

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2023



ARLINGTON
VIRGINIA

ARLINGTON COUNTY, VIRGINIA

Annual Comprehensive Financial Report

FISCAL YEAR 2023

(July 1, 2022 - June 30, 2023)



DEPARTMENT OF MANAGEMENT AND FINANCE

**Maria Meredith, Director
Karen Spence, Acting Comptroller**

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Vision

"Arlington will be a diverse and inclusive world-class community with secure, attractive residential and commercial neighborhoods where people unite to form a caring, learning, participating, sustainable community in which each person is important."

ARLINGTON COUNTY BOARD

Mission

High Quality Service

Leadership Philosophy

We believe that people want to do the best job possible. When all of us share responsibility for creating a work environment with clear goals, mutual support and opportunities for continuous learning, Arlington County can best achieve its goals. We will realize our full potential through teamwork, respect for each other, sharing information, and support for individual creativity and initiative.

Principles of Government Service

***Ethics/Stewardship * Diversity / Inclusion ***

***Commitment to Employees**

***Leadership * Teamwork * Empowerment / Accountability ***

**ARLINGTON COUNTY, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2023**

TABLE OF CONTENTS

INTRODUCTORY SECTION

	Page
LETTER OF TRANSMITTAL	1
CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING	14
ORGANIZATION CHART	15
DIRECTORY OF OFFICIALS	16

FINANCIAL SECTION

REPORT OF INDEPENDENT AUDITOR	21
MANAGEMENT’S DISCUSSION AND ANALYSIS	27
BASIC FINANCIAL STATEMENTS	41

Government-Wide Financial Statements

Exhibit

1	Statement of Net Position	45
2	Statement of Activities.....	46

Governmental Fund Financial Statements

3	Balance Sheet - Governmental Funds	48
3(A)	Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position ...	49
4	Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	50
4(A)	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	51

Proprietary Fund Financial Statements

5	Statement of Net Position - Proprietary Funds	52
6	Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	53
7	Statement of Cash Flows - Proprietary Funds	54

Fiduciary Funds Financial Statements

8	Statement of Fiduciary Net Position - Fiduciary Funds.....	55
9	Statement of Changes in Fiduciary Net Position - Fiduciary Funds.....	56

Notes to the Financial Statements

10	Notes to the Financial Statements.....	57
	REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)	165
11-A	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	166
11-B	Notes to the Schedule of Revenues, Expenditures, and Changes in Fund Balance	168
11-C	Arlington County Retirement System - Schedule of Changes in the County's Net Pension Liability (Asset) and Related Ratios	169
11-D	Schedule of Employer Contributions – County Pension	169
11-E	Notes to Schedule - Arlington County Retirement System Pension - Key Assumptions	170
11-F	Schedule of Employer Share of Net Pension Liability - VRS Teacher Retirement Plan.....	171
11-G	Schedule of Employer Contributions - VRS Teachers Retirement Plan.....	172
11-H	Notes to Schedule - VRS Teachers Retirement Plan	172
11-I	Schedule of Changes in APS-VRS Political Subdivision's Net Pension Liability	173
11-J	Schedule of Employer Contributions – APS-VRS Political Subdivisions.....	174
11-K	Notes to Schedule - APS-VRS Political Subdivisions	174
11-L	Schedule of Changes in Net OPEB Liability and Related Ratios - County OPEB Plan.....	175
11-M	Schedule of Employer Contributions - County OPEB Plan.....	176
11-N	Notes to Schedule - County OPEB	176
11-O	Schedule of Investment Returns - County OPEB Plan	177
11-P	Schedule of Employer Share of Net OPEB Liability - Line of Duty Act Program (LODA)	178
11-Q	Schedule of Employer Contributions - Line of Duty Act Program (LODA).....	179
11-R	Notes to Required Supplementary Information - Line of Duty Act Program (LODA)	179
11-S	Schedule of Changes in Net OPEB Liability and Related Ratios - Arlington Public Schools	180
11-T	Schedule of Employer Contributions - Arlington Public Schools	181
11-U	Notes to Schedules - Arlington Public Schools	181
11-V	Schedule of Investment Returns-Arlington Public Schools OPEB Plan	182
11-W	Schedule of Employer Share of Net OPEB Liability - Arlington Public Schools - Teachers Plan-Health Insurance Credit Program (HIC).....	183
11-X	Schedule of Employer Contributions - Arlington Public Schools - Teachers Plan - Health Insurance Credit (HIC) Program.....	184
11-Y	Notes to Schedules - Arlington Public Schools - HIC Teachers Plan.....	184
11-Z	Schedule of Employer Share of Net OPEB Liability - Arlington Public Schools – Political Subdivision-Health Insurance Credit.....	185
11-AA	Schedule of Employer Contributions - Arlington Public Schools – Political Subdivision (HIC) Program.....	186
11-AB	Notes to Schedule - Arlington Public Schools – Political Subdivision HIC Program.....	186
11-AC	Schedule of Employer Share of Net OPEB Liability - Arlington Public Schools - Teachers Plan - Group Life Insurance Program	187
11-AD	Schedule of Employer Contributions - Arlington Public Schools - Teachers Plan - Group Life Insurance (GLI) Plan	188
11-AE	Notes to Schedules - Arlington Public Schools - Teachers GLI Program	188
11-AF	Schedule of Employer Share of Net OPEB Liability - Arlington Public Schools Political Subdivision - Group Life Insurance Program.....	189
11-AG	Schedule of Employer Contributions - Arlington Public Schools – Political Subdivision-Group Life Insurance (GLI) Program	190
11-AH	Notes to Schedule - Arlington Public Schools – Political Subdivision GLI Program	190

OTHER SUPPLEMENTARY INFORMATION

Non-Major Governmental Funds

X	Combining Balance Sheet - Non-Major Governmental Funds	194
Y	Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Governmental Funds	196

General Fund

A-1	Balance Sheet	199
A-2	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual	200

Special Revenue Funds

B-1	Combining Balance Sheet	202
B-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	203
B-3	Ballston Quarter Community Development Authority - Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget (GAAP Basis) and Actual	204
B-4	Travel and Tourism Promotion - Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget (GAAP Basis) and Actual	205
B-5	Ballston Business Improvement District - Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget (GAAP Basis) and Actual	206
B-6	Rosslyn Business Improvement District - Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget (GAAP Basis) and Actual	207
B-7	National Landing Business Improvement District - Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget (GAAP Basis) and Actual	208
B-8	Community Development Grants Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget (GAAP Basis) and Actual	209
B-9	Section 8 Housing Program - Schedule of Revenues, Expenditures, and Changes in Fund Balances, Budget (GAAP Basis) and Actual	210

Capital Projects Funds

C-1	Combining Balance Sheet	212
C-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balance	214
C-3	Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual	216

Enterprise Funds

D-1	Combining Balance Sheet	222
D-2	Combining Statement of Revenues, Expenses and Changes in Net Position	224
D-3	Combining Statement of Cash Flows	225

Internal Service Funds

E-1	Combining Balance Sheet	228
E-2	Combining Statement of Revenues, Expenses and Changes in Net Position	229
E-3	Combining Statement of Cash Flows	230

Fiduciary Funds

F-1	Combining Statement of Fiduciary Net Position - Trust Funds	232
F-2	Combining Statement of Changes in Fiduciary Net Position - Private Purpose Trust Funds	233
F-3	Combining Statement of Changes in Fiduciary Net Position - Pension and OPEB Trust Funds	234
F-4	Combining Statements of Fiduciary Net Position – Custodial Funds	235
F-5	Combining Statement of Change in Fiduciary Net Position - Custodial Funds	236

Discretely Presented Component Unit – Schools

G-1	Combining Balance Sheet	238
G1(A)	Reconciliation of the Fund Balances of Component Unit - Schools to Net Position of Component Unit - Schools	239
G-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balance	240
G2(A)	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance - Component Unit - Schools to the Statement of Activities Component Unit - Schools	241
G-3	Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual	242
G-4	OPEB Trust Fund - Schools, Statement of Plan Net Position	245
G-5	OPEB Trust Fund - Schools, Statement of Changes in Plan Net Position	246

Supplemental Schedules

S-1	Schedule of Cash Receipts and Disbursements - All Funds	248
S-2	Combined Schedule of Investments - All Funds	251
S-3	Combined Schedule of Long-Term Obligations	255
S-4	Schedule of Delinquent Property Taxes Receivable	264
S-5	Real Estate and Personal Property Tax Levies and Collections	265
S-6	Net Book Value of Capital Assets Used in the Operation of Governmental Funds Schedule by Source	266
S-7	Schedule of Changes in General Capital Assets - By Function and Activity	267
S-8	Schedule of General Capital Assets - By Function and Activity	268
S-9	Detail Schedule of Revenues - Budget (GAAP Basis) and Actual - General and Special Revenue Funds	269
S-10	Detail Schedule of Expenditures - Budget (GAAP Basis) and Actual - General and Special Revenue Funds	271
S-11	Schedule of Capital Outlays and Capital Projects - Governmental Fund Type	273

STATISTICAL SECTION (Unaudited)

Financial Trend Tables

Table

A	Net Position by Component	276
B	Changes in Net Position	277
C	Fund Balances, Governmental Funds and Component Units	279
D	Changes in Fund Balances of Governmental Funds	280
D-1	General Governmental Expenditures by Functions	281
D-2	General Governmental Revenues by Source	282

Revenue Capacity Tables

E	General Governmental Tax Revenues by Source	283
---	---	-----

F	Assessed and Actual Value of Taxable Property	284
G	Principal Taxpayers	285
H	Property Tax Levies and Collections	286

Debt Capacity Tables

I	Ratios of Outstanding Debt by Type	287
I-1	Primary Government Ratios of General Bonded Debt Outstanding	288
J	Pledged-Revenue Coverage, Utilities Bond Coverage.....	289

Demographic and Economic Information Tables

K	Demographic Statistics.....	290
L	Principal Employers	291

Operating Indicator Tables

M	Full-time Equivalent Government Employees by Function	292
N	Operating Indicators by Function - Program.....	293
O	Capital Assets Statistics by Function/Program.....	294
P	Percentage of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Governmental Expenditures	295

Other Tables

Q	Schedule of Insurance	296
R	Construction Activity and Real Property Value.....	299
S	Business and Professional License Tax Revenues	300
T	Certificate of No Default.....	301
U	Largest Users of the Water & Sewer System	302
V	Description of Wastewater & Water System & Wastewater & Water Rates	303
W	Certificate of Consulting Engineer.....	307

FEDERALLY ASSISTED PROGRAMS

Report of Independent Auditor:

- 1) On Internal Control over Financial Reporting and on Compliance and Other Matters Based
on an Audit of Financial Statements Performed in Accordance with *Governmental
Auditing Standards*
- 2) On Compliance for Each Major Program and on Internal Control Over Compliance
Required by the Uniform Guidance.....

Schedule of Expenditures of Federal Awards	315
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Notes to Schedule of Expenditures of Federal Awards	321
---	-----

Schedule of Findings and Questioned Costs	322
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INTRODUCTORY SECTION

The Introductory Section includes the letter of transmittal, which provides a profile of the County, local economic conditions and outlook, long-term financial planning goals, and relevant financial policies. In addition, included in this section is the Government Finance Officers Association's *Certificate of Achievement for Excellence in Financial Reporting*, an organizational chart, and a directory of officials.

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DEPARTMENT OF MANAGEMENT AND FINANCE

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December 14, 2023

To Christian Dorsey, Chair, Members of the County Board and Residents of Arlington County, Virginia:

We are pleased to present the Annual Comprehensive Financial Report (the “ACFR”) of Arlington County, Virginia (the “County”) for the fiscal year ended June 30, 2023. This report prepared by the Accounting, Reporting and Control Division within the Department of Management and Finance identifies the County’s financial position and financial activities over the past year.

Section 15.2-2511 of the *Code of Virginia* requires that all general-purpose local governments publish within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (“GAAP”) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. This report is therefore designed to present fairly the financial position of the County, including its discretely presented component units in all material respects to demonstrate compliance with applicable legal and contractual provisions reported as a financial reporting entity.

This report consists of management’s representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report, based on the framework of internal controls that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute assurance that the financial statements are free of material misstatements. The County’s internal control framework is designed both to protect the government’s assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County’s financial statements in conformity with GAAP. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County’s financial statements have been audited by CliftonLarsonAllen LLP (CLA), a firm of licensed certified public accountants. This is the first year of a new contract with CLA. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2023, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified (“clean”) opinion that the County’s financial statements for the fiscal year ended June 30, 2023, are fairly presented in all material respects in conformity with GAAP. The report of the independent auditor is presented as the first component of the financial section of this report.

Management’s Discussion and Analysis (“MD&A”) immediately follows the report of the independent auditor and provides a narrative introduction, overview, and analysis of the basic financial statements and the County’s fiscal performance. The MD&A complements this letter and should be read in conjunction with it.

In addition to meeting the requirements set forth in State statutes, the audit was also conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The independent auditor's report of the basic financial statements required supplementary information and other supplementary information is included in the Financial Section of this Report. The independent auditors' report related specifically to the Uniform Grant Guidance, including the Schedule of Expenditure of Federal Awards, findings and recommendation, and the auditors' report on internal control over financial reporting and on compliance and other matters is available in the last section of the ACFR under the heading "Federally Assisted Programs."

Profile of the Government



Arlington, Virginia is a world-class residential, business and tourist location that was originally part of the 10-mile square parcel of land surveyed in 1791 to be the Nation's Capital. It is geographically the smallest self-governing county in the United States, occupying slightly less than 26 square miles. Arlington maintains a rich variety of stable neighborhoods, quality schools and diversified land use. Home to some of the most influential organizations in the world – including the Pentagon – Arlington stands out as one of America's preeminent places to live, visit and do business.

The geographical area of the County is about 26 square miles of which 1.8 square miles is under the control of the Federal Government. There are no cities or towns within the County giving Arlington County both city and county functions, and, thereby, establishing Arlington County as one of the few urban unitary forms of government in the United States. The Virginia Supreme Court held in 1923 that the County is a continuous, contiguous, homogeneous entity and therefore cannot be subdivided for the establishment of towns, nor can any part of the County be annexed by neighboring jurisdictions. The land in Arlington County is almost totally developed. In addition to single family neighborhoods, there are sizable concentrations of high-rise commercial and office space, especially in the Rosslyn-Ballston and Richmond Highway/Crystal City Metro corridors.

Arlington County was the first county in the United States to choose by referendum the Professional County Manager form of government in 1932. In accordance with Section 15.2-602, the legislative and policy-making body of the County is the five-member County Board whose members are elected at-large for staggered four-year terms. The County Board appoints the County Manager who serves as the chief executive and administrative officer. The County Manager serves at the direction of the Board, implements the Board's policies, directs business and administrative procedures and appoints department directors. The County Board also appoints the Clerk of the Board, the County Auditor and the County Attorney.

Arlington County is also financially accountable for a legally separate school system, Arlington Public Schools ("Schools"), which is reported separately as a discretely presented component unit within the County's financial statements. The five-member School Board is elected by the citizens. The School Board appoints the Superintendent of Schools as the Chief Administrative Officer for the County's public-school system. The School Board has no

taxing authority or authority to issue general obligation debt and receives its spending authority from the County Board. Additional information on Schools can be found in Note 1.C in the notes to the financial statements.

In addition to the County Board and School Board, other elected Arlington County officials include the Commonwealth Attorney, the Commissioner of Revenue, the Treasurer, the Sheriff, and the Clerk of the Circuit Court. The Commonwealth of Virginia's General Assembly appoints the judges of the Circuit Court, the General District Court, and the Juvenile and Domestic Relations Court.

Because of its unique unitary structure, the County provides a full range of local government services often associated with both cities and counties. These services include public safety (police and fire protection), judicial (courts, prosecuting offices and detention center), water and sewer, health, welfare and social services, public improvements, streets and highways, planning and zoning, community planning and development, libraries, parks and recreation, education and general administrative services. The Arlington Water Pollution Control Plant treats more than 22 million gallons of wastewater each day from residences and businesses, with nearly 20 percent of the plant's flow coming from neighboring localities such as Alexandria, Fairfax and Falls Church. The plant's mission is to safely and economically process wastewater and hazardous waste materials to protect the environment, especially Four Mile Run, the Potomac River and the Chesapeake Bay. With respect to streets and highways, the County's Water, Sewer and Streets Bureau is responsible for the maintenance of the majority of streets in Arlington; approximately 400 centerline lane miles (more than 1,000 lane miles of roadway). The Virginia Department of Transportation is responsible for maintenance (including snow/ice removal) and traffic signs on state roads. A smaller number of roads are owned by the federal government, notably the George Washington Memorial Parkway. The County's Department of Human Services offers multiple programs under Aging and Disability Services, Behavioral Healthcare, Child and Family Services, Economic Independence and Public Health.

The annual budget serves as the foundation for Arlington County's operational and financial planning. All departments of the County are required to submit requests for appropriation to the County Manager by November of each year. The County Manager uses these requests as the starting point for developing a proposed budget. The County Manager's proposed budget for the following fiscal year is presented to the County Board in February.

The County Board holds a series of work sessions during which preliminary funding decisions regarding proposed operating programs are considered. Public hearings on the proposed budget and tax/fee rates are held prior to adoption by the County Board. Final County Board decisions are incorporated into the appropriation, tax, and budget resolutions for the fiscal year. These resolutions are generally approved by the County Board in April and a separate Adopted Budget document is issued subsequent to the Board's approval. According to §22.1-93 of the Code of Virginia, the County Board must adopt the School Board budget no later than May 15th for the following fiscal year or within 30 days of receipt by the county or municipality of the estimates of state funds, whichever shall occur later.

The annual budget is prepared by fund, department, program and type of expense. Department directors may make transfers of appropriations within a department with Department of Management and Finance approval. Transfers of appropriations between departments, and transfers between funds require the approval of the County Manager and County Board. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented in the Required Supplementary Information ("RSI") section following the notes. For governmental funds, other than the general fund, with appropriated annual budgets, these comparisons are presented in the supplemental subsections of this report in Exhibits B-3, B-4, B-5, B-6, B-7, B-8, B-9 and C-3. For the discrete component unit Schools, these comparisons are presented in Exhibit G-3.

As required by Virginia Law, the County assesses real property in the County annually at 100% of fair market value. The assessed value of taxable real property on January 1, 2023, was \$89.1 billion. The County government's adopted budget for all funds for Fiscal Year 2023 totaled \$2.0 billion, which included \$754.6 million for public primary and secondary education.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

Local Economy

Beyond world-famous sites and attractions in the nation's capital, and located just across the Potomac River from Washington, DC, Arlington is rich in culture, recreation and tourist attractions supported by one of the most diverse, educated and affluent populations in the world. In addition, the County contains substantial office, residential, and retail development that serves to diversify its property tax base. Arlington's unemployment rate continues to be lower relative to much of the region and the nation, but COVID-19 has led to recent dips in key economic metrics related to commercial vacancy rates and business travel which had previously been growing prior to the pandemic. Multiple tax revenue streams are recovering from the initial lows observed during the pandemic and now exceeding pre-pandemic levels while some others are remaining flat or decreasing due to the changing real estate market. Real estate tax revenues make up 57 percent of all general fund revenues. In Calendar Year (CY) 2023, the County experienced modest revenue growth from real estate taxes, driven by a 3.6 percent increase in Arlington's property values. Arlington's residential property tax base grew 4.5 percent, demonstrating the continued attractiveness of its community. New construction represented 0.2 percentage points of the residential growth. The detached home and townhome tax base increased by 5.5 percent while the condominium tax base increased by 1.6 percent. Commercial property assessments increased by 2.6 percent over the previous year due to new construction, largely in apartments and offices, which contributed 1.6 percentage points to the change in commercial property values. Base assessments for office were down 0.3 percent over last year and base assessments for apartments were slightly up, increasing 0.7 percent. Hotel and general commercial property values both increased over last year, 7.5 percent and 4.0 percent, respectively. Arlington's 2023 real property tax base is approximately 45.4% commercial and 54.6% residential properties, enabling the County to maintain a competitive property tax rate in the Washington D.C. region. The average value of a single-family property increased by 4.7% from \$762,700 in CY 2022 to \$798,500 in CY 2023. Arlington County continues to have a tax structure that is highly competitive with the region and with the nation. The adopted real estate tax rate for CY 2023 includes a base rate of \$1.013 per \$100 of assessed value and a sanitary tax rate of \$0.017 per \$100 of assessed value. Arlington continues to have one of the lowest real estate tax rates in the Northern Virginia region, maintaining its history of providing excellent value. The sanitary district tax rate is one of the lowest in the Northern Virginia region.

The Arlington blend of urban sophistication and neighborhood charm is unmatched in the region -- elegant high-rises, national and regional corporate and association headquarters, excellent connectivity through numerous Metro stations, upscale hotels, a dynamic and diverse retail sector, and a diverse cultural scene make Arlington a premier place to live, work, play and stay. Arlington is the epitome of smart growth and new urbanism. With 42.8 million square feet of rentable building area, Arlington has more private office space than the Central Business Districts of Los Angeles, Denver, Dallas, Seattle, and Downtown Atlanta. Arlington's location in the center of the Washington metropolitan region, just five minutes from Washington by car or Metrorail, has made the County a highly desirable business and residential location. Arlington has maintained high-quality residential neighborhoods while supporting well-managed growth. High-density commercial and residential development is focused on Metro stations in the Rosslyn-Ballston corridor and the Richmond Highway corridor, which includes both Pentagon City and Crystal City. Arlington has 11 Metrorail stations and 16 ART Bus routes that operate throughout the County. Arlington's population reached 237,300 people in 2023. After a slight decline in population in 2021 due to impacts from the Covid-19 pandemic, the population has increased by 1% each year. Additionally, Arlington is home to an estimated 214,600 jobs, as of January 1, 2023. The service sector comprises a significant share of jobs in Arlington. About 27.6 percent of all jobs are in the professional and technical services sector. Another 21.3 percent of jobs are in other service sectors, including administrative, education, and health. The government sector also continues to comprise a large share of Arlington jobs. About 20.8 percent of the County's January 2023 employment is estimated to be in

government. The unemployment rate for the County as of June 30, 2023 was 2.1% per the Bureau of Labor Statistics. This compares favorably to Virginia’s average unemployment rate of 2.7% and the national average rate of 3.6%. The unemployment rate in the Washington-Arlington-Alexandria Metropolitan Statistical Area was 2.7%. The County’s per capita income remains among the highest in the state. Home prices continue to have measured growth.

COVID-19 Impact and Response

Arlington continues to gradually recover from the impacts of the COVID-19 pandemic. Home prices remain strong while commercial real estate growth has stalled. Despite various challenges remaining from the pandemic, the overall economic outlook is showing signs of a steady recovery. Helping to offset some of the revenue impacts of the pandemic, the County was allocated \$46 million under the American Rescue Plan Act (ARPA), receiving \$23 million in May 2021 and another \$23 million in May 2022. The first \$23 million tranche was fully spent in FY 2022 with the remaining \$23 million spent in FY 2023. The County also received a total of \$4.6 million in FEMA public assistance funding in FY 2023 to support major pandemic response efforts including COVID-19 vaccination and testing operations.

Long-Term Financial Planning

The Arlington Vision adopted by the Arlington County Board in 2002, provides the overarching framework for the County’s strategic and operational decision making. The vision provides the continuity necessary to execute both short and long-term policy and resource decisions. Arlington’s Comprehensive Plan consists of eleven elements that guide the County’s decisions in areas such as land use, economic development, community character, natural resources, parks and recreation, transportation, housing and historic preservation. These Plan elements have been adopted and amended by the County Board over the course of nearly six decades. The annual budget serves as Arlington’s annual operations plan. The budget continues the multi-year focus on these priorities: economic development, service delivery and transparency, strategic financial planning and fiscal sustainability.

Arlington Vision

"Arlington will be a diverse and inclusive world-class urban community with secure, attractive residential and commercial neighborhoods where people unite to form a caring, learning, participating, sustainable community in which each person is important."

— Arlington County Board

In April 2023, the Arlington County Board adopted a \$1.55 billion balanced general fund budget for Fiscal Year 2024. The adopted budget leaves the base real estate tax rate unchanged at \$1.013 per \$100 of assessed value. The FY 2024 budget is a post COVID-19 pandemic budget with a focus on community needs including affordable housing, while also providing foundational services, such as public safety, environmental services, transportation, and schools. The County Board approved salary increases and additional benefits to help attract and retain County employees, including expanded parental leave, bereavement leave, and increased contributions for adoptions and Health Savings Accounts. The budget includes merit increases of 4.5 percent for general employees. To improve recruitment and retention, the Sheriff’s Office uniformed employees will receive an 8.5 percent increase and uniform Police and Fire Department will receive a 10.0 percent and 4.0 percent increase, respectively.

In July 2021, the Arlington County Board adopted an ordinance to allow collective bargaining by five bargaining units. These include police; fire and emergency medical services; service, labor, and trades; office and technical; and professional employees. Certain employee classifications are excluded from collective bargaining such as finance, human resources, Sheriff’s office, and others. Currently, three unions have been recognized, Police, Fire, and Service, Labor and Trades. Currently, Collective Bargaining Agreements are in place with both Fire and Police through FY 2026. An MOU with the Service, Labor and Trade units is in place through FY 2024. Tentative agreements governing wages and working conditions have been reached with the Service, Labor, and Trades unit for FY 2025 through FY 2027. The County has added additional staff and consulting resources to support the negotiations, including a Chief Labor Relations Officer and additional staff in legal and human resources. Funding for any agreement or arbitration award is subject to County Board appropriation.

To address the high commercial vacancy rate and support economic recovery for the business community, the budget includes \$1 million for the Arlington Innovation Fund and continued small business support. The Fiscal Year 2024 Budget includes over \$85 million dedicated to housing programs, with an emphasis on stabilizing housing for households in need and improving housing conditions. These investments include \$14.4 million for the County's Housing Grant program, \$5.4 million for the Permanent Supportive Housing program, and \$4.6 million for eviction prevention. The budget also includes \$20.5 million for the Affordable Housing Investment Fund, with the dedication of revenue from the Columbia Pike Tax Increment Financing District that totals \$5.2 million. The Fiscal Year 2024 transfer to Arlington Public Schools from the County is \$608.2 million - 46.8 percent of local tax revenues. This funding level is a 4.1 percent increase over Fiscal Year 2023. In addition to these investments, the County Board approved funding to address emergent issues affecting the community, including behavioral health challenges and the impacts of climate change.

In May of 2023 the County issued \$187.4 million its Series 2023 General Obligation bonds for various County, Schools, and Stormwater projects. The bonds were rated triple-Aaa by Moody's, Fitch, and Standard & Poor's. This is the 23rd consecutive year that the County has maintained the triple-Aaa rating, maintaining its place among just 48 counties in the United States, and 10 in Virginia, to receive the valuation.

Taxes and Fees

Under state law, the County's budget must be balanced fiscally. The Arlington County Board works equally hard to adopt a budget that also is balanced in policies, programs and values. It is committed to a diverse community, which means diverse needs and interests. The funding provided for Schools reflects the current revenue-sharing percentage (46.8 percent of local taxes) as outlined in the Revenue Sharing Principles adopted by the County Board and School Board in October 2015. At the adopted tax rate of \$1.030 per \$100 of assessed value, which includes the base rate of \$1.013 plus the sanitary district tax rate (\$0.017) for stormwater management, the real estate tax bill for the average residential home increased \$369, or 4.7 percent, in CY 2023.

Arlington's real property tax base for CY 2023 is approximately divided between 45.4% commercial and 54.6% residential properties. This balance of tax burden is a fiscal benefit of "smart growth". In addition to holding the real estate tax rate steady, the FY 2024 budget includes no increases to the tax rates of personal property and business tangible property, or business and professional occupational licenses and reverts the personal property assessment ratio to 100 percent. In the Department of Environmental Services (DES) and the Department of Community Planning, Housing and Development (CPHD), a 5.2 percent inflationary increase was adopted for all development services fees including site plans. In DES, the household solid waste rate increased from \$307.89 to \$406.10 per year. The fee is charged per refuse unit and achieves the County's objective of 100 percent recovery of household refuse and food scraps collection, disposal and recycling costs, leaf collection costs, and overtime costs associated with brush and metal collection. In DES, a new fee of \$40.00 per cubic yard was adopted for providing topsoil to residents. In the Department of Parks and Recreation (DPR), new fees have been adopted for a few programs in keeping step with inflationary costs and DPR fee policy. In the Police Department (POL), fees related to off-duty details including special events and administrative vehicle use fees were increased to maintain cost recovery. The FY 2024 adopted budget includes an overall increase of 1.7 percent to the restructured water/sewer rates across all customer classes for the entire fiscal year.

Fiscal Sustainability

The County's financial and debt management policies guide the County's capital investments, debt issuance and long-term financial management. The policies are formulated based on bond rating agency guidance, criteria for highly rated jurisdictions, and best practices in local government finance. Most recently updated as part of the FY 2023 – FY 2032 Capital Improvement Plan, the County continuously reviews these policies with its financial advisors. Consistent with the County's debt and financial policies, the County prepares a multi-year financial forecast. This forecast is intended to help inform, and provide greater awareness to, the Board and the community of medium and long-term budget pressures as policy and service delivery choices are considered. The County adopts a

balanced budget annually, so any projected shortfalls would be eliminated through a combination of expenditure and service reductions, revenue increases (either increased taxes or fees), or a combination of the two.

The County typically maintains a biennially updated, ten-year Capital Improvement Plan (CIP). The Arlington County Board approved the FY 2023–2032 Capital Improvement Plan (CIP) in July 2022. The CIP includes \$4.4 billion in investments for stormwater management and flood response, climate and environmental programs, parks, transportation, and community infrastructure over the next 10 years. The Adopted CIP returned to a traditional 10-year plan following a three-year CIP in FY 2022– FY 2024 and a one-year CIP in FY 2021-- both adjusted as a result of the COVID-19 pandemic. The voter-approved 2022 Bond Referenda included \$53.3 million for community infrastructure, \$22.5 million for local parks and recreation, \$52.6 million for metro and transportation, \$177.4 million for utilities, \$39.8 million for stormwater and flood response, and \$165.0 million for Arlington County Schools for ongoing and new school projects.

