

Popular Annual Financial Report

FOR THE FISCAL YEAR
ENDED JUNE 30, 2024

COMPONENT UNIT
OF THE COUNTY OF
FAIRFAX, VIRGINIA





December 17, 2024

In the 2023-24 academic year, Fairfax County Public Schools (FCPS) made measurable strides towards our 2023-30 Strategic Plan – our North Star – which guides us toward the ultimate goal of ensuring excellence, equity, and opportunity for each and every student.

I am pleased to present FCPS' Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2024, to the citizens of Fairfax County, Virginia. This report provides an overview of the school system's financial operations and highlights key accomplishments of interest to parents, teachers, and community members.

FCPS' PAFR earned the prestigious *Award of Outstanding Achievement in Popular Financial Reporting* from the Government Finance Officers Association of the United States and Canada (GFOA) for the past five consecutive years. The information in this report is derived from the financial information contained in our Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024. The ACFR is a more detailed report prepared in accordance with generally accepted accounting principles (GAAP) and is available on the FCPS website at:

<https://www.fcps.edu/budget/financial-reports>

FCPS' financial statements received an unmodified audit opinion, the highest audit rating, by our independent auditor, Cherry Bekaert LLP. While the PAFR' preparation is performed in accordance with GAAP, it is unaudited and simplifies reporting by summarizing FCPS' financial activities in an easy-to-understand format. The PAFR will help stakeholders understand how their tax dollars are being utilized to educate our students. Our goal is to provide financial transparency in an understandable manner.

Sincerely,

A handwritten signature in blue ink, which appears to read "Michelle Reid". The signature is fluid and cursive.

Dr. Michelle C. Reid
Superintendent of Schools

TABLE OF CONTENTS

About Fairfax County Public Schools

School Board Members	2
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Accomplishments

Division Recognition	3
Highlights	4
Student and Teacher Achievements	5

Financial Highlights

Financial Overview	6
Revenues by Source	7
Expenses by Program	8

Initiatives

Technology Plan	9
Planned Capital Projects With Estimated Cost	10

Trends

Average Teacher Salary	11
Student Enrollment	12
Cost Per Pupil	13
Food and Nutrition	14
Instructional Staffing	15
Capital Assets	16

SCHOOL BOARD MEMBERS



Karl Frisch
Chair
Providence District



Sandy Anderson
Vice-Chair
Springfield District



Rachna Sizemore
Heizer
Braddock District



Robyn Lady
Dranesville District



Marcia
St. John-Cunning
Franconia District



Melanie K. Meren
Hunter Mill District



Ricardy Anderson
Mason District



Mateo Dunne
Mt. Vernon District



Seema Dixit
Sully District



Kyle McDaniel
Member, At-Large



Ryan McElveen
Member, At-Large



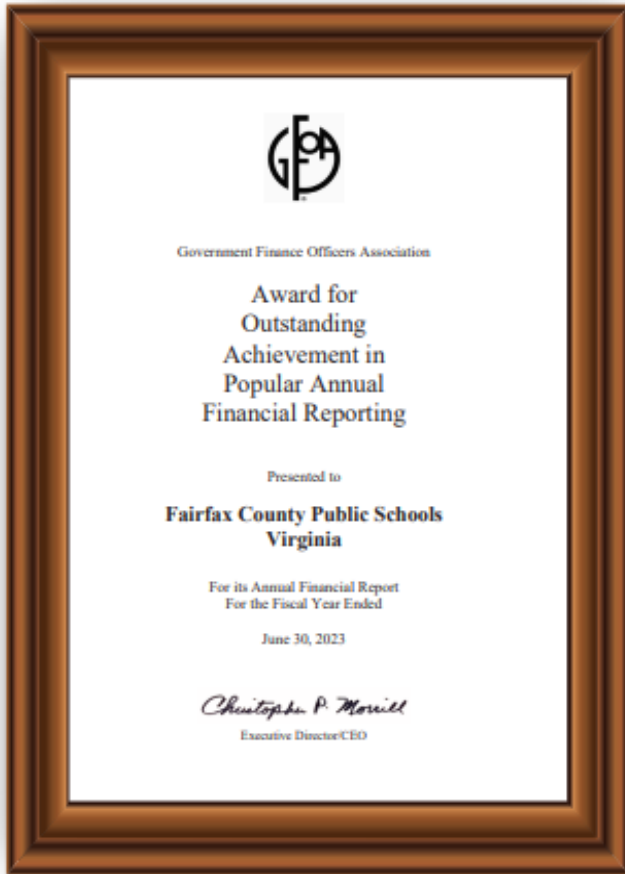
Ilryong Moon
Member, At-Large



Megan Stewardt
Student Representative

ACCOMPLISHMENTS

DIVISION RECOGNITION



Award for Outstanding Achievement in Popular Annual Financial Reporting



The Government Finance Officers Association (GFOA) of the United States and Canada awarded an Award for Outstanding Achievement in Popular Annual Financial Reporting to FCPS for its PAFR for the fiscal year ended June 30, 2023. The award recognizes conformance with the highest standards for preparation of state and local government popular reports. To receive the award, a governmental unit must publish a PAFR whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

ACCOMPLISHMENTS

HIGHLIGHTS

OUR SCHOOLS

12th largest school division in the U.S.

