets		1,776,392,038
Current Liabilities		
Investment Purchases and Other Liabilities	91,419,727	
Cash Collateral Received for Securities on Loan	1,722,107	
Accounts Payable and Accrued Expenses	5,146,670	
Compensated Absences, Short-Term	18,729	
Subscription Liability, Short-Term	56,890	
Noncurrent Liabilities		
Compensated Absences, Long-Term	61,901	
Subscription Liability, Long-Term	85,293	
Total Liabilities		98,511,317
Net Position Restricted for Pension Benefits		**$1,677,880,721**

See accompanying notes to financial statements.

Basic Financial Statements

Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2023

Additions		
Contributions		
Employer	$57,592,394	
Plan Members	11,166,493	
Total Contributions		$68,758,887
Investment Income from Investment Activities		
Net Depreciation in Fair Value of Investments	(60,701,534)	
Interest	6,278,943	
Dividends	5,840,525	
Total Investment Loss	(48,582,066)	
Investment Activity Expense		
Management Fees	(20,205,684)	
Custodial Fees	(143,638)	
Allocated Administration Expense, Including Legal Fees	(548,888)	
Total Investment Expense	(20,898,210)	
Net Loss from Investment Activities		(69,480,276)
Securities Lending Activities		
Securities Lending Income	33,943	
Securities Lending Expense	(12,231)	
Net Income from Securities Lending Activities		21,712
Total Net Investment Loss		(69,458,564)
Total Additions, Net of Losses		($699,677)
Deductions		
Annuity Benefits	99,063,803	
Disability Benefits	1,439,791	
Survivor Benefits	6,317,302	
Refunds of Employee Contributions	654,387	
Administrative Expenses	682,441	
Total Deductions		108,157,724
Net Decrease		(108,857,401)
Net Position Restricted for Pension Benefits		
Beginning of Fiscal Year		1,786,738,122
End of Fiscal Year		**$1,677,880,721**

See accompanying notes to financial statements.

Notes on Financial Statements

The Fairfax County Police Officers Retirement System ("System" or "Plan") is a legally separate single-employer defined benefit pension plan established under the Code of Virginia to provide defined pension benefits to certain Fairfax County, Virginia ("County") police. As such, the System is considered part of the County reporting entity and its financial statements are included in the County's basic financial statements as a pension trust fund.

Note 1. Summary of Significant Accounting Policies

A. Basis of Accounting

The System's basic financial statements have been prepared under the accrual basis of accounting in accordance with accounting principles applicable to governmental units in the United States of America (GAAP). Member and employer contributions to the plan are recognized in the period in which the contributions are due pursuant to legal requirements. Benefits and refunds are recognized when due in accordance with the terms of the plan. The cost of administering the plan is paid by the System.

For financial reporting purposes, the System adheres to GAAP. The System applies all applicable pronouncements of the Governmental Accounting Standards Board (GASB).

B. Method Used to Value Investments

Short-term investments are reported at fair value when published market prices and quotations are available, or at a cost plus accrued interest, which approximates market or fair value. All other investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Asset-backed securities are valued on the basis of future principal and interest payments and are discounted at prevailing interest rates for similar instruments. Because of the inherent uncertainty in valuing these securities, the fair value may differ from the values that would have been used had a ready market for such securities existed. Accordingly, the realized value received upon the sale of the assets may differ from the fair value. The System records investment purchases and sales as of trade date. These transactions are not finalized until the settlement date, which occurs approximately three business days after the trade date. The amounts of trade receivables and payables are shown as receivables and payables on the Statement of Fiduciary Net Position. Cash received as collateral on securities lending transactions and investments made with such cash are reported as assets along with a related liability for collateral received. The fair values of private investments and private real estate are generally lagged by at least one quarter due to the timing of receipt of private market valuations and information.

C. Equity in County's Pooled Cash and Temporary Investments

The System maintains cash with the County, which invests cash and allocates interest earned, net of a management fee, on a daily basis to the System based on the System's average daily balance of equity in pooled cash. As of June 30, 2023, the bank balance of the County's public deposits was either insured by the Federal Deposit Insurance Corporation or through the State Treasury Board pursuant to the provisions of the Security for Public Deposit Act. The County's investments are exposed to various risks such as interest rate, market and credit risks. Such risks, and the resulting investment security values, may be influenced by changes in economic conditions and market perceptions and expectations. Accordingly, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

D. Compensated Absences

Employees are granted vacation and sick leave based on their length of service. 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 employees; however, it is converted to years of service upon retirement. In addition, employees may accrue compensatory leave for hours worked in excess of their scheduled hours. Compensatory leave in excess of 240 hours is forfeited at the end of the calendar year.

Compensated Absences	
FY 2023 Beginning Balance	$83,353
Leave Earned	12,408
Leave Used	15,131
FY 2023 Ending Balance	$80,630
Due Within One Year	$18,729

Note 2. Summary of Plan Provisions

A. Plan Description and Provision

The Police Officers Retirement System is a single-employer defined benefit pension plan. Benefit provisions are established and may be amended by County ordinance. All benefits vest at five years of service. The general provisions of the Police Officers Retirement System are as follows:

Membership.
The plan covers County police officers who are not covered by other plans of the County or the Virginia Retirement System. Members sworn before January 1, 2013, are members of Plan A. Members sworn on January 1, 2013, or between January 1, 2013, and July 1, 2019, are members of Plan B. Members sworn on or after July 1, 2019, are members of Plan C.

Contribution Rate.
The member contribution rate is set by the County Ordinance and is currently 8.65 percent of base salary. The County contribution rate is set by the actuarial process and was 46.04 percent for fiscal year 2022. Police Officers do not participate in Social Security.

Normal Retirement.
To be eligible for normal retirement, an individual must meet the following criteria: (a) if employed before July 1, 1981; attained the age of 55 or completed 20 years of service, or (b) if employed on or after July 1, 1981; attained the age of 55 or completed 25 years of service.

The normal retirement benefit for Plans A and B is 2.8 percent of average final compensation (i.e., the highest consecutive three years) multiplied by creditable service at date of termination, and increased by 3 percent. Plan C calculation of normal benefit does not include the additional 3 percent.

Early Retirement.
A member is eligible for early retirement if under the age of 55 within at least 20 years of creditable service. This is the normal retirement benefit calculated using average final compensation and service at early retirement, actuarially reduced, and increased by 3 percent.

Deferred Retirement Option Program (DROP).
Those eligible for normal retirement may enter DROP for a period of up to three years. Members can only participate in DROP once, and their election is irrevocable.

Deferred Vested Retirement.
Deferred vested retirement is available for vested members (vesting is at 5 years of service), who leave their contributions in the System when they terminate employment. At age 55, these members are entitled to their normal retirement benefit based on service with the Police Department.

Service-Connected Disability Retirement.
Service-connected disability retirement is available for members, regardless of their length of service, who become disabled as a result of a job-related illness or injury. Benefits for total disability are 66.67 percent of the salary, reduced by any Workers' Compensation benefits. These benefits continue during the existence of the disability.

Non-Service Connected Disability Retirement.
Non-service connected disability retirement is available for vested members who become disabled due to an injury or illness that is not job- related. Normal retirement benefits are paid.

Death Benefits.
If death occurs prior to retirement:

An automatic monthly benefit is payable to the member's spouse and children. This benefit equals $2,653.49 for the spouse or surviving handicapped child (if there is no spouse), plus each eligible child receives $1,061.39 up to a maximum total family benefit of $5,306.97 (these benefits are indexed to inflation). If the death occurred in the line of duty, the spouse or surviving handicapped child (if there is no spouse) may elect to receive 66.67 percent of the member's regular salary at the time of death in lieu of the automatic benefits.

If death occurs after retirement:

In addition to the automatic benefit detailed above, at the time the member retires, the Plan provides for the member to elect survivor benefit options for the Surviving Spouse or a Handicapped Child at 25 percent, 50 percent, 66.67 percent, 75 percent or 100 percent of the retiree's benefit.

Cost of Living Benefit.
Annual cost of living adjustments (COLAs) are provided to retirees and beneficiaries and are equal to the lesser of 4.0 percent or the percentage increase in the Consumer Price Index for the Metropolitan Statistical Area that includes Fairfax County.

Benefit Limits.
Benefits are limited to the maximum amounts for qualified plans as set forth in Section 415 of the Internal Revenue Code. A separate, nonqualified benefit restoration plan has been established for the payment of any benefit formula amounts in excess of the Section 415 limit.

Note: Detailed provisions may be found in the Retirement Handbook for Active Employees.

B. Board of Trustees
Eight members serve on the Fairfax County Police Officers Retirement System (Board). Three of the members are citizens appointed by the Fairfax County Board of Supervisors. Three of the members are elected by Fairfax County Government Employees, and one of the members is elected by retirees. The Director of Finance also serves as an Ex Officio member.

C. Membership
At June 30, 2023, the date of the latest actuarial valuation, membership in the System consisted of:

Retirees and Beneficiaries Receiving Benefits	1,398
Terminated Vesteds	102
Deferred Retirement Option Program (DROP) Participants	57
Active Plan Members	1,258
Total	**2,815**

D. Deferred Retirement Option Program
Members eligible for normal retirement may elect to enter the DROP. As a DROP member, he or she will continue to work and receive a salary for a maximum period of three years while an amount equal to what could have been received as a retirement benefit is credited to his or her DROP account. The monthly benefit that will be credited to the DROP account is determined by the years of service and Average Final Compensation at the DROP entry date. During the DROP period, the retirement plan accumulates his or her accrued monthly benefit which is payable at the end of the DROP period. The DROP account balance is credited at an annual interest rate of 5 percent, compounded monthly. At the end of the DROP period, the DROP member must terminate employment with the Fairfax County Government and will begin receiving his or her monthly retirement

benefit. Upon DROP exit, the retiree can elect to receive the balance of the DROP account in the form of a lump sum distribution, a rollover to another qualified plan (or IRA), or as an addition to the monthly retirement annuity. The DROP balance as of June 30, 2023, was $7.3 million.

E. Contributions

The contribution requirements of the System's members are established and may be amended by County ordinances. Member contributions are based on 8.65 percent of compensation for the year ended June 30, 2023. The County is required to contribute at an actuarially determined rate; the rate for the year ended June 30, 2023, was 46.04 percent of annual covered payroll. Total contributions for the fiscal year ended June 30, 2023, amounted to $68.8 million.

F. Deductions

The deductions from the System include the payment of retiree and beneficiary payments, the refund of employee contributions to former members and administrative expenses. The total deductions for the fiscal year ended June 30, 2023, amounted to $108.2 million.

Note 3. Investments

A. Investment Policy

The authority to establish the System is set forth in Chapter 303 of the Acts of Assembly (law of the Commonwealth of Virginia). Section 26-45.1 of the Code of Virginia (Code), updated by Section 51.1-803, authorizes fiduciaries of the System to purchase investments with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with the same aims. The Board shall also diversify such investments as to minimize the risk of large losses unless under the circumstances it is clearly prudent not to do so.

The System's Board of Trustees has adopted the Police Officers Retirement System Statement of Investment Objectives and Policy which establishes a broad set of investment objectives, guidelines, risk tolerance and performance standards for the assets of the System. The Board of Trustees has the authority to amend the investment policy. The Board recognizes that investing in worldwide capital markets inherently entails the assumption of risk. The Board believes that part of the risk involved in managing the System's assets can be reduced by investing in diversified, lowly-correlated asset classes and employing different philosophies and investment management styles. The Board has selected a long-term strategic asset allocation strategy which provides a high degree of diversification, maintains appropriate asset coverage of plan liabilities, and also optimizes investment return. Investment decisions for these assets are made by the Board of Trustees or investment managers selected by the Board. The Board hires each of its investment advisory firms on the basis of its specific area of expertise as well as its fit with the total risk and return objectives of the System. Each manager exercises investment discretion around specifically mandated quality, concentration, benchmark and performance guidelines, and practices active risk controls in order to achieve the System's investment expectations.

The following was the System's adopted asset allocation policy as of June 30, 2023. The asset allocation policy commonly exceeds 100 percent because of target exposures to both direct investments in asset classes plus notional exposure to asset classes through derivative positions such as Futures held at the portfolio level. Also, the System commonly includes notional exposures for select Investment Managers that have a mandate from the Board to provide the System with additional asset class exposure using leverage or derivatives.

Asset Class	Target Exposure
Absolute Return	20.0%
Global Equity	30.0%
Global Fixed Income	47.5%
Global Multi-Asset	20.0%
Global Real Assets	17.5%

B. Concentrations

For the most part, the overall investment policy does not identify a specific level of credit risk, interest rate risk or foreign currency risk. That is addressed at the individual account level. The guideline for "concentration of risk" is system- wide, however the System does not hold investments (other than U.S. Government and U.S. Government-guaranteed obligations) in any one security that represent 5.0 percent or more of fiduciary net position available for benefits. All investments, except for the pooled and mutual funds, short-term investment fund and a short-term collateral investment pool are held by an unaffiliated custodian. There is no custodial credit risk since the custodian's records establish the System's interest in the securities and the custodian provides insurance for all custody assets.

C. Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on pension plan investment, net of pension plan investment expense, was -4.81 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

D. Fair Value Hierarchy

The System measures and records its investments using fair value hierarchy measurement guidelines established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and gives the highest level to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest level to unobservable inputs (Level 3 measurements).

Level 1	Unadjusted quoted prices for identical instruments in active markets.
Level 2	Observable inputs other than quoted market prices.
Level 3	Valuation derived from valuation techniques in which significant inputs are unobservable.

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

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The table below shows the fair value levels of the investments.

Equities and fixed income securities classified in Level 1 are valued using prices quoted in the active markets for those securities. Securities in Level 2 and Level 3 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features and ratings. Matrix pricing is used to value securities based on the securities' relationships to benchmark quoted prices. Level 3 securities use proprietary information or single source pricing.

Notes on Financial Statements
(continued)

Fair Value Hierarchy

Investments by Fair Value Level	6/30/2023	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Asset-Backed Securities	$26,640,326	$ -	$11,562,195	$15,078,131
Convertible or Exchangeable Securities	1,041,530	-	1,041,530	-
Corporate and Other Bonds	42,109,736	27,540,028	12,527,706	2,042,002
International Bonds	34,422,387	-	33,803,955	618,432
Equity	199,797,921	128,519,752	-	71,278,169
Futures Contract	3,102,539	3,102,539	-	-
Natural Resources	4,798,375	-	-	4,798,375
Preferred Securities	1,567,104	1,480,515	86,589	-
U.S. Government Obligations	114,224,593	-	114,224,593	-
	$427,704,511	**$160,642,834**	**$173,246,568**	**$93,815,109**
Investments Measured at Net Asset Value (NAV)				
Absolute Return*	$300,445,617			
Global Equity*	308,570,130			
Global Fixed Income*	338,919,158			
Global Multi-Asset*	172,674,577			
Global Real Assets*	134,357,072			
	$1,254,966,554			
Investments Measured at the Amortized Cost				
Short Term	**(14,990,585)**			
Total Investments	**$1,667,680,480**			

*Pooled funds

Investments Measured at NAV

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Absolute Return	$300,445,617	$ -	Monthly, Quarterly	3 - 90 days
Global Equity	308,570,130	151,509,595	Daily, Monthly, Quarterly, None	3 - 90 days
Global Fixed income	338,919,158	84,103,461	Daily, Semi-Annually, None	5 - 90 days
Global Multi-Asset	172,674,577	-	Monthly	15 - 90 days
Global Real Assets	134,357,072	31,925,523	Daily, None	3 - 20 days
Total Investments Measured at NAV	**$1,254,966,554**	**$267,538,579**		

Absolute Return.

Global Macro:

This type includes four hedge funds. The first one has 100+ active ideas across fixed income, currencies, equities, and commodities. The process is equally driven by analysis of the macro environment, flows of capital, and the expected reaction to changes in interest rates and other drivers. The fair values of the investments in this type have been determined using NAV per share (or its equivalent) of the investments. The second one is a Commodity Trading Advisor (CTA) that analyzes market prices to determine trends and then uses tactical asset allocation to capture and ride market trends. The Fund is a diversified portfolio with exposure to currencies, commodities, bonds and short interest rates, and equity indices at various times. These exposures are typically achieved using derivatives which allows quick response because of the high liquidity in the derivative markets. The fair values of the investments in this type have been determined using NAV per share (or its equivalent) of the investments. The third one is a short-term systematic global macro CTA and is unique vs. other systematic macro hedge funds. Such short-term managers tend to not only be uncorrelated to long-only beta, hedge funds broadly and other global macro hedge funds specifically, they are also generally uncorrelated to each other within their own peer group. These features give them extremely attractive diversification characteristics. The fourth one is a discretionary global macro strategy with an emerging markets bias. Portfolio consists of 3-5 medium to long-term structural themes per year with active short-term positioning. Strategy invests across equities, fixed income, currency, credit, and commodities.

Event Driven:

This type includes one hedge fund. The first one focuses on global long/short credit and event driven positions, investing across the capital structure. The fund is directionally agnostic and over time has been net long and opportunistically net short. The fair values of the investments in this type have been determined using NAV per share (or its equivalent) of the investments.

Relative Value/Multi-Strategy:

This type includes four hedge funds. The first fund is a multi-strategy hedge fund which deploys capital across a range of asset classes, investment strategies and geographies. The five core investment strategies are: Equities, Credit, Fixed Income & Macro, Commodities, and Quantitative. The second fund is a market neutral multi-strategy fund whose return stream should be largely uncorrelated to the broader markets. The third fund is a relative value hedge fund which uses a systematic, relative value, duration-neutral approach to global fixed income, global stock indices, currency and volatility investing using a disciplined and repeatable quantitative investment process. They seek to capture macroeconomic theories using a range of input data and research ideas by using a combination of fundamental, technical and sentiment driven models. The fourth fund is a multi-strategy investment firm focused on the digital asset sector, which employs an active, long/short approach – thereby reducing the volatility of a long-only, passive investment.