Reserves and Fiscal Policy

The County maintains an Operating Reserve at not less than 5.5% of the County’s general fund budget. Appropriations from the Operating Reserve require County Board approval and may only be made to meet a critical, unpredictable financial need. Any draw on the operating reserve is required to be replenished within the subsequent three fiscal years. The County maintains a Self-insurance Reserve equivalent to approximately one to two months’ claim payments based on a five-year rolling average. Any draw on the Self-insurance Reserve requires County Board approval and is to be replenished within the subsequent two fiscal years. Consistent with past practice, the County maintains a Stabilization Reserve to address unexpected, temporary events, such as major weather events or a local/regional emergency requiring immediate incurrence of cost in response; revenue declines; new/unfunded state, regional or federal programs; unexpected capital expenditures; and local or regional economic stress. Amounts, in most instances, are used for one-time (vs. on-going) needs in the course of a fiscal year and are not intended to be a source of funds to balance the budget during the annual budget development process. Use of the Stabilization Reserve requires approval by the County Board. The minimum amount of the Stabilization Reserve is 1% of the general fund budget and is revisited annually as part of the budget process. Any draw on the Stabilization Reserve is to be replenished within the subsequent two fiscal years.

Metro

Metro is vital to Arlington’s commercial corridors and economic development strategies. The FY 2024 adopted general fund transfer for WMATA nets \$47.5 million, an increase of 2 percent over FY 2023. An increase to the County’s available state transit aid and regional gas tax is being utilized to meet the overall seven percent increase to the County’s FY 2024 WMATA operating subsidy. The major driver for the FY 2024 operating budget is the prolonged reduction to ridership and fare revenues on Metrobus and Metrorail due to the residual effects of the COVID-19 pandemic, commencement of Silver Line Phase II, and a reduction to available federal relief funds used to support the operating budget. Passenger and system revenues historically funded approximately half of the annual cost of operations. In FY 2024, it is projected that fare revenues will remain substantially below pre-pandemic levels and only cover approximately 22 percent of operating expenditures.

Education

Like most local governments, Arlington’s largest single expenditure is for education. The public-school system represents more than a third of total general fund spending, and accounts for almost half of local tax dollars. Arlington represents one of the nation’s most diverse and sophisticated student populations. The School’s approximately 27,500 PreK-12 students come from 151 countries from around the world and speak more than 90 languages. Arlington operates over 40 schools and programs, including 25 elementary schools, 6 middle schools, 3 comprehensive high schools and 1 secondary school (grades 6-12), designed to meet individual student needs. Arlington is the 12th largest of 132 school divisions in the Commonwealth of Virginia and neighboring jurisdictions include three of the five largest school divisions in the Commonwealth. From FY 2006 to FY 2020, enrollment has increased 9,609 students

or 52.2 percent. However, due to the COVID-19 pandemic the enrollment from FY 2021 to FY 2022 has declined 1,109 students or 3.9 percent compared to FY 2020. September 2023 began with 27,452 student enrollment for PreK – 12, which was almost identical to September 2022. From FY 2023 to FY 2025, enrollment is projected to increase 0.7 percent or 209 students.

The County and Arlington Public Schools entered into a cooperative effort in FY 2001 to design a revenue sharing agreement as a way to fairly and appropriately apportion revenue for budget development purposes. Over the succeeding years, the structure and revenue sharing calculations were adjusted to reflect the changing economic and resource demands of both the County and Schools. Since FY 2002, various adjustments were made for enrollment, funding retiree healthcare (OPEB), maintenance capital, affordable housing, and other County and School priority initiatives. During 2014, the County Board and School Board worked collaboratively to structure revenue sharing principles that provide a framework for sharing local tax revenues in a predictable and flexible way. In January 2015, both Boards adopted principles that emphasize the community priority of high-quality education and utilizing community resources in a balanced and fiscally responsible way. The FY 2023 adopted budget for Schools totals \$749.7 million, an increase of \$48.1 million or 6.9% compared with the FY 2022 adopted budget. The FY 2023 adopted transfer is \$584.4 million or 78% of the total budget. The revenue sharing percentage is 48.6% of ongoing local tax revenues. The average expenditure per pupil was expected to be \$23,521 in the 2023 fiscal year.

The County is proud of the continuing accomplishments of its students and schools with the many notable achievements by Arlington Public Schools.

- Niche.com 2023 ranked Arlington Public Schools as the second top school division, the best place to teach in the Commonwealth of Virginia and ranked 9th for best teachers in Virginia. Nationally, APS was ranked 336th best school division in the United States out of 10,772 school divisions.
- Arlington Public Schools is fully accredited by the Virginia Department of Education (VDOE) for the 2022-23 school year. The VDOE waived the annual accreditation for the 2020-21 and 2021-22 school years due to the pandemic.
- Three APS high schools were ranked among the top 2 percent of schools in the nation in the Jay Mathews Challenge Index, a nationwide ranking of U.S. high schools.
- APS students outscored their peers both nationally and at the state level on SAT and ACT scores and IB Pass Rates.
- APS has more than 220 National Board-Certified Teachers and is in the top 25 nationally for the number of new NBCTs
- 92% of the Class of 2023 plan to continue Post-Secondary Education
- The APS Class of 2021 earned \$67.5 million in scholarships
- 64.9% of APS graduates earned an advance diploma 92% of graduates plan to continue post-secondary education

Debt Service

In June 2023, the County issued General Obligation bonds in the amount of \$187.4 million. These monies are allocated for transportation projects, \$20.5 million; community construction, \$4.0 million; government facilities, \$20.0 million; parks & recreation projects, \$3.2 million; metro projects, \$41.8 million; and Arlington Public School projects, \$97.9 million. The County also issued its Series 2023 IDA revenue bonds in October 2023 to refinance \$21 million of balance on an existing line of credit used for short-term capital projects, and to fund \$15 million of the County's FY2024 short-term capital project needs at a lower interest rate than the current line of credit.

The FY 2024 Adopted General Fund Budget includes outstanding and new money debt service on the County's General Obligation (GO) bonds, Industrial Development Authority (IDA) bonds issued for County projects, and expenses associated with bond program administration. Total general fund debt service is projected at \$79.5 million. The next issuance of GO bonds for new County projects is planned for spring 2024.

In December 2021, the County entered into a new line of credit with PNC Bank for \$150 million and a term of five years. The line of credit facilitated an acquisition loan to help finance the purchase of the Barcroft Apartment complex and maintain its inventory of affordable housing units. The facility has a variable interest rate, currently 5.97% through November 2023. Debt service is offset by a 1% annual interest charged to the developer, Jair Lynch Real Estate Partners, with the balance of interest due on the line of credit paid for in the County's Affordable Housing Investment Fund (AHIF). At maturity, the line of credit is expected to be permanently refinanced with long-term IDA revenue bonds.

Stormwater

Under the Sanitary District Act of 1929 (Chapter 161, Acts of Assembly, as amended), local governments in Virginia are authorized to establish sanitary districts to fund a variety of infrastructure needs, including stormwater drainage. The County established its own sanitary district in 1930 that encompassed the entire jurisdiction. As part of the FY 2009 budget process (CY 2008), the County Board adopted a sanitary district tax of \$0.01 per \$100 of assessed value in order to fund stormwater management initiatives. For CY 2010, this tax was increased to \$0.013 per \$100 of assessed value. For CY 2021, the County Board adopted an increase of \$0.004 to \$0.017 per \$100 of assessed value.

This \$0.017 tax is included in the semi-annual real estate bills. The anticipated \$16.5 million in FY 2024 revenue will fully fund the planned operations, debt service, and stormwater infrastructure investments for the stormwater capital program. The County has been engaged in a multi-year effort to upgrade, repair and replace Arlington's stormwater infrastructure to reduce flooding and property damage and to comply with increasingly stringent state and federal stormwater quality regulations. CY 2024 brings a transition from sanitary district tax funding model to a utility fee model. The Adopted 2022 Bond Referenda included \$39.8 million for stormwater and flood response. In response to intense rain events and flooding in 2018 and 2019, the County has undertaken a comprehensive review of ways to mitigate flood risks. Design work is already underway for significant investments in watershed-scale solutions in critical areas that have experienced flooding and are identified in the Stormwater Master Plan. The CIP seeks to strike the right investment balance between water quality, improved maintenance of assets, and capacity improvements.

Lease Accounting

In FY 2022, the County adopted new Governmental Accounting Standards Board (GASB) standards 87 and 96. GASB 87 overhauled the accounting and financial reporting of leases for local governments by establishing a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying nonfinancial asset. A single model means that a distinction between operating and capital leases no longer exists. Accordingly, the majority of lease obligations will now be reflected as liabilities and assets on the statement of financial position. Historically, operating leases have been off the balance sheet, but the new GASB 87 standard requires all leases with lease terms exceeding one year to be recognized as both a right-of-use asset and a lease liability on the balance sheet. GASB 96 addresses the accounting treatment and financial reporting of subscription-based information technology agreements (SBITA). If a SBITA is identified, the government must recognize a subscription liability and a subscription asset at the commencement of the SBITA term. In FY 2022, the County implemented GASB 87 & early implemented GASB 96. The School implemented GASB 87 in FY22 and GASB 96 in FY23. The School's GASB 96 recognized a subscription liability of \$14.4 million and a subscription asset at the commencement of the SBITA term.

Internal Controls and Budgetary Accounting

The County's management is responsible for designing, implementing and monitoring internal controls to protect the assets of the government from loss, theft or misuse and to ensure the financial statements are prepared in conformity with generally accepted accounting principles. To assist in this effort, the County maintains an Internal Audit Program to minimize risk and fraud through systematic evaluation of operations and internal controls. Internal controls are intended to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the costs of controls should not outweigh the benefits that are expected from the controls.

The annual fiscal year budget serves as the annual operating plan and is one of the three major strategic documents in the County regarding planning, in conjunction with the Capital Improvement Plan and the County Comprehensive Plan. Annual appropriations are adopted for the general, utilities, special revenue and internal service funds. Appropriations are controlled at the department level for the general fund and fund level for other funds. Funds can be transferred within the general fund department's operating budget, as long as the total departmental appropriation is not changed. The County Board must approve changes to adopted appropriation levels. Typically, changes result from new or additional grant revenue from the state or federal government and from re-appropriations from a previous fiscal year.

A ten-year Capital Improvement Plan is developed and approved separately from the operating budget. The School Board prepares separate operating and capital budgets, supported to a large degree by transfers from the County's General Fund and from the issuance of general obligation bonds by the County.

Capital Improvement Program

The County Manager biennially proposes a Capital Improvement Plan (CIP) to the County Board. Beginning in FY 2013, the CIP presented a ten-year plan instead of a six-year plan. The shift to a longer planning horizon has provided many benefits including facilitating better planning and financing of major multi-year transportation and utility projects and analyzing operating budget impacts. The CIP addresses the major facility and infrastructure needs of the County, including the needs of Schools. The CIP includes a description of each capital project, identifying sources of funding, including pay-as-you-go (PAY-GO), bond financing, short-term financing, various dedicated funding from storm water, utilities and transportation sources, as well as external funding such as state and federal grants and developer contributions. Project budgets include the financial impact to the operating budget, where applicable to inform decisions about project affordability and sustainability. PAY-GO dollars are traditionally used to fund the maintenance capital program that serves to maintain and extend the useful life of major assets. While major capital projects are generally funded through bonds, the County attempts to maintain an appropriate balance between PAY-GO and debt financed projects in order to maintain an affordable capital program that stays within established financial policies and considers funding of the County's maintenance capital program. The CIP includes an analysis of the impact the CIP has on the County's debt capacity, debt ratios and long-term financial plan.

The adopted FY 2023-2032 Capital Improvement Plan returns to a traditional 10-year plan following a three-year CIP for FY 2022- FY 2024 and a one-year CIP in FY 2021 as a result of the pandemic. Investments over the 10-year planning period include both County government and Schools capital assets and focus on community priorities, county planning processes, and private sector development. The Adopted 2022 Bond Referenda totaled \$510.6 million of County general government, utility and stormwater projects.

Financial and Debt Management

The County prudently uses debt instruments, including general obligation bonds, revenue bonds, and short-term financing in order to provide re-investment in public infrastructure and to meet other public purposes, including inter-generational tax equity in capital investment. The County's financial and debt management policies guide the County's capital investments, debt issuance and long-term financial management. The policies are generally based

on bond rating agency guidance and criteria for highly rated jurisdictions and best practices in local government finance.

The County adheres to the following debt affordability criteria (excluding overlapping and self-supporting debt).

- The ratio of net tax-supported debt service to general expenditures should not exceed ten percent within the ten-year projection.
- The ratio of net tax-supported debt to full market value of real property should not exceed three percent within the ten-year projection.
- The ratio of net tax-supported debt to per capita income should not exceed six percent within the ten-year projection.
- Growth in debt service should be sustainable and consistent with the projected growth of revenues. Debt service growth over the six-year projection should not exceed the average ten-year historical revenue growth.
- The term and amortization structure of County debt will be based on an analysis of the useful life of the asset(s) being financed and the variability of the supporting revenue stream. The County will attempt to maximize the rapidity of principal repayment where possible. In no case will debt maturity exceed the useful life of the project.
- The County will refund debt when it is in the best financial interest of the County to do so. When a refunding is undertaken to generate interest rate cost savings, the minimum aggregate present value savings will be three percent of the refunded bond principal amount.

Variable Rate Debt

- Variable rate debt exposure should not exceed twenty percent of total outstanding debt.
- Debt service on variable rate bonds will be budgeted at a conservative rate.
- Before issuing variable rate bonds, the County will determine how potential spikes in the debt service will be funded.
- Before issuing any variable rate bonds, the County will determine the impact of the bonds on the County's total debt capacity under various interest rate scenarios; evaluate the risk inherent in the County's capital structure, giving consideration to both the County's assets and its liabilities; and develop a method for budgeting for debt service.

Moral Obligation Debt or Support

On an infrequent basis, the County provides its "moral obligation" support for partners, including regional public safety agencies and affordable housing partners, among others. A moral obligation exists when the County Board has made a commitment to support the debt of another entity to prevent a potential default. The County's moral obligation is only authorized after an evaluation of the risk to the County's balance sheet and stress testing of the financial assumptions underlying the proposed project. The County Board has approved credit support for the long-term financing of the Gates of Ballston for an amount not to exceed \$23.0 million.

Derivatives

The County may consider the use of a derivative product if it achieves one or more of the following objectives:

- Provides a specific benefit not otherwise available;
- Produces greater than expected interest rate savings or incremental yield over other market alternatives;
- Results in an improved capital structure or better asset/liability match.

The County will not use derivative products that are speculative or create extraordinary leverage or risk; lack adequate liquidity; provide insufficient price transparency; or are used as investments. The County will only do business with highly rated counterparties or counterparties whose obligations are supported by highly rated parties.

The County will limit the total notional amount of derivatives to an amount not to exceed twenty percent of total outstanding debt. All derivatives transactions will require County Board approval.

Annual Disclosure

As required by the U.S. Securities and Exchange Commission Rule 15c2-12, the County has agreed, for the benefit of the owners of County general obligation bonds and other County debt, to provide each nationally recognized municipal securities information repository and to any appropriate state information depository, if any is hereafter created, certain financial information not later than 270 days after the end of each of its fiscal year, commencing with the fiscal year ended June 30, 1996. The County is currently in compliance with the arrangement to file this information through the Electronic Municipal Market Access (EMMA) system operated by the Municipal Securities Rulemaking Board (MSRB). The financial information which the County has agreed to annually provide includes "Debt Statement", "Total General Obligation Debt Service and Lease Payments", "Five-Year Summary of General Fund Revenues and Expenditures", "General Fund Balance", "Principal Tax Revenues by Source", "Real and Personal Property Tax Levies and Collections", "Historical Assessed Valuation", "Local Sales Tax Revenue", "Business and Professional License Tax Revenues", "Description of County's Wastewater and Water Systems", "Debt Payable From or Secured By County's Wastewater and Water Systems", and "Financial Information and Operating Data for the Utilities Enterprise Fund, as of the Preceding Fiscal Year, including Description of Revenues and Expenses, Largest Users, Summary of Rates and Fees, and a Historical Summary of Debt Service Coverage". These are included as Exhibit S-3 and Notes to the Financial Statements #9, Table I, Table I-1, Table D, Table D-1, Table D-2, Table C, Table E, Table H, Table F, Exhibits S-9, S-10, and G-2, Table S, Table V, Exhibit D-1, D-2, and D-3, and Table U. The Virginia Resources Authority requires certain additional financial information to be disclosed annually. The financial information which the County has agreed to provide annually includes "Certificate of No Default signed by the Finance Director", "Certificate of Consulting Engineer" and "Evidence of Comprehensive General Liability Insurance". These are included in Tables Q, T and W.

The County has also agreed under 15c2-12 to provide certain ongoing disclosures pertaining to County debt which are available online at <http://www.emma.msrb.org> and in Notes to Financial Statements section of the ACFR.

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 County for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. This was the 37th consecutive year that the government has achieved this prestigious award. Certificate of Achievement Award signifies that a government published an easily readable and efficiently organized annual comprehensive financial report. 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 current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The GFOA presented the *Award for Distinguished Budget Presentation* to the County for its FY 2023 budget. This award is the highest form of recognition in governmental budgeting.

The School Board's Adopted FY 2023 Budget received the *Association for School Business Officials International Meritorious Budget Award* for the fourteenth time.

County Acknowledgements

The County continues to maintain a strong financial position through responsible and progressive management of financial operations, by thorough bond official statement disclosure practice, and sound accounting and financial reporting practices. We strongly support the efforts of the Auditor of Public Accounts of the Commonwealth of Virginia, the GASB, and the GFOA to improve accounting and financial reporting standards. The implementation of standards provides, in the County's opinion, a sound framework for a truly "comprehensive" annual financial report. The preparation of this ACFR was made possible by the efficient and dedicated services of the staff of the Department of Management and Finance. In addition, this report could not have been completed without the active participation of the Treasurer's Office, the Office of the Assistant Superintendent of Finance in the APS, the County Attorney's Office, the Commissioner of Revenue's Office, and the staff of the County's Retirement Office.

We would like to express our sincere thanks to the staff of the Department of Management and Finance, and to all others who have contributed to the preparation of this report.

Respectfully submitted,

DocuSigned by:

Maria Meredith 12/14/2023

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Maria R. Meredith, Director

Department of Management and Finance

DocuSigned by:

Karen Spence 12/14/2023

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Karen Spence, Acting Comptroller

Department of Management and Finance



Government Finance Officers Association

Certificate of
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for Excellence
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**Arlington County
Virginia**

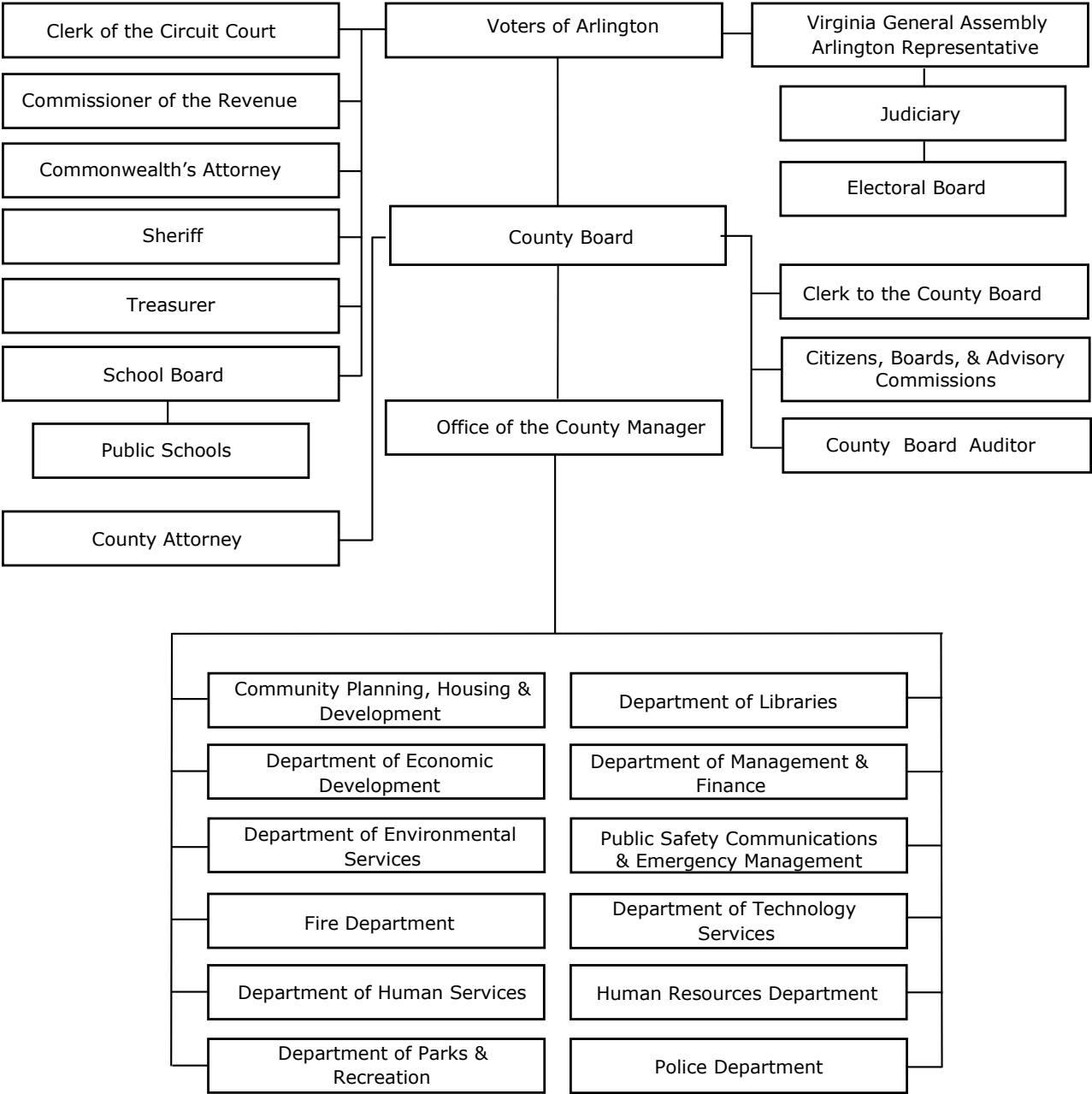
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

ORGANIZATION OF ARLINGTON COUNTY GOVERNMENT



**ARLINGTON COUNTY, VIRGINIA
DIRECTORY OF OFFICIALS
June 30, 2023**

COUNTY BOARD

Christian Dorsey, Chair

Libby Garvey, Vice Chair

Takis P. Karantonis
Matt de Ferranti
Tannia Talento

COUNTY SCHOOL BOARD

Christina Diaz-Torres, Chair

David Priddy, Vice Chair

Reid Goldstein
Mary Kadera
Bethany Zecher Sutton

FINANCE BOARD

Christian Dorsey, Chair

Carla de la Pava
Parisa Dehghani-Tafti
Laura Triggs

JUDICIAL

Circuit Court Judges:

Judith L. Wheat
Daniel S. Fiore, II
Louise M. DiMatteo
Daniel Tomas Crowe Lopez
William T. Newman Jr

General District Court Judges:

Romaine Frances O'Brien
Jason S. Rucker
Cari M. Steele

Juvenile and Domestic Relations:

Robin L. Robb
W. Michael Chick, Jr.

**ARLINGTON COUNTY, VIRGINIA
DIRECTORY OF OFFICIALS (continued)**

COUNTY OFFICIALS

Elective

Attorney for the Commonwealth
Clerk of the Court
Commissioner of the Revenue
Sheriff
Treasurer

Parisa Dehghani-Tafti
Paul Ferguson
Ingrid H. Morroy
Jose Quiroz
Carla de la Pava

Administrative – General County

County Manager
Deputy County Manager
Deputy County Manager
Deputy County Manager
Chief Race and Equity Officer
Assistant County Manager
Assistant County Manager
County Attorney
Clerk to the County Board
County Auditor
Director of Community Planning, Housing and Development
Director of Parks and Recreation
Fire Chief
Director of Department of Human Services
Director of Department of Libraries
Director of Department of Management and Finance
Director of Department of Human Resources
Chief of Police
Director of Department of Environmental Services
Director of Department of Technology Services
Director of Department of Economic Development
Registrar of Voters
Director of Public Safety and Emergency Communications

Mark J. Schwartz
Michelle G. Cowan
Shannon Flanagan-Watson
Aaron Miller
Samia Byrd
Bryna Helfer
Gurjit Chima
MinChau Corr
Kendra Jacobs
Jim L. Shelton
Claude Williamson
Jane Rudolph
David Povlitz
Anita Friedman
Diane Kresh
Maria Meredith
Marcy Foster
Charles Penn
Greg Emanuel
Norrone Lee
Ryan Touhill
Gretchen Reinemeyer
William Flagler

Administrative - County School Board

Superintendent of Schools
Chief Operating Officer
Chief of School Support
Clerk of the School Board
Director of Internal Audit
Assistant Superintendent, Human Resources
Assistant Superintendent, Finance & Management Services
Assistant Superintendent, Information Services
Assistant Superintendent, School & Community Relations
Assistant Superintendent Operations and Facilities
Chief Academic Officer
Chief Diversity, Inclusion, and Equity Officer
Chief of Staff, Superintendent's Office

Dr. Francisco Duran
Dr. John Mayo
Kimberley Graves
Claudia Mercado
John Mickevici
Michael Hodge
Leslie Peterson
Rajesh Adusumilli
Catherine Ashby
Renee Harber
Dr. Gerald Mann, Jr.
Dr. Julie Crawford
Stephen Linkous

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FINANCIAL SECTION

The Financial Section includes the report of independent auditor, management's discussion and analysis, basic financial statements, including the accompanying notes, required supplementary information, and other supplementary information.

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Report of Independent Auditor

The County's financial statements are audited each fiscal year by an independent public accounting firm. The audits are conducted in accordance with auditing standards generally accepted in the United States of America, governmental auditing standards and the "single audit" concept applicable to Federally Assisted Programs.

The report of independent auditor on the County's financial statements is contained in this section. The reports required under the "single audit" concept are included in the Federal Grant Activity section of this report, entitled "FEDERALLY ASSISTED PROGRAMS."



INDEPENDENT AUDITORS' REPORT

To the Honorable Members of the County Board
Arlington, Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Arlington County, Virginia (the County), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County'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 respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Gates Partnership, which represents 4.5%, 2.9%, and 2.9%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2023, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Gates Partnership, is based solely on the report of other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Specifications for Audits of Counties, Cities, and Towns* (the "Specifications") issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section and Specifications of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Gates Partnership were not audited in accordance with Government Auditing Standards or the Specifications.

Emphasis of Matter - Change in Accounting Principle

As discussed in Note 7 to the financial statements, effective July 1, 2022, Arlington County Public Schools, a component unit of Arlington County, adopted Governmental Accounting Standards Board (GASB) issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability. Our opinion is not modified with respect to this matter.

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 County'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.

Auditors' 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 auditors' 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 GAAS, *Government Auditing Standards*, or the Specifications will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards* and the Specifications, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.

To the Honorable Members of the County Board
Arlington, Virginia

- 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 County'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 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Other Supplementary Information, as listed in the table of contents, and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are 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 GAAS. In our opinion, the accompanying Other Supplementary Information, as listed in the table of contents, and Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

To the Honorable Members of the County Board
Arlington, Virginia

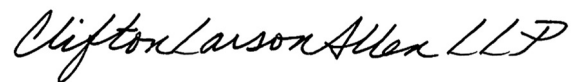
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory and Statistical sections but does not include the basic financial statements and our auditors' 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 December 14, 2023, on our consideration of the County'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 County'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 County's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Arlington, Virginia
December 14, 2023

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Management's Discussion and Analysis

The Management's Discussion and Analysis (MD&A) is intended to provide the narrative introduction and overview that users need to interpret the Basic Financial Statements. MD&A also provides financial highlights of some key data presented in the Basic Financial Statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Arlington County, Virginia ("the County"), we offer readers of the County's annual financial statements this overview and analysis of the financial activities of the County and its component units (i.e., Arlington Public Schools ("Schools") and Gates Partnership) for the fiscal year ended June 30, 2023.

This report is intended to provide accountability and insight into the County's financial results and their implications for operational performance given the overall goals and objectives adopted by the County Board. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our transmittal letter, which can be found within the "Introductory Section" at the front of this report, as well as the County's financial statements that follow this section.

Throughout this report, the "County" is also referred to as the "Primary Government." The "Total Reporting Entity" represents the entity as a whole, comprised of the County and its component units. Since Arlington Public Schools, Gates Partnership and the County have a material relationship, the Total Reporting Entity presents a more accurate and comprehensive picture of the fiscal operations of the County.

Financial Highlights

Government Wide

- The total reporting entity has a positive net position of \$2,687.7 million at June 30, 2023 (Table A-1). The net position includes increases of \$79.3 million in governmental activities, and \$195.7 impact to School's component unit, due to the implementation of GASB 96 for the Schools.
- For FY 2023, taxes and other revenues of the County's governmental activities amounted to \$1,698.2 million. Expenses amounted to \$1,618.9 million. (Table A-2)
- For FY 2023, revenues of the County's business-type activities were \$142.3 million, and expenses were \$124.6 million.
- GASB Statement No. 96, (GASB 96) *SBITA*, issued by Governmental Accounting Standards Board (GASB) covers specific contracts or obligations for subscription-based information technology arrangements (SBITA) and prescribes similar treatment as GASB 87 to SBITAs. Implementation requirement is by June 30, 2023; however, Arlington County implemented this standard early in conjunction with GASB 87 due to complex embedded lease contracts. Schools implemented GASB 96 in FY 2023.