Largest school division in Virginia

199 Schools and Centers

142 Elementary Schools

3 Middle Schools (6-8)

20 Middle Schools (7-8)

3 Secondary Schools (7-12)

24 High Schools (9-12)

7 Special Education Centers

THE FCPS 2023-30 STRATEGIC PLAN

Provides five student-centered goals, measured to monitor the progress towards those goals, equity statements to support each and every student with attaining those goals, and four pillars that define the work FCPS must do to reach these goals.



SECOND LARGEST EMPLOYER IN FAIRFAX COUNTY

26,235 Full-Time Employees

91.4% School-Based Employees

8.6% Nonschool-Based Employees

DEMOGRAPHICS



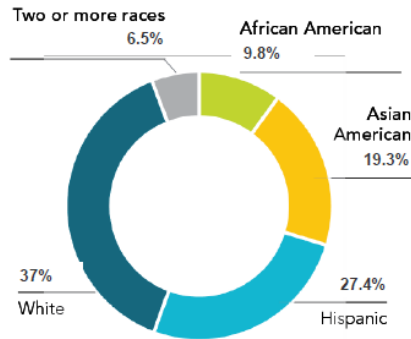
180,527 STUDENTS

With over 200 different languages spoken at home.

35% Economically Disadvantaged

21% English for Speakers of Other Languages (ESOL)

16% Special Education



INVESTING IN EXCELLENCE

\$3.7 Billion Operating Budget FY2025

85.7% of our budget is spent on instruction

OUR STUDENTS



94.6%
4-YEAR ON-TIME GRADUATION RATE

STUDENT SUCCESS



86% Of graduates attending post secondary programs

72% Passed an AP/IB or Dual Enrollment course

264 National Merit Semifinalists Class of 2024

1178 FCPS Class of 2024 SAT Score
VA: 1101
US: 1024



FCPS NAMED A 2024 BEST SCHOOL DISTRICT Given an overall grade of A by **Niche**.

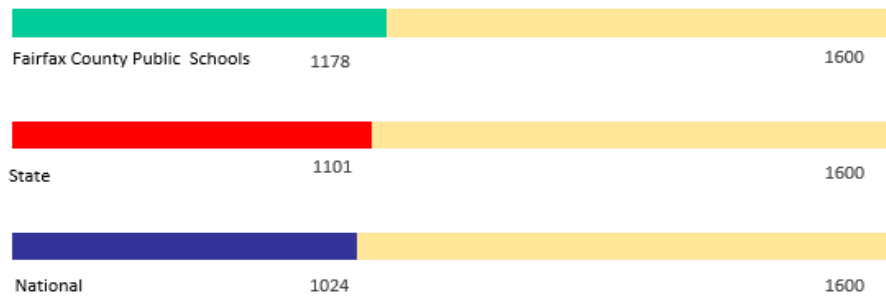
ACCOMPLISHMENTS

STUDENT AND TEACHER ACHIEVEMENTS

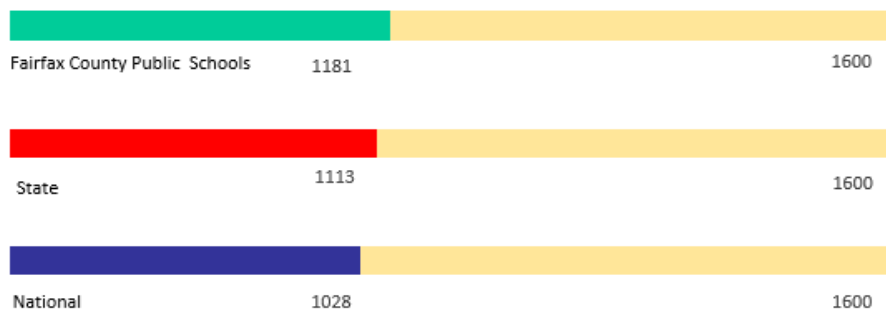
Individual students and groups annually earn honors and awards in all academic, extracurricular, and athletic areas in regional, state, and national competitions.