Global Equity.

U.S. Equities:

This type includes one hedge fund and twenty-one private funds. The hedge fund is a U.S. small cap deep value long/short equity fund. The team looks for companies with management or capital structure issues. They identify undervalued companies and then perform a fundamental value analysis to find catalysts that may spark change in the company. The Fund will then, on its own or together with other members of a group, acquire a controlling interest in the company and then force management to enact the changes they feel are necessary for a turnaround. The fair value has been determined by using NAV per share (or its equivalent) of the investments.

The first and second private funds focus on acquiring minority equity stakes in institutionalized hedge fund firms or firms managing private exposures (private equity, private credit, etc.) with assets under management in excess of $1.0 billion.

The third and fourth private funds invest in blockchain technology, its many other industry uses, and the infrastructure for crypto currency markets (index rights, wallet, settlement, and custody platforms, etc.).

The fifth fund seeks to generate superior returns through the long-term capital appreciation of venture capital investments primarily structured as equity and equity-related investments in early stage blockchain technology companies and associated digital assets, including digital currencies, tokens, and other blockchain-based assets.

The sixth and seventh fund focuses on the underlying blockchain technology, its many other industry uses, and the infrastructure for crypto currency markets (index rights, wallet, settlement, and custody platforms, etc.). Additionally, the fund seeks to invest in Artificial Intelligence technologies that act in concert with Blockchain technologies.

The eighth fund will seek to invest in early-stage operating companies, which are developing technologies that are poised for broad adoption in finance, such as real-time payments, digital assets, banking-as-a-service, regtech (fraud prevention, AML/KYC, compliance), and AI-based credit decisioning.

The ninth fund is an early-stage venture capital fund focusing on pre-seed and Series A financing rounds in the blockchain technology space.

The tenth and eleventh fund targets highly innovative life sciences businesses that are leaders in their spaces and present attractive return opportunities with downside protection. The strategy will target companies operating in specific areas of innovation such as therapeutics, medical devices, diagnostics, and life sciences tools.

The twelfth and thirteenth fund seeks to identify and invest in breakthrough companies harnessing information growth and computing advances across a variety of industries.

The fourteenth fund targets highly innovative private hyper growth businesses that can become substantial public franchises. These businesses have a high prospect of sustainable earnings growth; financial strength with attractive downside protection rights; and rational valuation relative to business prospects.

The fifteenth fund makes select direct equity investments alongside its sister venture debt fund.

The sixteenth fund seeks to make minority investments in early-stage, emerging technology businesses in dynamic, high-growth markets. They are focused on businesses that are enabling and building on rapid digitalization and continued advancements in computing power that have the potential to drastically change the way we work and live.

The seventeenth fund is a healthcare-focused private equity firms. Investing in building therapeutics companies developing novel products for patients.

The eighteenth fund is an early-stage biased life sciences portfolio with an emphasis on sourcing innovation from Stanford University.

The nineteenth fund is an early-stage that uses the lens of National Security community to identify best-of-breed commercial technology. Investment focus on enterprise software, data/analytics, deep tech – through a National Security lens.

The twentieth fund is a venture studio that is positioned very early on in the idea generation and company formation phase of the equity value creation chain in technology.

The twenty-first fund makes select direct equity investments alongside its sister venture debt fund.

International Equities:

This includes two managers. The first one is an international small cap long/short equity fund that uses a quantitative approach. In addition to traditional value measures such as price/earnings and price/book ratios, the firm also considers growth-related factors, such as price momentum and trends in analysts' earnings estimates, to target undervalued companies that have strong prospects for future outperformance. The second fund seeks long term capital appreciation by investing primarily in companies located in emerging market countries and opportunistically, in frontier market countries. The portfolio typically holds 30-50 companies within global emerging markets. Country and sector exposures are primarily a by-product of individual stock selection. The fair value of these funds has been determined by using NAV per share (or its equivalent) of the investments.

Global Fixed Income.

This type includes six public debt funds and sixteen private debt funds. The first fund incorporates a best ideas approach from a broad range of emerging markets sovereign bonds, corporate bonds, local bonds, currencies, and volatility through long and short exposures. The second fund uses a macroeconomic approach for fixed income management. The firm places all its efforts on the correct duration/maturity, which has generated the firm's advantage over the indices. The firm invests in U.S. Treasury securities only. The third fund is a strategy which provides liquidity to centralized and decentralized exchanges in return for a yield. The fourth fund's strategy lend to regulated crypto institutions at attractive interest rates with low volatility due to: (i) a shortage of connections between traditional sources of capital and the crypto system and (ii) the lack of established credit ratings for these newer crypto institutions. The fifth fund seeks to maximize current income by investing primarily in high-yield bonds while mitigating credit risk. The strategy is designed to provide core high yield exposure. The sixth fund invests in Treasury Inflation-Protected Securities (TIPS) which are a type of Treasury security issued by the U.S. government as well as Global Inflation-Linked Bonds (ILBs). These securities are indexed to inflation to protect investors from a decline in the purchasing power of their money.

The private debt funds provide broad exposure to Direct Lending as well as Opportunistic Credit.

Direct Lending:

Direct Lending is a form of corporate debt provision in which lenders other than banks make loans to companies without intermediaries such as an investment bank, a broker, or at times, a private equity firm. In direct lending, the borrowers are usually smaller or mid-sized companies, also called mid-market or small and medium enterprises, rather than large, publicly listed companies. Lenders are generally asset management or private debt fund manager firms.

Opportunistic Credit:

Opportunistic Credit includes opportunistic/distressed funds investing in public and private debt, equity and real estate as opportunities present themselves. These investments cannot be redeemed. Instead, the nature of the investments in these private debt funds are that distributions are received through the liquidation of underlying assets of the funds over a period of years as per the terms of the fund.

Global Multi-Asset.
This type includes three funds that invest across asset classes using a risk balanced approach in their asset allocation of the Funds with the intent to balance risk across all four combinations of Rising and Falling Growth and Inflation. The main goal is to construct a portfolio that achieves the best risk adjusted return at a 10 percent expected volatility by overweighting the lower risk asset classes and balance expected returns in inflationary, deflation, high growth, and low growth periods. This is achieved using derivatives and liquid long positions across multiple asset classes. The fair values of the investments in this type have been determined using NAV per share (or its equivalent) of the investments.

Global Real Assets.
This type includes six funds. The first fund focuses on publicly traded REITs, listed infrastructure, commodities, MLPs, natural resource equities (including timber and agriculture), precious metals, TIPS, and floating rate/bank loans. The strategy will set long term strategic allocations to those asset classes with broad ranges and the portfolio will be tactically reviewed on a quarterly basis. The second fund purchases interests in other private real estate funds on the secondary market. The third fund is a hybrid private and public equity strategy focused on technology companies believed to be disrupting the transportation, logistics, and infrastructure complex. The fourth fund owns and operates the real estate, infrastructure and inventory of a cattle feeding operation. These investments cannot be redeemed. Instead, the nature of the investments in these private debt funds are that distributions are received through the liquidation of underlying assets of the funds over a period of years as per the terms of the fund. The fifth fund seeks to capture value in the commodity supply chain through hedged physical trading/arbitrage as well as merchanting activities. The sixth fund specializes in the energy sector and seeks to generate superior returns by applying their flexible strategy of investing long and short across the capital structure and liquidity spectrum in distressed investments, special situations opportunities, asset build-ups and private equity transactions.

E. Sensitivity to Interest Rate Risk
The System's investments' sensitivity to interest rates at June 30, 2023, were as follows:

Investment Type	Fair Value	Option Adjusted Duration (yrs)	Percentage of Fixed
Asset-Backed Securities	$26,640,326	4.2	12.0%
Corporate Bonds	46,253,805	0.7	20.9%
International Bonds	34,422,387	10.9	15.5%
U.S. Government Obligations	114,224,593	8.8	51.6%
Total Fixed Income	**$221,541,111**	6.9	**100.0%**
Short-Term Investments			
Cash and Cash Equivalents	($59,467,517)	0.0	
Police STIF*	44,476,932	0.1	
Total Short-Term Investments	**($14,990,585)**		

*Short-Term Investment Funds

The duration of the System's overall fixed income portfolio excluding pooled funds was 11.71 years for the separately managed accounts. The Barclays Capital Aggregate Bond Index (BCAG) established option-adjusted duration was 6.38 years. Commingled funds would alter the duration number above.

F. Short-term Investments

The short-term investments of ($15.0) million includes a position of $44.5 million of commingled cash held by our investment managers and cash held by the System in an enhanced short-term investment fund managed by BlackRock. Short-term investments also include repurchase agreements, which are generally considered safe investments because the security in question functions as collateral. Classified as a money-market instrument, a repurchase agreement functions in effect as a short-term, collateral-backed, interest-bearing loan. The buyer acts as a short-term lender, while the seller acts as a short-term borrower. The securities being sold are the collateral. Thus, secured funding and liquidity, are met.

G. Quality Ratings

The System's investment quality ratings at June 30, 2023, for the separately managed fixed income accounts, were as follows:

Type of Investment	Fair Value	Ratings	Percentage of Fixed
U.S. Government Obligations	$114,224,593		51.6%
Asset-Backed Securities	2,837,616	AA	1.3%
	51,269	A	0.0%
	1,205,947	BBB	0.5%
	3,570,737	BB	1.5%
	1,024,879	B	0.5%
	562,746	CC	0.3%
	165,757	D	0.1%
	17,221,375	Unrated	7.8%
Corporate and Other Bonds	35,681	AA	0.0%
	4,571,693	BB	2.1%
	5,731,988	B	2.6%
	3,971,117	CCC	1.8%
	31,943,326	Unrated	14.4%
International Bonds	1,516,437	AAA	0.7%
	430,942	BBB	0.2%
	1,377,175	B	0.6%
	31,097,833	Unrated	14.0%
Total Fixed Income	**$221,541,111**		**100.0%**
Short-Term Investments			
Cash and Cash Equivalents	($59,467,517)	Unrated	
Police STIF*	44,476,932	Unrated	
Total Short-Term Investments	**($14,990,585)**		

*Short-Term Investment Funds

As of June 30, 2023, the fixed income portfolio, excluding pooled funds, consisted of 54.3 percent invested in investment grade securities, 9.5 percent invested in securities rated below-investment-grade, and 36.2 percent invested in unrated securities.

The BCAG is the standard benchmark against which the industry and the System's Board measures its fixed income portfolio performance and volatility. The System's fixed income managers have discretion, within circumscribed limits, to extend the duration of their portfolios beyond that of the BCAG if they forecast falling interest rates (and thus higher bond prices). Conversely, if managers anticipate that the general level of interest rates will rise, they have the ability to shorten the duration of their portfolio and thus reduce the portfolio's sensitivity to rising rates.

Notes on Financial Statements
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H. Foreign Currency Risk
The Foreign Currency Risk is the risk that changes in exchange rates will adversely affect the fair value of the international investments. A portion of the developed markets currency exposures is hedged. The System's investments at June 30, 2023, held in currencies other than U.S. dollars were as follows:

International Securities	Short-Term Investments & Other	Convertible & Fixed Income	Equity	Total
Australian Dollar	$46	$576,068	$2,848,061	$3,424,175
Brazil Real	682	-	442,433	443,115
Canadian Dollar	26,816	2,524,490	4,529,267	7,080,573
Danish Krone	-	-	2,637,650	2,637,650
Euro Currency Unit	371	13,168,551	20,540,334	33,709,256
Hong Kong Dollar	-	-	4,554,312	4,554,312
Indian Rupee	1,399	-	-	1,399
Indonesian Rupiah	-	66,597	-	66,597
Japanese Yen	31,119	2,010,954	14,034,531	16,076,604
Mexican Peso	-	430,942	243,278	674,220
New Zealand Dollar	359	369,122	-	369,481
Norwegian Krone	-	-	753,538	753,538
Pound Sterling	(3,424,021)	13,820,874	10,389,556	20,786,409
Singapore Dollar	9,450	395,958	2,708,346	3,113,754
South Korean Won	-	240,612	2,016,558	2,257,170
Swedish Krona	2,360	665,681	3,500,649	4,168,690
Swiss Franc	1,118	-	5,538,746	5,539,864
Thailand Baht	-	-	408,028	408,028
Turkish Lira	-	-	118,582	118,582
Grand Total	**($3,350,301)**	**$34,269,849**	**$75,263,869**	**$106,183,417**

I. Derivative Financial Instruments

In accordance with the Board’s investment policies, the System regularly invests in derivative financial instruments in the normal course of its investing activities to enhance return on investment and manage exposure to certain risks within the System. The System also enters into derivative transactions to gain exposure to currencies and markets where derivatives are the most cost- effective instrument. Derivative instruments are financial contracts whose values depend on the values of one or more underlying assets, reference rates or financial indices. The System had exposure to various derivatives including asset-backed securities, collateralized mortgage obligations (CMOs), exchange-traded futures contracts, forward currency contracts, options, swaps and floating rate securities. Some securities, such as structured notes, can have derivative-like characteristics where the return may be linked to one or more indexes. Asset-backed securities, such as CMOs, are sensitive to changes in interest rates and pre-payments. It should also be noted that the System has exposure to derivatives indirectly through its ownership interests in certain hedge funds, mutual funds and commingled funds which may use, hold or write derivative financial instruments.

Derivative investments may involve, to varying degrees, elements of credit and market risk in excess of amounts recognized on the financial statements. Market risk results from the fluctuations in interest rates and currency rates. The credit risk of these investments is associated with the creditworthiness of the related parties to the contracts. The System could be exposed to risk if the counterparties to the contracts are unable to meet the terms of the contracts. Holders of futures contracts look to the exchange for performance under the contract and not to the other party holding the offsetting futures position. Accordingly, the amount at risk due to nonperformance of counterparties to futures contracts is minimal. For counterparties involving over the counter derivatives, the Board seeks to control this risk through counterparty credit evaluations, counterparty credit limits, and exposure monitoring procedures conducted by investment managers and staff.

At June 30, 2023, the System held the following four types of derivative financial instruments: futures, swaps, currency forwards and options. These four types of derivatives provide the System with the opportunity to build passive benchmark positions, enhance returns, and gain market exposure to various indices in a more efficient way and at lower transaction costs. Credit risks depend on whether the contracts are exchange-traded or exercised over-the-counter. Market risks arise from adverse changes in market prices, interest rates and foreign exchange rates.

Investment managers are prohibited from purchasing securities on margin or using leverage unless specifically permitted within the investment manager’s guidelines. Derivative instruments covered under the scope of GAAP are reported at fair value. The change in fair value of derivative instruments that are used for investment purposes are reported within the investment revenue classification. Gains and losses on derivative securities are determined based upon fair values as determined by our custodian and recorded in the Statement of Changes in Fiduciary Net Position.

Futures.

Futures contracts are contracts to deliver or receive securities at a specified future date and at a specified price or yield. Futures contracts are traded on organized exchanges (exchange-traded) and typically require an initial margin (collateral) in the form of cash or marketable securities. The net change in the futures contract value is settled daily, in cash, with the exchanges. The net gains or losses resulting from the daily settlements are included in the System’s financial statements. Holders of futures contracts look to the exchange for performance under the contract and not to the entity holding the offsetting futures position. Accordingly, the amount at risk posed by nonperformance of counterparties to futures contracts is minimal.

The notional value of the System's investment in futures contracts at June 30, 2023, were as follows:

Types of Futures	Base Exposure	Notional Cost
Cash and Cash Equivalents		
Short	($74,399,479)	($74,328,901)
Commodity		
Long	88,818,019	89,687,858
Equity		
Long	152,332,888	148,129,855
Fixed Income Securities		
Long	167,432,201	167,631,586
Short	(10,353,524)	(10,287,616)
Total	**$323,830,105**	**$320,832,782**

Swaps.
The System enters into several types of swap contracts, in which two counterparties agree to exchange one stream of payments for another over some agreed to period of time. Swaps are used to manage risk and enhance returns. All counterparties are rated A or better. The following is the information on the System's swap contracts outstanding at June 30, 2023:

Fixed Income Securities Swaps	Fair Value	Base Exposure
Cleared Interest Rate Swaps	($5,920)	($5,894)
Cleared Inflation Swaps	5,028	5,028
Total	**($892)**	**($866)**

Currency Forwards.
Currency forwards represent foreign exchange contracts. They are used to affect settlements and to protect the base currency value of portfolio assets denominated in foreign currencies against fluctuations in the exchange rates of those currencies, or to gain exposure to the change in fair value of a specific currency. A forward foreign currency exchange contract is a commitment to purchase or sell a foreign currency at a future date and at a negotiated price. The credit risk of currency contracts that are exchange-traded lies with the clearinghouse of the exchange where the contracts are traded. The credit risk of currency contracts traded over-the counter lies with the counterparty, and exposure usually is equal to the unrealized profit on in-the money contracts. All counterparties are rated A or better. The market risk in foreign currency contracts is related to adverse movements in currency exchange rates.

The following is the summary information on the System's currency forward contracts at June 30, 2023:

Foreign Currency Contracts Purchased	Notional (Local Currency)	Cost	Fair Value Payable in U.S. Dollars	Unrealized Gain/(Loss)
Australian Dollar	($1,742,000)	($1,169,260)	($1,160,104)	$9,157
Canadian Dollar	(1,499,000)	(1,122,901)	(1,132,834)	(9,933)
Euro Currency Unit	(25,322,000)	(27,564,338)	(27,649,970)	(85,632)
Japanese Yen	(294,191,807)	(2,042,050)	(2,044,873)	(2,823)
New Zealand Dollar	(1,208,000)	(739,690)	(740,031)	(341)
Pound Sterling	(19,180,635)	(24,099,983)	(24,387,706)	(287,723)
Swedish Krona	(7,300,000)	(678,315)	(675,873)	2,442
		($57,416,537)	($57,791,391)	($374,853)
Foreign Currency Contracts Sold	**Notional (Local Currency)**	**Cost**	**Fair Value Receivable in U.S. Dollars**	**Unrealized Gain/(Loss)**
Australian Dollar	$381,108	$252,813	$253,692	$879
Euro Currency Unit	12,223,000	13,381,207	13,335,923	(45,284)
Japanese Yen	850,581	5,929	5,886	(43)
New Zealand Dollar	604,000	367,292	370,038	2,746
Pound Sterling	8,838,635	11,178,155	11,237,071	58,917
		$25,185,396	$25,202,610	$17,215
Net Unrealized Gain/(Loss) on Foreign Currency Spot and Forward Contracts				**($357,638)**

Options.
Options contracts may be exchanged traded or negotiated directly in an over-the-counter transaction between two counterparties. Options holders have the right, but not the obligation, to purchase (call) or sell (put) a financial instrument at a future price and time. The System can both purchase and write options.