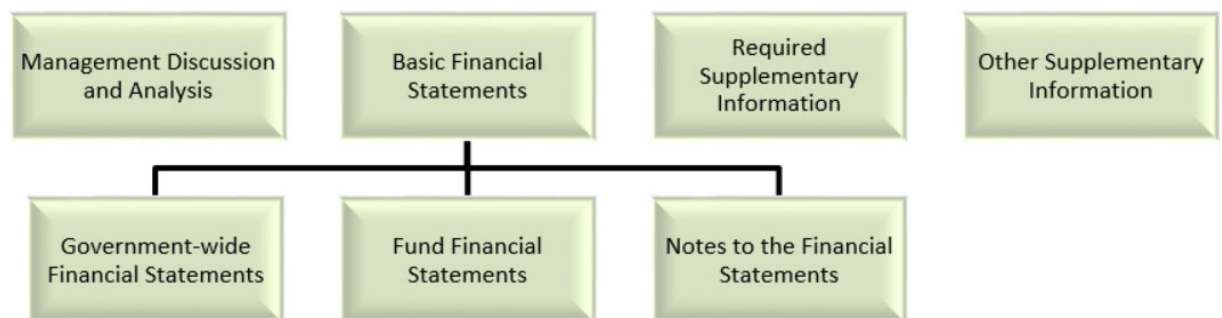
Fund Level

- As of June 30, 2023, the County's governmental funds reported combined fund balances of \$806.9 million, a decrease of \$12.0 million from FY 2022. (Exh. 3) The \$26.7 million increase the Non-Major Governmental Fund is generally due to a bond issuance and restricted monies set aside for capital projects. There are offsetting decreases in the Transportation Capital fund and General Capital Projects fund in the amounts of \$12.0 million and \$3.2 million, respectively. The General Fund represents a \$0.5 million increase from FY 2022. The resulting ending combined governmental fund balance of \$806.9 million displays on Exh. 3 & Exh. 4.
- The County's general fund reported a fund balance of \$363.3 million, an increase of \$0.5 million from June 30, 2022. With fluctuations within line items detail, overall, the fund balance remained relatively constant.
- FY 2023 again saw a significant increase in interest rates which resulted in higher interest earnings on investments and bank balances. Investments are made in accordance with Virginia's Investment of Public Funds Act. On June 30, 2023, the County compliance with GASB 72 requires a comparison of the investment interest rate with the current interest rates to determine the mark-to-market valuation. Although not sold and therefore, not realized, the disclosure is an unrealized net loss of \$26.2 million in the general fund balance. (Exh. 3.)
- Debt service (principal and interest) payments in FY 2023 totaled \$78.0 million, a decrease from \$80.6 million in FY 2022. Debt service covers capital projects for County government activities and component units, namely Schools. (Exh. 4.)

Other Financial Highlights

- County actions over the last five years have positioned Arlington to confront the pandemic and recession from a position of relative strength. Those actions include but are not limited to diversification of local employment base, economic development successes including Amazon’s HQ2, and bolstered reserves.
- Reserves, fiscal constraint, federal and state COVID-19 related funding and active financial management have allowed a nimble response to the impacts of COVID-19.
- The County received its second tranche, \$23.0 million, of federal ARPA funds in May 2022 and deferred those funds for fiscal year 2023. The County received its first tranche of federal ARPA funds, \$23.0 million, in May 2021 and it was spent in fiscal year 2022. ARPA funds are restricted by federal revenue loss formula and eligible costs. COVID-19 related direct and indirect funding straddling multiple fiscal years exceeds \$225 million.
- The County issued General Obligation (GO) bonds in FY 2023 in comparison to not issuing bonds in FY 2022. The County delayed bond issuance in FY 2020 and FY 2022 in a strategic effort to spend down capital funds first prior to the issuance of additional debt for bonded projects. The FY 2023 bond issuance of \$208.3 million benefited the County by \$99.3 million and the Schools by \$109.0 million.
- In July 2021, the Arlington County Board adopted an ordinance to allow collective bargaining by five bargaining units. These include police; fire and emergency medical services; service, labor, and trades; office and technical; and professional employees. Certain employee classifications are excluded from collective bargaining such as finance, human resources, Sheriff’s office, and others. Currently, three unions have been recognized, Police, Fire, and Service, Labor and Trades. Currently, Collective Bargaining Agreements are in place with both Fire and Police through FY 2026. An MOU with the Service, Labor and Trade units is in place through FY 2024. Tentative agreements governing wages and working conditions have been reached with the Service, Labor, and Trades unit for FY 2025 through FY 2027. The County has added additional staff and consulting resources to support the negotiations, including a Chief Labor Relations Officer and additional staff in legal and human resources. Funding for any agreement or arbitration award is subject to County Board appropriation.

Components of the Financial Section



Overview of the Financial Statements

The Annual Comprehensive Financial Report (“ACFR”) consists of four sections: introductory, financial, statistical and federally assisted programs. As the above chart shows, the financial section of this report has four components – *management’s discussion and analysis* (this section), *the basic financial statements and notes*, *the required supplementary information* (“RSI”) and the *other supplementary information*.

The County's basic financial statements consist of two kinds of statements, each with a different view of the County's finances. The government-wide financial statements provide both long-term and short-term information about the County's overall financial status. The fund financial statements focus on major aspects of the County's operations, reporting those operations in more detail than the government-wide statements. Both perspectives (government-wide and fund) allow the user to address relevant questions, broaden the basis of comparison (year to year or government to government) and enhance the County's accountability. The basic financial statements also include notes to explain information in the financial statements and provide more detailed data.

The statements and notes are followed by required supplementary information that contains the budgetary comparison schedule for the general fund and trend data pertaining to the retirement and postemployment systems. In addition to these required elements, the County includes other supplementary information with combining and individual fund statements to provide details about the governmental, enterprise, internal service, fiduciary, and component unit funds.

Government-wide Financial Statements: The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. In addition, they report the County's net position and how it has changed during the fiscal year.

The *statement of net position* presents information on all of the total reporting entity's assets, liabilities, and deferred inflows/outflows of resources with the difference reported as net position as shown in Exhibit 1. Over time, increases or decreases in net position serve as a useful indicator to demonstrate whether the financial position of the County is improving or deteriorating.

The *statement of activities* as shown in Exhibit 2, presents information on how the total reporting entity's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and compensated absences (i.e., earned but unused vacation leave).

The government-wide financial statements are divided into three categories:

Governmental Activities – These activities are principally supported by taxes, other local taxes, and federal and state grants. Most of the County's basic services are reported here, including general government, public safety, environmental services, health and welfare, libraries, parks, recreation and culture, planning and community development, and education.

Business-type Activities – The County charges fees to customers to help it cover the costs of certain services it provides. The business-type activities of the County include the utilities, the public parking garage operations, and planning, housing and community development.

Component Units – The County includes two other entities in its report - Arlington County Public Schools ("Schools"), a legally separate school system for which the County is financially accountable and Gates Partnership for which the County has the ability to impose will and fiscal dependency.

The County's governmental and business-type activities are collectively referred to as the primary government. Together, the primary government and its component units are referred to as the reporting entity.

The government-wide financial statements can be found in Exhibit 1 and Exhibit 2 of this report.

Fund Financial Statements: A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County and Schools, like other state and local governments, use fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The County has three kinds of funds:

Governmental funds – Most of the County's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash, flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds' statements provide a detailed

short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided in an accompanying schedule to the governmental funds statement that explains the relationship (or differences) between them.

The County adopts an annual appropriated budget for its general fund, special revenue funds, capital projects fund and internal service funds, including Schools' operating expenses within separate funds established. Budgetary comparison statements have been provided for the general fund and special revenue funds to demonstrate compliance with the budget.

The County's governmental funds' financial statements can be found in Exhibit 3 and Exhibit 4. The reconciliation of the County's governmental funds' financial statements to the County's government-wide financial statements are shown in Exhibit 3(A) and Exhibit 4(A). General fund, special revenue funds and capital project funds' financial statements can be found in Exhibit A-1 through Exhibit C-3 and Exhibit 11-A. Non-major governmental funds' financial statements can be found in Exhibit X and Exhibit Y of this report. Combining statements for the Schools' governmental funds' financial statements can be found in Exhibit G-1 through G-3. The reconciliation of Schools' governmental funds' financial statements to the Schools' government-wide financial statements are shown in Exhibit G1(A) and Exhibit G2(A) of this report.

Proprietary funds – Proprietary funds, which consist of enterprise funds and internal service funds, are used to account for operations that are financed and operated in a manner similar to private business enterprises in which costs are recovered primarily through user charges. Proprietary fund financial statements, like government-wide financial statements, provide both long-term and short-term financial information. The County uses enterprise funds to account for its utilities (water and sewer operations), its public parking garage operations, including the Eight-Level Ballston Public Parking Garage, and the Community Planning and Housing Development (CPHD) Fund.

Internal service funds are created as an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for the operation and maintenance of its fleet of vehicles and printing operation. Because both of these services predominantly benefit government rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

The basic proprietary funds' financial statements can be found in Exhibit 5 through Exhibit 7. Combining statements for enterprise funds can be found in Exhibit D-1 through Exhibit D-3. Combining statements for internal service funds are shown in Exhibit E-1 through Exhibit E-3 of this report.

Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. All of the County's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's programs. The County's fiduciary funds account for a pension trust fund, an OPEB trust fund, private purpose trust funds and custodial funds. The pension trust fund is used to account for the assets held in trust by the County for the employees and beneficiaries of its defined benefit pension plan. The OPEB trust funds are used to account for the assets held in trust by the County and Schools for other postemployment benefits other than pensions, such as health care and life insurance. Private purpose trust funds are used to report resources held in trust for the Alexandria/Arlington Facility Monitoring Group. The custodial fund reports resources held by the County in a custodial capacity for individuals, private organization and other governments.

The County's basic fiduciary funds' financial statements can be found in Exhibits 8 and 9. Combining fiduciary financial statements are presented on Exhibit F-1 through Exhibit F-5. Schools' fiduciary fund financial statements are shown in Exhibit G-4 and Exhibit G-5 of this report.

Notes to the Financial Statements: The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in the section titled "Notes to the Financial Statements" of this report.

Financial Analysis of the County as a Whole

Net Position

Net position may serve over time as a useful indicator of a government's financial position. As of June 30, 2023, net position for the total reporting entity was \$2,687.7 million. The following table (Table A-1) reflects the condensed Statement of Net Position for FY 2023 and FY 2022:

Table A-1
Condensed Statement of Net Position
June 30, 2023
With Comparative Totals for June 30, 2022
(in millions of dollars)

	Primary Government						Component Units					
	Governmental Activities		Business-type Activities		Total		Schools		Gates Partnership		Total Reporting Entity	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Current and other assets	\$1,893.0	\$2,515.3	\$71.2	\$105.9	\$1,964.2	\$2,621.2	\$382.6	\$333.2	\$1.7	\$7.4	\$2,348.4	\$2,961.8
Capital assets	1,896.5	1,670.6	1,110.6	1,081.1	3,007.1	2,751.7	981.2	874.9	62.1	63.8	4,050.4	3,690.4
Total assets	3,789.5	4,185.9	1,181.8	1,187.0	4,971.3	5,372.9	1,363.8	1,208.1	63.8	71.2	6,398.9	6,652.2
Deferred outflows of resources	232.0	136.2	-	-	232.0	136.2	130.9	148.6	-	-	362.9	284.8
Long-term debt outstanding	1,913.8	1,702.5	216.1	240.7	2,129.9	1,943.2	561.3	563.9	50.1	49.3	2,741.3	2,556.4
Other liabilities	230.6	357.2	32.6	31.1	263.2	388.4	94.0	83.2	1.8	1.9	359.0	473.5
Total liabilities	2,144.4	2,059.7	248.7	271.8	2,393.1	2,331.6	655.3	647.1	51.9	51.2	3,100.3	3,029.9
Deferred inflows of resources	795.4	1,260.1	1.1	1.0	796.5	1,261.1	185.0	250.9	-	-	981.5	1,512.0
Net Position:												
Investment in capital assets	709.6	514.3	921.7	910.2	1,631.3	1,424.5	907.0	920.4	11.9	14.3	2,059.6	2,359.2
Restricted for:												
Capital projects	118.5	81.2	-	-	118.5	81.2	158.8	84.0	-	-	277.3	165.2
Seized assets	5.6	2.0	-	-	5.6	2.0	-	-	-	-	5.6	2.0
Grants/Donations	20.5	20.6	-	-	20.5	20.6	7.1	4.2	-	-	27.6	24.8
Pension Asset	141.2	647.0	-	-	141.2	647.0	-	-	-	-	141.2	647.0
Unrestricted	86.2	(262.8)	10.3	4.0	96.5	(258.8)	(418.4)	(549.9)	7.7	5.7	176.4	(803.0)
Total Net Position	\$1,081.6	\$1,002.3	\$932.0	\$914.2	\$2,013.6	\$1,916.5	\$654.5	\$458.7	\$19.6	\$20.0	\$2,687.7	\$2,395.2

Note: GASB 96 SBITA School-only implementation as County early implemented prior year. Totals may not add due to rounding.

For governmental activities, assets and deferred outflows of resources (outflows that are expected to benefit future periods) exceeded liabilities and deferred inflows of resources (inflows that are for future periods) by \$1,081.6 million. The implementation of GASB 96 increased net school assets and liabilities by \$14.4 million.

For business-type activities, assets exceeded liabilities and deferred inflows of resources by \$932.0 million. For primary government, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by a total of \$2,013.6 million at the close of the most recent fiscal year. In the case of the Schools, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$654.5 million, and in the case of the Gates Partnership, assets exceeded liabilities by \$19.6 million. The implementation of GASB 96 increased the School's net assets by \$14.4 million and total liabilities by \$14.4 million.

By far the largest portion of the primary government and component units' net position reflects the investment in capital assets (e.g., land, buildings, machinery, and equipment, infrastructure, capitalized projects), less any related

debt used to acquire those assets. This represents 76.6% of the total reporting entity's net position. The primary government and Schools use these capital assets to provide a variety of services to its citizens. Consequently, these assets are long-term in nature and not available for future spending. Although the primary government and Schools' investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other liquid sources of funds, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted net position of the primary government and Schools represents resources that are subject to external restrictions on how they may be used. The restricted net position was 16.8 % of the net position of the total reporting entity as of June 30, 2023. In Virginia, state law provides that a school board is a separate legal entity and has long held that school boards hold title to all school assets. However, whether separately elected or appointed by the governing body, Virginia's local school boards do not have the power to levy and collect taxes or issue debt. Purchases of school equipment, buildings or improvements (capital assets) to be funded by debt financing require the local government to issue the debt. To accommodate changes in GAAP, a state law was passed in FY 2002 to allow the County and Schools to consider the debt-financed Schools' assets owned by "tenancy in common" and would permit the County to display these assets in the County column. The County has chosen not to do so. However, in accordance with GAAP, Schools' debt shown in the government-wide financial statements has been excluded in the calculation of net investment in capital assets within the governmental activities' column of the primary government and has been included in the calculation for the total reporting entity column. The total reporting entity column, which displays the unrestricted capital assets for the entire government, therefore, gives a more complete picture of debt-financed capital assets for the County. Additional information is provided in Note 10.

Changes in Net Position

The activities of the primary government and component units as of June 30, 2023, increased net position from FY 2022 as follows:

Total Reporting Entity	<u>Increase/Decrease in Net Position</u>			
	2023	2022	(\$ In millions)	Percentage
Governmental	\$1,081.6	\$1,002.3	\$79.3	7.9%
Business-type	932.0	914.2	17.8	1.9%
Component unit - Schools	654.5	458.7	195.7	42.7%
Component unit - Gates Partnership	19.6	20.0	(0.4)	-2.0%
Change in Net Position	\$2,687.6	\$2,395.2	\$292.4	

The FY 2023 Net Position of Governmental increased by \$79.3 million over FY 2022 and Business-Type increased the Net Position by \$17.8 million. The FY 2023 Net Position of the Component unit – Schools increased by \$195.7 million over FY 2022.

The Net Position of Governmental increased significantly due to a new bond issuance for County and School capital projects, \$99.4 million and \$109.0 million respectively. Schools implementation of GASB 96 subscriptions added Right to Use lease assets in the amount of \$14.4 million. Steady management of expenditures over the course of the fiscal year and the increase of the real estate tax due to the increase value of real estate properties, as contributed to the increase. Other local taxes such as restaurant meals tax, car rental tax, hotel tax and business tax increased in comparison to prior year as the steady recovery of the local economy after COVID-19 continued.

The Net Position of Business-Type increased by \$17.8 million over previous year. The increase is primarily due to a \$26.2 million increase in Utilities funds. A water and sewer rate increase on July 1, 2022, and a water and sewer rate restructure implemented on January 1, 2023, contributed to the increase.

The Net Position of Component unit – Schools increased by \$195.7 million over previous year. The increase is largely due to the bond issuance of \$109.0 million and the \$14.4 million addition of Right to Use subscription lease assets resulting from the implementation of GASB 96.

The following table (Table A-2) displays the changes in net position for FY 2023 and FY 2022:

Table A-2
Statement of Changes in Net Position
Year Ended June 30, 2023
With Comparative Totals for June 30, 2022
(in millions of dollars)

	Primary Government						Component Units				Total Reporting Entity	
	Governmental Activities		Business-type Activities		Total		Schools		Gates Partnership			
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenues												
Program revenues												
Charges for services	\$81.2	\$81.3	\$139.1	\$139.2	\$220.3	\$220.5	25.3	18.7	\$8.2	\$8.1	\$253.8	\$247.3
Operating grants and contributions	194.5	176.0	-	-	194.5	176.0	95.4	113.7	-	-	289.9	289.7
Capital grants and contributions	-	-	1.8	0.2	1.8	0.2	-	-	-	-	1.8	0.2
General revenues												
Property taxes	1,049.0	1,000.4	-	-	1,049.0	1,000.4	-	-	-	-	1,049.0	1,000.4
Other local taxes	265.8	241.4	-	-	265.8	241.4	41.7	40.5	-	-	307.5	281.9
Revenue from general fund	-	-	-	-	-	-	603.0	566.0	-	-	603.0	565.9
Investment and interest earnings	37.3	26.8	1.0	(1.7)	38.3	25.1	2.2	0.2	-	-	40.5	25.2
Miscellaneous	70.5	537.3	0.4	-	70.9	537.3	118.9	59.6	0.1	(0.6)	189.9	596.3
Total revenues	1,698.2	2,063.1	142.3	137.7	1,840.6	2,200.8	886.4	798.7	8.3	7.5	2,735.4	3,007.1
Expenses												
General government	335.6	606.4	-	-	335.6	606.4	-	-	-	-	335.6	606.4
Public safety	169.2	172.3	-	-	169.2	172.3	-	-	-	-	169.2	172.3
Environmental services	136.5	140.4	-	-	136.5	140.4	-	-	-	-	136.5	140.4
Health and welfare	186.2	247.4	-	-	186.2	247.4	-	-	-	-	186.2	247.4
Libraries	15.8	15.1	-	-	15.8	15.1	-	-	-	-	15.8	15.1
Parks, culture and recreation	61.3	56.9	-	-	61.3	56.9	-	-	-	-	61.3	56.9
Planning and community development	61.4	64.6	-	-	61.4	64.6	-	-	-	-	61.4	64.6
Education	625.1	558.5	-	-	625.1	558.5	690.7	730.5	-	-	1,315.8	1,289.0
Debt service:												
Interest and other charges	27.9	29.9	-	-	27.9	29.9	-	-	-	-	27.9	29.9
Water and sewer	-	-	95.7	89.0	95.7	89.0	-	-	-	-	95.7	89.0
CPHD Development Fund	-	-	21.4	19.6	21.4	19.6	-	-	-	-	21.4	19.6
Parking garage	-	-	7.3	7.1	7.3	7.1	-	-	-	-	7.3	7.1
8th Level Ballston Public Parking Garage	-	-	0.2	0.2	0.2	0.2	-	-	-	-	0.2	0.2
Rental Properties	-	-	-	-	-	-	-	-	8.6	10.4	8.6	10.4
Total expenses	1,618.9	1,891.6	124.6	115.9	1,743.6	2,007.5	690.7	730.5	8.6	10.4	2,442.9	2,748.3
Increase/(Decrease) in Net Positions	79.3	171.5	17.8	21.9	97.1	193.4	195.7	68.2	(0.3)	(2.9)	292.5	258.8
Restated Net Position-Beginning	1,002.3	830.8	914.2	892.3	1,916.5	1,723.1	458.7	390.5	20.0	22.9	2,395.2	2,136.5
Net Position-Ending	\$1,081.6	\$1,002.3	\$932.0	\$914.2	\$2,013.6	\$1,916.5	\$654.4	\$458.7	\$19.7	\$20.0	2,687.7	\$2,395.2

Note: Totals may not add due to rounding.

Revenues

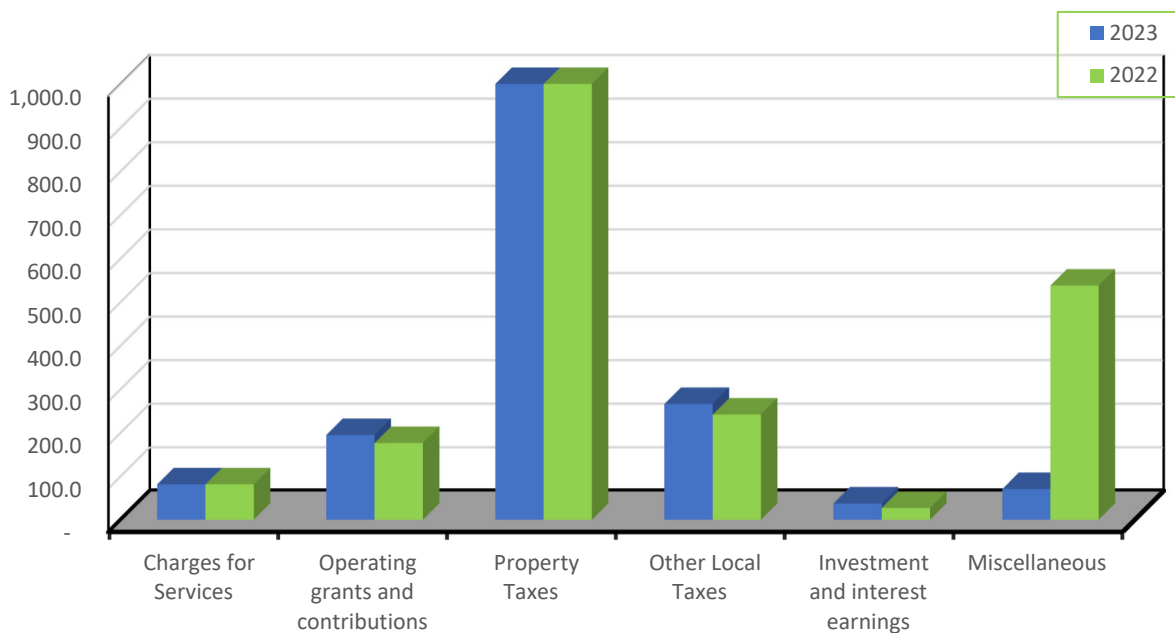
Overall, revenues for the County's primary government activities were \$1,840.6 million for fiscal year 2023 representing a decrease of \$360.2 million from the prior year. The comparative decrease is heavily impacted by the GASB Right to Use lease and subscription implementation in FY 2022, which increased Miscellaneous Revenue on a one-time basis. FY 2023 returns revenue back to ordinary levels. Taxes constitute the largest source of primary government revenues, amounting to \$1,314.8 million for FY 2023, an increase of \$73.0 million over FY 2022. Real Estate taxes increased by \$34.0 million to \$907.4 million due to increased assessments in the County for CY 2023. Personal property taxes increased by \$14.5 million to \$141.6 million (Exh 2). Other local tax revenue, including business tangible and business license tax, taxes on general sales, hotel rooms, meals, and car rentals, among other things, increased by \$24.4 million to \$265.8 million for FY 2023. FY 2023 shows a strong rebound in the local retail sector and a steadily improving hospitality sector. Meals tax, sales tax and business license tax have recovered and surpassed the pre-Covid, FY 2019 totals. In comparison to FY 2022, FY 2023 increases include meals tax of \$7.2 million, car rental tax increases of \$1.5 million and hotel tax increase of \$7.6 million.

Program revenues are derived directly from the programs run by various departments and reduce the net cost for various functions. Total program revenues for primary government were \$416.6 million. Operating grants and contributions represent 46.7 % of program revenues, totaling \$194.5 million. Charges for services totaled \$220.3 million.

Component unit activities generated combined revenues of \$894.8 million, aside from general fund revenue, primarily from grants totaling \$95.4 million. Total Reporting Entity revenues decreased from FY 2023 by \$271.7 million mainly because of the Schools' bond proceeds of \$109.0 million and the County's Right to Use lease assets implemented in FY 2022 of \$160.6 million.

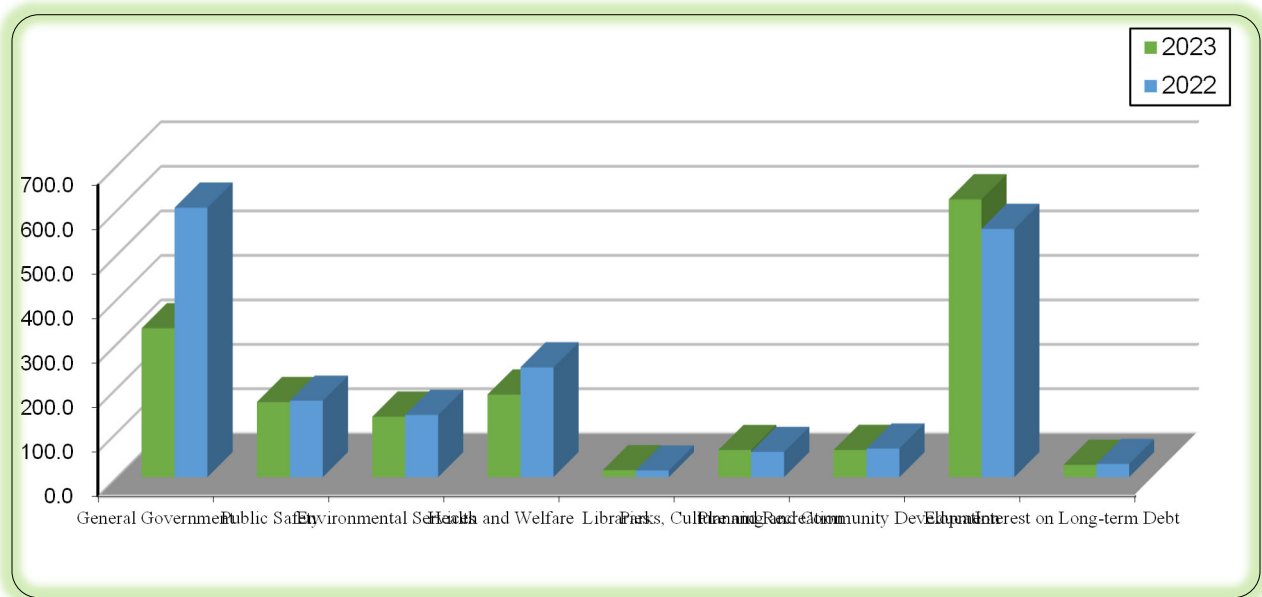
Chart A-3 displays the sources of revenue within governmental activities with a comparison between fiscal year 2023 and fiscal year 2022. The greatest source of the decrease in FY 2023 is in the miscellaneous revenue category where FY 2022 totals include \$160.6 million of revenue from the implementation year for GASB 87 and early implementation of GASB 96.

Chart A-3
Sources of Revenue from Governmental Activities
For Fiscal Years 2023 and 2022
(in millions)



Expenses. Total expenses of the County's governmental activities for FY 2023 were \$1,618.9 million, representing a decrease of \$272.7 million from FY 2022. This decrease was due in large part to the \$238.7 million implementation of GASB 87 and GASB 96 Right to Use leases and subscriptions in FY 2022. The County's transfers to Arlington Public Schools for FY 2023 were \$625.1 million, an increase of \$66.6 million from the previous fiscal year due to the County delaying a bond issuance in FY 2022 and issuing bonds in FY 2023. As the chart A-4 indicates, education continues to make up the highest percentage of the County's total expenditures.

Chart A-4
Net Expense of Governmental Activities
For Fiscal Years 2023 and 2022
(in millions of dollars)



Financial Analysis of Governmental Funds

The County and Schools use fund accounting in accordance with GAAP to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the County’s and Schools’ governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the County’s and Schools’ financing requirements. For example, unrestricted (committed and assigned) fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year. As of the end of FY 2023, the County’s governmental funds reported combined fund balances of \$806.9 million, an increase of \$12.0 million in comparison with the prior year. (Exh. 3)

Non-spendable and restricted fund balance equates to 19.5% or \$157.7 million of the total governmental funds’ balance and is comprised primarily of capital projects and grants that cannot be used for other purposes. FY 2023 saw a significant increase in interest rates which will result in higher interest earnings on investments and bank balances. Investments are made in accordance with Virginia’s Investment of Public Funds Act. On June 30, 2023, the County’s compliance with GASB 72 requires a comparison of the investment interest rate with the current interest rates to determine the mark-to-market valuation. Although not sold and therefore, not realized, the disclosure is an unrealized net loss of \$26.2 million in the general fund. Although this loss is not representative of a cash loss, the County has recognized the unrealized loss in the general fund balance.

Committed fund balance constitutes 64.5% or \$520.4 million of the total governmental fund balance. This constitutes committed funds, which can only be used for specific purposes already imposed by a formal action of the County Board. \$203.3 million or 39.1% of the total committed fund balance is from the general fund. Included within the committed designation is an amount of \$34.7 million set aside for School’s subsequent year budget. The assigned fund balance of \$108.5 million or 13.5% of total governmental fund balance is intended for specific purposes designated and proposed by the County Manager and is set aside for appropriation by the County Board as a part of the County’s year-end close out process. \$68.7 million, or about 60.4% of the assigned fund balance is for the Affordable Housing Investment Fund. The remaining fund balance of \$20.3 million or 2.5% of total governmental fund balance is unassigned.

The general fund is one of the major governmental funds of the County. At the end of FY 2023, the general fund's fund balance was \$363.3 million or 45.0% of the total governmental funds' fund balance. \$106.3 million of the committed fund balance represents reserves set aside in accordance with the County Board's policy for unexpected critical and unpredictable financial needs. These reserves include a General Fund Operating Reserve of \$85.3 million, which is set at 5.5% of general fund revenue, a Stabilization Reserve adopted at 1% of the general fund of \$15.5 million, and a Self-insurance Reserve of \$5.4 million. Total reserves represent 52.3% of the total general fund's committed fund balance and equate to 29.2% of the general fund's total fund balance.

At the end of FY 2023, committed and assigned fund balance for the general fund was \$311.8 million or 85.8% of the total general fund balance. \$101.5 million or 27.9% of the general fund's fund balance represents the County's commitment, both committed and assigned, to provide affordable housing that ultimately benefits low-income households.

As a measure of the general fund's liquidity, it is useful to compare both committed and assigned fund balances and total fund balance to total expenditures. In FY 2023, committed and assigned fund balance equated to 19.1% of general fund expenditures. The total general fund's fund balance represents 22.3% of total general fund expenditures.

As of June 30, 2023, the general fund's fund balance increased from prior year by 0.2% to \$363.3 million. The \$0.5 million increase in the general fund balance was driven primarily by real estate tax revenue increasing due to the rise in real estate values and a continuation of COVID-19 related federal grant monies, and offset by GASB 72 mark-to-market unrealized loss of \$26.2 million.