- For school year 2023-24, FCPS' average overall composite SAT score was 1178, compared to the State average of 1101 and the national average of 1024. The highest possible combination score one can receive on the SAT is 1600.
- Seven FCPS high schools made the U.S. News & World Report 2024 list of top ten Best High Schools in Virginia. Thomas Jefferson High School for Science and Technology remains the top high school in Virginia, followed by Langley, Oakton, Mclean, Marshall, Madison, and West Springfield High Schools.
- Seven FCPS students were named winners of 2024 National Merit corporate-sponsored scholarship awards.
- A Woodson High School freshman was crowned "America's Top Young Scientist" after winning this year's 3M Young Scientist Challenge for his creation: soap that treats skin cancer. And less than a year after his 3M honor, the student was named TIME Magazine's 2024 "Kid of the Year" for this work.
- An Annandale High School music teacher, whose work with children with disabilities has drawn praise, is the winner of the 2024 GRAMMY Music Educator Award.

School Year 2023-24 Average SAT scores



School Year 2022-23 Average SAT Scores



FINANCIAL OVERVIEW

Financial information in the report is derived from the ACFR. The ACFR is prepared in conformity with GAAP, as applicable to governmental units and includes detailed information of significant financial and nonfinancial events. This report is prepared consistent with GAAP but does not include the level of detail presented in the ACFR. It presents an overview of FCPS' governmental funds and highlights key revenue and expenditure information that occurred during the fiscal year.

SUMMARY OF NET POSITION

The government-wide financial statements report information about FCPS as a whole using the economic resources measurement focus and accrual basis fo accounting. Net position is \$557.0 million on June 30, 2024, as a result of the assets and deferred outflows of resources exceeding liabilities and deferred inflows of resources.

SUMMARY OF NET POSITION				
As of June 30				
(Dollars in Millions)				
	2024	Governmental Activities		2022
		2023		
Total Assets	\$ 3,932.2	\$ 3,867.8	\$ 3,637.7	
Total Deferred Outflows Of Resources	1,324.2	1,112.8	973.6	
Total Liabilities	4,285.3	4,096.4	3,007.2	
Total Deferred Inflows Of Resources	414.1	549.2	1,715.9	
Total Net Position	\$ 557.0 (a)	\$ 335.0 (b)	\$ (111.8)	

(a) The 2024 increase in net position of \$222.0M, from \$335.0M to \$557.0M was primarily due to increases in County transfers and various state revenue sources, offset by a reduction in Federal ESSER funding.

(b) The 2023 increase in net position of \$446.8M, from (\$111.8M) to \$335.0M was primarily due to increases in County transfers, school food services revenue, and various state revenue sources.

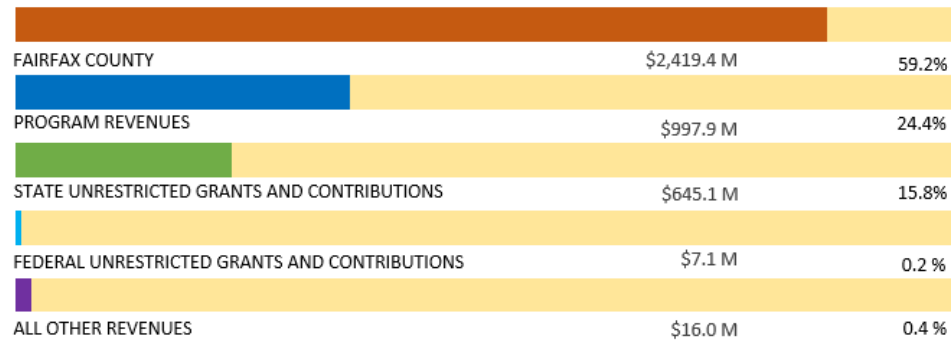
FINANCIAL HIGHLIGHTS

REVENUES BY SOURCE

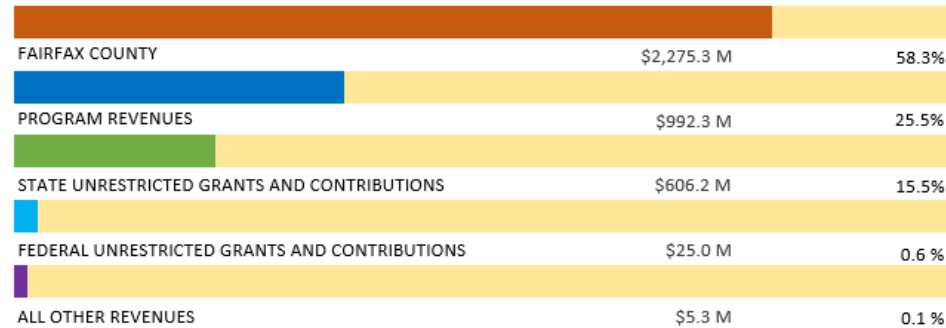
Total revenues for FCPS' governmental activities were \$4,085.5 million in fiscal year 2024, representing an increase of \$181.4 million, or 4.6 percent, over fiscal year 2023. The primary source of revenue for FCPS comes from Fairfax County, which in turn derives the majority of its revenue from real and personal property taxes. The increase over prior year is primarily due to \$137.6 million received from County transfers,