Exchange traded options rely on the exchange for performance and the risk to non-performance of counterparties is minimal. All counterparties for over-the-counter options are rated A or better.

The following table provides information on the System's option contracts at June 30, 2023:

Option Types	Position	Call/Put	Cost	Fair Value	Total Unrealized Gain/(Loss)
Equity	Purchased	Put	$112,274	$106,584	($5,690)
Equity	Written	Put	(231,810)	(211,607)	20,203
Fixed Income	Purchased	Put	13,168	8,010	(5,158)
Fixed Income	Written	Put	(26,508)	(16,910)	9,598
Total Options			**($132,876)**	**($113,923)**	**$18,953**

J. Securities Lending

The Board of Trustees' policies permit the System to lend its securities to broker/dealer and other entities (borrowers) for collateral that will be returned for the same securities in the future. The System's custodian is the agent in lending the plan's domestic securities for collateral of 102.0 percent and international securities of 105.0 percent of the fair value. The custodian receives cash or securities as collateral from the borrower. All securities loans can be terminated on demand by either the System or the borrower. Securities received as collateral are not reported as assets and liabilities on the balance sheets since the Retirement System does not have the ability to pledge or sell the collateral securities absent borrower default.

The System did not impose any restrictions during fiscal year 2023 on the amounts of loans the lending agent made on its behalf. At June 30, 2023, the System had no credit risk exposure to borrowers because the amounts the System owed the borrowers exceeded the amounts the borrowers owed the System. The custodian provides full indemnification to the System for any losses that might occur in the program due to the failure of a broker/dealer to return a borrowed security or failure to pay the System income earned on the securities while on loan. Cash collateral is invested in a separate account with the lending agent which includes a larger allocation to equity repurchase securities.

At June 30, 2023, cash collateral had a weighted-average maturity of one day. The maturities of the resulting investments generally match the maturities of the securities lending arrangements. While the System bears no credit risk from the failure of a borrower to return a borrowed security, it does bear risk from investing the collateral.

The following represents the balances relating to the securities lending transactions at June 30, 2023:

Securities Lent	Underlying Securities	Cash Collateral Investment Value	Securities Collateral Investment Value
Lent for Cash Collateral			
Common and Preferred Stock	$1,578,263	$1,722,107	
Lent for Securities Collateral			
U.S. Government Securities	796,671	-	$844,783
Common and Preferred Stock	9,349,476	-	10,232,670
Total Securities Lent	**$11,724,410**	**$1,722,107**	**$11,077,453**

Note 4. Net Pension Liability, Actuarial Methodsand Assumptions

A. Net Pension Liability

The components of the net pension liability at June 30, 2023, were as follows:

Total Pension Liability	$2,221,583,760
Plan Fiduciary Net Position	1,677,880,721
Net Pension Liability	$543,703,039
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.53%

B. Actuarial Methods and Assumptions

The Total Pension Liability was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement.

Entry Age Normal, Level Percent of Payroll	
Discount Rate, Net of Plan Investment Expenses	6.75%
Inflation	2.25%
Salary Increase; Including Inflation	2.25% + merit
Investment Rate of Return, Net of Plan Investment Expenses	6.75%
Municipal Bond Rate	N/A
Projected Period of Unfunded Benefit Payments	None

The actuarial assumptions used have been recommended by the actuary and adopted by the System's Board of Trustees based on the most recent review of the System's experience study presented at a Board meeting on September 9, 2021.

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

The County is required to contribute at an actuarially determined rate; the rate for the year ended June 30, 2022, was 46.04 percent of annual covered payroll which was adopted for fiscal year 2023.

Mortality rates with adjustments for mortality improvements were based on 100% of the PubS-2010 Healthy Annuitant Head-Count Weighted Mortality Table for males and females for participants (non beneficiary/ survivor) and 100% of the PubG-2010 Healthy Annuitant Head-Count Weighted Mortality table for beneficiaries projected using the MP-2020 model, with an ultimate rate of 0.85% for ages 20- 80 grading down to an ultimate rate of 0% for ages 114-120 and convergence to the ultimate rate in the year 2027. Twenty percent of pre-retirement deaths are assumed to be service-connected.

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020.

C. Long Term Expected Rate of Return

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

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2023, are summarized below.

Asset Class	Long Term Expected Real Rate of Return
Absolute Return	8.0%
Core Fixed Income	2.8%
High Yield	5.3%
International Developed Mkt. Equities	5.4%
International Emerging Mkt. Equities	7.8%
Real Assets	5.7%
Risk Parity	6.4%
U.S. Equity	5.5%
Gold	1.0%

D. Discount Rate

The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In making this determination, we assumed the outflows would equal the anticipated benefit payments from the 2023 actuarial valuation. The administrative expenses attributable to current actives were assumed to equal 0.50 percent of covered payroll. The inflows to the plan were assumed to continue at the member rate for the 2023 active population of 8.65 percent of payroll and County contributions were projected at 50.87 percent for fiscal year 2024 and increasing to 66.54 percent through 2036. After that time, the County contribution is assumed to decrease to the normal cost, plus expenses (19.64 percent) and amortization of any remaining experience gains and losses.

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

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

Sensitivity of Net Pension Liability

	1% Decrease 5.75%	Discount Rate 6.75%	1% Increase 7.75%
Total Pension Liability	$2,526,921,060	$2,221,583,760	$1,972,231,787
Plan Fiduciary Net Position	1,677,880,721	1,677,880,721	1,677,880,721
Net Pension Liability	$849,040,339	$543,703,039	$294,351,066
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.40%	75.53%	85.08%

Note 5. Subscription Payable

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

On July 1, 2022, the Authority entered a 41-month subscription for the use of Backstop Portfolio Management. An initial subscription liability for the System was recorded in the amount of $73,184. As of June 30, 2023, the value of the subscription liability is $49,752. The Authority is required to make annual fixed payments of $24,173. The subscription has an interest rate of 2.0377%. The value of the right to use asset as of June 30, 2023, of $73,184 with accumulated amortization of $20,926 is included with Software on the Subscription Class activities table found below.

On July 1, 2022, the Authority entered a 57-month subscription for the use of Pension Gold Subscription. An initial subscription liability was recorded in the amount of $113,988. As of June 30, 2023, the value of the subscription liability is $87,242. The Authority is required to make annual fixed payments of $28,622. The subscription has an interest rate of 2.1860%. The value of the right to use asset as of June 30, 2023, of $113,988 with accumulated amortization of $23,984 is included with Software on the Subscription Class activities table found below.

On September 4, 2022, the Authority entered a 24-month subscription for the use of Diligent Board Portal Subscription. An initial subscription liability was recorded in the amount of $10,323. As of June 30, 2023, the value of the subscription liability is $5,189. The Authority is required to make annual fixed payments of $5,134. The subscription has an interest rate of 1.8940%. The value of the right to use asset as of June 30, 2023, of $11,043 with accumulated amortization of $4,555 is included with Software on the Subscription Class activities table found below. The Authority has one extension option(s), each for 12 months.

Amount of Subscription Assets by Major Classes of Underlying Asset

As of Fiscal Year-End

Asset Class	Subscription Asset Value	Accumulated Amortization
Software	$198,215	$49,465
Total Subscriptions	**$198,215**	**$49,465**

Principal and Interest Requirements to Maturity

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2024	$56,890	$3,019	$59,909
2025	54,686	1,826	56,512
2026	30,607	669	31,276
Total	**$142,183**	**$5,514**	**$147,697**

Trust Fund Activities

Fund (Rollforward Schedule)	Balance as of July 1, 2022	Additions	Reductions	Balance as of June 30, 2023
Subscription Liability				
Software				
Backstop Portfolio Management	$73,184	$ -	$23,432	$49,752
Diligent Board Portal Subscription	-	10,323	5,134	5,189
Pension Gold Subscription	113,988	-	26,746	87,242
Total Software Subscription Liability	187,172	10,323	55,312	142,183
Subscription Assets				
Software				
Backstop Portfolio Management	73,184	-	-	73,184
Diligent Board Portal Subscription	-	11,043	-	11,043
Pension Gold Subscription	113,988	-	-	113,988
Total Software Subscription Assets	187,172	11,043	-	198,215
Subscription Accumulated Amortization				
Software				
Backstop Portfolio Management	-	20,926	-	20,926
Diligent Board Portal Subscription	-	4,555	-	4,555
Pension Gold Subscription	-	23,984	-	23,984
Total Software Subscription Accumulated Amortization	-	49,465	-	49,465
Total Trust Fund Subscription Assets, Net	**$187,172**	**($38,422)**	**$ -**	**$148,750**

Note 6. Income Taxes

The Internal Revenue Service issued the System a determination letter which stated that the System and its underlying trust qualify under the applicable provisions of the Internal Revenue Code and therefore are exempt from federal income taxes.

Required Supplementary Information
(Unaudited)

Schedule of Changes in Collective Net Pension Liability and Related Ratios

Year Ended June 30	2023	2022	2021	2020	2019
Total Pension Liability					
Service Cost (MOY)	$39,530,556	$35,635,025	$32,981,351	$32,943,754	$31,993,668
Interest (includes interest on service cost)	146,628,832	134,450,755	133,440,709	128,460,867	123,663,623
Changes of Benefit Terms	-	-	-	-	-
Differences Between Expected and Actual Experience	(42,708,971)	109,415,554	20,396,361	(5,784,619)	(7,959,490)
Changes in Assumptions	-	-	55,913,508	-	-
Benefit Payments, Including Refunds of Member Contributions	(107,475,283)	(98,630,952)	(89,580,356)	(84,449,652)	(80,576,131)
Net Change in Total Pension Liability	35,975,134	180,870,382	153,151,573	71,170,350	67,121,670
Total Pension Liability - Beginning	2,185,608,626	2,004,738,244	1,851,586,671	1,780,416,321	1,713,294,651
Total Pension Liability - Ending (a)	$2,221,583,760	$2,185,608,626	$2,004,738,244	$1,851,586,671	$1,780,416,321
Plan Fiduciary Net Position					
Contributions - Employer	$57,592,394	$52,066,100	$50,348,130	$50,781,403	$47,182,840
Contributions - Member	11,166,493	10,241,464	14,687,984	10,570,158	10,176,811
Net Investment Income (Loss)	(69,458,564)	15,535,475	432,834,482	(59,355,354)	71,578,489
Benefit Payments, Including Refunds of Member Contributions	(107,475,283)	(98,630,952)	(89,580,356)	(84,449,652)	(80,576,131)
Administrative Expenses	(682,441)	(663,508)	(665,628)	(655,945)	(610,711)
Net change in Plan Fiduciary Net Position	($108,857,401)	($21,451,421)	$407,624,612	($83,109,390)	$47,751,298
Plan Fiduciary Net Position - Beginning	1,786,738,122	1,808,189,543	1,400,564,931	1,483,674,321	1,435,923,023
Plan Fiduciary Net Position - Ending (b)	$1,677,880,721	$1,786,738,122	$1,808,189,543	$1,400,564,931	$1,483,674,321
Net Pension Liability - Ending (a)-(b)	$543,703,039	$398,870,504	$196,548,701	$451,021,740	$296,742,000
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.53%	81.75%	90.20%	75.64%	83.33%
Covered Payroll	$125,092,081	$113,088,836	$121,029,159	$122,070,680	$117,662,943
Net Pension Liability as a Percentage of Covered Payroll	434.64%	352.71%	162.40%	369.48%	252.20%

See next page for the continuation of the 10 year report.

The total pension liability contained in this schedule was calculated by Cheiron, the System's Actuary. The net pension liability is measured as the total pension liability less the amount of the fiduciary net position of the Police Officers Retirement System.

Required Supplementary Information
(continued)

Schedule of Changes in Collective Net Pension Liability and Related Ratios

Year Ended June 30	2018	2017	2016	2015	2014
Total Pension Liability					
Service Cost (MOY)	$30,743,227	$29,051,739	$30,913,269	$30,389,897	$30,858,609
Interest (includes interest on service cost)	118,405,143	112,637,566	110,362,493	106,739,905	102,492,490
Changes of Benefit Terms	-	-	-	-	-
Differences Between Expected and Actual Experience	1,315,247	11,638,382	(30,820,874)	(11,515,790)	-
Changes in Assumptions	-	-	9,895,400	-	-
Benefit Payments, Including Refunds of Member Contributions	(77,838,367)	(73,175,998)	(70,749,811)	(67,757,160)	(62,287,705)
Net Change in Total Pension Liability	72,625,250	80,151,689	49,600,477	57,856,852	71,063,394
Total Pension Liability - Beginning	1,640,669,401	1,560,517,712	1,510,917,235	1,453,060,383	1,381,996,989
Total Pension Liability - Ending (a)	$1,713,294,651	$1,640,669,401	$1,560,517,712	$1,510,917,235	$1,453,060,383
Plan Fiduciary Net Position					
Contributions - Employer	$44,504,675	$43,381,151	$40,646,884	$37,867,181	$34,178,960
Contributions - Member	9,895,922	9,631,618	9,324,066	8,889,931	10,091,331
Net Investment Income (Loss)	94,134,740	116,099,350	10,764,028	41,601,153	176,683,610
Benefit Payments, Including Refunds of Member Contributions	(77,838,367)	(73,175,998)	(70,749,811)	(67,757,160)	(62,287,705)
Administrative Expenses	(618,207)	(481,574)	(510,544)	(443,230)	(431,064)
Net change in Plan Fiduciary Net Position	$70,078,763	$95,454,547	($10,525,377)	$20,157,875	$158,235,132
Plan Fiduciary Net Position - Beginning	1,365,844,260	1,270,389,713	1,280,915,090	1,260,757,215	1,102,522,083
Plan Fiduciary Net Position - Ending (b)	$1,435,923,023	$1,365,844,260	$1,270,389,713	$1,280,915,090	$1,260,757,215
Net Pension Liability - Ending (a)-(b)	$277,371,628	$274,825,141	$290,127,999	$230,002,145	$192,303,168
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.81%	83.25%	81.41%	84.78%	86.77%
Covered Payroll	$114,173,102	$111,290,793	$107,021,811	$102,844,055	$100,912,194
Net Pension Liability as a Percentage of Covered Payroll	242.94%	246.94%	271.09%	223.64%	190.56%

Continued from previous page.

Required Supplementary Information
(continued)

Schedule of Net Pension Liability

Year Ended June 30	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll
2023	$2,221,583,760	$1,677,880,721	$543,703,039	75.53%	$125,092,081	434.64%
2022	2,185,608,626	1,786,738,122	398,870,504	81.75%	113,088,836	352.71%
2021	2,004,738,244	1,808,189,543	196,548,701	90.20%	121,029,159	162.40%
2020	1,851,586,671	1,400,564,931	451,021,740	75.64%	122,070,680	369.48%
2019	1,780,416,321	1,483,674,321	296,742,000	83.33%	117,662,943	252.20%
2018	1,713,294,651	1,435,923,023	277,371,628	83.81%	114,173,102	242.94%
2017	1,640,669,401	1,365,844,260	274,825,141	83.25%	111,290,793	246.94%
2016	1,560,517,712	1,270,389,713	290,127,999	81.41%	107,021,811	271.09%
2015	1,510,917,235	1,280,915,090	230,002,145	84.78%	102,844,055	223.64%
2014	1,453,060,383	1,260,757,215	192,303,168	86.77%	100,912,194	190.56%

Schedule of Money-Weighted Rate of Return

Fiscal Year	Annual Money-Weighted Rate of Return, Net of Investment Expense
2023	-4.81%
2022	0.94%
2021	31.17%
2020	-3.87%
2019	5.02%
2018	7.01%
2017	9.31%
2016	0.87%
2015	3.36%
2014	16.20%

Required Supplementary Information
(continued)

Schedule of Collective Employer Contributions

Fiscal Year	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	$57,592,394	$57,592,394	-	$125,092,081	46.04%
2022	52,066,100	52,066,100	-	113,088,836	46.04%
2021	50,348,130	50,348,130	-	121,029,159	41.60%
2020	50,781,403	50,781,403	-	122,070,680	41.60%
2019	47,182,840	47,182,840	-	117,662,943	40.10%
2018	44,504,675	44,504,675	-	114,173,102	38.98%
2017	43,381,151	43,381,151	-	111,290,793	38.98%
2016	40,646,884	40,646,884	-	107,021,811	37.98%
2015	37,867,181	37,867,181	-	102,844,055	36.82%
2014	34,178,960	34,178,960	-	100,912,194	33.87%

Notes to Schedule

Valuation Date	June 30, 2021
Timing	Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the fiscal year

Key Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry Age Normal, Level Percent of Payroll
Asset valuation method	33% of Aggregate Gain/Loss is recognized
Amortization method	Closed 15-year layers, with level % of payroll
Discount rate	6.75%
Amortization growth rate	2.25%
Price inflation	2.25%
Salary increases	2.25% plus merit component based on employee's years of service
Mortality	Mortality (Active): PubS-2010 Employee Head-Count Weighted Mortality Table for males and females; Mortality (Healthy Retirees): PubS-2010 Healthly Annuitant Head-Count Weighted Mortality Table for males and females; Mortality (Beneficiaries): PubG-2010 Healthly Annuitant Head-Count Weighted Mortality Table for males and females; Mortality (Disabled): PubS-2010 Disabled Head-Count Weighted Mortality Table for males and females all projected using the MP-2020 model, with an ultimate rate of 0.85% for ages 20-80 grading down to an ultimate rate of 0% for ages 114-120 and convergence to the ultimate rate in the year 2027

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2023 can be found in the June 30, 2021 actuarial valuation report.