In addition to general fund core reserves, the County has reserves in other funds which are available to allow the

	<i>(\$ in millions)</i>
General fund core reserves:	
Operating reserve ¹	\$85.3
Stabilization reserve ¹	15.5
Self-insurance reserve ¹	5.4
Other committed	97.0
Other assigned	108.6
General fund unassigned	21.5
Total general fund core reserves²	333.3
Automotive equipment fund:	15.7
Enterprise Fund CPHD Development fund:	2.0
General Capital Projects funds:	102.1
Total reserves available	\$453.1

County to respond to unforeseen events or for deeper impact.

¹ Includes Operational and Stabilization True-up assigned to meet targeted reserve funding requirements as per Financial policies

² November 2023 Board action to determine assignment within General fund unassigned reserves.

The Component Unit, Arlington Public Schools, maintains its own fund balances under its operating fund which are distinct, and in addition to, the above reserves. The current operating fund balance under Schools is \$70.9 million. Additionally, the fund balance total above include \$34.7 million for subsequent years' school budget.

Special Revenue and Capital Project Funds. Total special revenue funds' and capital projects funds' fund balance were \$443.5 million (Exh. 3) and represents 55.0% of the total governmental funds' fund balance. The transportation capital fund is a major fund of the County and contributes 22.4% of the total governmental fund balance. At the end of the current fiscal year, total fund balance of the transportation capital fund was \$180.7 million, and the general capital projects fund was \$102.1 million. All non-major special revenue and capital projects funds combined were \$160.8 million (Exh. 3).

As a measure of the capital project funds' liquidity, it may be useful to compare total fund balance to total expenditures. Total capital projects funds' fund balance represents 183.2% of total capital project funds' FY 2023 expenditures (C schedules).

The fund balance of the County's general capital projects fund decreased by \$3.2 million during the current fiscal year as planned spend-down of fund balance and bond issuance.

Additional information on the Special Revenue and Capital Projects Funds can be found on Exhibit 3, Exhibit 4, Exhibit B-1 through Exhibit C-3.

Proprietary funds. The County's proprietary funds' financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Utilities Fund at the end of the fiscal year amounted to \$53.7 million, the Ballston Public Parking Garage Funds amounted to a deficit of (\$66.6 million) and the CPHD Development Fund amounted to \$2.0 million. The total change in net position for the Utilities Fund included a surplus of \$26.2 million, the Ballston Public Parking Garage Funds had a deficit of (\$4.3 million), and CPHD Development Fund had a deficit of \$4.1 million. Other factors concerning the finances of these funds have been addressed in the discussion of the County's business-type activities and Exhibit 5 - Exhibit 7 and Exhibit D-1 through D-2.

General Fund Budgetary Highlights

General Fund (\$ in millions)	Original	Final	
	Budget	Budget	Actual
Revenue	\$1,435.9	\$1,664.8	\$1,527.4
Transfers In	\$0.3	\$4.3	\$7.9
Sale of Land	\$-	\$-	\$1.8
Expenditures	\$1,487.5	\$1,651.1	\$1,521.1
Transfers Out	\$10.3	\$18.0	\$15.5
Net Change in Fund Balance	(\$63.0)	\$0	\$0.5

- Actual revenues show a final unfavorable budget variance of 8.3% or \$137.4 million. This is entirely due to the budgeted use of prior year fund balance and is largely offset by the over performance against budget across all other revenue categories. While the use of fund balance was budgeted, actual new revenues were sufficient to cover actual expenditures and so no fund balance was ultimately used.
- Total taxes had a favorable budget variance, \$45.7 million. The real estate tax rate remained constant while real estate value increases contributed to the overall increase in taxes. In a positive sign for the County, most local tax revenue streams have now recovered to meet or even exceed pre-Covid levels.

- Actual expenditures of \$1,521.1 million are less than final budget of \$1,651.1 million with a favorable variance of \$130.0 million or 7.9%. Major contributing factors to this favorable variance include County-wide savings on personnel budgets and allocated housing funds, in addition to not needing to tap into various budgetary contingencies.

Additional information on the County's statement of revenues, expenditures and changes in fund balance, budget and actual can be found in the RSI section of this report.

Capital Asset and Long-Term Debt

Capital Assets

The County's investment in capital assets for its governmental activities, business-type activities and component units as of June 30, 2023, amounted to \$4,064.9 million (net of depreciation). The net book value of capital assets includes land, building and systems, improvements, machinery and equipment, park facilities, roads, highways, and bridges and intangible assets.

During fiscal year 2023, major capital asset acquisitions placed into service and their corresponding cost included the following:

- Irving Street adult group home improvements \$4.8M
- Fire Department Portable Radios \$3.6M
- Mobile Data Computers for Police department cars \$2.9M
- Kelly Day schedule modification resulted in Fire Station improvements \$1.6M
- Carlin Spring old building demolition phase I \$1.6M

Net capital assets increased by \$158.7 million for the total reporting entity driven by an increase of \$93.5 million for the primary government and an increase of \$52.3 million for Schools. The majority of the total reporting entity spending was for the building and improvements for schools, County infrastructure improvements and capital projects in progress within the County.

Table A-5 below displays the capital assets by asset type:

Table A-5 Net Capital Assets
June 30, 2023
With Comparative Totals for June 30, 2022
(in millions of dollars)

	Primary Government						Component Units					
	Governmental Activities		Business-type Activities		Total		Schools		Gates Partnership		Total Reporting Entity	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Land	\$262.8	\$260.0	\$6.2	\$6.2	\$269.0	\$266.2	\$4.7	\$4.7	\$13.0	\$13.0	\$286.7	\$283.9
Buildings	448.3	453.7	16.5	17.4	464.8	471.1	841.4	786.4	63.8	50.8	1,370.0	1,308.3
Equipment	114.3	107.3	2.2	2.2	116.5	109.5	67.1	62.0	-	-	183.6	171.5
Infrastructure	709.3	645.0	-	-	709.3	645.0	-	-	-	-	709.3	645.0
Intangible assets	3.5	4.4	1.7	3.0	5.2	7.4	-	-	-	-	5.2	7.4
Plant -sewer system	-	-	334.5	322.6	334.5	322.6	-	-	-	-	334.5	322.6
Plant - water system	-	-	694.1	697.8	694.1	697.8	-	-	-	-	694.1	697.8
Construction in progress	199.9	166.2	34.5	32.0	234.4	198.2	6.7	21.8	-	-	241.1	220.0
Internal service funds	36.2	33.8	-	-	36.2	33.8	-	-	-	-	36.2	33.8
Right to use Assets	122.1	138.7	20.9	23.3	143.0	162.0	61.3	54.0	-	-	204.3	216.0
Total	<u>\$1,896.4</u>	<u>\$1,809.1</u>	<u>\$1,110.6</u>	<u>\$1,104.5</u>	<u>\$3,007.0</u>	<u>\$2,913.5</u>	<u>\$981.2</u>	<u>\$928.9</u>	<u>\$76.8</u>	<u>\$63.8</u>	<u>\$4,064.9</u>	<u>\$3,906.2</u>

Note: Totals may not add due to rounding

Additional information on the County's capital assets can be found in Note 5 within the Notes to the Financial Statements.

Long-term debt

In 2023, for the 23rd consecutive year, Arlington continues to maintain a Aaa/AAA/AAA bond rating, the highest credit ratings attainable by jurisdictions.

The ratings validate that Arlington's financial position is strong, reflecting conservative budgeting and close monitoring of expenditures, a sizable and diversifying tax base with institutional presence, and strong and balanced historical financial results. As of June 30, 2023, Arlington is one of 48 counties in the United States with top bond ratings from all three-major bond-rating agencies.

At the end of the current fiscal year, the total reporting entity had total long-term liabilities outstanding of \$2,738.3 million, the majority of which is \$1,457.4 million in general obligation bonds, combined net OPEB liability of \$143.0 million, and \$334.6 million in net pension liability for schools. The category of Leases is a result of GASB 87 and GASB 96 for Leases and Subscription Right to Use for County and School which added \$210.0 million of debt. The remaining \$593.3 million comprises notes payable and related accrued interest, line of credit and staff obligations.

The following table (Table A-6) reflects the long-term debt:

Table A-6
Arlington County Long-term Liability
June 30, 2023
With Comparative Totals for June 30, 2022
(in millions of dollars)

	Primary Government						Component Units					
	Governmental Activities		Business-type Activities		Total		Schools		Gates Partnership		Total Reporting Entity	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
General obligation bonds*	\$1,409.9	\$1,294.4	\$47.5	\$55.4	\$1,457.4	\$1,349.8	\$-	\$-	\$-	\$-	\$1,457.4	\$1,349.8
IDA Revenue Bonds	115.4	127.8	-	-	115.4	127.8	-	-	-	-	115.4	127.8
Mortgage payable	-	-	3.4	3.4	3.4	3.4	-	-	50.1	49.3	53.5	52.7
Note payable	-	-	93.6	110.7	93.6	110.7	-	-	1.8	1.8	95.4	112.5
Credit line for capital	22.0	10.5	-	-	22.0	10.5	-	-	-	-	22.0	10.5
Workers' compensation claims	4.3	3.6	-	-	4.3	3.6	-	-	-	-	4.3	3.6
Accrued compensated absences	39.8	44.1	3.1	3.3	42.9	47.3	52.5	47.8	-	-	95.4	95.2
Mortgage interest payable	-	-	46.8	44.3	46.8	44.3	-	-	-	-	46.8	44.3
Bonds Payable	-	-	-	-	-	-	-	-	-	0.1	-	0.1
Line of credit	150.0	150.0	-	-	150.0	150.0	10.5	6.2	-	-	160.5	156.2
Leases	125.2	137.4	21.5	23.6	146.7	161.0	63.3	55.1	-	-	210.0	216.1
Net pension liability	-	-	-	-	-	-	334.6	276.8	-	-	334.6	276.8
Net OPEB liability	47.0	68.5	-	-	47.0	68.5	96.0	178.0	-	-	143.0	246.5
Total	\$1,913.6	\$1,836.3	\$215.9	\$240.7	\$2,129.5	\$2,077.0	\$556.9	\$563.9	\$51.9	\$51.2	\$2,738.3	\$2,692.1

Note: Totals may not add due to rounding

* General fund is responsible for bond-financed school capital assets

The County's total debt increased by \$46.2 million during the current fiscal year. The key factors that contributed to this change are the FY 2022 postponement of the general obligation bond issuance to FY 2023. This contributed an increase of \$107.6 million in outstanding general obligation bonds, a decrease in IDA Revenue bonds of \$12.4 million and a decrease of \$4.3 million in a line of credit secured by the County. Two major impacts due to changing actuarial assumptions include the \$103.5 million decrease in OPEB liability and the increased net pension liability for Schools of \$57.8 million. Lease liability overall netted a decrease of \$6.1 million, which included a decrease in Primary Government of \$14.3 million and an \$8.2 million increase for Schools (attributable to GASB 96 implementation).

Additional information of the County's long-term debt can be found in Note 9 in Notes to the Financial Statements of this report.

Economic Factors

Arlington's unemployment rate remains one of the lowest in the Commonwealth. The unemployment rate for the County as of June 30, 2023, is 2.1% per the Bureau of Labor Statistics, which is the same from a year ago. This compares favorably to Virginia's average unemployment rate of 2.7% and the national average rate of 3.6%. The County's per capita income remains among the highest in the State.

The vacancy rate of the County's office buildings increased from 19.6% in CY 2021 to 22.1% in CY 2022. In Calendar Year (CY) 2023, the County expects modest revenue growth from real estate taxes, driven by a 3.6 percent increase in Arlington's property values. The average value of existing residential properties, including condominiums, townhouses, and detached homes, increased from \$762,700 in CY 2022 to \$798,500 in CY 2023, an increase of 4.7 percent. New construction represented 0.1 percentage points of the residential growth. The detached home and townhome tax base increased by 5.5 percent while the condominium tax base increased by 1.6 percent. Commercial property assessments increased by 2.6 percent over the previous year due to new construction, largely in apartments and offices, which contributed 1.6 percentage points to the change in commercial property values. Base assessments for office were down 0.3 percent over last year and base assessments for apartments were slightly up, increasing 0.7 percent. Hotel and general commercial property values both increased over last year, 7.5 percent and 4.0 percent, respectively.

Prior to the COVID-19 pandemic, tourism broke records with Arlington visitors spending \$3.6 billion in 2019 -- a 4.4% increase over 2018 -- generating nearly \$98 million in local tax receipts and supporting over 27,000 local jobs. However, since March 2020, the impact on the health, safety, and economic activity of the County has specifically affected local taxes benefiting from tourism and hospitality. Arlington is seeing steady recovery of the tourism industry. The hotel occupancy rose from 30% in CY 2020 to 65% in CY 2023 in comparison to pre-pandemic rates of 75% in CY 2019. Some local charges for services and fees including parking fees, parks and recreation program charges for service, transportation fees, and fines are steadily recovering as have many tax and fee revenues.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Comptroller, Department of Management and Finance, 2100 Clarendon Boulevard, Suite 501, Arlington, Virginia, 22201, or email dmf@arlingtonva.us.



Basic Financial Statements

Basic Financial Statements are the core of general-purpose external financial reporting for state and local governments. Basic Financial Statements have three components:

- Government-wide financial statements which include the Statement of Net Position and the Statement of Activities.
- Fund financial statements which include separate sets of financial statements for governmental funds, proprietary funds and fiduciary funds.
- Notes to the financial statements.

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ARLINGTON COUNTY, VIRGINIA
STATEMENT OF NET POSITION
JUNE 30, 2023

EXHIBIT 1

	Primary Government			Component Units		Total
	Governmental Activities	Business-type Activities	Total	Schools	Gates Partnership	Reporting Entity
ASSETS:						
Cash and investments	\$943,021,389	\$44,974,643	\$987,996,032	\$260,359,585	\$1,507,566	\$1,249,863,183
Petty cash	541	-	541	5,015	-	5,556
Cash with fiscal agents	270,456	25,221	295,677	-	-	295,677
Receivables, net	532,971,107	19,344,980	552,316,087	17,111,666	200,234	569,627,987
Lease receivable	231,985,777	410,492	232,396,269	135,091	-	232,531,360
Receivable from primary government	-	-	-	104,860,518	-	104,860,518
Receivable from other governments	29,929,030	-	29,929,030	-	-	29,929,030
Inventory	-	3,780,657	3,780,657	162,607	-	3,943,264
Other assets	13,643,665	2,625,699	16,269,364	-	1,206	16,270,570
Net pension asset	141,200,000	-	141,200,000	-	-	141,200,000
Capital assets:						
Right to use assets, net	122,111,446	20,895,960	143,007,406	61,297,721	-	204,305,127
Land	262,802,488	6,161,255	268,963,743	4,697,946	13,544,751	287,206,440
Intangible assets, net	3,490,030	1,730,744	5,220,774	-	-	5,220,774
Depreciable assets, net	1,308,109,234	1,047,318,693	2,355,427,927	908,538,013	48,543,597	3,312,509,537
Construction in progress	199,936,922	34,520,880	234,457,802	6,677,411	-	241,135,213
Total capital assets, net	1,896,450,120	1,110,627,532	3,007,077,652	981,211,091	62,088,348	4,050,377,091
Total assets	3,789,472,085	1,181,789,224	4,971,261,310	1,363,845,573	63,797,354	6,398,904,237
DEFERRED OUTFLOWS OF RESOURCES:						
Deferred outflows related to refunding loss	15,691,157	-	15,691,157	-	-	15,691,157
Deferred outflows related to pensions	190,400,000	-	190,400,000	97,282,249	-	287,682,249
Deferred outflows related to OPEB	25,918,669	-	25,918,669	33,615,592	-	59,534,261
Total deferred outflows of resources	232,009,826	-	232,009,826	130,897,841	-	362,907,667
LIABILITIES:						
Accounts payable	54,226,374	7,329,756	61,556,130	9,887,987	90,373	71,534,490
Unearned revenues	27,579,249	-	27,579,249	5,608,617	-	33,187,866
Due to other funds	-	-	-	135,091	-	135,091
Due to component unit	104,860,518	-	104,860,518	-	-	104,860,518
Accrued liabilities	30,150,374	24,811,389	54,961,763	68,834,236	1,079,746	124,875,745
Contracts payable - retainage	4,738,950	518,278	5,257,228	454,629	-	5,711,857
Other liabilities	9,109,575	-	9,109,575	9,125,302	604,666	18,839,543
Non-current liabilities:						
Due within one year	290,301,652	76,521,390	366,823,043	15,743,675	-	382,566,718
Due within one year - leases	11,716,847	1,768,012	13,484,859	9,471,082	-	22,955,941
Due within one year - SBITAs	2,871,498	670,911	3,542,409	-	-	3,542,409
Due in more than one year	1,498,194,480	117,990,630	1,616,185,110	482,242,096	50,110,937	2,148,538,143
Due in more than one year - leases	105,924,673	16,943,562	122,868,235	53,812,284	-	176,680,519
Due in more than one year - SBITAs	4,758,124	2,187,151	6,945,275	-	-	6,945,275
Total liabilities	2,144,432,314	248,741,080	2,393,173,395	655,314,999	51,885,722	3,100,374,115
DEFERRED INFLOWS OF RESOURCES:						
Deferred revenue - taxes	477,345,855	-	477,345,855	-	-	477,345,855
Deferred gain on refunding	-	664,439	664,439	-	-	664,439
Deferred inflows related to pensions	22,200,000	-	22,200,000	89,925,662	-	112,125,662
Deferred inflows related to OPEB	72,737,312	-	72,737,312	95,051,422	-	167,788,734
Deferred inflows leases	223,130,935	406,518	223,537,453	-	-	223,537,453
Total deferred inflows of resources	795,414,102	1,070,957	796,485,059	184,977,084	-	981,462,143
NET POSITION:						
Net investment in capital assets	709,575,585	921,700,887	1,631,276,472	906,981,144	11,911,632	2,059,653,813 **
Restricted for:						
Capital projects	118,480,144	-	118,480,144	158,761,617	-	277,241,761
Seized assets	5,639,486	-	5,639,486	-	-	5,639,486
Grants/Donations	20,498,933	-	20,498,933	7,054,887	-	27,553,820
Pension Asset	141,200,000	-	141,200,000	-	-	141,200,000
Unrestricted	86,241,347	10,276,301	96,517,648	(418,346,317)	7,715,276	176,402,042 **
Net position	\$1,081,635,495	\$931,977,188	\$2,013,612,683	\$654,451,331	\$19,626,908	\$2,687,690,923 **

** In accordance with GAAP (GASB 34), Net Investment in Capital Assets must be presented net of related debt, in order to reflect the true position of the Primary Government and Component Units. Therefore, the Net Investment in Capital Assets of the Governmental Activities does not include the Component Unit - School's debt issued by the Primary Government (\$477,655,572) in its calculation. This debt is reflected in the Total Reporting Entity column, since the debt is owned by the County. However, capital assets obtained with the debt are included in the Net Investment in Capital Assets for Schools. The sum of the columns between the Primary Government and Component Units does not equal the Total Reporting Entity column by a difference of \$477,655,572 because the debt related to the Schools is reduced from Net Investment in Capital Assets of the Total Reporting Entity. The Unrestricted Net Position of the Total Reporting Entity therefore reflects the impact of the debt for Schools. The Total Reporting Entity column matches the assets with the debt and reports the net amounts on the Net Investment in Capital Assets. Additional information on the reclassification is provided in Note 10.

The notes to the financial statements are an integral part of this statement.

ARLINGTON COUNTY, VIRGINIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	
Primary Government:					
Governmental Activities:					
General government	\$335,611,397	\$15,457,409	\$70,787,063	\$-	(\$249,366,925)
Public safety	169,224,017	11,715,747	13,173,338	-	(144,334,932)
Environmental services	136,470,782	26,736,627	11,482,317	-	(98,251,838)
Health & welfare	186,233,762	4,742,452	45,043,860	-	(136,447,450)
Libraries	15,758,514	49,698	266,949	-	(15,441,867)
Parks, recreation & culture	61,247,423	12,853,813	74,962	-	(48,318,648)
Planning & community development	61,425,396	9,596,594	53,675,525	-	1,846,723
Education	625,170,122	-	-	-	(625,170,122)
Interest and other charges	27,954,441	-	-	-	(27,954,441)
Total governmental activities	1,619,095,854	81,152,340	194,504,014	-	(1,343,439,500)
Business-type activities:					
Utilities	95,722,431	118,754,833	-	1,842,039	-
Ballston Public Parking Garage	7,290,320	2,876,324	-	-	-
8th level Ballston Public Parking Garage	181,641	247,428	-	-	-
CPHD Development Fund	21,477,785	17,255,517	-	-	-
Total business-type activities	124,672,177	139,134,102	-	1,842,039	-
Total primary government	\$1,743,768,032	\$220,286,442	\$194,504,014	\$1,842,039	(1,343,439,500)
Component unit:					
Schools	\$690,694,027	\$25,252,773	\$95,366,906	\$-	-
Gates Partnership	8,685,149	8,205,927	-	-	-
Total component units	\$699,379,176	\$33,458,700	\$ 95,366,906	\$-	-
General Revenues:					
Property Taxes:					
Real estate property taxes					907,420,318
Personal property taxes					141,574,708
Other Local Taxes:					
Business, professional occupancy license taxes					83,191,768
Sales tax					53,332,446
Meals tax					46,534,736
Transient tax					22,697,994
Utility tax					16,569,439
Recordation, car rental and other local taxes					43,483,529
Revenue from primary government					-
Investment and interest earnings					37,319,829
Miscellaneous					70,592,749
Total general revenues					1,422,717,516
Change in net position					79,278,015
Net position, beginning					1,002,357,480
Net position, ending					\$1,081,635,495

The notes to the financial statements are an integral part of this statement.

and Changes in Net Position		Component Units		Total Reporting Entity	
Business-type Activities	Total	Schools	Gates Partnership		Functions/Programs
					Primary Government:
					Governmental Activities:
\$-	(\$249,366,925)	\$-	\$-	(\$249,366,925)	General government
-	(144,334,932)	-	-	(144,334,932)	Public safety
-	(98,251,838)	-	-	(98,251,838)	Environmental services
-	(136,447,450)	-	-	(136,447,450)	Health & welfare
-	(15,441,867)	-	-	(15,441,867)	Libraries
-	(48,318,648)	-	-	(48,318,648)	Parks, recreation & culture
-	1,846,723	-	-	1,846,723	Planning & community development
-	(625,170,122)	-	-	(625,170,122)	Education
-	(27,954,441)	-	-	(27,954,441)	Interest and other charges
-	(1,343,439,500)	-	-	(1,343,439,500)	Total governmental activities
24,874,440	24,874,440	-	-	24,874,440	Business-type activities:
(4,413,996)	(4,413,996)	-	-	(4,413,996)	Utilities
65,787	65,787	-	-	65,787	Ballston Public Parking Garage
(4,222,268)	(4,222,268)	-	-	(4,222,268)	8th level Ballston Public Parking Garage
					CPHD Development Fund
16,303,963	16,303,963	-	-	16,303,963	Total business-type activities
16,303,963	(1,327,135,538)	-	-	(1,327,135,538)	Total primary government
					Component unit:
-	-	(570,074,348)	-	(570,074,348)	Schools
-	-	-	(479,222)	(479,222)	Gates Partnership
-	-	(570,074,348)	(479,222)	(570,553,570)	Total component units
					General Revenues:
					Property Taxes:
-	907,420,318	-	-	907,420,318	Real estate property taxes
-	141,574,708	-	-	141,574,708	Personal property taxes
					Other Local Taxes:
-	83,191,768	-	-	83,191,768	Business, professional occupancy license taxes
-	53,332,446	41,676,832	-	95,009,278	Sales tax
-	46,534,736	-	-	46,534,736	Meals tax
-	22,697,994	-	-	22,697,994	Transient tax
-	16,569,439	-	-	16,569,439	Utility tax
-	43,483,529	-	-	43,483,529	Recordation, car rental and other local taxes
-	-	603,038,994	-	603,038,994	Revenue from primary government
1,050,627	38,370,456	2,207,346	317	40,578,119	Investment and interest earnings
406,733	70,999,482	118,911,604	129,124	71,128,606	Miscellaneous
1,457,360	1,424,174,875	765,834,776	129,441	2,190,139,092	Total general revenues
17,761,322	97,039,337	195,760,427	(349,781)	292,449,983	Change in net position
914,215,866	1,916,573,346	458,690,905	19,976,689	2,395,240,940	Net position, beginning
931,977,188	2,013,612,683	\$654,451,331	\$19,626,908	\$2,687,690,923	Net position, ending

ARLINGTON COUNTY, VIRGINIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	General Capital Projects Fund	Transportation Capital Funds	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Equity in pooled cash and investments	\$478,067,218	\$108,293,746	\$170,501,054	\$171,340,745	\$928,202,763
Petty cash	541	-	-	-	541
Cash with fiscal agents	270,456	-	-	-	270,456
Receivables, net	511,859,647	2,814,784	10,849,281	6,647,425	532,171,137
Due from other funds	3,433,959	-	-	-	3,433,959
Receivables from other governments	14,085,086	1,346,730	14,183,375	313,839	29,929,030
Lease Receivable	211,577,256	-	1,863,285	18,545,236	231,985,777
Prepaid items and other assets	2,134,413	145,086	2,279,010	8,054,407	12,612,916
Totals assets	1,221,428,576	112,600,346	199,676,005	204,901,652	1,738,606,579
LIABILITIES					
Vouchers payable	21,958,199	7,509,828	14,173,234	10,114,756	53,756,017
Unearned revenues	17,307,720	-	-	11,382,637	28,690,357
Due to component unit	104,860,518	-	-	-	104,860,518
Accrued payroll liabilities	30,150,374	-	-	-	30,150,374
Contracts payable - retainage	-	226,611	3,001,604	1,510,735	4,738,950
Other liabilities	2,967,757	2,804,828	-	3,300,636	9,073,221
Total liabilities	177,244,568	10,541,267	17,174,838	26,308,764	231,269,437
DEFERRED INFLOWS OF RESOURCES					
Leases	203,501,200	-	1,829,199	17,800,536	223,130,935
Deferred revenue - taxes	477,345,855	-	-	-	477,345,855
Total deferred inflows of resources	680,847,055	-	1,829,199	17,800,536	700,476,790
FUND BALANCES					
<u>Non spendable:</u>					
Prepaid items	1,336,872	145,086	215,486	6,275,945	7,973,389
Leases	4,514,249	-	12,209	550,219	5,076,677
<u>Restricted for:</u>					
Seized assets	5,639,486	-	-	-	5,639,486
Grant funded programs	18,560,812	-	-	1,938,121	20,498,933
Capital projects	-	-	-	118,480,144	118,480,144
<u>Committed to:</u>					
Self-insurance reserve	5,415,547	-	-	-	5,415,547
Stabilization contingent	15,516,310	-	-	-	15,516,310
Operating reserve	85,339,704	-	-	-	85,339,704
Subsequent years' county budget	22,935,895	-	-	-	22,935,895
Subsequent years' capital projects	6,257,461	101,913,993	180,444,273	34,795,543	323,411,270
Committed for projects	342,813	-	-	-	342,813
Affordable housing investment fund - allocated	32,767,802	-	-	-	32,767,802
Subsequent years' school budget	34,675,381	-	-	-	34,675,381
<u>Assigned to:</u>					
Subsequent years' county budget	14,621,833	-	-	-	14,621,833
Subsequent years' capital projects	19,760,793	-	-	-	19,760,793
Stabilization reserve	629,453	-	-	-	629,453
Assigned to projects	4,778,424	-	-	-	4,778,424
Affordable housing investment fund - unallocated	68,734,239	-	-	-	68,734,239
<u>Unassigned:</u>					
	21,509,879	-	-	(1,247,620)	20,262,259
Total fund balances	363,336,953	102,059,079	180,671,968	160,792,352	806,860,352
Total liabilities, deferred inflows of resources and fund balance	\$1,221,428,576	\$112,600,346	\$199,676,005	\$204,901,652	\$1,738,606,579

FY 2023 General fund balance includes \$26.2 million in mark-to-market unrealized loss.

The notes to the financial statements are an integral part of this statement.

ARLINGTON COUNTY, VIRGINIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET POSITION
JUNE 30, 2023

Total governmental fund balances		\$806,860,352
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and are not reported in the funds. (Note 5)		1,738,150,516
Right to use lease assets used in governmental activities are not financial resources and not reported in the funds. (Note 7)		122,111,446
Assets which are not available as financial resources		
Pension asset not financial resources for expenditures		141,200,000
Group Settlement recognized over time in installments		1,111,108
Long-term liabilities, including bonds payable, are not due and payable in the current period and are not reported in the funds: (Note 9)		
Other long-term obligations	(47,830,719)	
Bonds payable	(790,650,000)	
School bonds payable	(541,810,000)	
Credit line for capital	(22,044,776)	
Line of credit	(150,000,000)	
Right to use assets	(125,271,141)	
Compensated absences	(39,403,369)	
Workers' compensation	(4,759,507)	
Premium on bonds issued	<u>(192,864,849)</u>	(1,914,634,361)
Deferred outflows of resources are not available to pay for current period expenditures and are not reported in the funds:		
Pension (Note 16.A)	190,400,000	
OPEB (Note 17.A and 17.B)	<u>25,918,669</u>	216,318,669
Deferred inflows of resources are not due and payable in the current period and are not reported in the funds:		
Pension (Note 16.A)	(22,200,000)	
OPEB (Note 17.A and 17.B)	<u>(72,737,312)</u>	(94,937,312)
Internal service funds' net position (Exhibit 6)		<u>48,449,947</u>
Net position of governmental activities		<u><u>\$1,081,635,495</u></u>

The notes to the financial statements are an integral part of this statement.