\$28.0 million received from State for the implementation of the Virginia Literacy Act, \$24.4 million in adjusted basic state aid, \$35.1 million state incentives to increase instructional employees compensation to market competitive levels and offset by (\$44.6) million reduction in Elementary and Secondary School Emergency Relief federal funding.

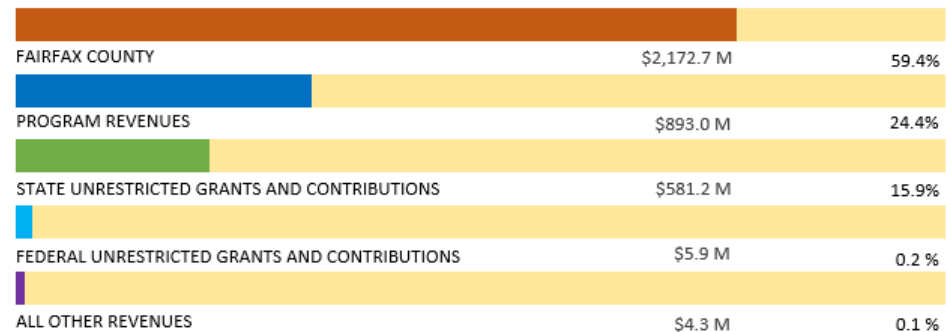
FY 2024 \$4.09 B



FY 2023 \$3.90 B



FY 2022 \$3.66 B



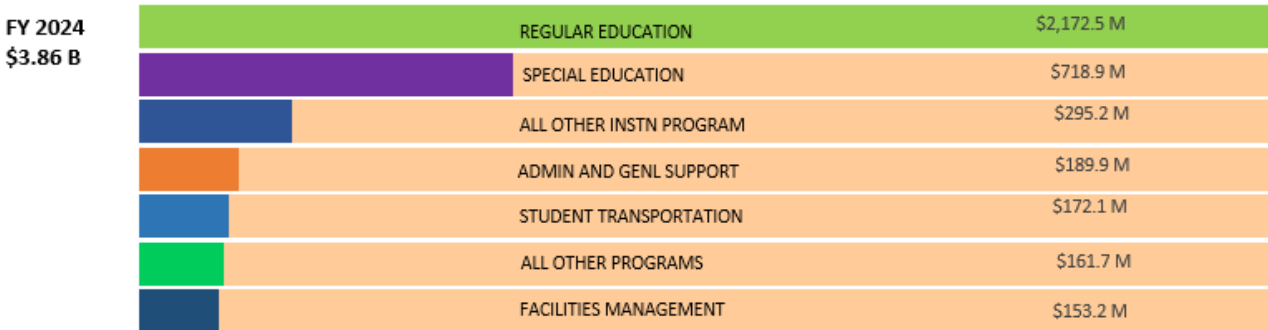
B=BILLION
M=MILLION

FINANCIAL HIGHLIGHTS

EXPENSES BY PROGRAM

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

Regular education is FCPS' largest program, which includes activities and programs conducted during the regular instructional day for students in grades K-12. Special education, FCPS' second largest program, includes activities for students with special needs.



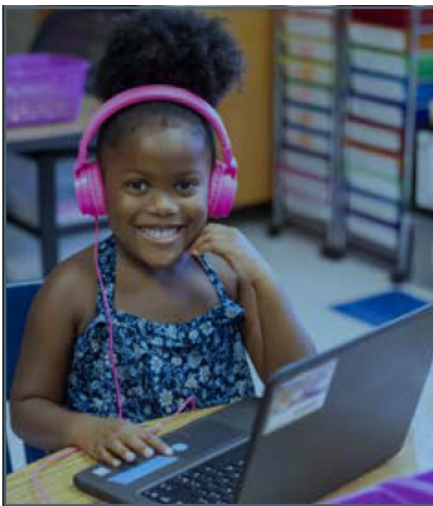
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TECHNOLOGY PLAN

FCPS' annual Technology Plan outlines the multiyear strategic goals and demonstrates the effective use of technology throughout the school system.