Summary of Significant Changes to the Pension System

The summary of employer and employee contribution rates during the past five years and other significant changes in the pension system were as follows:

Contribution Rates		
Fiscal Year	**Employer**	**Employee**
2023	46.04%	8.65%
2022	46.04%	8.65%
2021	41.60%	8.65%
2020	41.60%	8.65%
2019	40.10%	8.65%

July 2019	New hires on or after July 1, 2019, are enrolled in Plan C.
December 2018	Retirement Board of Trustees approved a new plan for all employees hired on or after July 1, 2019.
July 2014	Member contribution rate decreased from 10 percent to 8.65 percent.

Schedule of Investment and Consultant Expenses
For the Year Ended June 30, 2023

Investment Manager Fees	
Absolute Return	$4,821,031
Global Equity	8,048,309
Global Fixed Income	3,140,087
Global Multi-Asset	1,767,090
Global Real Assets	2,195,153
Short Term and Others	234,014
Fees Related to Securities Lending	12,231
Custodial Fees	143,638
Investment Related Legal Fees	151,988
Allocated Administration Expense	396,900
Total Investment and Consultant Expenses	**$20,910,441**

Schedule of Administrative Expenses
For the Year Ended June 30, 2023

Personnel Services		
Salaries and Wages	$369,722	
Fringe Benefits	163,170	
Total Personnel Services		$532,892
Professional Services		
Actuarial	26,840	
Audit	10,163	
Legal	1,942	
Total Professional Services		38,945
Communications		
Phone Charges	3,517	
Printing, Binding and Copying	1,949	
Postage	3,985	
Total Communications		9,451
Supplies		
Office Supplies	566	
Total Supplies		566
Other Services and Charges		
Staff Travel and Development	1,818	
Professional Membership	1,516	
Professional Subscriptions	1,431	
Insurance	7,000	
Building Rent	15,215	
Depreciation Expense	29,208	
Computer System	17,903	
Interest Expense	2,423	
Other Operating	24,073	
Total Other Services and Charges		100,587
Total Administrative Expenses		**$682,441**

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Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Supervisors
County of Fairfax, Virginia

To the Board of Trustees
Fairfax County Police Officers' Retirement System

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Fairfax County Police Officers' Retirement System (the "System"), a pension trust fund of the County of Fairfax, Virginia, as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the System's basic financial statements, and have issued our report thereon dated November 16, 2023.

Report on Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered the System's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we do not express an opinion on the effectiveness of the System's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the System's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekaert LLP

Orlando, Florida
November 16, 2023

INVESTMENT

INVESTMENT

County of Fairfax, Virginia

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

October 2, 2023

Dear Members of the Board of Trustees:

Major global equity indexes rose sharply in the second half of the fiscal year ended June 2023. US equity markets (as measured by the S&P 500 Index) ended the 12-months of FY2023 with a return of +19.6%. Within the U.S. stock market, small cap stocks (as measured by the Russell 2000 Index) underperformed large cap stocks, posting a one-year gain of +12.3%. Developed international equity markets (as measured by the MSCI EAFE Index) ended FY2023 with a 12-month return of +18.8%. Emerging markets stocks (as measured by the MSCI Emerging Markets Index) lagged developed equity markets but ended the fiscal year with a positive one-year return of +1.7%. Private equity (as measured by the Burgiss Manager Universe - Global Private Equity Funds) materially underperformed public equity, returning +1.14% for the fiscal year. Within private equity, there was material dispersion between venture capital (as measured by the Burgiss Manager Universe - Global Venture Capital Funds) which declined -9.86% vs. buyout (as measured by the Burgiss Manager Universe - Global Buyout Funds) which gained +6.72%. Headline inflation declined from its 40-year high of 9.1% in June 2022 to 3.0% in June 2023, but remained above the U.S. Federal Reserve's target of 2.0%. During FY2023, the U.S. Federal Reserve raised its benchmark interest rate from a range of 1.50% - 1.75% at the end of FY2022 to a range of 5.0% - 5.25% by the end of FY2023, with an additional 0.25% rate hike in July 2023. The sharp increase in interest rates was a headwind for the U.S. investment grade bond market. The Bloomberg U.S. Aggregate Index ended the fiscal year down -0.9% for the trailing 12-month period ending June 30, 2023. The U.S. high yield bond market (as measured by the Bloomberg US High Yield Index) posted a positive return of +9.1% over the same period. In real assets, commodities declined, with the Bloomberg Commodities Index posting a one-year loss of -9.6% and WTI crude oil prices falling -34.4% since June 30, 2022.

Police Officers Retirement System

The Police Officers Retirement System operates a balanced and diversified investment program with disciplined asset re-balancing to achieve strategic long-term goals. This disciplined investment process has been effective in achieving a long-term record of consistent asset growth.

As of June 30, 2023, the Fairfax County Police Officers Retirement System stood at $1.668 billion, down from $1.772 billion at the end of fiscal year 2022. Calculating performance using a time-weighted rate of return, for the year ending 2023, the system returned -3.65%, gross of fees

FAIRFAX COUNTY Retirement SYSTEMS
EMPLOYEES' POLICE Officers UNIFORMED

Fairfax County Retirement Systems
12015 Lee Jackson Memorial Hwy, Suite 350, Fairfax, VA 22033
Phone: 703-279-8200 * 1-800-333-1633 * Fax: 703-273-3185
www.fairfaxcounty.gov/retirement/

(-3.87%, net of fees), ranking in the 98th percentile of all public funds in the BNY Mellon Total Public Fund Universe. For the three, five, and ten-year periods (annualized), the system returned gross of fees, +10.59%, (+8.37%, net of fees), ranking in the 23rd percentile, +6.83%, (+5.15%, net of fees), ranking in the 55th percentile, and +7.25% (+6.18%, net of fees), ranking in the 65th percentile, respectively.

For the year ending June 30, 2023, the Fairfax County Police Officers Retirement System was negatively impacted by some of its venture capital exposure, which as noted above declined in value despite positive returns in the public equity markets. During the past twelve months, the System continued to focus on further diversifying risk. Crestline Opp V, PIMCO TIPS, and Simplify High Yield were added to the Global Fixed Income lineup.

Sincerely,

Katherine Molnar, CFA
Chief Investment Officer
Fairfax County Police Officers Retirement System

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Investment by Category and Investment Manager
For the Year Ended June 30, 2023

Asset Class Manager	Investment Style	Fair Value	% of Total Portfolio
Absolute Return			
Alpha Simplx Trend	Global Macro	$31,659,270	1.9%
Aspect Systematic GM	Global Macro	10,521,828	0.6%
Bridgewater PA II	Global Macro	27,652,704	1.7%
Citadel Global	Multi-Strategy	68,218,872	4.1%
Crabel Multi-Prod	Global Macro	33,260,704	2.0%
Kirkoswald GM	Global Macro	60,233,646	3.6%
Parataxis	Relative Value	2,956,071	0.2%
Solus Sola	Event Driven	16,635,079	1.0%
Verition Multi Strat	Multi-Strategy	52,263,514	3.1%
Global Equity			
Acadian Intl Small	Int'l Developed Small Cap	40,228,429	2.4%
Blockchain V	Private Markets Equity	14,285,574	0.9%
Blockchain VI	Private Markets Equity	10,357,725	0.6%
Dyal Capital II	Private Markets Equity	39,997,535	2.4%
Dyal Capital IV	Private Markets Equity	42,184,850	2.5%
EJF Silvergate II	Private Markets Equity	1,760,834	0.1%
FEIM Intl Value*	Int'l Developed Markets Value	53,715,942	3.2%
Frazier Life XI	Private Markets Equity	2,632,287	0.2%
HIVE IV	Private Markets Equity	1,570,463	0.1%
Lavrock Ventures II	Private Markets Equity	1,766,012	0.1%
Morgan Creek Bco I	Private Markets Equity	20,673,400	1.2%
Morgan Creek Bco II	Private Markets Equity	35,686,497	2.1%
Morgan Creek Digital	Private Markets Equity	13,673,766	0.8%
Polychain III	Private Markets Equity	14,764,590	0.9%
Red Tree Ventures	Private Markets Equity	3,658,622	0.2%
Sands Em Equity	Int'l Emerging Markets	26,038,319	1.6%
Sands Global Inov II	Private Markets Equity	7,022,796	0.4%
Sands Global Ven III	Private Markets Equity	7,911,132	0.5%
Sands Life Pulse II	Private Markets Equity	5,935,788	0.4%
Sands Life Sci Pulse	Private Markets Equity	11,260,900	0.7%
Section Ventures	Private Markets Equity	4,363,262	0.3%
Section Ventures II	Private Markets Equity	300,000	0.0%
Starboard Val & Opp	U.S. Small Cap	26,213,811	1.6%
Two Sigma Ventur III	Private Markets Equity	39,550,621	2.4%
Two Sigma Ventur IV	Private Markets Equity	2,999,665	0.2%
WCM Intl Growth*	Int'l Developed Markets Growth	35,848,141	2.1%
Global Fixed Income			
Crestline Opp III	Private Markets Credit	19,075,962	1.1%
Crestline Opp IV	Private Markets Credit	27,302,385	1.7%
Crestline Opp V	Private Markets Credit	7,838,710	0.5%
Czech SJC III	Private Markets Credit	18,349,524	1.1%

See next page for the continuation of this report.

Investment by Category and Investment Manager
For the Year Ended June 30, 2023

Asset Class / Manager	Investment Style	Fair Value	% of Total Portfolio
Global Fixed Income			
Doubleline Mtg Opp	Private Markets Credit	16,773,448	1.0%
Doubleline Strat Mbs*	Mortgage Backed Securities	35,020,245	2.1%
EJF Debt Opp	Private Markets Credit	4,786,987	0.3%
FCPRS Simplify HY*	High Yield Bonds	27,678,290	1.7%
Hoisington US Treas*	Core Fixed	16,099,539	1.0%
Loomis High Yield*	High Yield Bonds	78,387	0.0%
Marathon Dist Cr	Private Markets Credit	25,671,034	1.5%
Marathon Eco III	Private Markets Credit	15,236,307	0.9%
Marathon Eco VI	Private Markets Credit	23,154,370	1.4%
Onyxpoint*	High Yield Bonds	25,957,356	1.6%
Parametric US Tips*	Inflation-Linked	32,121,702	1.9%
Parataxis Digital	High Yield	10,638,061	0.6%
PGIM Em Debt Plus	Emerging Market	38,549,128	2.3%
Pimco Bravo III	Private Markets Credit	34,676,801	2.1%
Pimco Bravo II	Private Markets Credit	1,412,505	0.1%
Pimco Bravo IV	Private Markets Credit	19,161,137	1.1%
Pimco Disco III	Private Markets Credit	742,503	0.0%
Pimco Tac Opps	Private Markets Credit	25,982,995	1.6%
Pimco Tips*	Inflation-Linked	31,358,515	1.9%
Section IV	Private Markets Credit	11,575,647	0.7%
Section V	Private Markets Credit	2,390,441	0.1%
Solus Long Term Opp	Private Markets Credit	30,140,028	1.8%
Vaneck Digital	High Yield	5,788,506	0.3%
Global Multi-Asset			
AQR Multi Asset II	Core Risk Parity	43,205,398	2.6%
Blackrock Market Advantage	Core Risk Parity	60,119,474	3.6%
Man AHL Target Risk	Core Risk Parity	69,349,706	4.2%
Global Real Assets			
C&S Global Real Est*	Global Real Estate Securities	46,109,918	2.8%
Coatue Transport I	Private/Public Infrastructure	16,394,142	1.0%
DWS Real Assets	Multi-Real Asset	63,171,953	3.8%
Landmark RE Sec VIII	Private Markets Real Estate	22,410,945	1.3%
Onyxpoint Multi Strat	Commodity - Energy	2,359,294	0.1%
Pinnacle Cattle	Commodity - Agriculture	4,588,506	0.3%
Pinnacle Physicals	Commodity - Blend	25,432,232	1.5%
Short Term			
Blackrock Stif A/L*	Plan Level Cash Account	1,845,396	0.1%
Cash Management	Plan Level Cash Account	602,873	0.0%
Parametric Pios*	Overlay	36,727,481	2.2%
Total Investments		**$1,667,680,480**	**100.0%**

*Separately Managed Accounts **See pages 8-9 for complete listing of investment professionals

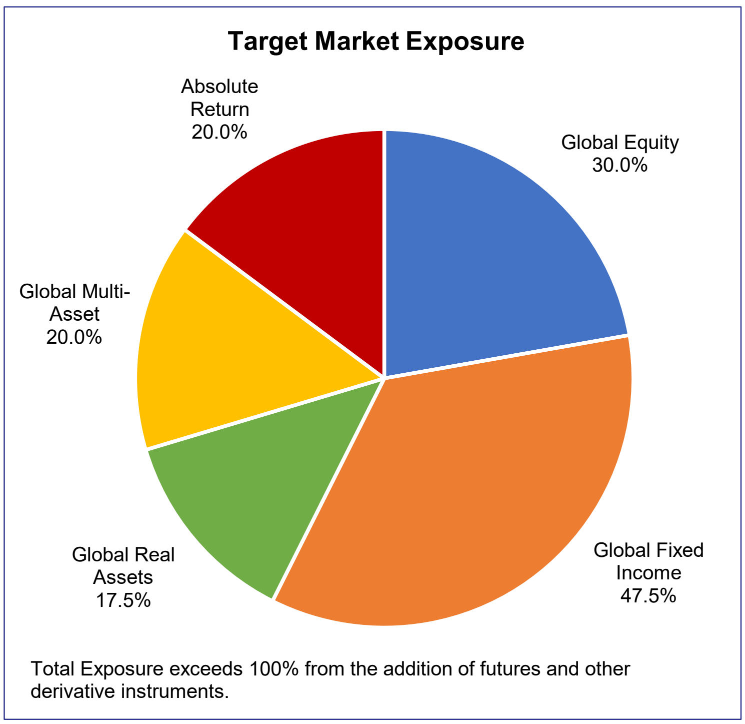
Continued from previous page.

Police Officers Retirement System – Allocation of Capital Exposures

Target Asset Allocation

The asset structure shown below represents the Trustees' assessment of their optimal asset allocation as of June 30, 2023. The target asset allocation provides a reasonable expectation that the System's investment objectives can be achieved based on historical relationships of asset class performance.

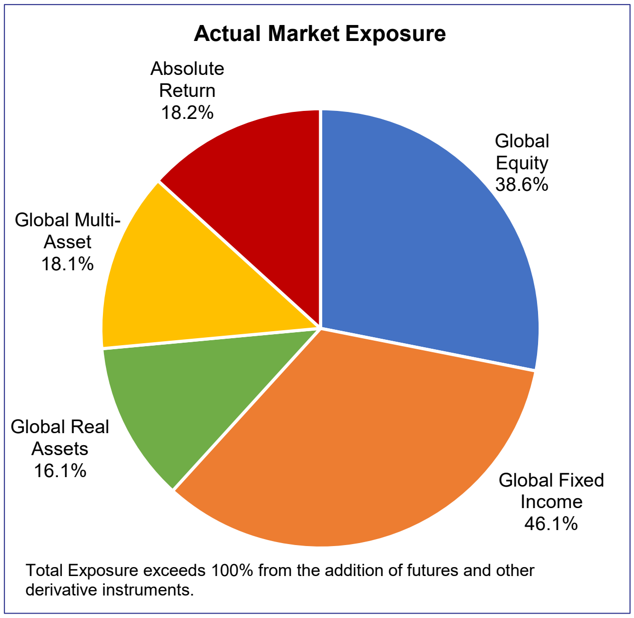
The pie chart below details the target asset mix, consistent with the achievement of the long-term objectives of the System, as of June 30, 2023.

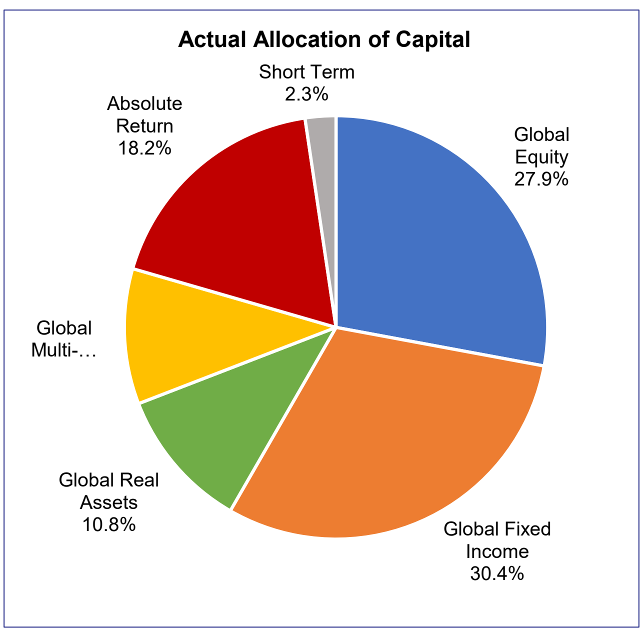


Actual Asset Allocation as of June 30, 2023

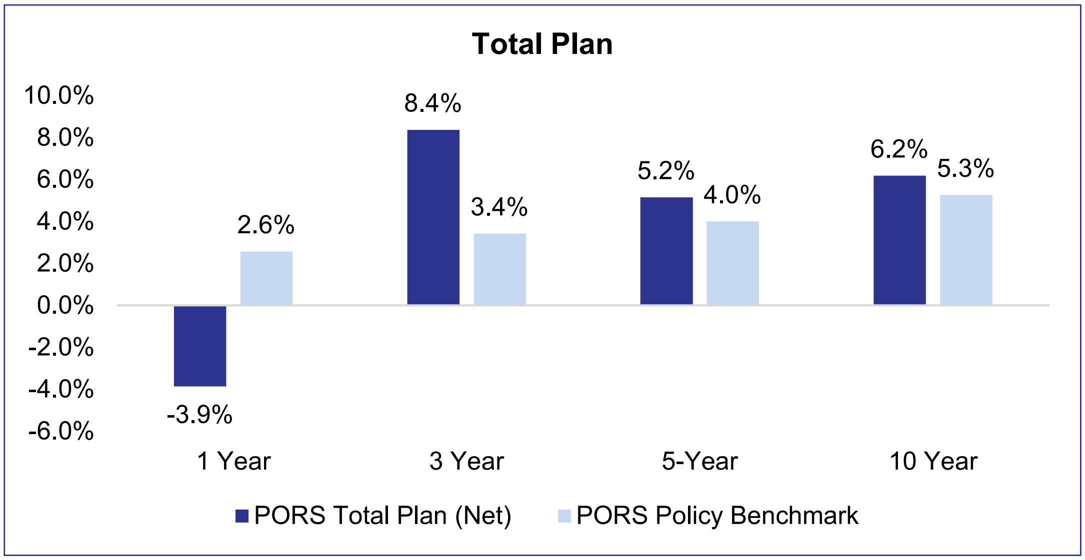
The asset structure of the Police Officers Retirement System has historically reflected a proper balance of the System's needs for liquidity, growth of assets, and risk tolerance. The System's investment policy is designed to continue to meet its long-term investment objectives while, at the same time, providing sufficient flexibility to meet short-term funding requirements.