ARLINGTON COUNTY, VIRGINIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	General Capital Projects Fund	Transportation Capital Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:					
General property taxes:					
Real estate property taxes	\$862,594,538	\$-	\$24,162,819	\$20,662,961	\$907,420,318
Personal property taxes	141,574,708	-	-	-	141,574,708
Other local taxes:					
Business, professional and occupancy license tax	83,191,768	-	-	-	83,191,768
Sales tax	53,332,446	-	-	-	53,332,446
Meals tax	46,534,736	-	-	-	46,534,736
Transient tax	22,697,994	-	-	-	22,697,994
Utility tax	16,569,439	-	-	-	16,569,439
Recordation, car rental and other local taxes	28,162,972	-	-	15,320,557	43,483,529
Fines and forfeitures	5,161,999	-	-	-	5,161,999
Licenses, permits and fees	10,162,288	-	-	-	10,162,288
Intergovernmental	140,936,621	3,378,316	24,233,029	25,362,298	193,910,264
Charges for services	59,030,346	1,737,822	626,213	4,433,672	65,828,053
Interest and rent	33,022,703	-	4,322	4,292,804	37,319,829
Miscellaneous revenues	20,703,711	11,750,653	32,286,495	5,318,906	70,059,766
Total revenues	<u>1,523,676,269</u>	<u>16,866,791</u>	<u>81,312,878</u>	<u>75,391,198</u>	<u>1,697,247,137</u>
EXPENDITURES:					
Current operating:					
General government	298,425,347	8,226,825	16,583,959	11,796,332	335,032,463
Public safety	168,213,249	3,456,058	-	-	171,669,307
Environmental services	112,122,456	-	-	-	112,122,456
Health and welfare	170,947,758	-	-	22,455,481	193,403,239
Libraries	16,213,146	-	-	-	16,213,146
Parks, recreation and culture	52,280,466	259,727	-	176,497	52,716,690
Planning and community development	21,904,524	588,637	-	17,364,269	39,857,430
Debt service:					
Principal	49,725,000	-	-	290,000	50,015,000
Interest and other charges	27,014,051	-	-	940,390	27,954,441
Intergovernmental:					
Community development	-	-	-	20,700,000	20,700,000
Education - Schools	711,994,534	-	-	-	711,994,534
Capital outlay	<u>1,174,451</u>	<u>43,316,431</u>	<u>73,471,796</u>	<u>60,955,214</u>	<u>178,917,892</u>
Total expenditures	<u>1,630,014,982</u>	<u>55,847,678</u>	<u>90,055,755</u>	<u>134,678,183</u>	<u>1,910,596,598</u>
Excess/(deficiency) revenues over/(under) expenditures	<u>(106,338,713)</u>	<u>(38,980,887)</u>	<u>(8,742,877)</u>	<u>(59,286,985)</u>	<u>(213,349,462)</u>
OTHER FINANCING SOURCES(USES):					
Transfers in	7,861,286	14,503,093	-	246,700	22,611,079
Transfers out	(15,543,070)	-	(3,937,462)	(3,764,149)	(23,244,681)
Credit line for capital	-	11,124,718	-	-	11,124,718
Sale of land and buildings	1,798,508	-	-	-	1,798,508
Bond premium	11,065,588	9,891,865	-	-	20,957,453
Right to use assets	3,796,298	237,888	634,367	1,095	4,669,647
Issuance of general obligation debt	<u>97,890,000</u>	<u>-</u>	<u>-</u>	<u>89,485,000</u>	<u>187,375,000</u>
Total other financing sources and (uses), net	<u>106,868,610</u>	<u>35,757,564</u>	<u>(3,303,095)</u>	<u>85,968,646</u>	<u>225,291,724</u>
Net change in fund balances	529,897	(3,223,323)	(12,045,972)	26,681,661	11,942,263
Fund balances, beginning	<u>362,807,057</u>	<u>105,282,402</u>	<u>192,717,940</u>	<u>134,110,691</u>	<u>794,918,089</u>
Fund balances, ending	<u>\$363,336,953</u>	<u>\$102,059,079</u>	<u>\$180,671,968</u>	<u>\$160,792,352</u>	<u>\$806,860,352</u>

The notes to the financial statements are an integral part of this statement.

ARLINGTON COUNTY, VIRGINIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Net change in fund balances - total governmental funds \$11,942,263

Amounts reported for governmental activities in the Statement
of Activities are different because:

Governmental funds report capital outlays as expenditures
while governmental activities report depreciation expense
to allocate those expenditures over the life of the assets. (Note 5)

Add: Capital acquisitions and cost adjustments	\$175,342,962	
Less: Depreciation expense	<u>(60,417,366)</u>	114,925,596

Right to use lease assets used in governmental activities are not
financial resources and not reported in funds, net of amortization

Add: Right to use assets	166,419,440	
Less: Amortization	<u>(44,307,994)</u>	122,111,446

Lease amortization difference (5,112,484)

In the Statement of Activities, the gain or loss on the disposition of
capital assets is reported. However, in the governmental funds, only
the proceeds from sales are reported, which increase fund balance.
Thus, the difference is the net book value (i.e., depreciated cost)
of the capital asset dispositions.

(18,271,442)

Debt proceeds provide current financial resources to the
governmental funds, but issuing debt, increases long-term
liabilities in the Statement of Net Position. Repayment of debt
principal is an expenditure in the governmental funds, but the
repayment reduces long-term liabilities in the Statement of
Net Position. (Note 9)

Add: Debt repayment - principal	109,135,099	
Deferred cost of refunding	15,691,157	
Less: Debt proceeds	<u>(230,162,665)</u>	(126,293,862)

Some expenses reported in the Statement of Activities do not
require the use of current financial resources and
are not reported as expenditures in governmental funds:

Amortization of deferred losses on bond refundings	874,623	
Amortization of bond premiums	<u>12,717,714</u>	13,592,337

Compensated absences and workers' compensation. (Note 9)
Group Settlement recognized over time in installments

4,052,348
1,111,108

OPEB expenses (Note 17.B):

Add: FY 2023 OPEB contributions deferred	636,157	
Less: OPEB expense	<u>(28,749,404)</u>	(28,113,247)

Pension expenses Note 16.A):

Add: FY 2023 pension contributions deferred	65,700,000	
Less: Pension expense	<u>(49,800,000)</u>	(15,900,000)

Internal service funds are used by management to charge the
costs of certain services to individual funds. The net revenue
(expense) of the internal service funds is reported by
governmental activities (Exhibit 5):

Additional income for internal service funds	105,550	
Net operating income/(loss) internal service funds	<u>2,986,253</u>	3,091,803

Change in net position of governmental activities \$79,278,015

The notes to the financial statements are an integral part of this statement.

ARLINGTON COUNTY, VIRGINIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	Utilities	Ballston Public Parking Garage	8th Level Ballston Public Parking Garage	CPHD Development Fund	Total	
ASSETS:						
Current assets:						
Equity in pooled cash and investments	\$38,066,918	\$1,476,742	\$1,839,052	\$3,591,931	\$44,974,643	\$14,818,626
Cash with fiscal agents	25,221	-	-	-	25,221	-
Accounts receivables, net	19,232,006	112,974	-	-	19,344,980	799,970
Lease receivable	410,492	-	-	-	410,492	-
Inventories	3,780,657	-	-	-	3,780,657	1,030,749
Prepaid expenses	2,625,699	-	-	-	2,625,699	-
Total current assets	<u>64,140,993</u>	<u>1,589,716</u>	<u>1,839,052</u>	<u>3,591,931</u>	<u>71,161,692</u>	<u>16,649,345</u>
Non-current assets:						
Right to use assets, net	220,108	9,960,137	-	10,715,715	20,895,960	95,938
Capital assets:						
Land	6,161,255	-	-	-	6,161,255	-
Depreciable, net	1,030,362,185	14,289,183	2,667,325	-	1,047,318,693	36,188,158
Intangible assets, net	1,730,744	-	-	-	1,730,744	-
Construction in progress	14,115,213	-	-	20,405,667	34,520,880	-
Total capital assets, net	<u>1,052,369,397</u>	<u>14,289,183</u>	<u>2,667,325</u>	<u>20,405,667</u>	<u>1,089,731,572</u>	<u>36,188,158</u>
Total non current assets	<u>1,052,589,505</u>	<u>24,249,320</u>	<u>2,667,325</u>	<u>31,121,382</u>	<u>1,110,627,532</u>	<u>36,284,096</u>
Total assets	<u>1,116,730,498</u>	<u>25,839,036</u>	<u>4,506,377</u>	<u>34,713,313</u>	<u>1,181,789,224</u>	<u>52,933,441</u>
LIABILITIES:						
Current liabilities:						
Vouchers payable	6,832,961	261,112	12,068	223,615	7,329,756	470,357
Contracts payable - retainage	518,278	-	-	-	518,278	-
Accrued liabilities	295,822	24,515,567	-	-	24,811,389	36,354
Due to other funds	-	-	-	-	-	3,433,959
Due within one year - leases	53,488	1,108,871	-	1,276,564	2,438,923	79,406
Due within one year	27,723,095	48,665,473	-	132,822	76,521,390	44,509
Total current liabilities	<u>35,423,644</u>	<u>74,551,023</u>	<u>12,068</u>	<u>1,633,001</u>	<u>111,619,736</u>	<u>4,064,585</u>
Non-current liabilities:						
Due in more than one year - leases	184,648	9,039,661	-	9,906,404	19,130,713	18,324
Due in more than one year	116,795,229	-	-	1,195,401	117,990,630	400,585
Total non-current liabilities	<u>116,979,877</u>	<u>9,039,661</u>	<u>-</u>	<u>11,101,805</u>	<u>137,121,343</u>	<u>418,909</u>
Total liabilities	<u>152,403,521</u>	<u>83,590,684</u>	<u>12,068</u>	<u>12,734,806</u>	<u>248,741,079</u>	<u>4,483,494</u>
DEFERRED INFLOWS OF RESOURCES:						
Right to use assets	406,518	-	-	-	406,518	-
Deferred cost of refunding	664,439	-	-	-	664,439	-
Total deferred inflows of resources	<u>1,070,957</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,070,957</u>	<u>-</u>
NET POSITION:						
Net investment in capital assets	909,587,155	10,671,109	2,667,325	19,938,414	942,864,003	36,284,096
Unrestricted (deficit)	<u>53,668,865</u>	<u>(68,422,757)</u>	<u>1,826,984</u>	<u>2,040,093</u>	<u>(10,886,815)</u>	<u>12,165,851</u>
Total net position (deficit)	<u>\$963,256,020</u>	<u>(\$57,751,648)</u>	<u>\$4,494,309</u>	<u>\$21,978,508</u>	<u>\$931,977,189</u>	<u>\$48,449,947</u>

The notes to the financial statements are an integral part of this statement.

ARLINGTON COUNTY, VIRGINIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business-type Activities-Enterprise Funds					Governmental Activities
	Utilities	Ballston Public Parking Garage	8th Level Ballston Public Parking Garage	CPHD Development Fund	Total Business-type Activities	Internal Service Funds
OPERATING REVENUES:						
Water-sewer service charges	\$100,660,886	\$-	\$-	\$-	\$100,660,886	\$-
Water-service hook-up charges	6,051,830	-	-	-	6,051,830	-
Water-service connection charges	1,716,595	-	-	-	1,716,595	-
Sewage treatment service charges	5,694,437	-	-	-	5,694,437	-
Permits and fees	-	-	-	17,255,517	17,255,517	-
Other charges for services	4,631,085	-	-	-	4,631,085	26,315,586
Parking charges	-	2,876,324	247,428	-	3,123,752	-
Total operating revenues	118,754,833	2,876,324	247,428	17,255,517	139,134,102	26,315,586
OPERATING EXPENSES:						
Personnel services	20,605,038	-	-	11,777,949	32,382,987	4,790,115
Fringe benefits	7,276,827	-	-	4,177,610	11,454,437	1,874,539
Cost of store issuances	-	-	-	-	-	5,545,136
Contractual services	12,509,157	720,333	49,202	3,254,075	16,532,767	-
Purchases of water	6,750,758	-	-	-	6,750,758	-
Materials and supplies	10,806,529	160,164	13,599	65,772	11,046,064	963,275
Utilities	-	-	-	-	-	168,934
Operating equipment	-	-	-	-	-	1,199,062
Outside services	-	-	-	-	-	1,824,921
Depreciation and amortization	18,896,319	2,073,823	95,177	1,431,289	22,496,608	6,963,351
Rent	-	1,279,992	-	-	1,279,992	-
Equipment (Construction Contracts)	7,578,281	-	-	(3,527,372)	4,050,909	-
Internal services	-	-	-	4,076,776	4,076,776	-
Miscellaneous	7,977,106	364,763	23,663	-	8,365,532	-
Total operating expenses	92,400,015	4,599,075	181,641	21,256,099	118,436,830	23,329,333
Operating income (loss)	26,354,817	(1,722,751)	65,787	(4,000,582)	20,697,271	2,986,253
NON-OPERATING REVENUES(EXPENSES):						
Interest income and other income	921,123	-	-	129,504	1,050,627	-
Interest expense and fiscal charges	(3,322,416)	(2,691,245)	-	(221,686)	(6,235,347)	-
Interest expense on credit line for capital	-	-	-	-	-	(168,625)
Gain on disposal of assets	-	-	-	-	-	141,517
Total non-operating revenues (expenses)	(2,401,293)	(2,691,245)	-	(92,182)	(5,184,720)	(27,108)
Net Income(loss) before contributions and net transfers	23,953,524	(4,413,996)	65,787	(4,092,764)	15,512,551	2,959,145
CONTRIBUTIONS AND TRANSFERS:						
Contributions from developers and other sources	1,842,039	-	-	-	1,842,039	-
Transfers in	406,733	-	-	-	406,733	262,658
Transfers out	-	-	-	-	-	(130,000)
Total contributions and transfers	2,248,772	-	-	-	2,248,772	132,658
Change in net position	26,202,296	(4,413,996)	65,787	(4,092,764)	17,761,323	3,091,803
Net position (deficit) - beginning of year	937,053,724	(53,337,652)	4,428,522	26,071,272	914,215,866	45,358,144
Net position (deficit) - end of year	\$963,256,020	(\$57,751,648)	\$4,494,309	\$21,978,508	\$931,977,189	\$48,449,947

The notes to the financial statements are an integral part of this statement.

ARLINGTON COUNTY, VIRGINIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	Utilities	Ballston Public Parking Garage	8th Level Ballston Public Parking Garage	CPHD Development Fund	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash received from customers	\$116,959,368	\$2,763,350	\$247,428	\$17,255,517	\$137,225,663	\$-
Receipts from interfund charges for fleet management services	-	-	-	-	-	23,649,930
Receipts from interfund charges for print services	-	-	-	-	-	1,879,002
Cash paid to suppliers	(45,139,472)	(2,798,301)	(96,166)	(4,077,632)	(52,111,571)	(10,209,830)
Cash paid to employees	(28,071,474)	-	-	(15,983,234)	(44,054,708)	(6,765,290)
Net cash provided by operating activities	<u>43,748,422</u>	<u>(34,951)</u>	<u>151,262</u>	<u>(2,805,349)</u>	<u>41,059,384</u>	<u>8,553,812</u>
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest income	<u>921,123</u>	<u>-</u>	<u>-</u>	<u>129,504</u>	<u>1,050,627</u>	<u>-</u>
Net cash used for investing activities	<u>921,123</u>	<u>-</u>	<u>-</u>	<u>129,504</u>	<u>1,050,627</u>	<u>-</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:						
Transfer (net) to other funds	406,733	-	-	-	406,733	132,658
Repayment of prior year temp loan	-	-	-	-	-	(2,375,538)
Temporary loan from general fund	-	-	-	-	-	3,433,959
Net cash provided by non-capital financing activities	<u>406,733</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>406,733</u>	<u>1,191,079</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Principal payments - bonds	(7,450,000)	-	-	-	(7,450,000)	-
Payment of principal on credit line for capital	-	-	-	-	-	(228,860)
Payment of interest on credit line for capital	-	-	-	-	-	(168,625)
Payment of VRA loan	(17,023,231)	-	-	-	(17,023,231)	-
Interest and other loan expenses paid	(3,542,375)	-	-	(221,686)	(3,764,061)	-
Purchase of property	(23,534,256)	-	-	(3,527,372)	(27,061,628)	(10,258,662)
Right to use assets	(46,453)	-	-	(1,220,527)	(1,266,980)	(557,400)
Proceeds from sale of equipment	-	-	-	-	-	1,591,244
Net cash used for capital and related financing activities	<u>(51,596,315)</u>	<u>-</u>	<u>-</u>	<u>(4,969,585)</u>	<u>(56,565,900)</u>	<u>(9,622,303)</u>
Net increase (decrease) in cash and cash equivalents	<u>(6,520,037)</u>	<u>(34,951)</u>	<u>151,262</u>	<u>(7,645,430)</u>	<u>(14,049,157)</u>	<u>122,588</u>
Cash and cash equivalents at beginning of year	<u>44,586,956</u>	<u>1,511,693</u>	<u>1,687,790</u>	<u>11,237,360</u>	<u>59,023,799</u>	<u>14,696,038</u>
Cash and cash equivalents at end of year	<u>\$ 38,066,918</u>	<u>\$ 1,476,742</u>	<u>\$ 1,839,052</u>	<u>\$ 3,591,930</u>	<u>\$ 44,974,642</u>	<u>\$ 14,818,626</u>
Reconciliation of operating income (loss) to net cash provided by operations:						
Operating Income (loss)	26,354,817	(1,722,751)	65,787	(4,000,582)	20,697,271	2,986,253
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation and amortization expense	18,896,319	2,073,823	95,177	1,431,289	22,496,608	6,963,351
Effect of changes in operating assets and liabilities:						
Accounts receivable	(1,728,206)	(112,974)	-	-	(1,841,180)	(786,654)
Inventories	(748,706)	-	-	-	(748,706)	(235,978)
Vouchers payable	962,240	(465,161)	(9,702)	(208,380)	278,997	(272,526)
Compensated absences	(189,609)	-	-	(27,675)	(217,284)	(100,634)
Contract retainage	319,348	-	-	-	319,348	-
Prepaid item	(50,522)	-	-	-	(50,522)	-
Accrued rent liability	-	192,112	-	-	192,112	-
Unearned revenue	(67,259)	-	-	-	(67,259)	-
Net cash provided by operations	<u>\$43,748,422</u>	<u>(\$34,951)</u>	<u>\$151,262</u>	<u>(\$2,805,349)</u>	<u>\$41,059,385</u>	<u>\$8,553,812</u>
Schedule of non-cash capital and related financing activities:						
Contributions from developers and other sources	\$1,842,039	\$-	\$-	\$-	\$1,842,039	\$-

The notes to the financial statements are an integral part of this statement.

ARLINGTON COUNTY, VIRGINIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023

	Pension and OPEB Trust Funds	Private Purpose Trust Fund	Custodial Funds	Component Unit Schools OPEB Trust
ASSETS:				
Equity in pooled cash and investments	\$111,326,276	\$259,263	\$222,299	\$-
Contributions receivable:				
Employer	2,860,584	-	-	-
Employee	896,428	-	-	-
Accrued interest and other receivables	4,750	-	-	-
Investments, at fair value:				
Foreign, Municipal and U.S. Government				
Instruments in pooled funds	189,458,742	-	-	33,151,971
Corporate fixed income obligations	70,353,368	-	-	-
Domestic and foreign equities, including				
Equities in pooled funds	966,396,932	-	-	61,567,945
Other investments	272,091,967	-	-	-
Real estate funds	21,889,733	-	-	-
Pooled equity	823,020,399	-	-	-
Pooled fixed Income	748,492,164	-	-	-
Total assets	<u>3,206,791,343</u>	<u>259,263</u>	<u>222,299</u>	<u>94,719,916</u>
LIABILITIES:				
Accounts payable and				
accrued liabilities	<u>2,669,130</u>	<u>13,613</u>	<u>222,299</u>	<u>-</u>
Total liabilities	<u>2,669,130</u>	<u>13,613</u>	<u>\$222,299</u>	<u>-</u>
Net Position Restricted for Pension	2,976,126,050	-	-	-
Net Position Restricted for OPEB	<u>227,996,163</u>	<u>-</u>	<u>-</u>	<u>94,719,916</u>
NET POSITION RESTRICTED FOR PLAN BENEFITS AND OTHER PURPOSES	<u>\$3,204,122,213</u>	<u>\$245,650</u>	<u>\$-</u>	<u>\$94,719,916</u>

The notes to the financial statements are an integral part of this statement.

ARLINGTON COUNTY, VIRGINIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Pension and OPEB Trust Funds	Private Purpose Trust Fund	Custodial Funds	Component Unit Schools OPEB Trust
ADDITIONS:				
Contributions and revenues:				
Employer contributions	\$71,748,329	\$-	\$-	\$2,600,000
Employee contributions	16,019,748	-	-	-
Other contributions	70,619	-	-	-
Shared revenues	-	118,000	-	-
Tax collections for other governments	-	-	13,531,554	-
Collections for other organizations	-	-	104,385	-
Total contributions	<u>87,838,696</u>	<u>118,000</u>	<u>13,635,939</u>	<u>2,600,000</u>
Investment earnings:				
Interest and other	54,779,795	857	-	6,758,499
Gross income from securities lending	200,882	-	-	-
Bank fees and expenses from securities lending	(50,217)	-	-	-
Net change in fair value of investments	<u>190,604,284</u>	<u>-</u>	<u>-</u>	<u>1,648,765</u>
Total investment earnings (loss)	<u>245,534,744</u>	<u>857</u>	<u>-</u>	<u>8,407,263</u>
Less investment expenses	<u>9,921,070</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net investment earnings (loss)	<u>235,613,674</u>	<u>857</u>	<u>-</u>	<u>8,407,263</u>
Total additions	<u>323,452,370</u>	<u>118,857</u>	<u>13,635,939</u>	<u>11,007,263</u>
DEDUCTIONS:				
Administrative expenses	2,345,176	113,251	-	-
Tax payments to other governments	-	-	13,531,554	-
Payments to other organizations	-	-	104,385	-
Retirees pension expense	<u>132,639,464</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deductions	<u>134,984,640</u>	<u>113,251</u>	<u>13,635,939</u>	<u>-</u>
Change in net position	<u>188,467,730</u>	<u>5,606</u>	<u>-</u>	<u>\$11,007,263</u>
Net position restricted for plan benefits - begin year	<u>3,015,654,483</u>	<u>240,044</u>	<u>-</u>	<u>\$83,712,652</u>
Net position restricted for plan benefits - year end	<u>\$3,204,122,213</u>	<u>\$245,650</u>	<u>\$-</u>	<u>\$94,719,916</u>

The notes to the financial statements are an integral part of this statement.



Notes to the Financial Statements

The notes to the financial statements are part of the basic financial statements and provide additional information and disclosures pertaining to the County's operational and financial position.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 1. Summary of Significant Accounting Policies

Arlington County, Virginia prepares its financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the primary standard-setting body for governmental accounting and financial reporting. The GASB updates its codification of existing governmental accounting and financial reporting standards periodically. The codification, along with subsequent GASB pronouncements (statements and interpretations) constitute GAAP for governmental units. The accounting and reporting framework and significant accounting principles and practices utilized by the County are discussed in subsequent sections of this note. The remainder of the notes are organized to provide explanations, including required disclosures, of the County's financial activities for the fiscal year ended June 30, 2023.

A. The Financial Reporting Entity

Arlington County, Virginia (the "County") is a political subdivision of the Commonwealth of Virginia. The County is governed by the County Board, comprised of five-members elected at-large and serving staggered four-year terms, and the board appointed County Manager, who serves as the administrative head of the County. In accordance with the *Code of Virginia* Section 15.2-600 through Section 15.2-642, the County Board serves as the policymaking body of the County, as a whole, as specified in state law under the "County Manager" form of government and County organization.

The accompanying financial statements include the County's primary government and component units over which the County exercises significant influence. Significant influence or accountability is based primarily on operational or financial benefit/burden relationships with the County as opposed to legal relationships. Blended component units, although legally separate entities are, in substance, part of the government's operations and so data from these units are combined with data of the primary government.

Due to restrictions by State Constitution on the issuance of municipal debt, the County created public trusts to finance County services with revenue and refunding bonds or other non-general obligation financing. Public trusts created to provide financing services are blended into the County's primary government, although retaining separate legal entity. Component units that do not meet the criteria for blending have been reported discretely.

As required by GAAP, these financial statements present the County (primary government) and its component units, the Arlington County Schools (the "Schools") and the AHC Limited Partnership-10/AHC Limited Partnership-11 ("the Gates Partnership"), entities for which the primary government is considered to be financially accountable. The discretely presented component units, on the other hand, are reported in separate columns in the government-wide financial statements.

B. Blended Component Units

Blended component units are entities that are legally separate from the County, but that are so closely related to the County that they are, in essence, extensions of the County. The primary government has operational responsibility for the component unit as each of these blended units is governed by the County Board. The blended component units that are reported as part of the primary government are:

Ballston Quarter Community Development Authority ("CDA") is a legally independent authority authorized by an act of the Virginia General Assembly and was formally created by the County Board in September 2016. The CDA's purpose is to assist in the redevelopment project which will change the current Ballston Common Mall into a mixed-use project with new retail and a 406-unit residential development. The CDA is reported as a separate special revenue fund of the County. The CDA is governed by the members of the County Board. Separate financial statements are not prepared for the CDA.

Ballston Business Improvement District was created by the County Board in December 2010 to provide funds for a range of services, events and activities that enhance the public use and enjoyment of the Ballston area. This district is reported as a separate special

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

revenue fund of the County. The County is the governing authority and provides financial and administrative oversight of its operations. Separate financial statements are not prepared for the Ballston Business Improvement District.

National Landing Business Improvement District was created by the County Board in April 2006 to provide funds for a range of services, events and activities that enhance the public use and enjoyment of the Crystal City area. This district is reported as a separate special revenue fund of the County. The County is the governing authority and provides financial and administrative oversight of its operations. Separate financial statements are not prepared for the National Landing Business Improvement District.

Rosslyn Business Improvement District was created by the County Board in December 2002 to provide funds for a range of services, events and activities that enhance the public use and enjoyment of the Rosslyn area. This district is reported as a separate special revenue fund of the County. The County is the governing authority and provides financial and administrative oversight of its operations. Separate financial statements are not prepared for the Rosslyn Business Improvement District.

C. Discretely Presented Component Units

Arlington County Schools (the "Schools") is a legally separate entity that provides educational services to citizens of the County. It is administered by a five-member School Board that is elected by the citizens. The County government has financial accountability to the Schools since it is not legally authorized to raise taxes or issue debt. Schools' operations are funded primarily by the County's general fund and the County issues general obligation debt for Schools' capital projects. Schools does not issue separate component unit financial statements and has a June 30 year-end.

AHC Limited Partnership-10 (AHC-10) and AHC Limited Partnership-11 (AHC-11) (collectively "the Gates Partnership") are legally separate Virginia limited partnerships. AHC-10 is comprised of a managing general partner, the New Gates Corporation; a housing credit limited partner, Wachovia Guaranteed Tax Credit Fund, and a master tenant limited partner AHC-11. AHC-11 is comprised of a managing general partner, Gates Housing Corporation and an investor limited partner Wachovia Affordable Housing Community Development Corporation.

Debt (Series 2006) was issued by the Industrial Development Authority of Arlington County, Virginia and the proceeds loaned to the Gates Partnership in order to acquire, rehabilitate, and equip a 464-unit multifamily apartment complex for rental to individuals and families of low-income known as the Gates of Ballston (the Project). The debt is projected to be repaid from the revenues generated by the Project. AHC-10 owns the Project, is the borrower on the debt, and leases the Project to AHC-11 under a master lease agreement; AHC-11 rents the Project units to subtenants, pays all operating expenses, and is responsible for making monthly lease payments to AHC-10. The Gates Partnership also has a mortgage note with the Virginia Housing Development Authority and a promissory note with the County. Subject to appropriation, the County will only be responsible for reimbursement of the debt service payments to the extent that the debt service reserve of the Gates Partnership is insufficient to make the required debt service payments. The County does not hold the corporate powers of the Gates Partnership, does not appoint the principals of the Gates Partnership, and does not have the ability to remove principals at will. Under certain conditions, it does have the ability to modify or approve the Gates Partnership's budget, modify or approve rate or fee changes, and influence decisions about management or operations. It can also approve issuance of bonded debt and govern the Gates Partnership's use of revenues, if these acts would adversely affect the ability of the Gates Partnership to make debt service payments. The criteria of imposition of will and financial accountability mandate the inclusion as a discrete component unit. Gates Partnership issues separately audited financial statements and has a December 31 fiscal year-end.

Complete financial statements of AHC Limited Partnership-10 and AHC Limited Partnership-11 may be obtained from Arlington Housing Corporation, 2300 Ninth Street, Suite 200, Arlington, Virginia 22204.

D. Fiduciary Component Units

Arlington County Employee Retirement System (ACERS) is Pension Trust Fund of the County Financial reporting entity and is included in the Annual Financial Report as a Fiduciary component unit. The County primary government provides this pension plan, which is administered through a trust that meets the criteria of paragraph 3 of GASB Statement 67 and it is

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

considered a legally separate entity. Because the County has assumed responsibility to make contributions to the plan and appoints a voting majority of the governing board, the financial burden criteria has been met in determining qualification as a component unit.

The Arlington County Retiree Welfare Benefit Trust-is a single employer defined benefit healthcare plan that provides postemployment healthcare benefits and is included in the Annual Financial Report as a Fiduciary component unit. The County primary government provides this OPEB plans which is administered through a trust and meets the criteria of GAAP (paragraph 3 of GASB Statement 74) and is considered a legally separate entity. Because the County has assumed responsibility to make contributions to the plan and appoints a voting majority of the governing board, the financial burden criteria has been met in determining qualification as a component unit.

The Arlington Public Schools Retiree Welfare Benefit Trust-is a single employer defined benefit healthcare plan that provides postemployment healthcare benefits and is included in the Annual Financial Report as a Fiduciary component unit. The Schools provides this OPEB plans which is administered through a trust and meets the criteria of GAAP (paragraph 3 of GASB Statement 74) and is considered a legally separate entity. Because Schools has assumed responsibility to make contributions to the plan and appoints a voting majority of the governing board, the financial burden criteria has been met in determining qualification as a component unit.

E. Basis of Presentation

The basic financial statements include both government-wide and fund financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to display the financial position of the primary government (governmental and business-type activities) to report information on all of the non-fiduciary activities of the primary government as well as its component units. The focus on the government-wide financial statements is more on sustainability of the County as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. As a general rule, the effect of inter-fund activity has been eliminated from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the discretely presented component units for which the primary government is financially accountable.

In the government-wide statement of net position, the governmental and business-type activity columns are presented on a consolidated basis by using the economic resources measurement focus or accrual basis of accounting, which incorporates long-term assets, deferred outflows of resources as well as long-term debt and obligations and deferred inflows of resources, with the resulting difference reported as net position.