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

The fiscal year 2025 Technology Plan includes \$9.9 million of technology plan funding, and the state technology reimbursement program provides an additional \$5.1 million for technology projects.



PLANNED CAPITAL PROJECTS WITH ESTIMATED COST

The FCPS Capital Improvement Program (CIP) contains the five-year capital improvement plan, student enrollment projections, and building use analysis. The CIP assesses requirements for new facilities, renovation of existing facilities, infrastructure management, technology upgrades, and other facility-related needs.

The list of capital projects resulting from this assessment provides a clear statement of school facility requirements. Actual completion dates for CIP projects depend on cash flow and debt service limitations established by the County Board of Supervisors.

The fiscal year 2025–29 five-year CIP totals approximately \$1.2 billion.

Traditionally, the County has used the sale of municipal bonds to fund school capital facility expenditures. Every two years in November, school capital facility projects are part of a school bond referendum, which is added to the general election ballot. Funding from general obligation bond sales in fiscal year 2024 was \$205 million. Beginning in fiscal year 2025, the general obligation bond sales will increase an additional \$25 million to \$230 million.

The Fiscal Year 2025-29 Capital Projects

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



TRENDS

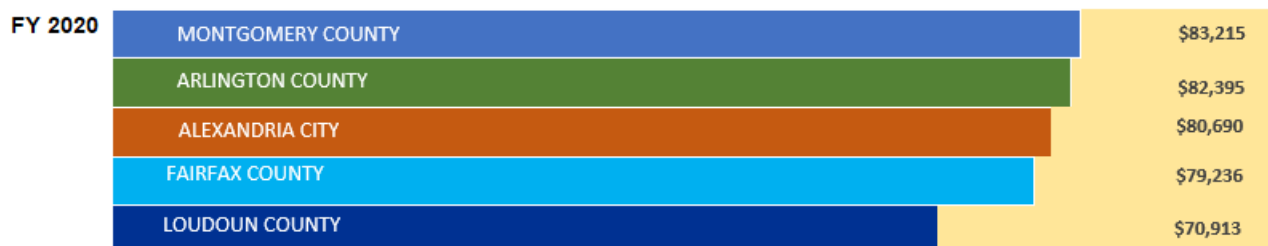
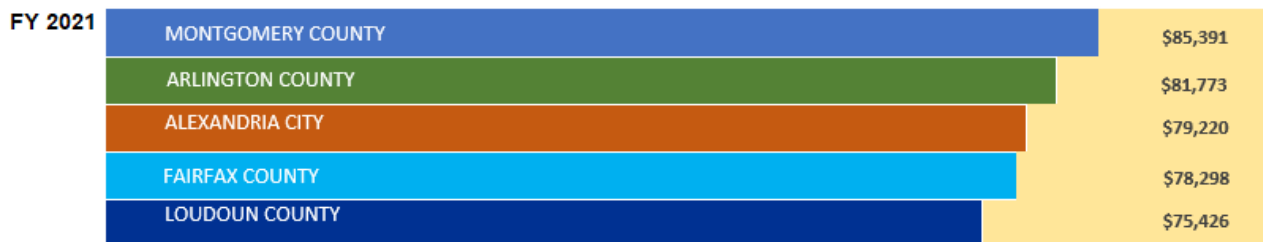
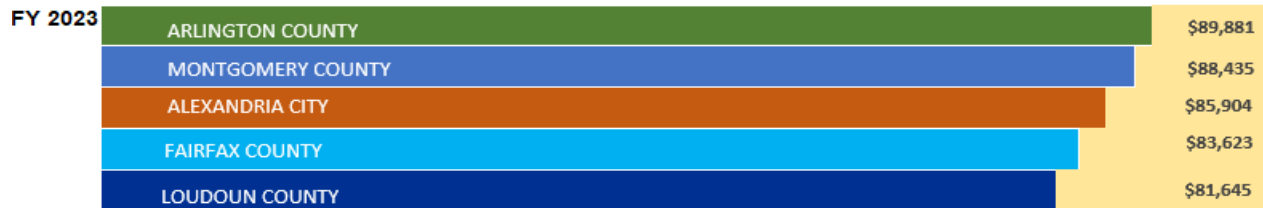
AVERAGE TEACHER SALARY TRENDS

FCPS faces several challenges related to compensation and employee retention. Soaring prices of housing, transportation, and everyday expenses pose a burden on FCPS' ability to attract and retain talented individuals. Retention strategies are in place to assist FCPS with employment and retention. Funding instruction is FCPS' highest priority. The importance FCPS places on instruction program is illustrated by the fact that 85.7 percent of the budget is allocated to instructional programs.