The pie chart below details the target asset mix, consistent with the achievement of the long-term objectives of the System, as of June 30, 2023.

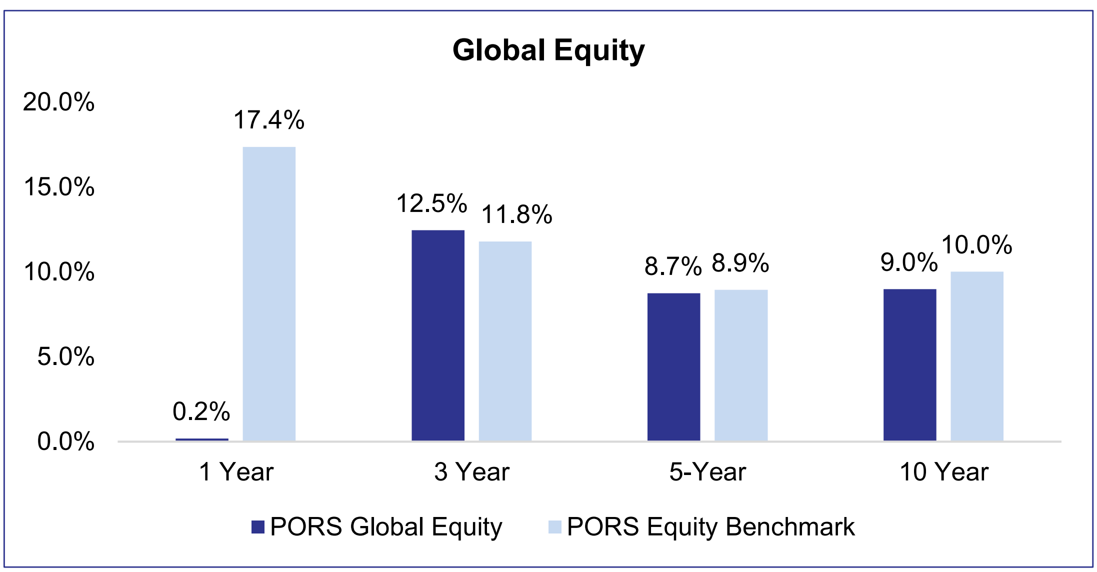




Investment Results
(Time-Weighted Return, net of Fees)

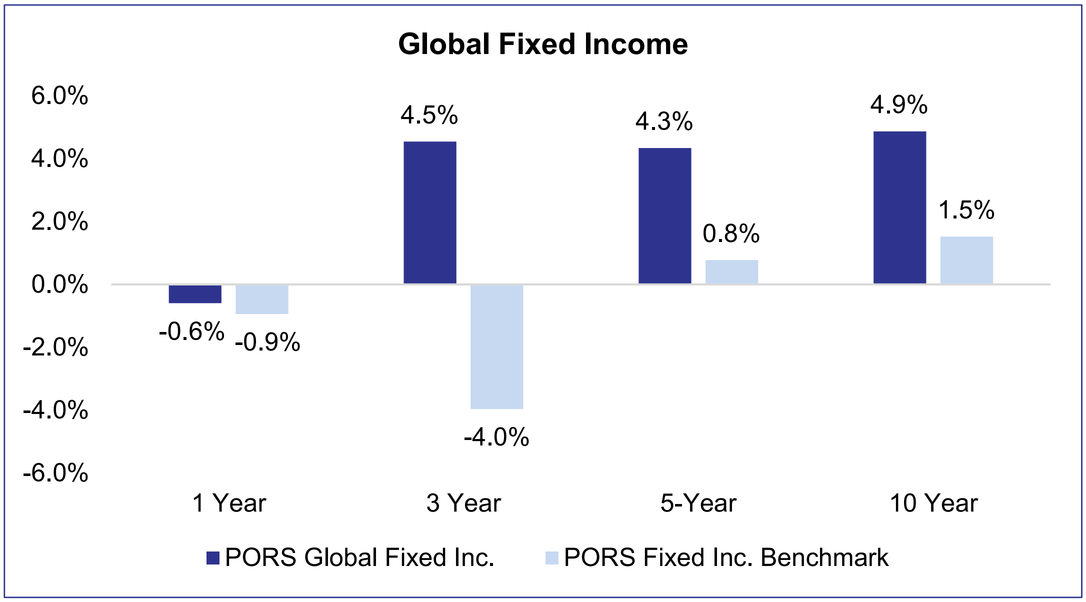


*Current Benchmark: 27% Global Multi-Asset blended benchmark, 11% S&P 500, 8% Russell 2000, 9.5% MSCI EAFE, 2.5% MSCI Emerging Markets, 35% U.S. Aggregate Bond Index, 4% Merrill Lynch High Yield Master, 10% Real Assets blended benchmark, 2.5% S&P GSCI Gold Excess Return, -7.0% Libor. (Benchmark has been revised through time)

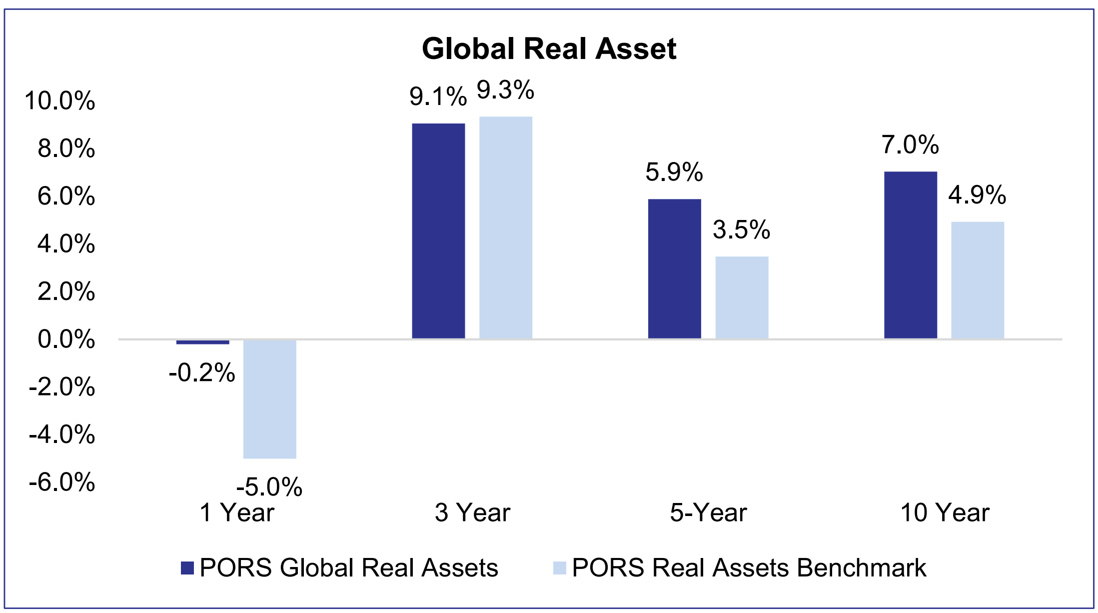


*Current Benchmark: 41% S&P 500, 33% MSCI EAFE, 17% Russell 2000, 9% EM (Benchmark has been revised through time)

Investment Results
(Time-Weighted Return, net of Fees)

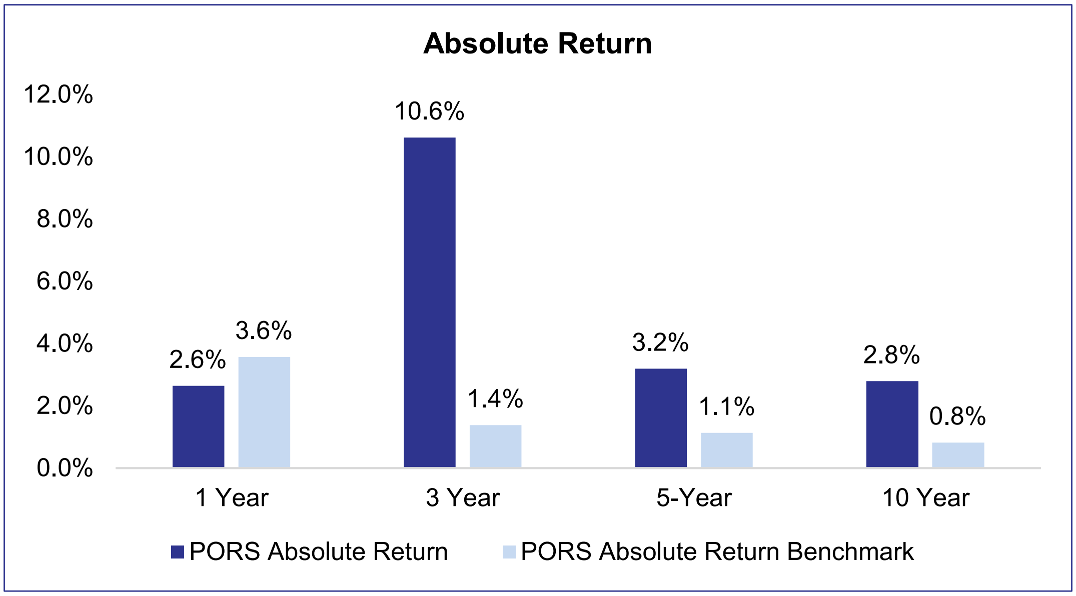


*Current Benchmark: 83% U.S. Agg Bond Index, 17% Merrill Lynch High Yield Master (Benchmark has been revised through time)

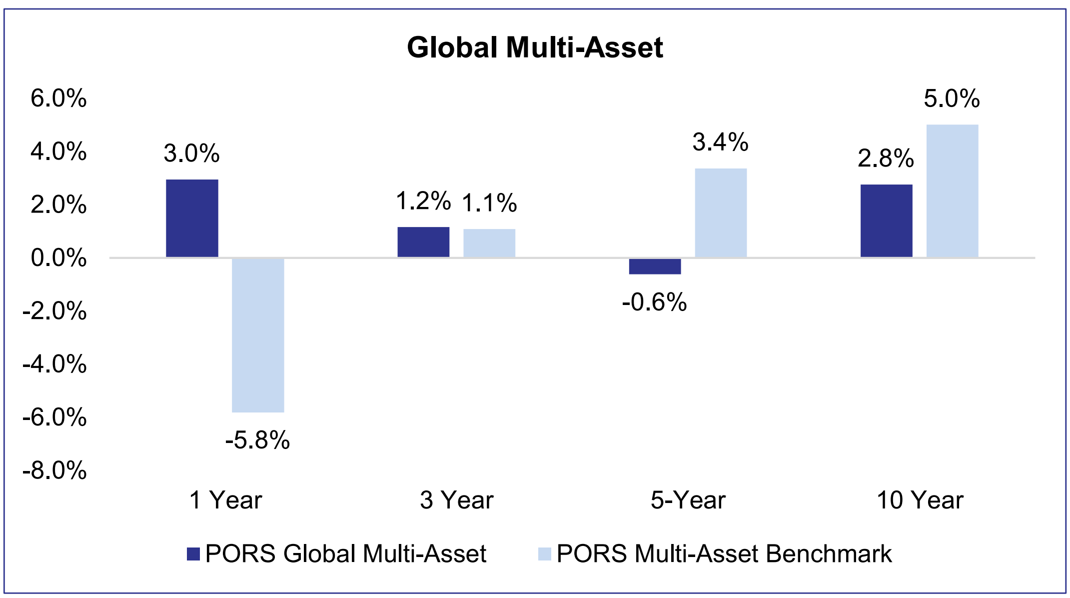


*Current Benchmark: 33.3% FTSE/NAREIT Developed, 33.3% DJ Brookfield Global Infrastructure, 33.3% Commodity (Benchmark has been revised through time)

Investment Results
(Time-Weighted Return, net of Fees)



*Current Benchmark: Libor + 3% (Benchmark has been revised through time)



*Current Benchmark: 25% MSCI AC World Index (Local Currency Gross), 75% Global Treasury 7-10 Year Index (Hedged), 75% World Government Inflation Linked Bond Index (Hedged), 25% Commodity Index, -100% LIBOR 3 Month Return (Benchmark has been revised through time)

Schedule of Ten Largest Equity & Fixed Income Holdings

Ten Largest Equity Holdings*

No. Shares	Description	Cost	Fair Value	% of Total Portfolio
28,780	Prologis Inc	$2,356,097	$3,529,291	0.21%
21,259	Digital Realty Trust Inc	2,789,483	2,420,762	0.15%
29,572	Welltower Inc	2,274,551	2,392,079	0.14%
67,053	Invitation Homes Inc	2,357,408	2,306,623	0.14%
35,625	Realty Income Corp	1,986,568	2,130,019	0.13%
17,182	Simon Property Group Inc	1,672,663	1,984,177	0.12%
2,231	Equinix Inc	1,541,471	1,748,970	0.10%
34,142	Imperial Oil Ltd	1,115,326	1,748,834	0.10%
10,313	Novo Nordisk A/S	1,183,268	1,661,298	0.10%
4,995	Ferrari Nv	800,302	1,632,139	0.10%
	Total	$18,077,137	$21,554,192	1.29%

*Full disclosure of holdings is available upon request.

Ten Largest Fixed Income Holdings*

No. Shares	Description	Cost	Fair Value	% of Total Portfolio
10,364,161	US Treas-CPI Inflat 2.375% 01/15/2027 DD 01/15/07	$11,798,034	$10,412,354	0.62%
8,300,000	US Treasury Bond 2.500% 05/15/2046 DD 05/15/16	10,525,762	6,369,586	0.38%
7,080,000	US Treasury Bond 1.250% 05/15/2050 DD 05/15/20	4,902,965	3,972,022	0.24%
4,245,457	US Treas-CPI Inflat 0.125%001/15/2032 DD 01/15/22	4,191,025	3,733,243	0.22%
3,780,677	US Treas-CPI Inflat 0.125% 01/15/2030 DD 01/15/20	4,101,191	3,389,414	0.20%
3,653,755	US Treas-CPI Inflat 0.625%007/15/2032 DD 07/15/22	3,375,667	3,354,878	0.20%
4,210,000	US Treasury Bond 2.250% 08/15/2046 DD 08/15/16	4,885,693	3,069,006	0.18%
4,550,000	US Treasury Bond 1.375% 08/15/2050 DD 08/15/20	3,157,955	2,638,454	0.16%
2,637,810	US Treas-CPI Inflat 0.125% 07/15/2024 DD 07/15/14	2,713,513	2,558,175	0.15%
2,559,775	US Treas-CPI Inflat 1.625% 10/15/2027 DD 10/15/22	2,542,426	2,520,815	0.15%
	Total	$52,194,231	$42,017,947	2.50%

*Full disclosure of holdings is available upon request.