The government-wide statement of activities reports expenses and revenues in a format that focuses on the cost of the County functions or programs and demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly with a specific function or segment. Program revenues include charges for services to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meet the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Fund Financial Statements

The fund financial statements organize and report the financial transactions and balances of the County on the basis of fund categories comprising governmental funds, proprietary funds, and fiduciary funds. Governmental funds and proprietary funds are included in the government-wide financial statements, while fiduciary funds are excluded. Separate financial statements are provided for each fund, which serves as a self-balancing set of accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, reserves, fund equity, revenues and expenditures/expenses. The fund financial statements also include reconciliations to the government-wide statements, which explains the differences between the fund and government-wide financial statements.

GAAP set forth minimum criteria for the determination of major funds. To meet this criteria, the total assets plus deferred outflows, liabilities plus deferred inflows, revenues, or expenditures/expenses of the individual governmental or enterprise fund must equal at least ten percent of the corresponding total for all funds in that category or type and at least five percent of the corresponding total for all governmental and enterprise funds combined. The County has elected to present additional funds as major for greater transparency. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements. The non-major funds in each category are combined in a column on the fund financial statements and detailed in the section other supplementary information. The Budgetary comparison schedule for the General Fund is presented under required supplementary information following the notes to the financial statements.

Governmental funds' financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 45 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period if measurable and available. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual revenue of the current period.

Proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

The funds used by the County and its component units are organized under the following broad categories.

Governmental Fund Types:

Governmental funds are those which are used to account for most general governmental functions of the County and the Schools. The acquisition, use and balances of the County's and Schools' expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are included in these funds. The measurement focus of these funds is based upon determination of, and changes in, financial position rather than upon net income determination.

The County and the Schools use the following governmental funds:

The **General Fund** is the government's primary operating governmental fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues derived primarily from property and other local taxes, State and Federal distributions, licenses, permits, charges for services, and interest income are accounted for in this fund. A significant part of the fund's revenue is transferred to the Schools to finance their operations, pay-as-you-go capital projects, and debt service requirements.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

The **Special Revenue Funds** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. The funds used for the Schools include the school operating and student activity fund, school cafeteria, school special grants, school debt service, school community activities, and school comprehensive services funds. The County's special revenue funds are Ballston Quarter CDA, travel and tourism promotion, the Rosslyn, Ballston, and National Landing business improvement districts, community development block grants, and Housing Choice Vouchers are accounted for in these funds.

The **Capital Projects Funds** are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). Major capital projects include Transportation Infrastructure, Maintenance Capital Program (MC), Information Technology, Parks & Recreation, Neighborhood Conservation (NC) Program, and Stormwater Drainage Infrastructure. Transportation Capital Funds provide funding for the County's Transportation Capital Improvement Program and the County's Share of the Metro capital improvement program. National Landing Tax Incremental Financing will provide funding for the Crystal City Sector Plan and infrastructure and Columbia Pike Tax Incremental Financing will provide funding for Columbia Pike Neighborhoods Plan to support affordable housing. General Obligation Public Improvement Bonds are used to fund Street and Highways, Community Conservation, Government Facility, Parks and Recreation, Metro and Schools. The IDA Bond Funds have provided funding for the Emergency Communications Center, the Trades Center, the George Mason Center, Arlington Mill Community Center, Fire Station #3, Buckingham Village 3, Buckingham Park, acquisition and renovation of the North Quincy Street Development and 2920 South Glebe Road, and financing of the County's short-term capital needs. The Schools' capital project fund and bond construction fund are used for funding major capital projects including building improvements such as the Schools' Transportation Office and the Arlington Technical Career Center.

Proprietary Fund Types:

Proprietary funds are used to account for County operations which are similar to those often found in the private sector. The measurement focus of these funds is the determination of net income through matching revenues earned with the expenses incurred to generate such revenues. The operations of such Funds are generally intended to be self-supporting. Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items wherein operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

The County uses the following proprietary fund types:

The **Enterprise Funds** account for the financing of services to the general public where the operating expenses involved are usually recovered in the form of charges to users of such activities. The County uses the following enterprise funds:

The **Utilities Fund**, accounts for the activities of the water pollution control plant, the water distribution system and the stormwater system.

The **Ballston Public Parking Garage Fund** accounts for the activities of the parking garage operation.

The **8th Level Ballston Public Parking Garage Fund** accounts for the activities of the 8th floor of the parking garage operation.

The **Community Planning and Housing Development Fund** accounts for fee-supported operations of CPHD inspection services and planning divisions.

Internal Service Funds account for fleet management and printing services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.

The principal operating revenues of the utilities fund, the Ballston Public Parking Garage fund, the 8th Level Ballston Public Parking Garage fund and the CPHD Development fund are charges to customers for sales and services. The utilities fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary Fund Types:

Fiduciary funds account for the assets received and disbursed by the County government acting in a trustee capacity or as a custodian for individuals, private organizations, or other governments.

The County uses the following fiduciary fund types:

The Private-Purpose Trust Fund is used to account for resources legally held in trust to provide for costs to oversee the operation of the waste-to-energy plant and related expenses.

The Pension Trust Fund accounts for the activities of the Arlington County Employees' Retirement System (the "System"), which accumulates resources for pension benefit payments to qualified employees and the **Other Postemployment Benefits (OPEB) Trust Fund** accounts for the assets held in trusts by the County and Schools for beneficiaries of the OPEB plans.

The **Custodial Funds** account for assets held by the County in a custodial capacity for individuals, private organizations, and other governmental units. The assets included in custodial funds are held by the County on behalf of Friends of Library, Virginia State Police, Commonwealth of Virginia, and various individuals.

Budgets

Budgets are adopted on the modified accrual basis. Annual appropriated budgets are adopted for the general, enterprise, internal service, capital projects, and special revenue funds. All appropriations are legally controlled at the departmental level. The School Board prepares a separate operations budget for approval by the County Board. The proposed budget includes a recommended program of County and School capital expenditures to be financed from current operations. The County Manager biennially submits a ten-year Capital Improvement Plan (CIP) to the County Board. Starting with the FY 2013 – FY 2023, the CIP plan presented a ten-year period instead of six years presented previously. This shift to a longer planning horizon has many benefits including facilitating better planning and financing of major multi-year transportation and utility projects, and analyzing operating budget impacts. The Budgetary Comparison Schedule is presented in the Required Supplementary Information section (RSI) following the notes to the financial statements.

F. Pooled Cash and Investments

The Treasurer's Office pools substantially all cash and investments for County and School purposes (County funds) in pooled and separate cash and investment accounts. Separate accounts correspond with specific contractual and/or legal restrictions. Each fund's equity share of the total pooled cash and investments is included on the accompanying balance sheet under the caption "Equity in Pooled Cash and Investments." The Treasurer conducts banking and investment activities as authorized by the *Code of Virginia*, Chapter 44 – Security for Public Deposits Act; Chapter 45 – Investment of Public Funds Act; Chapter 46 – Local Government Investment Pool Act; and Chapter 47 – Government Non-Arbitrage Investment Act. The *Code of Virginia* delineates additional authority and obligations of the Treasurer in 58.1-3123 through 3172.1. In addition, the County Treasurer has a formal, written investment policy which further governs the types of allowable investments and procedures for investing the county's operating funds. The Investment Policy was last updated on April 4, 2017. The Investment Policy received a Certification of Excellence from the Association of Public Treasurers of the United States and Canada in August 2007. The County established a Finance Board pursuant to *Code of Virginia* Sections 58.1-3151 et. seq.

The Treasurer's investment policy sets forth a number of investment parameters such as investment objectives, asset allocations and maximum maturities. The stated investment objectives, in priority order, are: preservation of principal, liquidity and yield. Pursuant to this policy, the Treasurer does not invest County operating funds and bond proceeds in "derivative" securities,

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

securities lending, or invest in mortgage backed securities guaranteed by the Government National Mortgage Association (GNMA). Further, the Treasurer does not invest in reverse repurchase agreements. The Treasurer's general intent is to place and manage all bond proceeds with and through the State Non-Arbitrage Program (SNAP).

All interest earned on cash and investments pooled by the County is recorded in the County's general fund as legally allowed, except for separate cash and investments accounts or funds legally entitled to interest earned.

The pension trust fund (the System) is also authorized to make investments as deemed appropriate by the Retirement Board of Trustees (the Retirement Board) and in compliance with the U.S. Department of Labor regulations. Fixed income investments must be at least 20% of the System's assets at market value. The fund must be rebalanced if the market weight of fixed income investments falls below 20%, unless the Retirement Board, acting on the recommendation of staff or the investment consultant to defer rebalancing, determines that it would not be consistent with the Retirement Board's fiduciary responsibility to rebalance (increase fixed income) at that time.

No new commitment to illiquid investments can be made, which causes the allocation to illiquid investments, including existing market value and commitments, to exceed 15% of each System's market value.

Investments in the pension trust fund consists of investment instruments, domestic and international stocks and bonds, U.S. Treasury notes and bonds, and real estate and real estate notes, which are held in the County's name by the Fund's Trustee who serves as the Pension Systems' agent. Temporary investment funds on deposit with financial institutions were fully insured by the Federal Deposit Insurance Corporation up to \$250,000 for each retirement system participant.

The System's investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The System utilizes independent pricing vendor services, quotations from market makers and alternative valuation methods when market quotations are either not readily available or not deemed representative of fair value. Investment transactions are recorded as of the trade date. These transactions are not finalized until the settlement date. Unrealized appreciation and depreciation of investments is reflected in the Statement of Changes in Fiduciary Net Position for the year. Under authorization of the Retirement Board, the pension trust fund engages in a securities lending program through its custodian. In accordance with its adopted investment policy, the System is authorized to invest in foreign currency forward contracts, which are valued at fair market value, as a risk management tool.

G. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from primary government", "due to/from component unit" (i.e., the current portion of inter-fund loans to the primary government or schools) or "due to/from other funds" or "advances to/from other funds" (i.e., the non-current portion of the inter-fund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities would be reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

"Accounts receivable, net" for the utilities fund includes water and sewer services used by customers, but not yet billed. Unbilled revenues are estimated based on the billing cycles of each customer.

All taxes, assessments, service charges and other receivables are shown net of an allowance for uncollectibles. The County's allowance for uncollectible receivables is based upon historic non-collection percentages.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

H. Inventories and Prepaid Items

Inventories are valued at cost, which approximates market, using the first-in first-out method for inventories in the utilities, internal service and Schools' funds. Inventories are accounted for using the consumption method. Under this method, inventories are expensed as they are consumed as operating supplies and spare parts in the period to which they apply.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expense when consumed rather than when purchased.

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Tangible capital assets for both primary government and Schools are defined by the government as capital assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at date of donation. Land and easements are not depreciated. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Additions to infrastructure capital assets are provided by capital outlays from the Street and Highway Bond Fund, Neighborhood Conservation Fund, Stormwater Fund and General Capital Projects Fund. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets of the primary government and Schools are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Water/sewer system	75
Parking garage	45
Infrastructure	25-40
Building/improvements	40
Furniture and fixtures	10
Vehicles	5-20
Equipment and other capital assets	3-10
Intangibles	5
Software	3

Intangible assets, which include computer software purchased or internally generated, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Intangible assets for both primary government and Schools are defined by the government as assets with an initial, individual cost of more than \$50,000 (amount not rounded) and an estimated useful life in excess of one year. Subsequent additions, modifications or upgrades to computer software are capitalized only to the extent that they allow the software to perform a task it previously did not perform. Software maintenance and training costs are expensed in the period in which they are incurred.

Right to use assets were added in FY 2022 for the County in compliance with Government Accounting Standards Board (GASB) Statement 87 and Government Accounting Standards Board (GASB) Statement 96. Schools implemented GASB 96 in FY 23 and GASB 87 in FY 22. Assets were amortized over the term length of the lease or the life of the asset, whichever is shorter. The capitalization threshold for right to use assets is \$81,000 for FY23 and will be adjusted annually. Additional disclosure under Note 7.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

J. Compensated Absences

County general employees are granted vacation leave based upon length of employment with the County; a total of 35 days of vacation are allowed to be carried over from one year to the next. Teachers do not earn vacation leave. Compensatory leave is granted to some County employees for overtime work on an hour-to-hour basis; no more than 80 hours of compensatory leave may be carried over from one year to the next. The County and the Schools do not place a maximum limitation on the accumulation of sick leave, which may be carried over from one year to the next. Compensatory leave is vested, while sick leave vests under certain limited circumstances.

Accumulated vested unpaid compensated absences for the County and the Schools in both the government-wide and the proprietary funds are recorded as an expense and liability of general fund, internal service funds, utilities fund, CPHD Development Fund, and Schools as the employee benefits accrue.

K. Arbitrage Rebate Liability

The U.S. Treasury has issued regulations on calculating the rebate due to the Federal government on arbitrage profits and determining compliance with the arbitrage rebate provisions of the Tax Reform Act of 1986. Arbitrage profits arise when the County temporarily invests the proceeds of tax exempt debt in securities with higher yields. The County treats the estimated rebate payable as a reduction of available financial resources in the fund that earned the arbitrage profit. Accordingly, interest earnings are reduced by the amount of the increase in the estimated rebate payable and a liability is reported in the appropriate fund. At June 30, 2023, the County had no arbitrage rebate liability.

L. Long-Term Obligations

In the government-wide financial statements, and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as an other financing source. Premiums received on debt issuances are reported as other financing source while discounts on debt issuances are reported as other financing use. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. Fund Balance

In accordance with GAAP, the County classifies governmental fund balances as follows:

Non-spendable Fund Balance – Amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints, such as inventory and prepaid items. In addition, the year-end lease receivable balance in excess of the related deferred inflow of resources is not a spendable resource and is included in this category.

Restricted Fund Balance – The portion of fund equity appropriated for expenditures or legally segregated for a specific future use and that are constrained for specific purposes which are externally imposed by providers, such as creditors (such as through debt covenants), grantors, or amounts constrained due to constitutional provisions or enabling legislation. The County's restricted fund balance includes, seized assets, unspent bond proceeds, grants and revenues restricted in the special revenue funds.

Committed Fund Balance – The County's highest level of decision making authority is the County Board. Fund balance amounts that are constrained for specific purposes that are imposed by Governing Body formal action through voted Resolution by Governing Body and not lapsing at year-end. Committed amounts cannot be used for any other purpose unless the County Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

County's committed fund balance includes items such as self-insurance, operating, and economic and revenue stabilization reserves, and subsequent years' budgets for County and Schools and Affordable Housing Investment Fund. The self-insurance reserve is generally a minimum reserve equivalent to one or two month's claim payments based on a five-year rolling average. For FY 2023, this reserve is currently set at \$5.4 million. In accordance with the County's Financial and Debt Management policies, the operating reserve is currently set at 5.5% of the FY 2023 general fund revenue budget. The Stabilization Reserve and proposed Stabilization Reserve replenishment sum to \$15.5 million.

Assigned Fund Balance – Fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. The County classifies fund balance in this category that is assigned by the County Manager. The County Board will review the recommendations of the County Manager during closeout during the November Board meeting. If approved by a resolution of the County Board, the assigned funds become committed. Amendments must follow the guidance described in Note 1.I.E. By State law, funds cannot be spent unless appropriated by the County Board.

Unassigned Fund Balance – Unassigned fund balance includes the residual fund balance within the general fund that has not been classified as restricted, committed or assigned. In accordance with GAAP, a deficit in unassigned fund balance resulting from overspending for specific purposes can be shown in governmental funds other than the general fund. An unassigned fund balance can only be used when appropriated by a resolution of the County Board.

The County considers restricted balances to be expended first in cases where both restricted and unrestricted amounts are available. Committed balances are applied next, followed by assigned after which unassigned balances are consumed.

N. Cash and Cash Equivalents

For Statement of Cash Flows reporting purposes, cash and cash equivalents include cash on hand, demand deposits, equity in highly liquid cash and investments pools, certificates of deposit, repurchase agreements and commercial paper with maturities at time of purchase of three months or less.

O. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and related notes. Actual results could differ from those estimates.

P. Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net assets that applies to a future period and so will not be recognized as an outflow of the resources (expenditures or expenses) until a future period. Deferred outflows for pensions and OPEB activities may result from changes in actuarial proportions, changes in actuarial assumptions, differences between projected and actual earnings on pension and OPEB investments, differences between expected and actual experience and pension and OPEB contributions made subsequent to the measurement date. Deferred outflows related to investment differences are deferred and amortized over a closed five-year period and all other deferred outflows, except contributions made subsequent to the measurement date, are amortized over the remaining service life of all participants. Deferred costs of refunding related to bonds will not be recognized as an outflow until future periods and are amortized over the remaining life of the bond.

Q. Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For government-mandated and voluntary non-exchange transactions, a deferred inflow is reported when resources are received before time requirements are met or, in the case of governmental funds, when resources are unavailable. The County reports the following deferred inflow of resources: prepaid and unavailable taxes, grants, housing development loans, deferred gain on refunding and deferred inflows related to pensions and OPEB. Deferred inflows of resources for

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

pensions and OPEB activities may result from changes in actuarial proportions, changes in actuarial assumptions, differences between projected and actual earnings on pension and OPEB investments and differences between expected and actual experience. Deferred inflows related to investment differences are deferred and amortized over a closed five-year period and all other deferred inflows are amortized over the remaining service life of all participants. Deferred inflows related to lease receivables are deferred and amortized over the life of the respective contract, including options to renew.

R. Pensions and Other Postemployment Benefits

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension trust fund and the additions to/deductions from the pension trust fund's fiduciary net position have been determined on the same basis as they are reported by the Arlington County Employees' Retirement System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The VRS Teacher Retirement Plan is a multiple-employer, cost-sharing plan. The VRS Political Subdivision Retirement Plan is a multi-employer, agent plan. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the VRS Teacher Retirement Plan and the Political Subdivision's Retirement Plan and the additions to/deductions from the VRS Teacher Retirement Plan and the Political Subdivision's Retirement Plan's net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The reporting entity administers several single-employer OPEB and multiple-employer, cost sharing OPEB plans. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB trust funds and the additions to/deductions from the OPEB trust funds' fiduciary net position have been determined on the same basis as they are reported by the OPEB Trust plans. The OPEB liabilities and associated deferred outflows of resources and deferred inflows of resources for the multiple-employer OPEB plans are reported with a one-year lag when compared with the fiduciary net position as reported by VRS Line of Duty Act Program, Health Insurance Credit Program, Teachers Group Life Insurance Program, and Group Life Insurance plans. Employer contributions to the plans during the current fiscal year are reflected as a deferred outflow of resources which will impact the OPEB expense of the subsequent year. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

S. Implementation of New GASB Pronouncements

The County implemented the following GASB pronouncements:

In May 2020, GASB issued Statement No. 96 ("GASB 96"), *Subscription Based Information Technology Arrangements* which covers specific contracts or obligations for subscription based technology arrangements (SBITA) and prescribes the same treatment as GASB 87 to SBITAs. Implementation is required by June 30, 2023. The County implemented in conjunction with GASB 87 in FY22 due to complex embedded lease contracts; however, Schools implemented for the year ending June 30, 2023.

T. Change in Accounting Principle

The Schools had a change in Accounting principal in FY23 due to the implementation of GASB 96.

U. Subsequent Events

None

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 2. Legal Compliance

The County Manager's proposed budget for the following fiscal year is presented to the County Board in February. Public hearings on the proposed budget and tax rates are held in early spring and are followed by a series of work sessions of the County Board, during which preliminary funding decisions regarding proposed operating and capital programs are reached. Final County Board decisions are incorporated into the appropriation, tax, and budget resolutions for the fiscal year. These resolutions are generally approved by the County Board in April and a separate Adopted Budget document is issued subsequent to the Board approval. According to §22.1-93 of the Code of Virginia, the County Board must adopt the School Board budget no later than May 15th of the previous fiscal year or within 30 days of receipt by the county or municipality of the estimates of state funds, whichever shall later occur.

Supplemental appropriations may be approved by the County Board subsequent to the adoption of the original budget. In FY2023, such appropriation amendments totaled \$170,239,674 and are reflected in the amounts presented in the financial statements. In addition, the County Board can approve transfers of appropriations between County departments and funds and Department of Management and Finance can approve budget transfers within a department's appropriation. The level of budgetary control in the County is at the department level for the general fund.

In August 1984, Arlington County, Virginia, (the "County") entered into various agreements to acquire an existing parking garage, to lease the adjacent land, and to construct a new garage. The Ballston Public Parking Garage Fund (the "Fund") was established to account for the acquisition, construction, and operations of the parking garage. The Fund is an Enterprise Fund of the County. The Ballston Public Parking Garage (the "BPPG") commenced operations in 1986 and has generated sufficient positive cash flow since inception to meet its operating and revenue bond debt service requirements. However, when considering certain liabilities (e.g., mortgage payable), the garage has a deficiency in net position of \$57,751,648 at June 30, 2023. The deferred rent and mortgage payable are liabilities, but are to be paid only when certain net operating income circumstances are met. The deficit has been caused by slower than anticipated commercial development of the areas adjacent to the garage and limitations on parking rates. Under the agreement with the May Company (Center Mark Properties, Inc. and successors), the County was initially precluded from increasing some key parking rates.

The printing fund (an internal service fund) had a decrease in net position of (\$557,107) in FY2023, resulting in an ending net deficit of (\$3,390,898).

NOTE 3. Cash and Investments

I. County Cash and Investments

The County maintains a cash and investment pool in which the County and Schools participate on a dollar equivalent and daily transaction basis. Bank deposits and investments of the Pension Trust Fund are held separately from those of the County.

A. Custodial Credit Risk Deposits

At year end, the carrying amount of the County and School bank deposits, including money market accounts was \$22,300,782 and the bank balance was \$52,655,942. Of the bank balance, \$23,772,027 was covered by Federal depository insurance. The bank balances exceeding those covered by Federal insurance are protected under the provisions of the Virginia Security for Public Deposits Act ("the Act").

B. Custodial Credit Risk Investment Securities

Custodial risk is the risk that, in the event of a failure by a counter party, the County will not be able to recover the value of its investments or collateral securities held in custody by an outside party. The Treasurer's investment policy requires that all securities be clearly held in the name of the County and held in safekeeping by a third party in compliance with Section 2.2-4515 of the *Code of Virginia*. As a result, the County has no custodial credit risk.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

C. Investment Policy

In accordance with the *Code of Virginia*, the Treasurer's investment policy permits investment in obligations of the United States or agencies thereof, obligations of States and Virginia municipal governments as well as agencies thereof, commercial paper, bankers' acceptances, repurchase agreements, corporate notes, mutual funds, Virginia Investment Pool (VIP) and the Virginia Local Government Investment Pool (LGIP). Depository accounts and certificates may also be used. Unexpended bond proceeds are invested in the Virginia State Non-Arbitrage program (Virginia SNAP).

D. Credit Risk

The *Code of Virginia* authorizes the investment in various instruments as described above. The County will only invest in securities with "prime quality" credit ratings by at least one nationally recognized rating agency, or as otherwise required by State code.

E. Concentrations of Credit Risk

The County's policy defines limits on the percentage of the portfolio that may be invested in various investments. The portfolio is in compliance with each of the stated limits as of June 30, 2023.

F. Interest Rate Risk and Fair Value Hierarchy

As a means of limiting exposure to fair value losses resulting from increasing interest rates, the Treasurer's investment policy states that the maturities in the portfolio are to be reviewed frequently to mitigate the effects of market fluctuations. In no case, however, shall investments be purchased with maturities greater than five years. At June 30, 2023, the County had the following investments and maturities:

	Investment Maturity			
	Fair Value	Less than 1 year	1-3 years	3-5 years
Corporate Notes	\$ 136,289,524	\$ 53,513,551	\$ 81,439,668	\$ 1,336,305
Government Agency Notes	344,826,052	125,980,671	199,271,446	19,573,935
Municipal Obligations	32,184,579	16,686,030	14,791,789	706,760
US Treasury Note	28,837,242	19,687,042	9,150,200	-
Negotiable CD	5,000,500	5,000,500	-	-
TOTAL	\$ 547,137,897	\$ 220,867,794	\$ 304,653,103	\$ 21,617,000

Investment measured at Net Asset Value (NAV)

Virginia State LGIP - Liquidity Pool	\$ 100,604,198
VIP Daily Liquidity Pool	236,235,512
Virginia State SNAP	330,718,445
	\$ 667,558,155

Virginia State LGIP- Liquidity Pool, Virginia Daily Liquidity Pool and Virginia State SNAP are investments not subject to Interest Rate Risk.

The County categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

As of June 30, 2023, the County's fair value measurements were as follows:

	Fair Value	Level 1	Level 2	Level 3
Corporate Notes	\$ 136,289,524	\$ 136,289,524	-	-
Government Agency Notes	344,826,052	344,826,052	-	-
Municipal Obligations	32,184,579	32,184,579	-	-
US Treasury Note	28,837,242	28,837,242	-	-
Negotiable CD	5,000,500	5,000,500	-	-
TOTAL	<u>\$ 547,137,897</u>	<u>\$ 547,137,897</u>	<u>\$ -</u>	<u>\$ -</u>

Investment measured at Net Asset Value (NAV)

Virginia State LGIP - Liquidity Pool	\$ 100,604,198
VIP Daily Liquidity Pool	236,235,512
Virginia State SNAP	330,718,445
	<u>\$ 667,558,155</u>

As of June 30, 2023, the County has no investments in assets classified as Level 2 and 3.

Bank of New York Mellon Bank (BNYM), the trustee for the Industrial Development Authority (IDA) of Arlington County, Virginia, is authorized to invest all bond proceeds for the IDA Taxable Economic Development Revenue Bonds (Skating Facility Project). As of June 30, 2023, the balance of these funds totaled \$13,913,487, with a fair value measurement of Level 1 and an overnight investment maturity.

First Virginia Community Bank is the trustee for Alexandria/Arlington Waste to Energy-Monitoring Group Trust Fund. Investments in the amount of \$188,463 at fair value, were held by First Virginia Community Bank at June 30, 2023.

G. External Investment Pools (SNAP, LGIP, VIP) Daily Liquidity Pool

The County has invested bond proceeds subject to rebate of arbitrage earnings in the Virginia SNAP which is designed to assist local governments in complying with the arbitrage rebate requirements of the Tax Reform Act of 1986. These programs provide comprehensive investment management, accounting and arbitrage rebate calculation services for proceeds of general obligation and revenue tax-exempt financing of Virginia counties, cities and towns. As of June 30, 2023, the County has \$330,718,445 in the SNAP short-term investment. SNAP is administered by the Virginia Treasury Board which is committed to managing certain risk limiting provisions to maintain a stable net asset value (NAV) at \$1.00 per share, as determined at the close of each business day. The goal of maintaining NAV is facilitated as follows:

- SNAP is rated 'AAAm' by Standard and Poor's and managed in a manner to comply with their 'AAAm' rating requirements.
- SNAP is managed in accordance with GAAP.
- The portfolio securities are valued by the amortized cost method, and on a weekly basis this valuation is compared to current market to monitor any variance.
- Investments are limited to short-term, high quality credits that can be readily converted into cash with limited price variation.

The County is a participant in the LGIP, which is administered by the Virginia Treasury Board. As of June 30, 2023, the County has \$100,604,198 in the LGIP short-term investment. The Virginia Treasury Board is committed to managing certain risk limiting provisions to maintain a stable (NAV) at \$1.00 per share, as determined at the close of each business day. The goal of maintaining NAV is facilitated as follows:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

-
- The LGIP is rated ‘AAAm’ by Standard and Poor’s and managed in a manner to comply with their ‘AAAm’ rating requirements.
 - The LGIP is managed in accordance with GAAP
 - The portfolio securities are valued by the amortized cost method, and on a weekly basis this valuation is compared to current market to monitor any variance.
 - Investments are limited to short-term, high quality credits that can be readily converted into cash with limited price variation.

The County is a participant in the VIP Stable NAV Liquidity Pool (Daily Liquidity Pool), administrated by VACo/VML VIP. As of June 30, 2023, the County had \$236,235,512 in the Stable NAV Liquidity Pool short-term investment. The VACo/VML VIP is committed to managing certain risk limiting provisions to maintain a stable net asset value (NAV) at \$1.00 per share, as determined at the close of each business day. The goal of maintaining NAV is facilitated as follows:

- VIP Stable NAV Liquidity Pool is rated AAAm by Standard and Poor’s and managed in a manner to comply with their AAAm rating requirements.
- VIP Liquidity Pool is managed in accordance with GAAP.
- The portfolio securities are valued by the amortized cost method, and on a weekly basis this valuation is compared to current market to monitor any variance.
- Investments are limited to short-term, high quality credits that can be readily converted into cash with limited price variation

II. Arlington County Employees’ Retirement System’s (the “System”) Cash and Investments

A. Legal Provisions and Investment Policy

The System is authorized by the *Code of Virginia* §51.1-803 to invest funds of the System in conformance with the prudent person rule. Arlington County Code §21-23, §35-21, and §46-22 require that assets of the System be invested with care, skill, prudence, and diligence under 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 a like character and with like aims. Arlington County Code §21-24, §35-22, and §46-23 require that investments be diversified to minimize the risk of large losses unless under the circumstances it is clearly not prudent to do so.

The System’s written investment policy provides for investment in all major sectors of the capital markets in order to diversify and minimize total investment program risk.

Such sectors include, but are not limited to:

- Convertible securities
- Cash, money market funds and other short term investment funds
- Public and private investments of U.S. and non-U.S. companies
- Open and closed end alternative investment funds
- Fixed income obligations of the U.S. government and its agencies, mortgage-backed securities, corporate bonds, and asset backed securities. In addition, fixed income obligations of non-U.S. Governments, companies and super national organizations, in other developed and emerging markets.

Since the Fund focused on risk capacity and drawdown ability there is no target allocation approach, the following table shows the Fund’s ten-year average and fiscal year-end allocation:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Asset Class	Current Allocation	10 Year Average Allocation
Domestic Equity	37%	35%
International Equity	17%	16%
Fixed Income	32%	33%
Cash/Short Term	4%	4%
Non-Traditional	10%	12%
	<u>100%</u>	<u>100%</u>

While the above asset allocation is not a restrictive target (see investment restrictions below), it is representative of the nature and mix of current and expected System investments.

B. 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 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 an asset allocation percentage, which is based on the nature and mix of current and expected pension plan investments, and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the pension plan's expected asset allocation as of June 30, 2023 (see the discussion of the system investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity	6.4%
International Equity	7.7%
Fixed Income	4.8%
Cash/Short Term	3.7%
Non-Traditional	10.2%

C. Investment Restrictions

The following summarizes the primary investment restrictions included in the System's investment policy statement. Individual investment manager contracts typically include additional guidelines and limitations.