FCPS is committed to attracting and retaining exceptional employees, including a diverse staff and the highest quality teachers. FCPS is also committed to increasing competitiveness of salaries for all employees by offering market-competitive compensation packages. The fiscal year 2025 approved budget includes a 4.0 percent market scale adjustment for all employees.



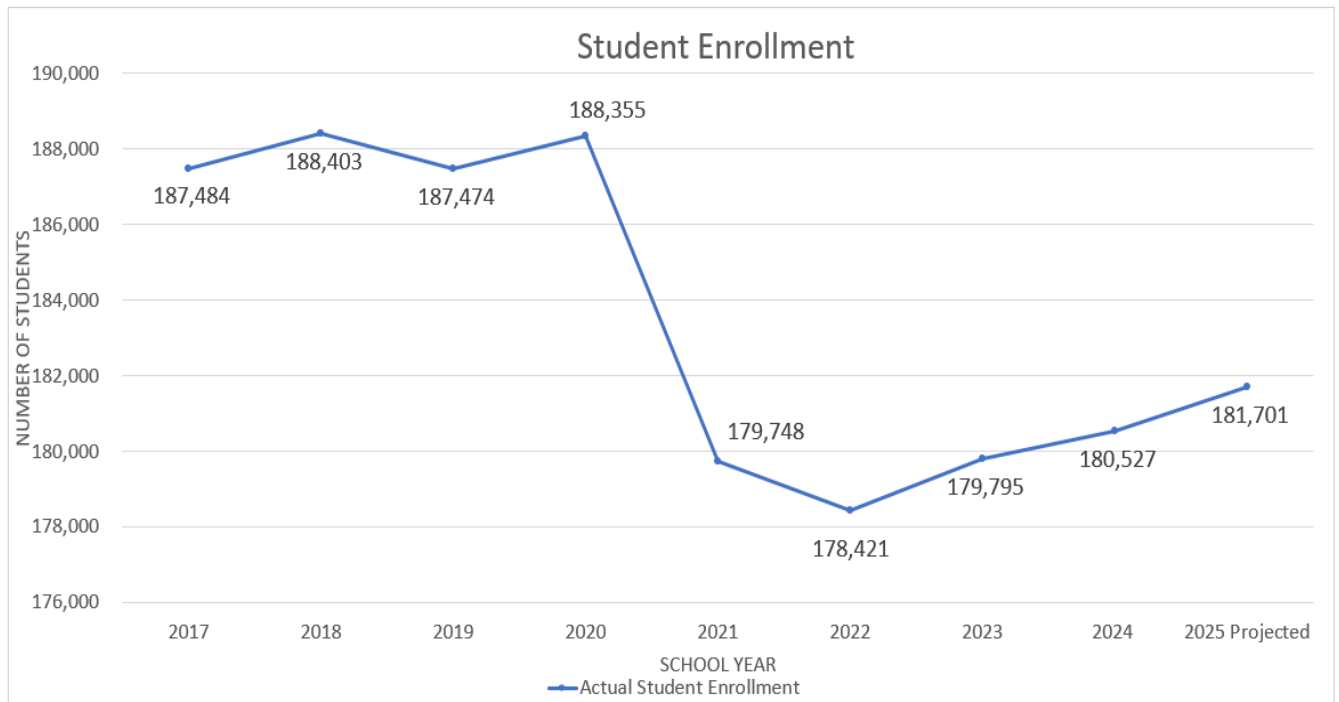
* Montgomery County's data is replaced with Falls Church City since Montgomery County did not participate in the FY 2024 WABE Guide



STUDENT ENROLLMENT

The projected student enrollment for fiscal year 2025 is 181,701 students, an increase of 1,330 students over prior year enrollment. FCPS enrollment projections are developed using a bottom-up methodology for general education students, beginning with elementary, then middle, and finally high schools. Kindergarten projections are based on historical relationships between kindergarten enrollment and births (five years prior) of Fairfax County and Fairfax City residents by attendance area. Each cohort is then aged through

successive grades based on selected historical ratios or averages of those ratios, school by school. Projections may be modified, as necessary, to consider other factors such as new housing completions. New housing data forecasts are considered with each projection effort. The number of additional students attributed to new housing decreased during the recent economic downturn as fewer houses were completed. Most student growth with FCPS in recent years resulted from larger families rather than from new housing.



COST PER PUPIL

Washington Area Boards of Education (WABE) cost-per-pupil (CPP) calculations provide an equalized comparison of the costs used to determine the amount school systems spend per pupil each year. FCPS' CPP is computed annually using a methodology agreed on by WABE. Uniform formulas were developed by the WABE committee for consistency among area school districts. The WABE calculation includes general education, special education, and federal entitlement grants, as well as all support expenditures in the operating fund.