Schedule of Brokerage Commissions

For the Year Ended June 30, 2023

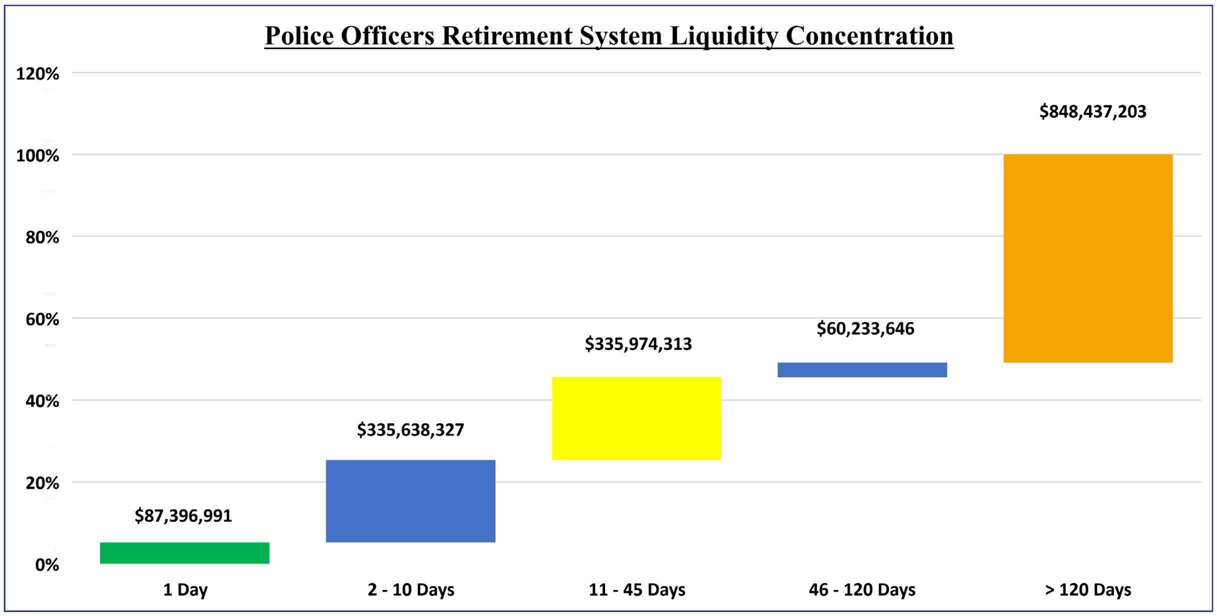
Broker Name	Base Volume	Total Shares	Base Commission	Commission Percentage
INDUSTRIAL & COMM BK OF CHINA, NEW YORK	$113,148	141,000	$3,873	3.42%
MORGAN J P SECS INC, NEW YORK	51,527	5	220	0.43%
FEARNLEY FOND A/S, OSLO	133,192	134,367	266	0.20%
JEFFERIES HONG KONG LIMITED, HONG KONG	65,962	20,000	112	0.17%
GOLDMAN SACHS AUSTRALIA PTY LTD,MELBOURN	49,967	14,995	75	0.15%
BERENBERG GOSSLER & CIE, HAMBURG	441,189	9,390	661	0.15%
JEFFERIES AUSTRALIA PTY LIMITED, SYDNEY	315,841	135,897	473	0.15%
ABG SECS, OSLO	53,493	47,324	80	0.15%
CITIGROUP GBL MKTS AUSTRALIA PTY, SYDNEY	55,532	22,374	83	0.15%
MACQUARIES SECURITIES AUSTRALIA, SYDNEY	32,852	8,700	48	0.15%
J.P. MORGAN SECURITIES, HONG KONG	110,463	13,597	161	0.15%
PERSHING LLC, JERSEY CITY	278,841	13,543	406	0.15%
UBS AG LONDON BRANCH, LONDON	184,767	2,935	267	0.14%
UBS WARBURG ASIA LTD, HONG KONG	500,192	85,802	716	0.14%
UBS EQUITIES, LONDON	324,650	57,447	459	0.14%
J P MORGAN SEC, SYDNEY	134,250	35,766	190	0.14%
MACQUARIE BANK LIMITED, SYDNEY	200,178	67,897	279	0.14%
CREDIT LYONNAIS SECS (ASIA), HONG KONG	750,051	141,867	1,024	0.14%
COWEN AND COMPANY, LLC, JERSEY CITY	102,720	4,572	137	0.13%
DAIWA SECS AMER INC, NEW YORK	1,162,190	9,666	1,511	0.13%
HSBC BROKERAGE (USA) INC., NEW YORK	13,857	596	18	0.13%
JEFFERIES & CO INC, NEW YORK	2,525,144	140,022	3,074	0.12%
KEPLER EQUITIES, PARIS	77,283	2,190	94	0.12%
STIFEL NICOLAUS EUROPE LIMITED, LONDON	2,606	10	3	0.12%
CREDIT LYONNAIS SEC, SEOUL	64,586	1,542	77	0.12%
J P MORGAN SECS LTD, LONDON	1,090,228	52,329	1,306	0.12%
EXANE, PARIS (EXANFRPP)	453,019	6,857	532	0.12%
RBC CAPITAL MARKETS LLC, NEW YORK	1,215,754	63,322	1,422	0.12%
D CARNEGIE AB, STOCKHOLM	343,405	14,547	382	0.11%
JEFFERIES & CO LTD, LONDON	1,627,881	599,917	1,729	0.11%
CITIGROUP GBL MKTS INC, NEW YORK	1,035,469	485,033	1,099	0.11%
GOLDMAN SACHS & CO, NY	101,471,086	94,915	104,200	0.10%
BAIRD, ROBERT W & CO INC, MILWAUKEE	40,679	2,055	41	0.10%
BNP PARIBAS SEC SVCS, LONDON (PARBGB2L)	19,491	3,223	20	0.10%
LIQUIDNET ASIA LTD, HONG KONG	52,847	13,000	53	0.10%
DAIWA SEC SMBC SINGAPORE LTD, SINGAPORE	223,504	5,565	221	0.10%
TORONTO DOMINION SEC, TORONTO	61,991	3,924	61	0.10%
ROYAL BANK OF CANADA EUROPE LTD, LONDON	438,326	31,618	431	0.10%
CREDIT SUISSE, NEW YORK (CSUS)	370,353	27,411	359	0.10%
CIBC WORLD MKTS INC, TORONTO (WGDB)	34,878	2,271	34	0.10%
NESBITT BURNS, TORONTO (NTDT)	13,658	886	13	0.10%
MERRILL LYNCH INTL LONDON EQUITIES	3,236,680	576,145	2,982	0.09%
WELLS FARGO SECURITIES, LLC, NEW YORK	25,756	1,179	24	0.09%
SOCIETE GENERALE, PARIS	238,275	40,615	217	0.09%
KEYBANC CAPITAL MARKETS INC, NEW YORK	135,678	6,134	123	0.09%
BNP PARIBAS SECS SERVS, SYDNEY	12,347	1,743	11	0.09%
PEEL HUNT LLP, LONDON	206,714	92,697	186	0.09%
MERRILL LYNCH GILTS LTD, LONDON	1,045,522	40,062	913	0.09%
CREDIT LYONNAIS SECS, SINGAPORE	2,139,645	366,071	1,849	0.09%
MORGAN STANLEY DEAN WITTER, SYDNEY	219,216	69,296	186	0.08%
Other Brokers	77,846,157	3,906,015	34,799	0.04%
TOTAL	**$201,343,040**	**7,618,334**	**$167,500**	**0.08%**

Schedule of Management Fees by Asset Class For the Year Ended June 30, 2023		
Asset Class	**Fair Value**	**Management Fees**
Absolute Return	$303,401,688	$4,821,031
Global Equity	464,400,961	8,048,309
Global Fixed Income	507,560,513	3,140,087
Global Multi-Asset	172,674,578	1,767,090
Global Real Assets	180,466,990	2,195,153
Short Term and Others	39,175,750	234,014
Total	**$1,667,680,480**	**$20,205,684**

Investment Summary (Based on Capital Allocation)				
	As of June 30, 2023		**As of June 30, 2022**	
	Fair Value	**% Fair Value**	**Fair Value**	**% Fair Value**
Absolute Return	$303,401,688	18.2%	$341,716,718	19.3%
Global Equity	464,400,961	27.9%	524,897,854	29.6%
Global Fixed Income	507,560,513	30.4%	493,012,004	27.8%
Global Multi-Asset	172,674,578	10.4%	204,748,253	11.6%
Global Real Assets	180,466,990	10.8%	179,202,060	10.1%
Short Term and Others	39,175,750	2.3%	28,690,788	1.6%
Total	**$1,667,680,480**	**100.0%**	**$1,772,267,677**	**100.00%**

Liquidity Snapshot on June 30, 2023

The below liquidity chart for the Police Officers Retirement System demonstrates how the pension fund's capital has been allocated to ensure sufficient liquidity to support short term uses of cash, such as retirement distributions, capital calls, potential daily margin calls and coverage ratio requirements on derivative notional balances. It details the liquidity concentration of the System's total capital allocated to investments by their redemption schedule (monthly, quarterly, annually or none), including the number of calendar days' notice that must be provided before the redemption of funds can be made.



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CHEIRON Classic Values, Innovative Advice.

October 27, 2023

Fairfax County Police Officers
Retirement System
Route 50, Suite 350
Fairfax, Virginia 22033

Dear Members of the Board:

At your request, we have performed an actuarial valuation of the Fairfax County Police Officers Retirement System as of June 30, 2023. The full results and analysis of that annual valuation will be presented in a full actuarial valuation report. The purpose of this actuarial section is to provide key information from that report and support the disclosure of Total Pension Liability that is presented in the Financial Section of this ACFR. For a more complete analysis, please see the full report.

Funding Objective
The funding objective of the System is to establish contribution rates that will remain level as a percentage of payroll over time. In order to achieve this, the County contribution rate is based on the normal cost rate and expense rate developed in the current valuation combined with an unfunded actuarial liability rate (UAL rate) based on 15 year layered amortization bases reflecting assumption changes, plan changes, and annual gains and losses.

Assumptions
The actuarial assumptions used in performing the June 30, 2023 valuation were recommended by the actuary and adopted by the Board of Trustees based on our most recent review of the System's experience for the five-year period ending June 30, 2020. The assumptions and methods used for funding purposes were developed in compliance with the actuarial standards of practice as they relate to pension plans. The assumptions reflect our understanding of the likely future experience of the System and the assumptions both individually and as a whole represent our best estimate for the future experience of the System. The results of this report are dependent upon future experience conforming to these assumptions. To the extent that future experience deviates from the underlying assumptions, the results would vary accordingly.

Reliance on Others
In preparing our valuation, we relied on information (some oral and some written) supplied by the System. This information includes, but is not limited to, plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standards of Practice No. 23.

Supporting Schedules
As a part of the 2023 actuarial valuation, Cheiron prepared the Analysis of Financial Experience, Schedule of Retirees and Beneficiaries Added to and Removed from the Rolls and Liability by Type provided in this Actuarial Section.

We are also responsible for the disclosures of Net Pension Liability and its components in the Financial Section. The information provided in Note 4 of the Financial Section comes from the Actuarial Valuation as of June 30, 2023.

Compliance with Code of Virginia §51.1-800

Code of Virginia §51.1-800 requires that the benefits provided to a retiree at age 65 from a local retirement system equal or exceed two-thirds of the allowance to which the employee would be entitled under the provisions of the Virginia Retirement System (VRS).

Although there is no formal procedure for making this comparison, we compared the least valuable rate under the Police Officers Retirement System to the most valuable accrual rate under the VRS, making adjustments for the fact that employee contributions are required in excess of the VRS 5% rate. We found that the employer-provided accrual rates do exceed two-thirds of the most valuable employer-provided accrual rates under the VRS plan.

We certify that, to the best of our knowledge and understanding, the Fairfax County Police Officers Retirement System satisfies the requirements of the Code of Virginia §51.1-800.

Certification

This section and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices, and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board, as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinions contained in this section. This section does not address any contractual or legal issues. We are not attorneys and our firm does not provide any legal services or advice.

This section was prepared for the Fairfax County Police Officers Retirement System for the purposes described herein and for the use by the plan auditor in completing an audit related to the matters herein. Other users of this section are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any other user.

Sincerely,
Cheiron

Fiona E. Liston
Fiona E. Liston, FSA
Principal Consulting Actuary

Coralie Taylor
Coralie A, Taylor, FSA
Consulting Actuary

CHEIRON

Summary of Valuation Results

The Actuarially Determined Contribution rate for Fiscal Year (FY) 2023 was developed in the 2021 valuation report. For more information on the assumptions and methods used to develop that rate, please see the Funding Method section of that report.

Amounts disclosed in Note 4 of the Financial Section were developed in conjunction with the 2023 valuation.

Summary of Actuarial Assumptions and Methods

Funding Method

The Entry Age Normal Cost funding method is used to determine costs. Under this method, the County contribution has three components: the normal cost, the payment toward the unfunded actuarial liability, and the expense rate.

The normal cost is a level percent of pay cost which, along with the member contributions, will pay for projected benefits at retirement for each plan participant.

The actuarial liability is that portion of the present value of future benefits that will not be paid by future County normal costs or member contributions. The difference between this liability and funds accumulated as of the same date is referred to as the unfunded actuarial liability. The rate includes amortization layers which exhaust the unfunded liability amount over 15 year layers from the date first measured. The amortization is performed as a level percent of pay.

The expense rate is added to cover the System's administrative expenses.

The County's total contribution rate is equal to the sum of these three components.

Actuarial Value of Assets

For purposes of determining the County contribution to the System, we use an Actuarial Value of Assets. The asset adjustment method dampens the volatility in asset values that could occur because of fluctuations in market conditions. Use of an asset smoothing method is consistent with the long-term nature of the actuarial valuation process.

In determining the Actuarial Value of Assets, we calculate an expected actuarial value based on cash flow for the year and imputed returns at the actuarial assumption. This expected value is compared to the market value, and one-third of the difference is added to the preliminary actuarial value to arrive at the final actuarial value.

Changes Since Last Valuation

None.

Long Term Assumptions Used to Determine System Costs and Liabilities

Demographic Assumptions
Healthy Mortality
Healthy Retiree Mortality

Annual Deaths Per 10,000 Members		
Mortality Projected to 2023		
Age	Male	Female
50	26	17
55	36	32
60	65	55
65	104	83
70	161	128
75	281	216
80	515	375
85	954	651
90	1,596	1,138
95	2,339	1,835
100	3,207	2,847

* Post-retirement mortality shown

The PubS-2010 Healthy Annuitant Head-Count Weighted Mortality Table for males and females, respectively, projected using the MP-2020 model, with an ultimate rate of 0.85% for ages 20-80 grading down to an ultimate rate of 0% for ages 114-120 and convergence to the ultimate rate in the year 2027. The valuation uses fully generational projection of mortality improvements. Sample rates shown are those projected through the valuation date.

20% of pre-retirement deaths are assumed to be service-connected.

Beneficiary/Survivor Mortality

Annual Deaths Per 10,000 Members		
Mortality Projected to 2023		
Age	Male	Female
20	4	2
25	4	2
30	6	3
35	9	4
40	11	5
45	12	6
50	47	36
55	61	41
60	84	49
65	113	65
70	169	102
75	277	179
80	487	328
85	868	616
90	1,490	1,168
95	2,280	1,910
100	3,207	2,847

The PubG-2010 Healthy Annuitant Head-Count Weighted Mortality Table for males and females, respectively, projected using the MP-2020 model, with an ultimate rate of 0.85% for ages 20-80 grading down to an ultimate rate of 0% for ages 114-120 and convergence to the ultimate rate in the year 2027. The valuation uses fully generational projection of mortality improvements. Sample rates shown are those projected through the valuation date.

Active Separation From Service Due to Death

Annual Deaths Per 10,000 Members		
Mortality Projected to 2023		
Age	**Male**	**Female**
20	5	2
25	5	3
30	7	4
35	8	5
40	9	6
45	10	7

The PubS-2010 Employee Head-Count Weighted Mortality Table for males and females, respectively, projected using the MP-2020 model, with an ultimate rate of 0.85% for ages 20-80 grading down to an ultimate rate of 0% for ages 114-120 and convergence to the ultimate rate in the year 2027. The valuation uses fully generational projection of mortality improvements. Sample rates shown are those projected through the valuation date.

Disabled Mortality

Annual Deaths Per 10,000 Members		
Mortality Projected to 2023		
Age	**Male**	**Female**
45	33	22
50	43	30
55	62	56
60	97	92
65	142	119
70	205	167
75	325	287
80	545	492

The PubS-2010 Disabled Head-Count Weighted Annuitant Mortality Table for males and females, respectively, projected using the MP-2020 model, with an ultimate rate of 0.85% for ages 20-80 grading down to an ultimate rate of 0% for ages 114-120 and convergence to the ultimate rate in the year 2027. The valuation uses fully generational projection of mortality improvements. Sample rates shown are projected through the valuation date.

Termination of Employment
(Prior to Normal Retirement Eligibility)

Annual Terminations Per 1,000 Members	
Years of Service	**Terminations**
0	96
1	68
2	42
3	32
4	29
5	23
6	18
7	18
8	15
9	19
10	10
11	8
12	8
13	10
14	6
15	7
16	3
17	7
18	3
19	3
20	2
21	2
22	1
23	1
24	1
25 or more	0

It is assumed that members who terminated before normal or early retirement age elect to receive a refund of contributions instead of vested benefits.

Disability

Annual Disabilities Per 1,000 Members*	
Age	**Male and Female**
20	3
25	4
30	5
35	7
40	10
45	17
50	28
55	40
60	40

* 80% of disabilities are assumed to be service-connected. Of these, 100% are assumed to receive Workers' Compensation benefits.

Retirement/DROP

Years of Service	Retirement/ DROP*
5-23	5%
24	10
25	40
26	35
27	30
28	35
29	40
30	35
31	40
32	25
33	50
34	30
35+	100

*70% of those who leave under this decrement are assumed to DROP, with the other 30% taking immediate retirement.

Merit/Seniority Salary Increase
(in addition to across-the-board increase)

Years of Service	Merit/Seniority Increase*
0	6.50%
5	3.00
10	1.00
15	2.00
20	2.50
25	1.00
30+	1.00

Family Composition

For purposes of valuing the pre-retirement death benefit, an assumption concerning how many employees are married is needed. The assumption used in this valuation is that 80% of active employees are married at death and that the female spouse is five years-younger than the male spouse. In addition, each married employee is assumed to have two children, 22 and 24 years younger than the employee.

Sick Leave Credit

The unused sick leave balance as reported for each active member is used as of the valuation date. Future sick leave accruals for those hired before 2012 are assumed to accrue at 100% of each participant's annual average, but capped at 124 hours per year.

Economic Assumptions

Investment Return:	6.75% compounded per annum.
Rate of General Wage Increase:	2.25% compounded per annum.
Rate of Increase in Cost-of-Living:	2.10% compounded per annum.*
Total Payroll Increase (For amortization):	2.25% compounded per annum.
Administrative Expenses:	0.50% of payroll.

* Benefit increases are limited to 4% per year.

Rationale for Assumptions
The actuarial assumptions were adopted by the Board of Trustees upon the recommendation of the actuary, based on an experience study performed in 2021. The results of this study were presented in a report dated October 2021 and are incorporated into the actuarial report by reference.

Changes since Last Valuation
None.