Fixed income investments must be at least 20% of the Fund's assets at market value. The Fund must be rebalanced if the market weight of fixed income investments falls below 20%, unless the Retirement Board, acting on the recommendation of staff or the investment consultant to defer rebalancing, determines that it would not be consistent with the Retirement Board's fiduciary responsibility to rebalance (increase fixed income) at that time.

No new commitment to illiquid investments can be made which causes the allocation to illiquid investments, including existing market value and commitments, to exceed 15% of the System's market value.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Unless the Retirement Board grants prior authorization, the investment managers may not:

- Invest more than 10% of the market value of each portfolio in the securities of any one issuer, with the exception of the U.S. government and its agencies
- Hold more than 5% of the outstanding shares of a single company in each portfolio
- Hold unlisted equity securities that exceed 20% of the portfolio, exclusive of holdings in banks, utilities, and insurance companies
- Use leverage of any sort for any purpose beyond prudent industry standards
- Effect short sales of securities
- Pledge, mortgage or hypothecate securities, except in approved security lending programs

Investment managers are prohibited from:

- Making investments prohibited by county, state or federal law
- Investing in collectibles
- Making loans, including mortgage loans, to individuals

Derivatives are allowed only in cases where their use reduces the cost of a desired transaction and/or improves the risk characteristics of the portfolio. The Retirement Board may, however, approve the use of derivatives to implement investment processes intended to add value in specifically-designated, risk-controlled applications, such as currency management. Any such value-added investment program shall be approved only where:

- The potential exposures have been well defined by the Retirement Board and provide for a downside risk range for the Fund within established limits
- The value of the designated Fund assets subject to risk due to the program does not exceed 15% of the Fund's assets
- In any program where an active overlay strategy combining derivatives with underlying portfolio assets is to be used, the gross amount of any long and short exposures taken on by the overlay shall not exceed the value of the designated funds' assets being overlaid

The System's Investment Policy provides external investment managers with discretion to take actions, within approved guidelines, regarding each portfolio's foreign currency exposures using forward currency contracts. These contracts are agreements to exchange one currency for another currency at an agreed upon price and date. Investment managers use such contracts primarily to settle pending trades at a future date. Key risks include counter party non-performance and currency fluctuations. As of June 30, 2023, the System had \$133 in open net forward currency contracts.

D. Cash and Cash Equivalents

At June 30, 2023, the System had cash and cash equivalents of \$111,326. Cash deposits in bank accounts totaled \$364,559. This amount was insured by the Federal Deposit Insurance Corporation up to \$250,000 for each System participant. Cash totaling \$110,961,717 is invested in the custodian's Short-Term Investment Fund. This account is uninsured and uncollateralized.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

E. Investments and Risk

The System's investments are recorded at fair value based on the methodology described in Note 1, Summary of Significant Accounting Policies, Investments, of Arlington County Employees' Retirement System Comprehensive Annual Financial Report.

The following table presents the fair value of investments by type at June 30, 2023:

System Investments

Investment Type	Investment Value in (\$000s)
Foreign, Municipal and U.S. Governments:	
Government and Government Agency Debt	\$24,888
Government Pooled Fund	84,772
Total Foreign, Municipal, and U.S. Governments	109,660
Corporate Fixed Income Obligations:	
Residential Mortgaged Backed	71,844
Commercial Mortgaged Backed	14,606
Collateralized Mortgaged Obligations	30,276
Asset Backed Securities	25,472
Total Corporate Fixed Income Obligations	142,198
Domestic and Foreign Equities:	
Common Stock	816,270
Preferred Stock	1,929
Total Domestic and Foreign Equities	818,199
Private Equity:	
Private Equity	272,092
Real Estate Funds:	
Real Estate	21,890
Pooled Equity:	
Pooled Equity Funds	823,020
Pooled Fixed Income:	
Pooled Bonds Funds	676,649
Total ⁽¹⁾	\$2,863,708

(1) Investment related accruals are reflected in the respective asset category; further, data on the Statement of Fiduciary Net Position (Exhibit 8) includes disbursement account cash and operating accruals not reflected in the data above.

Interest Rate Risk: Interest rate risk is driven by changes in general interest rate levels. The price of a fixed income security generally moves in the opposite direction of the change in interest rates. Securities with long maturities are

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

highly sensitive to interest rate changes. The System has interest rate exposure on \$167.1 million of directly owned fixed income securities and on \$761.4 million invested in three pooled US fixed income funds.

Investment Type:	<u>Investment Maturities</u>				
	<u>Fair Value</u> (\$000s)	<u>Investment Maturities (years)</u>			
		Under 1	1-5	6-10	Over-10
Asset Backed Securities	\$25,472	\$-	\$2,203	\$3,123	\$20,146
Commercial Mortgage-Backed	14,606	-	-	-	14,606
Government and Government Agencies	27,914	-	-	4,167	23,747
Residential Mortgage Backed	71,844	-	-	10,955	60,889
Collateralized Mortgage Obligations	27,249	422	2946	-	23,881
Total	<u>\$167,085</u>	<u>\$422</u>	<u>\$5,149</u>	<u>\$18,245</u>	<u>\$143,269</u>

The System's directly owned fixed income investments and maturities at June 30, 2023 are:

Interest rate sensitivity of a fixed income portfolio is best measured by effective duration, which reflects the average percentage change in portfolio value due to a 1% change in interest rates. The effective duration for the System's directly held fixed income portfolio at June 30, 2023 is shown below:

<u>Investment Durations</u>		
Investment Type (in \$ 000s)	Fair Value	Effective Duration (Yrs)
Asset Backed Securities	\$25,472	0.50
Commercial Mortgage-Backed	14,606	0.20
Government & Government Agencies	27,914	2.50
Residential Mortgage Backed	71,844	3.80
Collateralized Mortgage Obligations	27,249	0.70
Total	<u>\$167,085</u>	<u>7.70</u>

Custodial Credit Risk: In the event of counter-party failure, the System may not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities held by the counterparty, or counterparty's trust department, are uninsured and are not registered in the name of the System. The System requires that all investments be clearly marked as to ownership, and to the extent possible, be registered in the name of the System.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Credit Risk: The System's credit quality distribution for the System's directly held fixed income investments of \$167.1 million at June 30, 2023 is shown in the following table:

<u>Investment Type</u> <i>(in \$ 000s)</i>	<u>Fixed Income Credit Quality Distribution</u>							
	Credit Quality							
	AAA	AA	A	BBB	BB	B	Below B	Unrated
Asset Backed Securities	\$4,405	\$-	\$1,795	\$2,368	\$-	\$-	\$12,857	\$4,047
Commercial Mortgage-Backed	4,412	1,631	1,006	1,048	411	164	-	5,934
Government & Government Agencies	27,914	-	-	-	-	-	-	-
Residential Mortgage Backed	71,844	-	-	-	-	-	-	-
Collateralized Mortgage Obligations	-	-	193	1,672	331	-	9,196	15,857
Total	<u>\$108,575</u>	<u>\$1,631</u>	<u>\$2,994</u>	<u>\$5,088</u>	<u>\$742</u>	<u>\$164</u>	<u>\$22,053</u>	<u>\$25,838</u>

Note: Ratings based on S&P Quality Ratings.

Foreign Currency Risk: Foreign investments include equity and fixed income securities, including convertible securities and cash. The Board has authorized specific investment managers to invest in non-dollar denominated securities. These managers have the ability to hedge a portion of their portfolio's foreign currency exposure. The System's exposure to foreign currency risk at June 30, 2023 was as follows:

<u>Currency (in \$ 000s)</u>	<u>Foreign Currency Exposure In Dollars</u>			
	Equity	Fixed Income & Convertible	Cash	Total
Australian Dollar	\$1,336	\$-	\$-	\$1,336
British Pound Sterling	4,121	-	2	4,123
Canadian Dollar	776	-	-	776
Chinese Yuan Renminbi	-	-	1,053	1,053
Danish Krone	4,381	-	-	4,381
Euro	40,959	-	6	40,965
HK offshore Chinese Yuan Renmini	5,512	-	-	5,512
Hong Kong Dollar	15,427	-	-	15,427
Indonesian Rupiah	4,518	-	0	4,518
Japanese Yen	6,024	-	23	6,047
Nigerian Naira	60	-	171	231
Norwegian Krone	-	-	1	1
Philippines Peso	6,375	-	11	6,386
South Africa Rand	911	-	-	911
Swedish Krona	790	-	-	790
Swiss Franc	713	-	-	713
Total	<u>\$91,903</u>	<u>\$-</u>	<u>\$1,267</u>	<u>\$93,170</u>

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

F. Securities Lending

Under authorization of the Retirement Board, the System engaged in a securities lending program through its custodian, Northern Trust, for securities held in separate accounts. In accordance with the contract, Northern Trust may lend any securities held in custody. Only obligations issued by the U.S. Government are accepted as collateral investment. By not accepting cash collateral, the program relies on the demand of the loaned securities as the driver on income and is not subject to collateral reinvestment risk. Minimum collateralization levels for all loans is 102% of the market value of the borrowed securities or 105% if the borrowed securities are not denominated in dollars. Loans and collateral are marked to market on a daily basis. The collateral is maintained by Northern Trust and all securities on loan are callable at any time. The System does not have the ability to pledge or sell the collateral.

In the event the borrower becomes insolvent and fails to return the securities, Northern Trust indemnifies the System by agreeing to purchase replacement securities, or to remit the collateral held. There were no such failures by any borrower during the fiscal year nor were there any losses during the year resulting from a borrower or lending agent default.

The fair value of securities on loan increased \$15.1 million at the beginning of the year to \$33.9 million at June 30, 2023. The following table details the net income from securities lending for the fiscal year ended June 30, 2023:

Gross Income from Securities Lending	\$200,882
Less: Bank Management Fees	<u>(50,217)</u>
Net Income from Securities Lending	<u>\$150,665</u>

At June 30, 2023, the fair value of underlying securities lent was \$33,852,810 and the fair value of the non-cash collateral pledged was \$34,455,320. None of the System's pooled fund investments have material realized or unrealized securities lending related losses.

G. Fair Value of Investments

The System categorizes their fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

Level 1	Unadjusted quoted prices for identical instruments in active markets.
Level 2	Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.
Level 3	Valuations derived from valuation techniques in which significant inputs are unobservable.

For investments that do not have a readily determinable fair value, the System establishes fair value by using the NAV per share (or its equivalent), such as member units or an ownership interest in partners' capital to which a proportionate share of net assets is attributed. These investments 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 System's assessment

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset. The table on the next page shows the fair value leveling on the investments for the System.

Equity securities classified in Level 1 of the fair value hierarchy are valued at the last sale price or official close price as of the close of trading on the applicable exchange where the security principally trades.

Equity and fixed income securities classified in Level 2 of the fair value hierarchy are valued at prices provided by independent pricing vendors. The vendors provide these prices after evaluating observable inputs including, but not limited to: quoted prices for similar securities, the mean between the last reported bid and ask prices (or the last bid price in the absence of an asked price), yield curves, yield spreads, credit ratings, deal terms, tranche level attributes, default rates, cash flows, prepayment speeds, broker/dealer quotations, inflation and reported trades.

Fixed income securities classified in Level 3 of the fair value hierarchy were valued using a single broker indicative quote.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Investments and Derivative Instruments Measured at Fair Value

	6/30/2023	Fair Value Measurements		
		Quoted Prices in Active markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Debt securities:				
Foreign, Municipal and U.S. Governments:				
Government and Government Agency Debt	\$24,888,063	\$-	\$24,888,063	\$-
Residential Mortgage Backed	71,843,623	-	71,843,623	-
Corporate Fixed Income Obligations:				
Commercial Mortgage Backed	17,631,784	-	17,631,784	-
Asset Backed	25,471,953	-	25,471,953	-
Non-Government Backed C.M.O.s	27,249,631	-	27,249,631	-
Pooled Fixed Income				
Pooled Bond Funds	56,599,189	56,599,189	-	-
Total debt securities measured at fair value	223,684,243	56,599,189	167,085,054	-
Equity Securities:				
Domestic and Foreign Equities:				
Common stock	626,864,315	626,864,315	-	-
Preferred stock	1,929,397	1,929,397	-	-
Pooled Equity Funds	575,524,990	575,524,990	-	-
Total equity securities measured at fair value	1,204,318,702	1,204,318,702	-	-
Total investments by fair value level	1,428,002,945	\$1,260,917,891	\$167,085,054	\$-
Investments measured at the NAV				
Debt Securities				
Pooled Bond Funds	704,821,374			
Total Debt Securities measured at the NAV	704,821,374			
Equity Securities				
Domestic and Foreign Equities				
Pooled Global Equity Fund	344,150,576			
Pooled International Equity Fund	92,750,545			
Total equity securities measured at the NAV	436,901,121			
Alternative investments				
Private Equity				
Private Equity	272,091,967			
Real Estate Funds				
Real Estate	21,889,733			
Total alternative investments measured at the NAV	293,981,700			
Total investments measured at fair value	1,435,704,195			
Total investments	\$2,863,707,140			

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Total Assets at Net Asset Value				
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Debt Securities				
Pooled Fixed Income	\$704,821,374	\$-	Daily	N/A
Total Debt Securities	704,821,374	-		
Equity Securities:				
Domestic and Foreign Equities	344,150,576	-	Monthly	15-45 days
International Pooled Equity	92,750,545	-	Monthly	15-45 days
Total equity securities	436,901,121	-		
Alternative Investments:				
Private Equity	272,091,967	182	N/A	N/A
Real Estate	21,889,733	34	N/A	N/A
Total alternative investments	293,981,700	216		
Total investments measured at the NAV	\$1,435,704,195	\$216		

- **Unfunded Commitments.** At June 30th, the System had committed to fund certain alternative investment partnerships in the amount of 565.5 million. Funding of \$349.5 million has been provided leaving an unfunded commitment of \$216 million.
- **Equity.** Pooled Equity includes funds that invest in both U.S. and non-U.S. securities.
- **Alternative Investments.** Real estate includes two funds, structured as limited partnerships, which invest primarily in land in the United States. Private Equity includes ten funds, structured as limited partnerships, which employ multiple investment strategies including buy-out, venture capital and fund-of- funds. These investments can never be redeemed with the funds. Instead, the nature of the investments of these types is that distributions are received through the liquidation of the underlying assets of the funds. It is expected that the underlying assets of the funds will be liquidated over the next 10 years.
- **Fixed Income.** Pooled fixed income includes one fund that maintains a portfolio constructed to match or track the components of the Barclays Capital U.S. Aggregate Index as well as a TIPS fund.

III. County and Schools' OPEB Trust Funds Cash and Investments

Both, the County's and Schools' OPEB Trust Funds are authorized by the *Code of Virginia* §51.1-803 to invest the funds of the OPEB Trusts in accordance with the prudent person rule. The *Arlington County Code* §46-22 requires that the assets of the 2 Trusts be invested with 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 a like character and with like aims. The Retirement Board may employ an investment advisor or advisors to invest or reinvest assets of the OPEB Trusts in accordance with the provisions of this chapter and regulations established by the Retirement Board.

The Retirement Board is also subject to the policies and procedures as adopted by the Retirement Board including a Governance Policy and an Ethics Policy that references each Trustee's obligations to comply with the *Code of Virginia* - State and Local Government Conflict of Interests Act (§2.2-3100 thru §2.2-3131). In the event of a conflict between the OPEB Trusts' documents and this policy, the trusts' documents shall prevail.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

The OPEB Trusts' written investment policy states that diversifying the OPEB Trusts among asset classes reduces the market or systematic risk for the OPEB trusts. Based on risk and return expectations, the Retirement Board has established an asset allocation guideline for the OPEB Trusts among selected asset classes that it considers likely to achieve the return objectives of the OPEB Trusts.

The investment objective is to earn an average annual real rate of return that meets or exceeds the OPEB Trusts' assumed actuarial real rate of return, over rolling five-year periods, net of all fees and other expenses. The Retirement Board desires to structure an investment program that is simple yet sufficiently sophisticated to enable the OPEB Trusts to meet these return objectives with consistency within the risk parameters described by this policy.

The assets of each OPEB trust are managed separately and are not comingled. It is generally expected that the assets of the OPEB Trusts are managed in a similar if not identical fashion. Over time, the Retirement Board, at its discretion, may adopt different investment strategies for each OPEB trust to reflect different plan design considerations.

To help guide its risk control and asset allocation objectives, the Retirement Board has established the following primary asset allocation guidelines. Asset allocation for each trust should fall within the following ranges.

<u>Asset Class Matrix</u>	<u>Range</u>
Equities	60%- 70%
Fixed Income	30%- 40%

The following are approved investment options for the OPEB Trusts:

Vanguard Wellington Fund Admiral Shares (VWENX)

Vanguard Federal Money Market Fund (VMFXX)

The institutional class, called Admiral, of the Vanguard Wellington Fund is an actively managed balanced fund that provides exposure to both equities and fixed income. Vanguard Wellington Fund has the ability to modify the fund's asset mix to hold a range of 60% to 70% equities and 30% to 40% fixed income. Vanguard Wellington Fund covers a broad investment universe that includes exposure to domestic and foreign equities and has a wide selection of investment grade bonds. It is expected that 100% of each OPEB Trusts' assets are invested in the Vanguard Wellington Fund.

Responsibility for custody of the OPEB Trusts' assets will rest with each of the investment manager's custodians. Investment shares or units in an investment fund will be held in the name of each trust.

The OPEB Trusts' investments are recorded at fair value based on the methodology described above. The following table presents fair value of investments by type at June 30, 2023:

<u>County</u>			<u>Schools</u>		
Description	Percentage	Fair Value	Description	Percentage	Fair Value
Stocks	65%	\$148,197,507	Stocks	65%	\$61,567,945
Bonds	35%	79,798,657	Bonds	35%	33,151,971
Total:	100%	<u>\$227,996,164</u>	Total:	100%	<u>\$94,719,916</u>

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 4. Receivables, Unearned Revenues and Deferred Inflows of Resources

Receivables at June 30, 2023 are summarized below:

	Governmental Activities	Business-type Activities
Real Estate	\$ 481,262,080	\$ -
Personal property taxes	3,856,596	
Business License taxes	2,796,863	
Meal taxes	799,175	
Accounts receivables	43,489,563	20,187,563
Interest	1,816,358	
Total	<u>\$ 534,020,635</u>	<u>\$ 20,187,563</u>
Less allowance for doubtful accounts	<u>(1,049,529)</u>	<u>(842,582)</u>
Net receivables	<u>\$ 532,971,107</u>	<u>\$ 19,344,980</u>
Lease Receivable	<u>\$ 231,985,777</u>	<u>\$ 410,492</u>

Real Estate assessments are based on 100% of the fair market value of land and improvements as of January 1 of each year; January 1 has also been established as the lien date for real property by state law.

The County Board establishes the tax rates in April each year, at which time the County has the legal right to request payment. Real Estate taxes are due in two equal installments on June 5 and October 5. Included in real estate taxes deferred revenue is the unbilled October 5 installment. This October due amount, totaling \$477,345,855, has also been recorded as deferred inflows of resources in the General fund since these revenues are not considered to be available to finance current year expenditures.

Personal property tax assessments, relating principally to motor vehicles and tangible property belonging to businesses, are based on 100% of the fair market value of the property as of January 1. Personal property taxes are due on October 5.

The County's allowance for uncollectible taxes and service fees for water and sewer services is based upon historic non-collection percentages.

The Affordable Housing Investment Fund (AHIF) is the County's main financing program for affordable housing development. The County provided residual receipt loans that benefit low and moderate-income households through subordinate deeds of trust to make the financing of affordable multifamily projects feasible. AHIF is a revolving loan fund that provides low interest loans for new construction, acquisition and rehabilitation of affordable housing. Outstanding principal balances for the AHIF loans are not reflected in the accompanying Statement of Net Position since payments are due only if the properties have sufficient cash flow. When loans are closed and proceeds disbursed to the non-profit developers, the loan amount is immediately expensed on the County's financial statements. When loan repayments or interest are received, the County recognizes such payments as revenue. Outstanding balances may be reinvested during future capital transactions including refinancing, recapitalizing or redeveloping the property.

Unearned revenues represent amounts for which asset recognition criteria were met, but for which revenue recognition criteria were not met. Deferred inflows of resources represents amounts for which asset recognition criteria were met, but which were not available to finance expenditures of the current period. At June 30, 2023, the components of unearned revenues reported were as follows:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Unearned Revenue and Deferred Inflow of Resources

	General Fund	Special Revenue Funds	Total Governmental Activities
Taxes	\$ 6,123,218	\$ 5,660,668	\$ 11,783,886
Grants	9,113,519	5,721,969	14,835,489
Housing development loans	380,182		380,182
Household Credits	579,692		579,692
Total Unearned Revenue	<u>\$ 16,196,611</u>	<u>\$ 11,382,638</u>	<u>\$ 27,579,249</u>

	General Fund	Transportation Capital Projects	Total Governmental Activities	Business - Type Activities	Total Primary Government
Deferred Inflows of Resources					
Real Estate Taxes	\$ 477,345,855	\$ -	\$ 477,345,855	\$ -	\$ 477,345,855
Lease	203,501,200	19,629,735	223,130,934	406,518	223,537,452
Pension	22,200,000	-	22,200,000	-	22,200,000
OPEB	72,737,312	-	72,737,312	-	72,737,312
Refunding of debt	-	-	-	664,439	664,439
Total Deferred Inflows of resources	<u>\$ 775,784,367</u>	<u>\$ 19,629,735</u>	<u>\$ 795,414,101</u>	<u>\$ 1,070,957</u>	<u>\$ 796,485,059</u>

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 5. Capital Assets, Intangible Assets and Construction in Progress

Capital asset activity for the year ended June 30, 2023:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental and Internal Service activities:				
Capital assets, not being depreciated:				
Land	\$260,094,636	\$2,707,852	\$-	\$262,802,488
Construction in progress	166,246,442	50,993,792	17,303,312	199,936,922
Total capital assets, not being depreciated	426,341,078	53,701,644	17,303,312	462,739,410
Capital assets, being depreciated:				
Infrastructure	1,094,349,482	89,655,970	-	1,184,005,452
Buildings	661,573,086	11,017,119	-	672,590,205
Furniture, fixtures and equipment	405,181,371	35,607,464	6,619,104	434,169,731
Intangible	13,487,221	309,909	-	13,797,130
Total capital assets being depreciated	2,174,591,160	136,590,462	6,619,104	2,304,562,518
Less accumulated depreciation for:				
Infrastructure	449,303,036	25,451,732	-	474,754,768
Buildings	207,896,649	16,401,679	-	224,298,328
Furniture, fixtures and equipment	264,040,192	23,764,115	4,201,249	283,603,058
Intangible	9,096,989	1,210,111	-	10,307,100
Total accumulated depreciation	930,336,866	66,827,637	4,201,249	992,963,254
Total capital assets, being depreciated, net	1,244,254,294	69,762,825	2,417,855	1,311,599,264
Governmental and Internal Service activities	1,670,595,372	\$123,464,469	19,721,167	1,774,338,674

Right to use asset

	Beginning Balance	Increases	Decreases	Ending Balance
Buildings	\$138,785,221	\$583,368	\$66,399	\$139,302,190
Equipment	2,100,519	81,131	-	2,181,650
Subscription	20,859,048	4,076,552	-	24,935,600
Total right to use assets	161,744,788	4,741,051	66,399	166,419,440
Less accumulated amortization for:				
Buildings	13,388,314	13,372,854	8,372	26,752,796
Equipment	736,555	680,108	-	1,416,663
Subscription	8,933,696	7,204,838	-	16,138,534
Total accumulated amortization	\$23,058,565	\$21,257,800	\$8,372	\$44,307,993
Total right to use assets, net	\$138,686,223	-\$16,516,749	\$58,027	\$122,111,446
Total of Primary government activities	\$1,809,281,595	\$106,947,720	\$19,779,195	\$1,896,450,120

Governmental activities capital assets, net of accumulated depreciation, at June 30, 2023, are comprised of the following:

Governmental funds	\$1,860,166,024
Internal service funds	36,284,096
Total	<u>\$1,896,450,120</u>

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Business-by Fund

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	\$6,161,255	\$-	\$-	\$6,161,255
Construction in progress	31,997,546	26,332,164	23,808,830	34,520,880
Total capital assets, not being depreciated	38,158,801	26,332,164	23,808,830	40,682,135
Capital assets, being depreciated:				
Sewer system	439,733,979	13,811,516	-	453,545,495
Water system	875,340,520	12,155,371	-	887,495,891
Building	36,244,072	-	-	36,244,072
Furniture, Equipments	8,887,621	410,888	-	9,298,509
Intangible	7,492,864	-	-	7,492,864
Total capital assets being depreciated	1,367,699,056	26,377,775	-	1,394,076,831
Less accumulated depreciation for:				
Sewer system	117,085,938	2,000,917	-	119,086,855
Water system	177,540,564	15,842,641	-	193,383,205
Building	18,871,072	844,113	-	19,715,185
Furniture, fixtures and equipment	6,681,927	398,101	-	7,080,028
Intangible	4,536,937	1,225,182	-	5,762,119
Total accumulated depreciation	324,716,438	20,310,954	-	345,027,392
Total capital assets, being depreciated, net	1,042,982,618	6,066,821	-	1,049,049,439
Business-type activities capital assets, net	\$1,081,141,419	\$32,398,985	\$23,808,830	\$1,089,731,574

Right to use asset

	Beginning Balance	Increases	Decreases	Ending Balance
Buildings	\$22,062,920	\$-	\$-	\$22,062,920
Equipment	19,554	6,024	-	25,578
Subscription	3,812,282	260,544	-	4,072,826
Total right to use assets	25,894,756	266,568	-	26,161,324
Less accumulated amortization for:				
Buildings	1,963,069	1,963,069	-	3,926,138
Equipment	1,396	3,824	-	5,220
Subscription	636,774	697,233	-	1,334,007
Total accumulated amortization	2,601,239	2,664,126	-	5,265,365
Total right to use assets, net	\$23,293,517	-\$2,397,558	-	\$20,895,959
Total of Business-type activities	\$1,104,434,936	\$30,001,427	\$23,808,830	\$1,110,627,533

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Discretely presented component units Schools:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	\$4,697,946	\$-	\$-	\$4,697,946
Construction in progress	21,750,433	40,835,864	55,908,886	6,677,411
Total capital assets, not being depreciated	26,448,379	40,835,864	55,908,886	11,375,357
Capital assets, being depreciated:				
Buildings	1,133,704,602	81,657,978	-	1,215,362,580
Furniture, fixtures, and equipment	168,292,324	14,834,509	-	183,126,833
Total capital assets being depreciated	1,301,996,926	96,492,487	-	1,398,489,413
Less accumulated depreciation for:				
Buildings	347,295,664	26,623,874	-	373,919,538
Furniture, Equipments	106,245,303	9,786,559	-	116,031,862
Total accumulated depreciation	453,540,967	36,410,433	-	489,951,400
Total capital assets, being depreciated, net	848,455,959	60,082,054	-	908,538,013
Schools activities capital assets, net	\$874,904,338	\$100,917,918	\$55,908,886	\$919,913,370
Right to use asset				
	Beginning Balance	Increases	Decreases	Ending Balance
Buildings	\$59,447,893	\$2,692,927	\$-	\$62,140,820
Equipment	227,002	-	-	227,002
Subscription	-	14,376,906	-	14,376,906
Total right to use assets	59,674,895	17,069,833	-	76,744,728
Less accumulated amortization for:				
Buildings	5,566,181	\$5,973,219	-	11,539,400
Equipment	97,286	97,287	-	194,573
Subscription	-	3,984,928	-	3,984,928
Total accumulated amortization	5,663,467	10,055,434	-	15,718,901
Total right to use assets, net	\$54,011,428	\$7,014,399	-	\$61,025,827
Total of Schools activities	\$928,915,766	\$107,932,317	\$55,908,886	\$980,939,197

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Depreciation expense was charged to functions of the County and Schools as follows:

Function and Activity	<u>Depreciation Expense</u>
Primary government:	
Government activities:	
General Government	\$13,732,951
Public Safety	4,294,775
Public works, including depreciation of infrastructure assets	28,750,469
Health and welfare	423,905
Libraries	181,929
Parks, recreation and culture	10,600,492
Planning and community development	<u>2,432,845</u>
Total Depreciation Expense - Government Activities	60,417,366
 Internal Services	 <u>6,410,271</u>
Total Depreciation Expense - Governmental & Internal Services	<u>\$66,827,637</u>
Total Lease Amortization Expense - Governmental & Internal Services	<u>\$21,257,800</u>
 Business-type activities:	
*Utilities	\$18,896,319
Ballston Public Parking Garage	902,042
8th level Ballston Public Parking Garage	95,177
CPHD Development Fund	<u>3,561</u>
Total Depreciation Expense - Business-type Activities	<u>\$19,897,099</u>
Total Lease Amortization Expense - Business-type Activities	<u>\$2,664,126</u>
 Total Depreciation Expense Component Unit- Schools	 <u>\$36,410,433</u>
Total Lease Amortization Expense Component Unit- Schools	<u>\$10,055,434</u>

*Includes \$413,856 amortization for bonds.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 6. Risk Management

The County is exposed to various risks of loss relative to property, liability, revenue and personnel. The systematic identification and analysis of exposures to risk, implementation of risk control and loss mitigation techniques, and utilization of appropriate risk financing alternatives encompasses the management of these risks. It is the general philosophy of the County to retain risks internally up to economically prudent retention levels and account for necessary claim settlements in the general fund. For excess exposure levels, specialized exposures and where commercial insurance is available at cost-effective premiums, the County will transfer some risk to commercial insurance carriers through the purchase of insurance policies, while maintaining the integrity of the County's strategic self-insurance objectives. The major self-insurance programs are workers' compensation, employees' health insurance, and the self-insured retention portion of general, automobile, and public officials' liability. For each major self-insurance program the County uses the professional services of a third-party administrator to adjudicate claims and recommend appropriate reserves for outstanding claims. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Settled claims resulting from these risks have not exceeded the commercial reinsurance coverage for the past three years. At June 30, 2023, the current portion of these liabilities was \$9.30 million, which represents an estimate of health insurance claims that have been incurred but not reported of \$8.87 million and are included in the accrued payroll liabilities and the current portion of workers' compensation of \$.43 million. The non-current portion was \$3.88 million, which represents an estimate of workers' compensation claims included in the long-term liabilities based on a history of such claims. These liabilities are the County's best estimate based on available information.