The WABE calculation excludes operating fund transfers to PreK and Early Head Start, Adult and Community Education, debt service, and federal stimulus funding. These WABE-adjusted expenditures are divided by the total approved student enrollment to determine the approved WABE CPP.

In fiscal year 2024, FCPS ranks fifth compared to other school districts in the metropolitan area with a CPP of \$19,795.

FCPS Cost Per Pupil Trend



The table below compares the fiscal year 2024 cost per pupil for local school districts in the Washington metropolitan area.

Cost Per Pupil by School Division

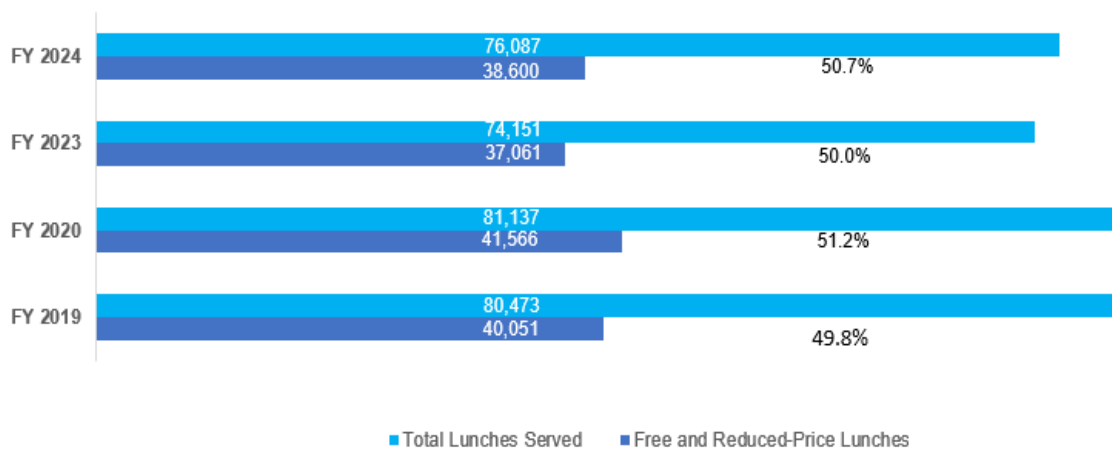


FOOD AND NUTRITION

Food and Nutrition Services (FNS) is a nationally recognized child nutrition program with a budget of \$148.8 million. It is financially self-supporting and plays a crucial role in preparing students for learning by providing a variety of healthy food options each school day. FNS is committed to offering nutritious breakfasts, lunches, snacks, and suppers that meet diverse dietary needs, exceeding the nutritional standards set by the United States Department of Agriculture (USDA). FNS has eliminated high fructose corn syrup, trans fats, and artificial sweeteners from its meals, and exclusively serves whole grains. Additionally, FNS provides food options that are suitable for cultural and philosophical dietary preferences, including plant-based, plant-forward, Halal, and Kosher food.

Students can also enjoy unlimited fruits and vegetables through salad bars available at every school site. FNS aims to deliver nutritious and delicious meals that support students' learning and growth. In fiscal year 2024, FNS served approximately 20 million meals and snacks to students and families. The program participates in the USDA Community Eligibility Provision, which offers no-cost meals to all students at 47 eligible schools, as well as the USDA Summer Food Service Program, providing nutritious and free breakfast and lunch to all children aged 18 and under at eligible sites during school breaks.

Percentage of Free and Reduced-Price Lunches Compared to Total Student Lunches Served Daily *



*Due to the Covid-19 pandemic in fiscal year 2021, meals were distributed to the community for school age children at no cost. In fiscal year 2022, FCPS resumed in-person learning and the meals provided at school were at no cost for school age children.