Analysis of Financial Experience

Gain and Loss in Accrued Liability during Years Ended June 30[1]

Resulting from Differences between Assumed Experience and Actual Experience

Type of Activity	Investment Income	Combined Liability Experience	Gain (or Loss) During Year from Financial Experience	Non-Recurring Items	Composite Gain (or Loss) During Year
2014	$31,937,393	$11,575,441	$43,512,834	($3,202,649)	$40,310,185
2015	(4,528,707)	19,857,201	15,328,494	-	15,328,494
2016	(31,414,324)	10,963,818	(20,450,506)	(9,895,400)	(30,345,906)
2017	(14,213,085)	(11,638,382)	(25,851,467)	-	(25,851,467)
2018	(11,506,421)	(1,315,247)	(12,821,668)	-	(12,821,668)
2019	(18,786,193)	7,959,490	(10,826,702)	-	(10,826,702)
2020	(68,790,703)	5,784,618	(63,006,085)	-	(63,006,085)
2021	61,545,112	(19,812,468)	41,732,644	(17,213,508)	24,519,136
2022	(5,067,610)	(109,415,555)	(114,483,165)	-	(114,483,165)
2023	(66,524,912)	42,708,971	(23,815,941)	-	(23,815,941)

[1] Schedule comes from the Actuarial Valuation as of June 30, 2023.

Schedule of Retirees and Beneficiaries

Added To and Removed From Rolls[2]

Year Ended June 30	Added to Rolls		Removed From Rolls		On Rolls @ Yr. End		% Increase Allowance	Average Allowance
	No.	Annual Allowance	No.	Annual Allowance	No.	Annual Allowance		
2014	71	$5,441,901	12	$671,616	966	$58,963,469	8.80%	$61,039
2015	62	4,149,523	16	534,130	1,012	62,578,862	6.15%	61,837
2016	35	1,828,843	8	288,260	1,039	64,119,445	2.46%	61,713
2017	55	3,992,713	12	600,334	1,082	67,511,824	5.29%	62,395
2018	51	4,209,384	14	756,560	1,119	70,694,648	5.11%	63,418
2019	46	4,289,133	12	714,403	1,153	74,539,378	5.04%	64,648
2020	72	5,480,470	23	1,205,650	1,202	78,814,198	5.73%	65,569
2021	83	5,527,070	24	1,284,283	1,261	83,056,985	5.38%	65,866
2022	77	7,835,510	21	1,074,961	1,317	89,817,534	8.14%	68,199
2023	115	11,270,620	34	1,756,220	1,398	99,331,934	10.59%	71,053

[2] Prior to 2016, amounts are based on June 30 benefits adjusted for known COLA effective July 1. Post-2015, amounts reported are based on benefits on December 31 prior to the valuation date.

Schedule of Funded Liabilities by Type[1]

Aggregate Accrued Liabilities For							
	(1)	(2)	(3)		(1)	(2)	(3)
Valuation Date June 30,	Active Member Contributions	Retirees, Vested Terms, Beneficiaries & DROP	Active Members (County Financed Portion)	Reported Assets	Portion of Accrued Liabilities by Reported Assets		
2014	$106,872,811	$913,113,803	$421,557,979	$1,224,882,430	100%	100%	49%
2015	105,765,035	961,692,517	423,602,482	1,289,972,504	100%	100%	53%
2016	110,961,165	995,104,603	454,451,944	1,333,218,360	100%	100%	50%
2017	114,966,811	1,022,229,636	503,472,954	1,394,270,429	100%	100%	51%
2018	116,981,031	1,067,481,291	528,832,329	1,458,935,865	100%	100%	52%
2019	118,210,189	1,119,414,518	542,791,614	1,521,246,708	100%	100%	52%
2020	116,462,622	1,180,355,291	554,768,758	1,538,146,337	100%	100%	44%
2021	116,591,173	1,299,954,940	588,192,131	1,723,799,319	100%	100%	52%
2022	114,958,847	1,400,332,004	670,317,775	1,796,873,342	100%	100%	42%
2023	109,083,743	1,516,692,195	595,807,822	1,810,930,545	100%	100%	31%

[1] Schedule uses actuarial value of assets. Results would be different if market value of assets were used. Despite the name of this exhibit, the liabilities presented in this schedule are not an appropriate measurement of the settlement value of the System.

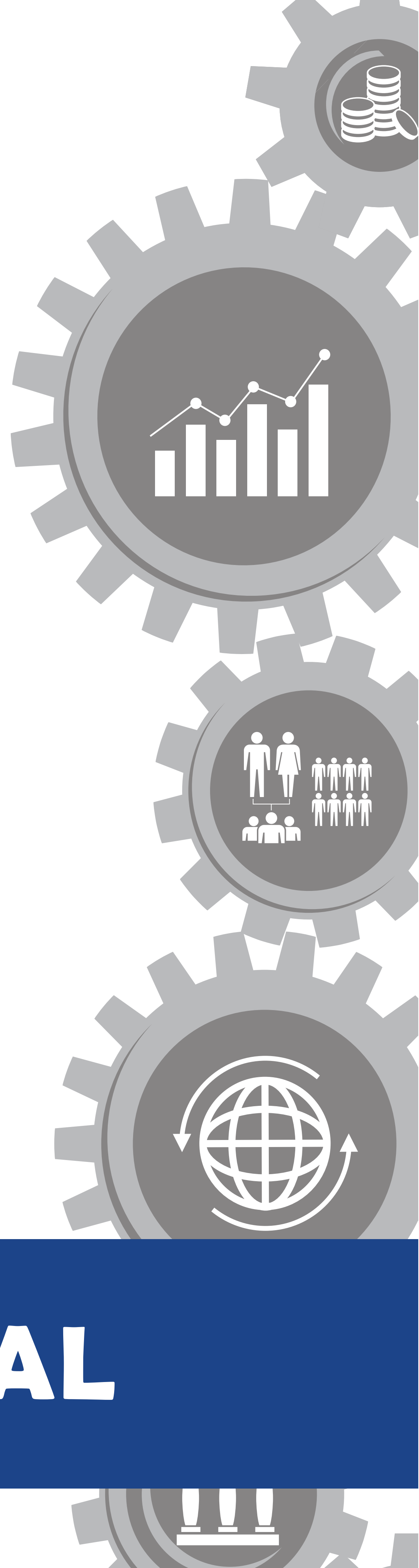
Schedule of Active Member Valuation Data

Valuation Date June 30,	Number of Active Members[1]	Covered Payroll	Average Annual Salary	Percentage Increase in Average Pay
2014	1,226	$98,346,858	$80,218	
2015	1,246	100,619,957	80,754	0.67%
2016	1,319	109,062,310	82,686	2.39%
2017	1,329	112,928,533	84,973	2.77%
2018	1,350	117,785,703	87,249	2.68%
2019	1,382	121,441,720	87,874	0.72%
2020	1,353	123,249,682	91,094	3.66%
2021	1,335	123,434,071	92,460	1.50%
2022	1,299	135,888,219	104,610	13.14%
2023	1,258	122,508,602	97,384	-6.91%

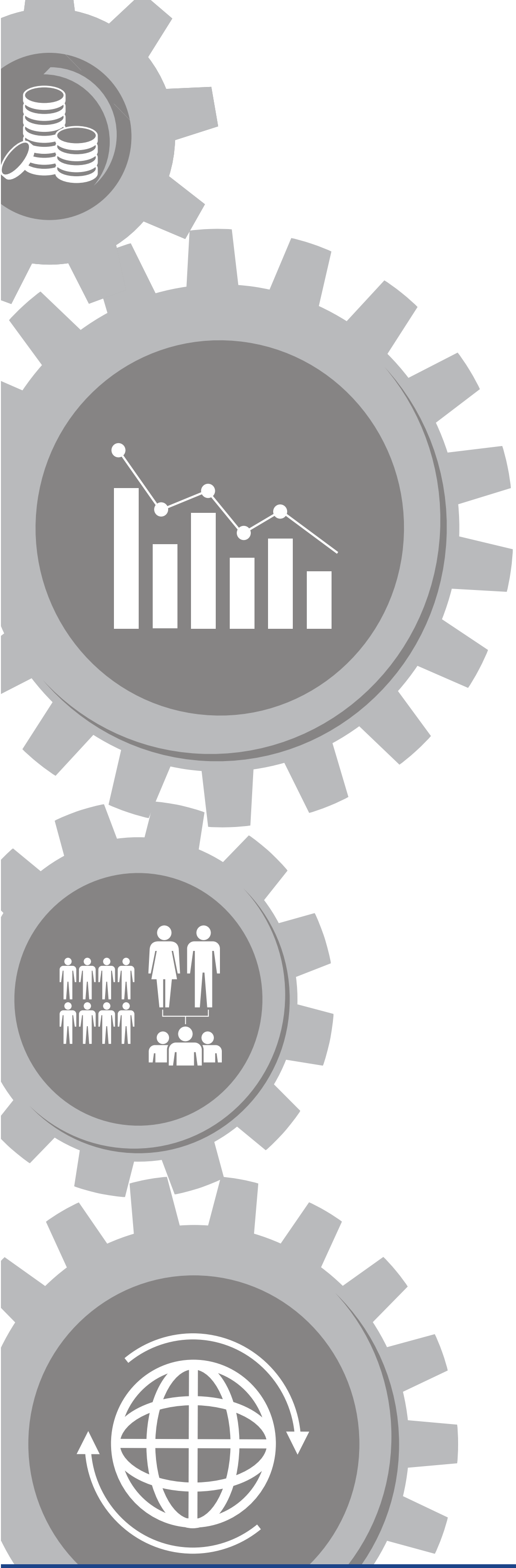
[1] Excludes DROP participants.

Schedule of Funding Progress

Valuation Date June 30	Actuarial Value of Assets (a)	Actuarial Accrued Liabilities (b)	Unfunded Actuarial Accrued Liabilities (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b) - (a)] / (c)
2014	$1,224,882,430	$1,441,544,593	$216,662,163	85%	$98,346,859	220%
2015	1,289,972,504	1,491,060,034	201,087,530	87%	100,619,957	200%
2016	1,333,218,360	1,560,517,712	227,299,352	85%	109,062,310	208%
2017	1,394,270,429	1,640,669,401	246,398,972	85%	112,928,533	218%
2018	1,458,935,865	1,713,294,651	254,358,786	85%	117,785,703	216%
2019	1,521,246,708	1,780,416,321	259,169,613	85%	121,441,720	213%
2020	1,538,146,337	1,851,586,671	313,440,334	83%	123,249,682	254%
2021	1,723,799,319	2,004,738,244	280,938,925	86%	123,434,071	228%
2022	1,796,873,341	2,185,608,626	388,735,285	82%	135,888,219	286%
2023	1,810,930,545	2,221,583,760	410,653,215	82%	122,508,602	335%

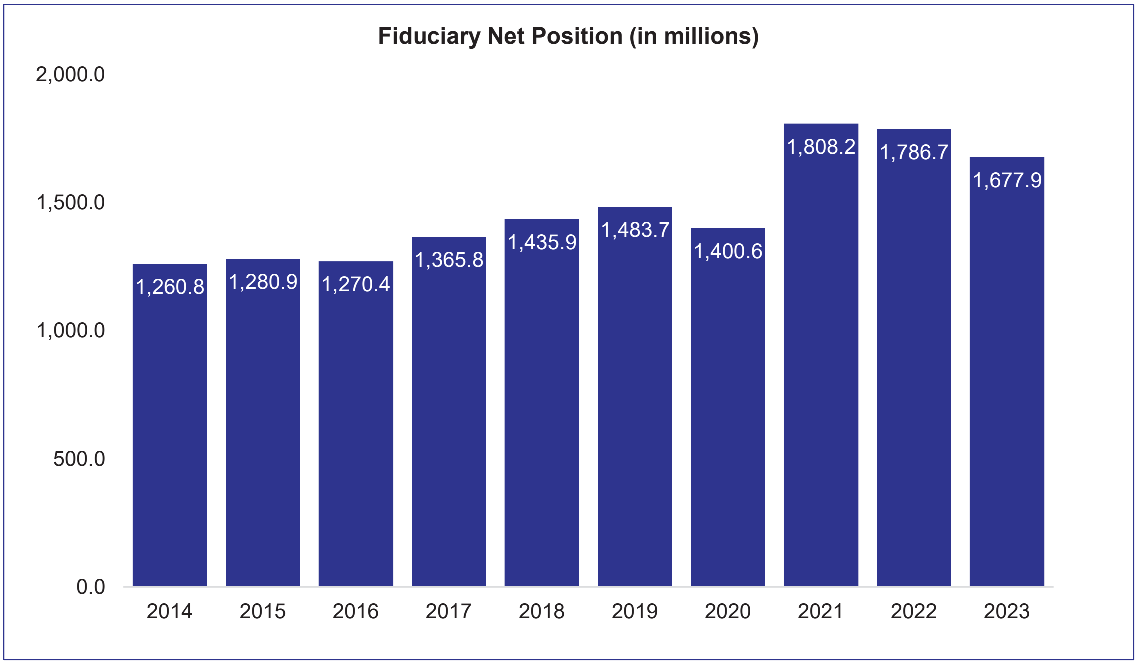


STATISTICAL



STATISTICAL

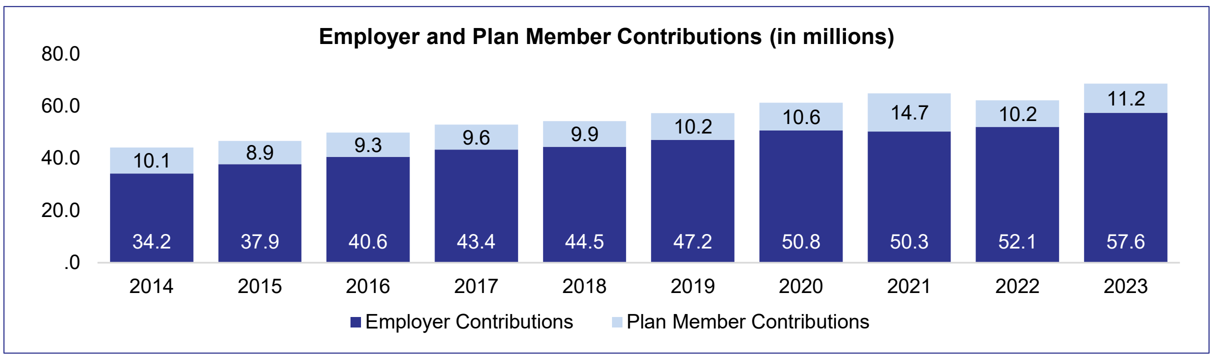
The Statistical Section presents historical information regarding the retirement plan. This information includes a ten-year analysis of the sources of change in plan fiduciary net position, benefit payments, the number of retired members and average monthly benefits. Sources of additions include employer and plan member contributions and net investment income; deductions include benefit payments to retirees and beneficiaries, refunds of employee contributions and administrative expenses. The amounts of benefits paid, the count of benefit recipients and the average benefit payments are provided by type of benefit, including service retirement annuities, service-connected and ordinary disability benefits and survivor benefits.

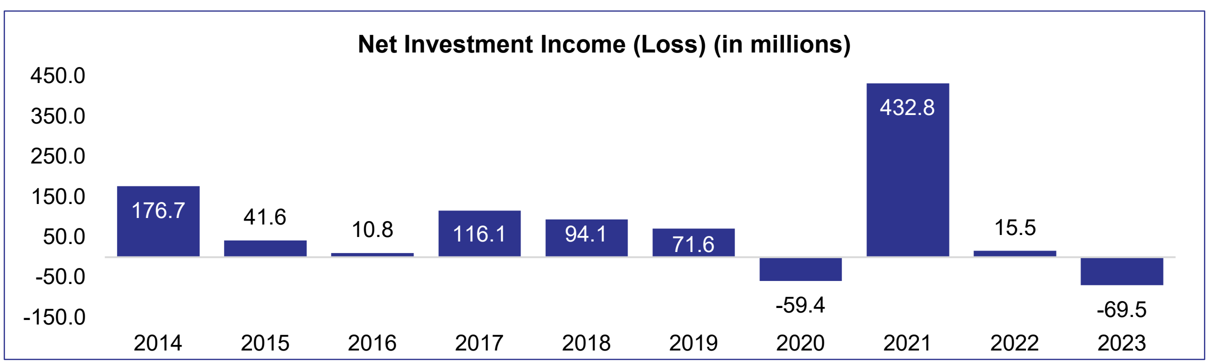


Fiscal Year	Fiduciary Net Position
2014	$1,260,757,215
2015	1,280,915,090
2016	1,270,389,713
2017	1,365,844,260
2018	1,435,923,023
2019	1,483,674,321
2020	1,400,564,931
2021	1,808,189,543
2022	1,786,738,122
2023	1,677,880,721

*Changes in Fiduciary Net Position					
Fiscal Year	**2014**	**2015**	**2016**	**2017**	**2018**
Additions by Source					
Plan Member Contributions	$10,091,331	$8,889,931	$9,324,066	$9,631,618	$9,895,922
Employer Contributions	34,178,960	37,867,181	40,646,884	43,381,151	44,504,675
Net Investment Income (Loss)	176,683,610	41,601,153	10,764,028	116,099,350	94,134,740
Total Additions	220,953,901	88,358,265	60,734,978	169,112,119	148,535,337
Deductions by Type					
Benefit Payments	$61,715,421	$67,276,713	$70,352,623	$72,534,389	$77,478,191
Refunds of Contributions	572,284	480,447	397,188	641,609	360,176
Administrative Expenses	431,064	443,230	510,544	481,574	618,207
Total Deductions	62,718,769	68,200,390	71,260,355	73,657,572	78,456,574
Change in Fiduciary Net Position	**$158,235,132**	**$20,157,875**	**($10,525,377)**	**$95,454,547**	**$70,078,763**

*See next page for the continuation of the 10 year report.





Changes in Fiduciary Net Position					
Fiscal Year	**2019**	**2020**	**2021**	**2022**	**2023**
Additions by Source					
Plan Member Contributions	$10,176,811	$10,570,158	$14,687,984	$10,241,464	$11,166,493
Employer Contributions	47,182,840	50,781,403	50,348,130	52,066,100	57,592,394
Net Investment Income (Loss)	71,578,489	(59,355,354)	432,834,482	15,535,475	(69,458,564)
Total Additions	128,938,140	1,996,207	497,870,596	77,843,039	(699,677)
Deductions by Type					
Benefit Payments	$80,116,433	$84,087,797	$88,691,929	$98,193,106	$106,820,896
Refunds of Contributions	459,698	361,855	888,427	437,846	654,387
Administrative Expenses	610,711	655,945	665,628	663,508	682,441
Total Deductions	81,186,842	85,105,597	90,245,984	99,294,460	108,157,724
Change in Fiduciary Net Position	**$47,751,298**	**($83,109,390)**	**$407,624,612**	**($21,451,421)**	**($108,857,401)**

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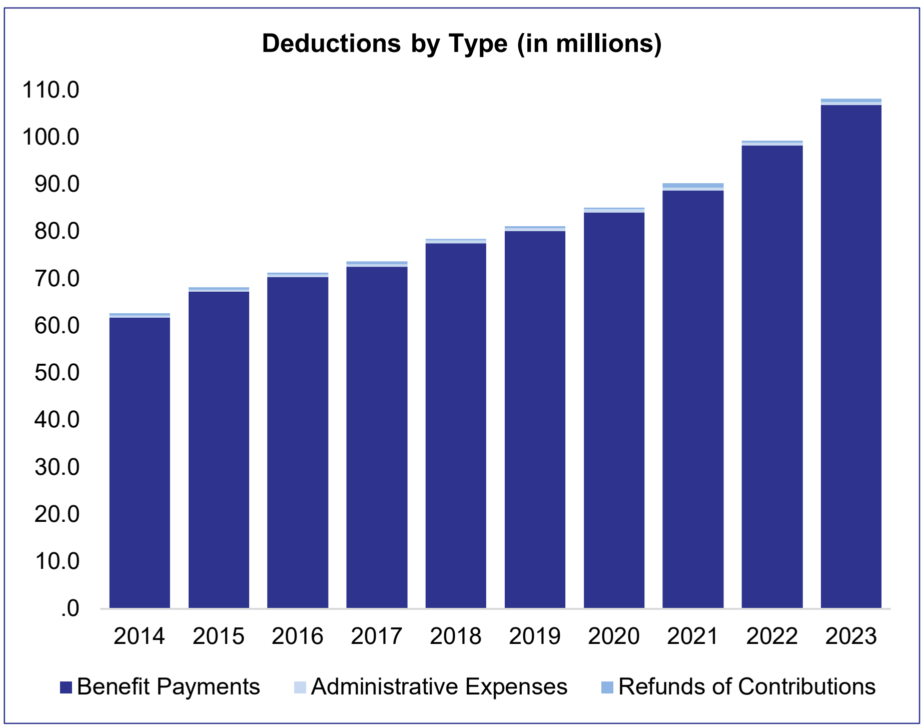


Schedule of Benefit Payments by Type

Fiscal Year	Service Annuity	Service-Connected Disability	Ordinary Disability	Survivor Benefit	Total
2014	$56,871,422	$1,179,687	$130,181	$3,534,131	$61,715,421
2015	62,221,104	1,182,810	134,897	3,737,902	67,276,713
2016	65,061,094	1,262,170	135,167	3,894,192	70,352,623
2017	67,080,670	1,148,156	136,519	4,169,044	72,534,389
2018	71,721,421	1,248,701	145,058	4,363,011	77,478,191
2019	74,086,887	1,295,820	157,209	4,576,517	80,116,433
2020	77,451,380	1,280,763	175,781	5,179,873	84,087,797
2021	81,576,691	1,210,017	213,747	5,691,474	88,691,929
2022	90,783,074	1,204,218	219,304	5,986,510	98,193,106
2023	99,063,803	1,204,455	235,337	6,317,301	106,820,896

Schedule of Retired Members by Benefit Type

Fiscal Year	Service Annuity	Service-Connected Disability	Ordinary Disability	Survivor Benefit	Total
2014	813	29	6	118	966
2015	862	29	6	115	1,012
2016	880	30	6	123	1,039
2017	915	30	6	131	1,082
2018	952	28	6	133	1,119
2019	978	28	7	140	1,153
2020	1,011	27	7	157	1,202
2021	1,054	25	8	174	1,261
2022	1,104	25	8	180	1,317
2023	1,181	25	8	184	1,398

Schedule of Average Monthly Benefit Amounts

Fiscal Year	Service Annuity	Service-Connected Disability	Ordinary Disability	Survivor Benefit	Average
2014	$5,551	$3,385	$1,874	$2,469	$5,087
2015	5,592	3,236	1,877	2,515	5,153
2016	5,599	3,556	1,877	2,424	5,143
2017	5,664	3,350	1,896	2,493	5,200
2018	5,745	3,688	1,921	2,482	5,285
2019	5,864	3,987	1,872	2,518	5,387
2020	5,724	4,633	1,664	2,289	5,227
2021	6,026	4,426	2,227	2,536	5,496
2022	6,244	4,290	2,284	2,589	5,683
2023	6,484	4,412	2,376	2,667	5,921

Schedule of Average Monthly Benefit Payments by Years of Service

Years of Credited Service*

	2-4	5-9	10-14	15 - 19	20 - 24	25 - 29	30+
Period 7/1/2012 to 6/30/2013							
Average Monthly Benefit **	$ -	$ -	$ 4,339	$ -	$ 4,070	$ 5,702	$ 7,525
Average of Final Monthly Salaries	$ -	$ -	$ 6,319	$ -	$ 7,416	$ 8,056	$ 8,661
Number of Retirees	-	-	1	-	4	27	3
Period 7/1/2013 to 6/30/2014							
Average Monthly Benefit **	-	-	-	3,147	4,041	5,795	6,965
Average of Final Monthly Salaries	-	-	-	6,728	7,192	8,016	7,837
Number of Retirees	-	-	-	2	9	37	7
Period 7/1/2014 to 6/30/2015							
Average Monthly Benefit **	-	997	3,202	3,758	4,059	5,624	8,047
Average of Final Monthly Salaries	-	5,519	6,235	6,925	7,507	7,840	8,698
Number of Retirees	-	1	2	2	3	32	5
Period 7/1/2015 to 12/31/2015							
Average Monthly Benefit **	-	3,726	-	3,113	3,590	5,792	8,409
Average of Final Monthly Salaries	-	5,589	-	6,492	6,977	7,982	9,192
Number of Retirees	-	1	-	1	1	15	5
Period 1/1/2016 to 12/31/2016							
Average Monthly Benefit **	-	967	3,416	2,999	3,876	5,739	6,814
Average of Final Monthly Salaries	-	6,031	6,565	6,478	7,386	7,976	7,628
Number of Retirees	-	1	2	1	5	33	3
Period 1/1/2017 to 12/31/2017							
Average Monthly Benefit **	-	2,340	2,243	-	4,469	6,267	7,219
Average of Final Monthly Salaries	-	5,541	6,510	-	7,652	8,542	8,206
Number of Retirees	-	2	2	-	4	31	5
Period 1/1/2018 to 12/31/2018							
Average Monthly Benefit **	-	1,334	-	-	4,464	6,466	7,171
Average of Final Monthly Salaries	-	5,809	-	-	8,291	8,687	8,149
Number of Retirees	-	3	-	-	6	24	3
Period 1/1/2019 to 12/31/2019							
Average Monthly Benefit **	-	929	1,937	-	4,089	6,551	9,192
Average of Final Monthly Salaries	-	4,670	6,287	-	7,747	8,884	10,481
Number of Retirees	-	1	2	-	11	32	5
Period 1/1/2020 to 12/31/2020							
Average Monthly Benefit	-	942	-	3,328	4,280	6,561	8,226
Average of Final Monthly Salaries	-	3,871	-	6,972	7,976	8,886	9,069
Number of Retirees	-	1	-	3	13	37	7
Period 1/1/2021 to 12/31/2021							
Average Monthly Benefit	-	-	2,147	5,100	4,379	6,660	12,812
Average of Final Monthly Salaries	-	-	6,870	8,336	7,899	9,088	13,792
Number of Retirees	-	-	2	3	10	44	5
Period 1/1/2022 to 12/31/2022							
Average Monthly Benefit	-	4,017	1,980	3,878	4,923	6,652	9,732
Average of Final Monthly Salaries	-	6,026	6,427	7,835	8,333	9,112	10,710
Number of Retirees	-	1	2	8	25	51	11

*The Years of Credited Service is the service used in the determination of benefits, which may be different than service for eligibility.

**Does not include supplements.

Active Participants Count by Age/Service

	Service								
Age	**Under 1**	**1 to 4**	**5 to 9**	**10 to 14**	**15 to 19**	**20 to 24**	**25 to 29**	**30 & Up**	**Total**
Under 25	32	39	-	-	-	-	-	-	71
25 to 29	39	125	71	-	-	-	-	-	235
30 to 34	8	43	124	34	5	-	-	-	214
35 to 39	6	16	50	45	73	6	-	-	196
40 to 44	1	5	18	16	84	79	1	-	204
45 to 49	1	3	6	13	29	128	21	2	203
50 to 54	-	3	5	2	16	63	16	3	108
55 to 59	-	1	-	2	7	5	4	1	20
60 to 64	-	-	1	-	1	1	-	2	5
65 & up	-	-	1	-	-	-	1	-	2
Total	87	235	276	112	215	282	43	8	1,258

Active Participants Total Salary by Age/ Service

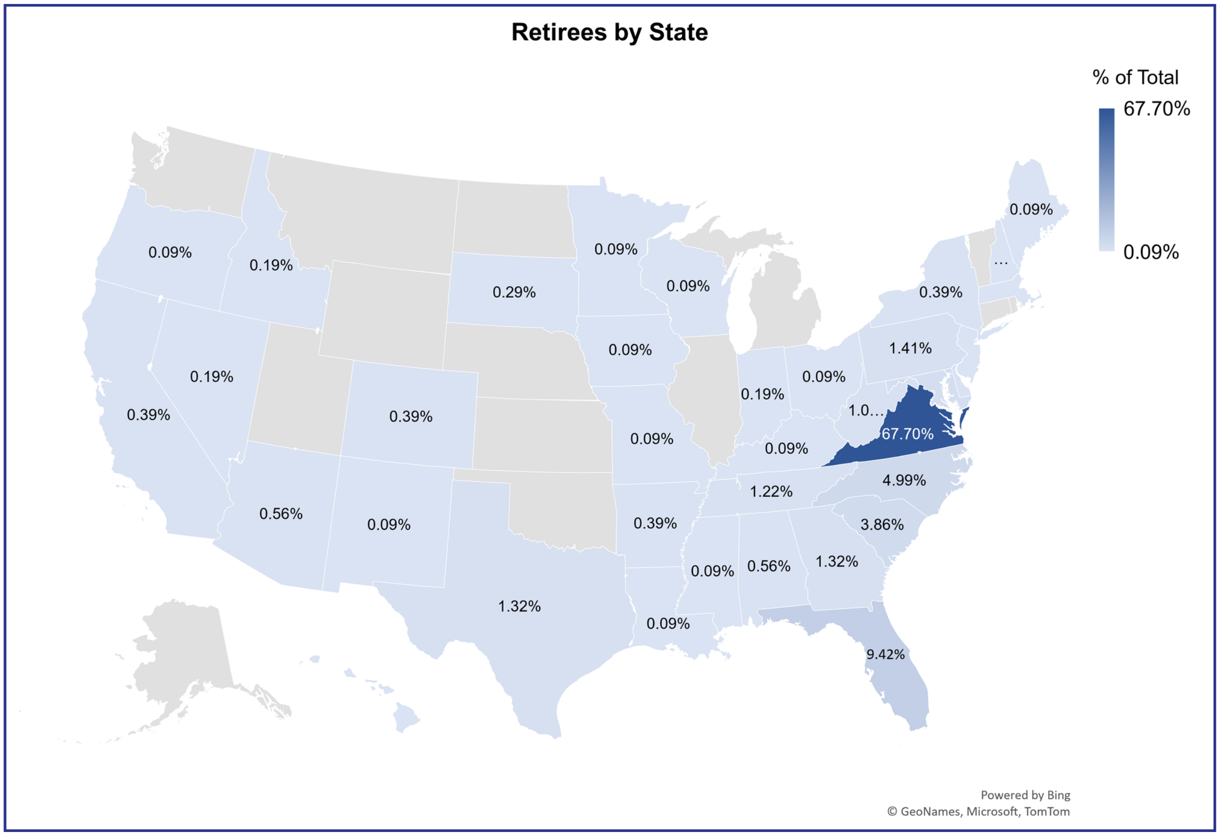
	Service								
Age	**Under 1**	**1 to 4**	**5 to 9**	**10 to 14**	**15 to 19**	**20 to 24**	**25 to 29**	**30 & Up**	**Total**
Under 25	$1,942,795	$2,501,278	$-	$-	$-	$-	$-	$-	$4,444,073
25 to 29	2,603,363	8,526,456	5,499,389	-	-	-	-	-	$16,629,208
30 to 34	561,887	3,013,808	10,418,833	3,064,215	475,427	-	-	-	$17,534,170
35 to 39	358,893	1,109,624	4,396,498	4,257,252	7,300,962	595,392	-	-	$18,018,621
40 to 44	64,159	354,699	1,548,874	1,449,654	8,565,194	8,583,834	117,650	-	$20,684,064
45 to 49	65,634	207,188	454,335	1,126,183	2,915,607	14,079,513	2,698,568	279,071	$21,826,099
50 to 54	-	481,273	461,772	171,372	1,609,718	6,930,968	2,058,653	351,886	$12,065,642
55 to 59	-	90,696	-	212,625	654,079	531,700	425,712	107,865	$2,022,677
60 to 64	-	-	90,784	-	101,407	104,903	-	234,644	$531,738
65 & up	-	-	92,789	-	-	-	102,727	-	$195,516
Total	$5,596,731	$16,285,022	$22,963,274	$10,281,301	$21,622,394	$30,826,310	$5,403,310	$973,466	$113,951,808

Retirees by Location

Retirees By State	
State	**% of Total**
Virginia	68.21%
Florida	8.70%
North Carolina	5.24%
South Carolina	3.55%
Maryland	2.75%
Pennsylvania	1.42%
Texas	1.42%
Georgia	1.33%
Tennessee	1.33%
West Virginia	1.15%
Alabama	0.62%
Arizona	0.44%
Arkansas	0.36%
California	0.36%
Colorado	0.36%
Delaware	0.36%
New York	0.27%
South Dakota	0.27%
Idaho	0.17%
Indiana	0.17%
Nevada	0.17%
District of Columbia	0.09%
Hawaii	0.09%
Iowa	0.09%
Kentucky	0.09%
Louisiana	0.09%
Maine	0.09%
Massachusetts	0.09%
Minnesota	0.09%
Mississippi	0.09%
New Hampshire	0.09%
New Jersey	0.09%
New Mexico	0.09%
Ohio	0.09%
Oregon	0.09%
Wisconsin	0.09%

Retirees in Virginia	
County	**% of Total**
Other Counties	94.67%
Fairfax County	5.33%
Total	**100.00%**

Retirees by Fairfax County/City	
City	**% of Total**
Centreville	1.15%
Herndon	0.62%
Springfield	0.62%
Fairfax	0.44%
Clifton	0.36%
Lorton	0.36%
Alexandria	0.27%
Chantilly	0.27%
Fairfax Station	0.27%
Vienna	0.27%
Falls Church	0.18%
Oakton	0.18%
Reston	0.18%
Burke	0.08%
Mc Lean	0.08%


Retirees by State
% of Total
67.70%
0.09%
0.09%
0.19%
0.29%
0.09%
0.09%
0.09%
0.39%
…
1.41%
0.09%
0.19%
0.19%
0.39%
0.39%
0.09%
1.0…
67.70%
0.09%
4.99%
1.22%
0.56%
0.09%
0.39%
3.86%
0.09%
0.56%
1.32%
1.32%
0.09%
9.42%
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Check out Fairfax County Retirement Systems Video Library at:

www.fairfaxcounty.gov/retirement/retirement-videos

- **New Employee** – “Understanding Your Retirement System” for those after July 1, 2019.
- **New Public Safety Employees** – “Understanding Your Retirement System” for Police Officers and Uniformed employees hired after July 1, 2019.
- **How to Use the Online Retirement Benefit Estimator** – This video helps members walk through the process of creating their own Retirement Benefit Estimates.
- **Eligibility Service vs. Benefit Service** – What’s the difference between Eligibility Service and Benefit Service?
- **Unused Sick Leave and Retirement** – How does unused sick leave benefit my retirement? Review the Unused Sick Leave video to find out the three ways sick leave can increase your retirement benefit.
- **Part Time School Employee** – A large portion of our school employees work part time. Review the Part Time Employee video to find out more about how part time employment impacts your retirement.
- **Joint & Last Survivor Option** – (Joint & Contingent Spouse and Handicapped Child Option) Can I leave my spouse my benefit if I die before them in retirement?
- **What is DROP?** – This brief video helps members understand what DROP means and how it works.
- **DROP Counseling** – Group counseling session, covering the Deferred Retirement Option Program (DROP), including information about how DROP works, eligibility, and benefits.
- **Plan Basics** – “Your Retirement System” for those hired PRIOR to July 1, 2019.

For our member’s convenience:

- All of our online forms are fillable
- “How To” videos are included in our video library
- You can meet with your Retirement Analyst virtually or in person. Just email your Analyst for more details.
- We offer 10 different virtual Retirement Preparation classes

To request this information in an alternate format, call Fairfax County Retirement Systems, 703-279-8200 (TTY 711).

HOW TO VIDEOS

- How to Use the Online Retirement Benefit Estimator

HOW TO FILL OUT FORMS

- Employee Normal/Early Service Retirement Application
- Direct Deposit Form
- Employee DROP Application

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