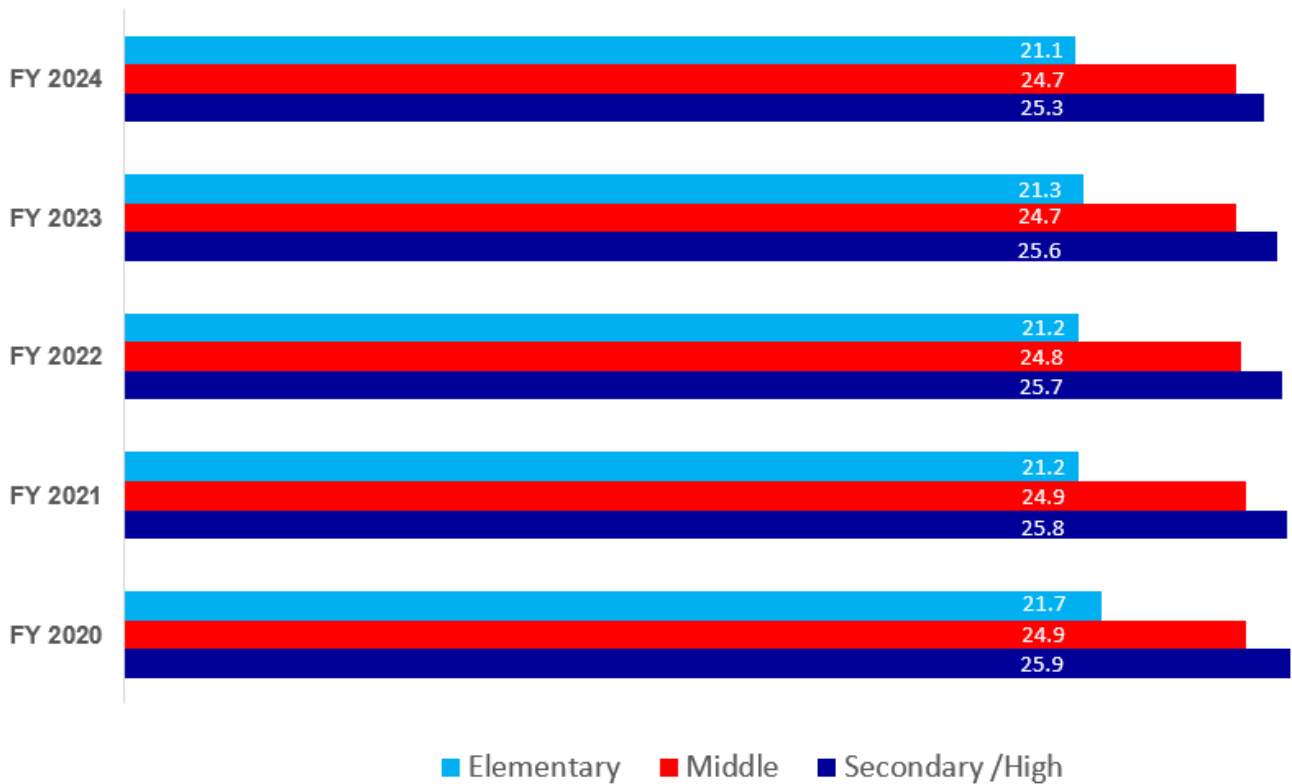
INSTRUCTIONAL STAFFING

Over the years, there have been significant adjustments in school-based staffing which vary depending on student enrollment, eligibility for free and reduced-price meals (FRM), the number and level of students receiving Multilingual Learners services, and the number and level of special education services provided. During the last five years, the number of students receiving specialized services has increased at a faster pace than overall enrollment.

Recognizing the importance of providing world class educational opportunities to all students, FCPS provides supplemental staffing for students eligible for FRM through the needs-based staffing program and supplemental staffing for English learners and special education students based on services and need.

Approximately 93 percent of all FCPS positions, are in classrooms and school buildings directly serving the needs of FCPS students.

FCPS Average Class Size



TRENDS

CAPITAL ASSETS

A school district's inventory of capital assets often represents its most significant investment of resources. Over time, purchases of land and improvements, buildings and improvements, equipment and other capital assets can result in the accumulation of billions of dollars in property.

At June 30, 2024, FCPS had \$2,915.9 million invested in net capital assets, acquired and constructed to help provide essential services to our students. The table below provides a breakdown of FCPS' capital assets for the most recent three years.

Net Capital Assets at June 30 (Dollars in Millions)

	2024	2023	2022
Land	\$ 46.8	\$ 46.8	\$ 46.8
Construction in Progress	361.3	279.3	343.4
Subscription Under Development	4.3	-	-
Equipment	98.5	97.7	93.2
Intangible Assets - Software/Licenses	2.7	3.4	4.2
Intangible Assets - Right-to-Use	49.0	54.3	46.7
Intangible Assets - Right-to-Use Subscription	62.0	69.1	-
Library Collections	6.6	6.9	7.1
Buildings	540.5	564.6	590.8
Building Improvements	1,693.0	1,721.4	1,568.7
Land Improvements	51.2	49.3	50.2
Total Net Capital Assets	\$ 2,915.9	\$ 2,892.8	\$ 2,751.1



School Boundary Map





Fairfax County Public Schools
2024 Popular Annual Financial Report

8115 Gatehouse Road, Falls Church, Virginia 22042
www.fcps.edu