Changes in the reported liabilities for the last two fiscal years resulted from the following:

	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
2020 – 2022				
Current	\$8,374,980	\$60,180,503	\$60,881,071	\$7,674,412
Long-term	\$3,055,319	\$3,397,985	\$3,170,798	\$3,282,506
2022 – 2023				
Current	\$7,674,412	\$64,794,221	\$63,162,869	\$9,305,764
Long-term	\$3,282,506	\$4,351,728	\$3,751,263	\$3,882,972

The County's policy for self-insurance reserve is to maintain approximately one to two months' claim payments based on a five-year rolling average. Any draw on the self-insurance reserve requires County Board approval and will be replenished within the subsequent two (2) fiscal years. The County has committed a self-insurance reserve in the General Fund of \$5,000,000 as of June 30, 2023.

The County maintains an operating reserve of 5.5% of the General Fund revenue operating budget for the following fiscal year. The County has committed an operating reserve in the General Fund of \$85,339,704 for FY 2023. Since its establishment in FY 1986, this operating reserve has not been used, but has been increased steadily to cover working capital needs and unexpected contingencies. In addition, the County maintains a Stabilization Reserve to address unexpected, temporary events, such as major weather events or a local/regional emergency requiring immediate incurrence of cost in response; revenue declines; and local or regional economic stress. For FY23, the County has committed a Stabilization Reserve of \$15,516,310.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 7. Leases and Subscription Based Information Technology Arrangements

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, Leases. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Arlington County adopted the requirements of the guidance effective July 1, 2021, and has applied the provisions of this standard to the beginning of the period of adoption.

GASB Statement No. 96, (GASB 96) issued by GASB covers specific contracts or obligations for subscription-based information technology arrangements (SBITA) and prescribes the same treatment as GASB 87 to SBITAs. Implementation requirement by June 30, 2023; however, Arlington County early implemented in conjunction with GASB 87 due to complex embedded lease contracts. School implemented GASB 96 in the FY23.

Some leases require variable payments based on future performance of the lessee or usage of the underlying asset and are not included in the measurement of the lease liability. Those variable payments are recognized as outflows of resources in the periods in which the obligation for those payments is incurred. During the year ended June 30, 2023, Arlington County made variable non GASB 87&96 Common Area Maintenance(CAM) payments as required by lease agreements totaling \$10,340.026.

Lease present value threshold for reporting purposes is \$81,000 in FY23 with annual increase adjustments in conjunction with County's policy.

A. Lessee

A summary of lease terms and interest rates is as follows:

Primary Government:

Annual installments totaling \$5,007,619 plus interest at rates ranging from 1.912671% to 3.25%, due date ranging from November 2023 to January 2034.

Schools:

Annual installments totaling \$17,341,726 plus interest at rates ranging from 1.912671% to 3.25%, due date ranging from August 2023 to May 2037.

Right-to-use assets acquired through outstanding leases are shown below, by underlying asset class.

	Primary		
	Government	Schools	Total
Equipment	\$ 2,207,228	\$ 227,002.30	\$2,434,230.68
Buildings	161,365,110	62,412,714	223,777,824
Subscription	29,008,425	14,376,906	43,385,331
Less: accumulated amor	(49,573,359)	(15,718,901)	(65,292,260)
	<u>\$ 143,007,405</u>	<u>\$ 61,297,721</u>	<u>\$ 204,305,126</u>

*Additional information for Right-to-use assets under Note 5

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Total future minimum lease payments under lease agreements are as follows:

	Primary Government		Schools		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 17,028,174	\$ 2,659,729	\$ 9,471,082	\$ 1,225,843	\$ 26,499,256	\$ 3,885,572
2025	16,420,080	2,328,738	8,695,089	1,002,726	25,115,169	3,331,464
2026	16,680,353	1,998,838	8,012,097	805,804	24,692,450	2,804,642
2027	16,718,286	1,666,435	6,321,562	628,215	23,039,848	2,294,650
2028	15,507,591	1,355,678	5,484,637	539,275	20,992,228	1,894,953
2029-2033	61,110,108	2,763,553	25,024,344	1,105,756	86,134,452	3,869,309
2034 and thereafter	3,376,187	8,958	274,555	17,401	3,650,742	26,359
Total minimum lease payments	<u>\$ 146,840,779</u>	<u>\$ 12,781,929</u>	<u>\$ 63,283,366</u>	<u>\$ 5,325,020</u>	<u>\$ 210,124,145</u>	<u>\$ 18,106,949</u>

*Future allocation between Government activities and Business type activities varies annually based on usage

In 1987, Arlington County entered into a lease-leaseback arrangement. Under the arrangement, Arlington County leased land for an office building to a private party. The lease receivable and deferred inflow under this arrangement were \$64,715,290. The entity leased back a portion of the building to the County, as the lessee, the initial lease liability and related lease asset are \$83,977,927. As a result, a net lease liability(receivable) and related lease asset(deferred inflow) of \$19,262,637 were recorded in the Statement of Net Position.

B. Lessor

Arlington County, acting as lessor, leases under long-term, non-cancelable lease agreements. The leases expire at various dates through 2105 and provide for renewal options ranging from twelve months to fifty-seven years. During the year ended June 30, 2023, the entity recognized \$11,914,553 and \$4,345,999 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Total future minimum lease payments to be received under lease agreements are as follows:

	Primary Government		Total
	Principal	Interest	
Lease receivable due in:			
2024	\$ 4,395,619	\$ 4,421,200	\$ 8,816,819
2025	5,463,613	4,316,462	9,780,075
2026	5,281,623	4,204,400	9,486,023
2027	4,314,068	4,107,174	8,421,242
2028	4,143,189	4,018,370	8,161,559
2029-2033	18,150,958	18,959,679	37,110,637
2034 and thereafter	190,647,198	102,727,568	293,374,766
Total minimum lease payments	<u>\$ 232,396,268</u>	<u>\$ 142,754,853</u>	<u>\$ 375,151,121</u>

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 9. Long-Term Debt

A. General Obligation Bonds

All outstanding bonds, except revenue bonds, constitute legally binding obligations of the County. The County Board is authorized and required by law to levy ad valorem taxes, without limitation as to rate or amount, on all taxable property within the County to pay the principal and any interest on the bonds. There is no overlapping debt for the County and no legal debt limit for counties in Virginia. There is, however, a requirement that general obligation bonds be approved by the voters at referendum before authorization for sale and issuance.

Maturities of general obligation bonds currently outstanding, including interest, excluding Build America Bond Subsidies, are as follows:

ARLINGTON COUNTY, VIRGINIA
GENERAL OBLIGATIONS BONDS

Fiscal Year	GENERAL FUND		SCHOOL RELATED		UTILITY FUND		TOTAL GO BONDS	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 45,415,000	\$ 26,805,439	\$ 43,830,000	\$ 20,819,439	\$ 8,295,000	\$ 915,662	\$ 97,540,000	\$ 48,540,540
2025	46,810,000	25,155,548	40,910,000	19,241,104	8,505,000	773,860	96,225,000	45,170,512
2026	47,505,000	23,316,392	38,550,000	17,832,518	8,330,000	621,665	94,385,000	41,770,576
2027	47,580,000	21,354,205	41,005,000	16,416,152	6,345,000	470,961	94,930,000	38,241,319
2028	44,965,000	19,396,679	39,820,000	14,762,794	4,430,000	339,160	89,215,000	34,498,633
2029-2033	216,835,000	69,884,773	182,585,000	51,225,825	9,015,000	567,099	408,435,000	121,677,698
2034-2038	159,820,000	32,204,729	114,185,000	21,281,146	395,000	6,648	274,400,000	53,492,523
2039-2043	63,715,000	6,416,750	40,925,000	4,213,850	-	-	104,640,000	10,630,600
2044-2048	2,550,000	259,000	-	-	-	-	2,550,000	259,000
	\$ 675,195,000	\$ 224,793,516	\$ 541,810,000	\$ 165,792,829	\$ 45,315,000	\$ 3,695,057	\$ 1,262,320,000	\$ 394,281,401

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

ARLINGTON COUNTY, VIRGINIA
IDA BONDS

Fiscal Year	Principal	Interest	Total
2024	\$ 10,830,000	\$ 3,927,554	\$ 14,757,554
2025	8,440,000	3,495,125	11,935,125
2026	7,360,000	3,146,342	10,506,342
2027	6,250,000	2,847,413	9,097,413
2028	5,280,000	2,596,854	7,876,854
2029-2033	26,385,000	9,810,742	36,195,742
2034-2038	16,470,000	5,259,362	21,729,362
2039-2043	14,730,000	1,856,859	16,586,859
2044-2048	-	-	-
	<u>\$ 95,745,000</u>	<u>\$ 32,940,251</u>	<u>\$ 128,685,251</u>

ARLINGTON COUNTY, VIRGINIA
VRA BONDS

Fiscal Year	Principal	Interest	Total
2024	\$ 17,366,021	\$ 2,025,475	\$ 19,391,496
2025	17,716,730	1,674,766	19,391,496
2026	18,075,555	1,315,941	19,391,496
2027	12,049,444	964,742	19,391,496
2028	12,361,018	653,167	13,014,185
2029-2031	16,073,860	558,861	16,632,721
	<u>\$ 93,642,628</u>	<u>\$ 7,192,952</u>	<u>\$ 100,835,580</u>

B. Virginia Resources Authority (“VRA”) Loan Payable

VRA Bonds were issued in June 2004 in the amount of \$100,000,000. The proceeds from those bonds were received by the County prior to fiscal year 2012. The interest rate on these bonds is 1.00 percent. The principal outstanding on these bonds at June 30, 2023 was \$18,801,536. These bonds mature in fiscal year 2026.

In June 2007, the County entered into a Financing Agreement with VRA. VRA agreed to issue \$4,000,000 (Series 2007 A) and \$76,000,000 (2007 Series B) in Wastewater System Revenue Bonds (VRA Bonds) and lend the proceeds to the County for improvements to the County’s water pollution control plant and wastewater system. The proceeds from those bonds were received by the County prior to fiscal year 2012. The balance of the Series 2007 A bonds was paid off in June 2018. Interest is charged at a rate of 2.52 percent on the Series B bonds, and the principal outstanding on these bonds at June 30, 2023 was \$23,409,618. These bonds mature in fiscal year 2028.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

In October 2008, the County entered into a Financing Agreement with VRA, which agreed to issue \$50,000,000 in Wastewater System Revenue Bonds, Series 2008 and lend the proceeds to the County to continue the improvements to the water pollution control plant. The interest rate on these bonds is 2.72 percent. The proceeds from those bonds were received by the County prior to fiscal year 2012. The principal outstanding on these bonds at June 30, 2023 was \$19,963,326. These bonds mature in fiscal year 2030.

In June 2009, the County entered into a Financing Agreement with VRA. VRA agreed to issue \$35,000,000 in Wastewater System Revenue Bonds, Series 2009 and lend the proceeds to the County to continue the improvements to the water pollution control plant. The interest rate on these bonds is 2.65 percent. The proceeds from those bonds were received by the County prior to fiscal year 2011. On June 30, 2023, principal outstanding on these bonds was \$15,821,095. These bonds mature in fiscal year 2031.

In May 2010, the County entered into a Financing Agreement with VRA. VRA agreed to issue \$1,856,428 (Series 2008), \$16,795,849 (Series 2009), and \$16,347,723 (Series 2010) Wastewater System Revenue Bonds and lend the proceeds to the County to continue the improvements to the water pollution control plant. The interest rate on these bonds is 2.72 percent, 2.65 percent, and 2.05 percent, respectively. At June 30, 2023, the principal outstanding on these bonds was \$841,232 on Series 2008 bonds, \$7,592,249 on Series 2009 bonds and \$7,213,572 on Series 2010 bonds. These bonds mature in fiscal year 2031.

All current and prior bonds are secured by a pledge of County sewer revenues.

C. IDA Revenue Bonds (Various County Projects)

On May 9, 2013, the IDA issued \$76,315,000 in Revenue Bonds for the benefit of Arlington County (the "2013 IDA Bonds"). The 2013 IDA Bonds are due in annual installments of \$1,205,000 to \$3,005,000 through 2042, interest from 4% to 5% and were for the funding of the County's acquisition and improvements to land and property located at 2020 14th Street North, advance refunding of the 2004 IDA Lease Revenue Bonds and refunding of IDA Revenue Notes. The County has agreed under a Cooperation Agreement between the County and the IDA that subject to appropriation by the County Board, the County will deliver to the IDA sufficient funds to make payments with respect to the 2011 IDA Bonds. As of June 30, 2023, \$27,550,000 remains outstanding.

On October 27, 2017, the IDA issued \$31,715,000 in Revenue Bonds and \$26,150,000 in Refunding Bonds for the benefit of Arlington County (the "2017 IDA Bonds"). The 2017 IDA Bonds are due in annual installments of \$990,000 to 1,335,000 through 2043, interest of 5% and were for the funding of the acquisition of the Buckingham and Head Start properties. The County has agreed under a Cooperation Agreement between the County and the IDA that subject to appropriation by the County Board, the County will deliver to the IDA sufficient funds to make payments with respect to the 2017 IDA Bonds. As of June 30, 2023, \$46,925,000 remains outstanding.

On October 29, 2020, the IDA issued \$26,650,000 in Revenue Bonds and \$11,230,000 in Refunding Bonds for the benefit of Arlington County (the "2020 IDA Bonds"). The 2020 IDA Bonds are due in annual installments of \$100,000 to 10,190,000 through 2033, interest from 0.39% to 5% and were for the payment of the line of credit and acquisition of equipments. The County has agreed under a Cooperation Agreement between the County and the IDA that subject to appropriation by the County Board, the County will deliver to the IDA sufficient funds to make payments with respect to the 2020 IDA Bonds. As of June 30, 2023, \$21,270,000 remains outstanding.

D. Line of Credit

On June 1, 2019 a credit agreement was signed between IDA and the PNC bank national association. Based on this agreement PNC bank national association agreed to provide a revolving line of credit in aggregate principal amount up to \$30,000,000. The loan is to be used as an interim financing for the costs of planning, developing, acquiring, constructing, improving,

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

renovating and equipping facilities described in the County's adopted capital improvement program or similar projects which may be subsequently approved by the County Board. At June 30, 2023, the County's available-to-draw balance for the credit line for capital was \$205,280.

The annual future minimum credit line for capital payments as of June 30, 2023 are as follows:

Year Ending June 30,	Primary Government	School	Total
2024	6,593,841	4,189,010	10,782,851
2025	4,565,959	4,189,010	8,754,969
2026	3,125,644	2,113,932	5,239,576
2027	2,984,598	-	2,984,598
2028	2,797,024	-	2,797,024
2029-2031	1,978,710	-	1,978,710
Total Minimum credit line for capital Payments	\$ 22,045,776	\$ 10,491,952	\$ 32,537,728

On December 1, 2021 a credit agreement was signed between IDA and the PNC bank national association. Based on this agreement PNC bank national association agreed to provide a revolving line of credit in aggregate principal amount up to \$150,000,000. The loan is to be used as an interim financing for the costs of planning, developing, acquiring, constructing, improving, renovating and equipping facilities described in the County's adopted capital improvement program or similar projects which may be subsequently approved by the County board. This fundings purpose is for an affordable housing project.

The occurrence of any of the following events shall be considered as an event of default:

- Failure to pay or cause to be paid any scheduled principal of or interest on any advance when due for any reason; or
- Failure to observe or perform any the material term, condition, covenant or agreement set forth in the agreement; or
- Any representation, warranty or statement made on behalf of IDA or the County which shall prove to have been misleading or incorrect when made; or
- Any provision of the agreement shall for any reason cease to be valid and binding on IDA or the County or in full force and effect; or
- The County commences a voluntary case relating to bankruptcy, insolvency, reorganization or relief of debtors, adjustment, winding-up, liquidation; or
- A case shall be commenced without the application or consent of the County, in any court of competent jurisdiction, seeking the liquidation or readjustment of debts, the appointment of a trustee, receiver, custodian, or liquidator; or
- A final judgment for an amount not otherwise covered by insurance, in excess of \$50,000,000 is rendered against the County and if the IDA or the County has not demonstrated an ability to pay such judgment in a timely manner.

Upon the occurrence of any event of default, the bank shall have the right to reduce the available commitment to zero and declare that all obligation shall immediately become due and all outstanding advances shall accrue interest at the default rate.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

E. Changes in Long-Term Liabilities

During the year ended June 30, 2023, the following changes occurred in liabilities reported in the County and Schools long-term obligations:

	Balance July 1	Additions	Reductions	Balance June 30	Due in one Year
<u>General Government:</u>					
Compensated absences*	\$43,577,173	\$40,799,712	(\$44,973,516)	\$39,403,369	\$3,940,337
Workers' compensation	3,647,229	4,835,254	(4,168,070)	4,314,413	431,441
General obligation bonds - County	430,930,000	89,485,000	(19,695,000)	500,720,000	23,090,000
General obligation refunding bonds - County	196,940,000	-	(22,465,000)	174,475,000	22,325,000
General obligation bonds - Schools	280,080,001	97,890,000	(17,970,000)	360,000,001	22,655,000
General obligation refunding bonds - Schools	201,884,999	-	(20,075,000)	181,809,999	21,175,000
IDA revenue bonds - 2020	27,590,000	-	(6,320,000)	21,270,000	4,870,000
IDA revenue bonds - 2013	30,605,000	-	(3,055,000)	27,550,000	3,060,000
IDA revenue bonds - 2017	49,780,000	-	(2,855,000)	46,925,000	2,900,000
IDA skating facility bond***	19,710,000	-	-	19,710,000	-
Credit line for capital	10,309,884	15,488,417	(3,753,525)	22,044,776	22,044,776
Leases****	136,717,643	4,734,951	(16,279,182)	125,173,412	14,508,939
Line of credit	150,000,000	-	-	150,000,000	150,000,000
Bond premiums - County	112,050,734	9,891,865	(7,589,583)	114,353,016	8,084,177
Bond premiums - Schools	72,574,376	11,065,588	(5,128,131)	78,511,833	5,681,412
Net OPEB liability	68,535,024	-	(21,571,393)	46,963,631	-
Totals General Government	\$1,834,932,063	\$274,190,787	(\$195,898,400)	\$1,913,224,450	\$304,766,082
<u>Internal Service:</u>					
Compensated absence*	\$545,728	\$614,251	(\$714,885)	\$445,094	\$44,509
Credit line for capital	228,860	-	(228,860)	-	-
Leases****	654,034	1,095	(557,400)	97,729	79,406
Total Governmental Activities	\$1,836,360,685	\$274,806,133	(\$197,399,545)	\$1,913,767,273	\$304,889,997
<u>Component Unit - Schools:</u>					
Compensated absences*	\$47,795,153	\$26,885,323	(\$22,163,242)	\$52,517,234	5,251,723
Credit line for capital	6,225,235	6,341,795	(2,075,078)	10,491,952	10,491,952
Leases****	55,072,714	17,341,726	(9,131,074)	63,283,366	9,471,082
Net pension liability	276,808,989	57,791,578	-	334,600,567	-
Net OPEB liability	177,984,199	-	(82,031,771)	95,952,428	-
Total Schools Activities	\$563,886,290	\$108,360,422	(\$115,401,165)	\$556,845,547	\$25,214,757
<u>Business-type Activities</u>					
Compensated absences - Utilities*	\$1,963,221	\$2,718,943	(\$2,908,553)	\$1,773,611	\$177,361
Compensated absences - CPHD	1,355,897	1,148,957	(1,176,631)	1,328,223	132,822
GO bonds - Utilities	899,999	-	(150,000)	749,999	150,000
Refunding bonds - Utilities	51,865,001	-	(7,300,000)	44,565,001	8,145,000
Mortgage payable - Ballston	3,429,679	-	-	3,429,679	3,429,679
Mortgage interest payable - Ballston	42,544,549	2,691,245	-	45,235,794	45,235,794
VRA loan payable	110,665,859	-	(17,023,231)	93,642,628	17,366,021
Leases****	23,657,929	266,568	(2,354,861)	21,569,636	2,438,924
Bond and mortgage interest payable - Utilities	1,792,251	1,569,733	(1,792,251)	1,569,733	1,569,733
Bond premium - Utilities	2,532,331	-	(314,981)	2,217,350	314,981
Total Business-type Activities	\$240,706,716	\$8,395,446	(\$33,020,508)	\$216,081,654	\$78,960,315

*The General, School & Utility Funds have been used in prior years to liquidate compensated absences.

*** Rollforward includes GASB 84 IDA.

**** Leases include GASB 87 Leases and GASB 96 SBITAs.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

F. Defeased Debt

The County defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds.

NOTE 10. Net Investments in Capital Assets – Component unit - Schools

Virginia state law provides that a school board is a separate legal entity and school boards hold title to all school assets. However, whether separately elected or appointed by the governing body, Virginia's local school boards do not have the power to levy and collect taxes or issue debt. Purchases of school equipment, buildings or improvements (capital assets) to be funded by debt financing require the local government to issue the debt. The County is liable for this debt and reports this debt as a liability, which represents a total of \$477,655,572 net of deferred cost of refunding for Schools, whereas Schools reports the capital assets and unspent bond proceeds. In accordance with GAAP, investment in capital assets must be presented net of related debt, in order to reflect the true position of the primary government and component units. Therefore, the net investment in capital assets of governmental activities does not include the component unit - School's debt issued by the primary government for a total of \$477,655,572 in its calculation. This debt is reflected in the total reporting entity column, since the debt is owned by the County. The sum of the columns between the primary government and component units does not equal the total reporting entity column by a difference of \$477,655,572 because the debt related to Schools is reduced from net investment in capital assets of the total reporting entity. The unrestricted net position balance of the total reporting entity therefore reflects the impact of the reclassification for Schools as shown in the table below. The total reporting entity column provides a true picture and matches the County's assets with the debt and reports the net amounts on the net investment in capital assets.

	Primary Government			Component Units		Total Reporting Entity
	Governmental Activities	Business-type Activities	Total	Schools	Gates Partnership	
NET POSITION:						
Net investment in capital assets	709,575,585	921,700,887	1,631,276,472	906,981,144	11,911,632	2,059,100,367
Restricted for:						
Capital projects	118,480,144	-	118,480,144	158,761,617	-	277,241,761
Seized assets	5,639,486	-	5,639,486	-	-	5,639,486
Grants/Donations	20,498,933	-	20,498,933	7,054,887	-	27,553,820
Pension Asset	141,200,000	-	141,200,000	-	-	141,200,000
Unrestricted	86,241,347	10,276,301	96,517,648	(418,346,317)	7,715,276	176,955,489
Net position	<u>\$1,081,635,495</u>	<u>\$931,977,188</u>	<u>\$2,013,612,683</u>	<u>\$654,451,331</u>	<u>\$19,626,908</u>	<u>\$2,687,690,923</u>

NOTE 11. Inter-fund Receivables, Payables and Transfers

The County has numerous transactions among funds and component units to finance operations, provide services, and construct assets. Activity between funds that are representative of lending/ borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of inter-fund loans). The amounts of such transactions not received or paid at June 30, 2023 are reflected in current due to/from accounts of each fund/component unit, as summarized below:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Due to/ from other funds

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 3,433,959	\$ -
Print Fund	-	3,433,959
	<u>\$ 3,433,959</u>	<u>\$ 3,433,959</u>

Due to/from primary government and component unit

	<u>Receivable Entity</u>	<u>Payable Entity</u>
General Fund	\$ -	\$ 104,860,518
School Funds:		
School - Operating	79,983,974	
School - Community Activities	1,387,966	
School - Pay-as-you-go	23,425,939	
School - Comp Services Act	62,639	
	<u>\$ 104,860,518</u>	<u>\$ 104,860,518</u>

The primary purpose of inter-fund transfers is to provide funding for operations and capital projects. Inter-fund transfers for the year ended June 30, 2023 are as follows:

Transfer	General Fund	Special Revenue Funds	Capital Projects Funds	Enterprise Funds	Internal Service Funds	Total Transfers Out
General Fund		\$ 246,700	\$ 14,503,093	\$ 406,733	\$ 262,658	\$ 15,419,184
Special Revenue Funds	\$ 201,984					201,984
Transportation Project Fund	3,937,462					3,937,462
Non-major Capital Projects Funds	3,591,840					3,591,840
Internal Service Funds	130,000					130,000
Total Transfers In	<u>\$ 7,861,286</u>	<u>\$ 246,700</u>	<u>\$ 14,503,093</u>	<u>\$ 406,733</u>	<u>\$ 262,658</u>	<u>\$ 23,280,470</u>

The transfer detail table is from the General fund perspective only. Transfers out to the OPEB Trust fund of \$70,619 and between Internal Service Funds of \$53,267 are not included in the General fund perspective. The detail reported in addition to the trust and internal service transfers, results in total transfer \$15,543,070.

NOTE 12. Fund Balance

The County reports its fund balance for governmental funds as non-spendable, restricted, committed, assigned and unassigned. The County considers restricted and committed amounts of fund balance to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this; such as a grant agreement requiring dollar for dollar spending. Additionally, the County would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made. Fund balance must be appropriated by the County Board prior to spending.

Majority of the fund balance is set aside from the general fund and capital projects fund. The fund balance for each special revenue fund is restricted or non-spendable. The revenue source for special revenue funds is listed below:

Special Revenue Funds

Ballston Business Improvement District
Rosslyn Business Improvement District

Revenue Source

Real Estate Taxes
Real Estate Taxes

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

National Landing Business Improvement District	Real Estate Taxes
Community Development Grants	Federal Grants
Section 8 Housing Program	Federal Grants
Travel & Tourism Promotion	Transient Taxes
Ballston Quarter Community Dev. IDA	Real Estate Taxes

Certain portions of fund balance are non-spendable, restricted or committed by the County Board for specific purposes and is therefore not available for general appropriations. Future disbursements of the fund balances are accounted for as expenditures in the year in which they are incurred. All subsequent additions, reductions or redirections of resources must be approved by the County Board.

The County has committed a general fund balance self-insurance reserve of \$5,415,547 and a stabilization reserve equal to 1% of the General Fund Budget as of June 30, 2023. The reserves include a Stabilization reserve of \$15.5 million and operating reserve of \$85.3 million as of June 30, 2023. The County financial and debt management policy addresses maintaining a stabilization reserve in the advent of unexpected, ordinarily one-time, temporary events, such as major weather events or a local/regional emergency requiring immediate incurrence of cost in response; revenue declines; new/unfunded state, regional or federal programs; unexpected capital expenditures; and local or regional economic stress. The stabilization arrangement meets the criteria for committed fund balance. Use of Stabilization monies requires approval by the County Board. The minimum amount of the contingent will be 1% of the General Fund Budget and will be revisited annually as part of the budget process. Any draw on the stabilization reserve will be replenished within the subsequent two (2) fiscal years.

Additionally, the County policy requires a general fund operating reserve at five and a half percent of the County's General Fund budget. Since its establishment in FY 1986, the operating reserve has not been used but has been increased steadily. Like the Stabilization Reserve, appropriations from the operating reserve require County Board approval and may only be made to meet critical and unforeseen financial needs. Any draw on the operating reserve will be replenished within the subsequent three (3) fiscal years.

NOTE 13. Commitments and Contingencies

A. Washington Metropolitan Area Transit Authority

Arlington County has been a member of the WMATA compact since its founding in 1967, providing both capital and operating funding for the transit system as a contributing jurisdiction. Since 2010, the County's level of capital contributions have been set as part of the WMATA Capital Funding Agreement (the "Agreement"). Allocated contributions in the current adopted FY 2023 to FY 2028 Agreement for FY 2023 total \$284 million for all jurisdictions, 2.7 percent more than FY2022. The six-year program assumes annual 3 percent increases and a total of \$1.8 billion.

The CIP may include any capital project or purchase eligible for capital funding and may include projects in such categories as: vehicles and vehicle parts, rail system infrastructure rehabilitation, maintenance facilities, systems and technology, tracks and structures, passenger facilities, maintenance equipment, other facilities, project management, safety and security projects, and preventative maintenance.

Arlington County contributes approximately 8.4% of the local jurisdictional funding in the WMATA CIP. In FY 2023, the County's contribution was \$23.7 million. Arlington County's contributions are subject to annual appropriation of funds, and other limitations on expenditures or obligations under the applicable law. Arlington County uses a mix of General Obligation Bonds, state transit grants, and gas tax revenues to cover its share of the Capital Funding Agreement needs.

In addition, the County shares the operating costs for WMATA's combined bus, rail, and paratransit systems. The general fund is the County's primary funding source, with additional funding coming from State transit aid and gas tax collections held in trust at the Northern Virginia Transportation Commission. During FY 2023, the County paid \$46.6 million from its General Fund to subsidize WMATA's Metrobus, Metrorail and MetroAccess operating costs.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

B. Construction Commitments

As of June 30, 2023, contractual commitments were outstanding in the following funds for the amounts indicated:

Capital Project Funds	\$199,936,922
Utilities Funds	34,520,880
	<u>\$234,457,802</u>

These projects include transportation infrastructure, government facilities, parks and playgrounds, technology equipment and systems, utility water distribution system improvements, sanitary sewer system improvements, wastewater treatment plant improvements, and storm water capital programs.

C. Waste-to-Energy Facility

Arlington Solid Waste Authority

The Arlington Solid Waste Authority (the “ASWA”) was created in 1984 and is responsible for oversight of the waste-to-energy facility (“the Facility”). The ASWA consists of the five elected members of the Arlington County Board, the County Manager, who is appointed by the County Board, and the County Comptroller, who reports (as a trustee of the Trust Fund) to the County Manager. The Boards of the County and the ASWA have the same membership.

On December 1, 1984, an inter-local joint enterprise agreement was entered between the Alexandria Sanitation Authority and the Arlington Solid Waste Authority (the “Authorities”). The Joint Enterprise, referred to as the Alexandria/Arlington Resource Recovery Corporation, was formed to design, construct, equip, test, and operate a solid waste disposal facility having an installed capacity of 975 tons per day of mixed municipal solid waste. The facility is located at 5301 Eisenhower Avenue, Alexandria, Virginia. Revenue bonds were issued by the IDA and proceeds were lent to the Authorities to construct the facility.

On October 22, 1985, the Facility was sold by the Authorities to a private company (“the Corporation”) pursuant to a Conditional Sale and Security Agreement. The sale involved the transfer of construction-in-progress together with marketable securities and other assets. The Corporation assumed the obligation to provide funds adequate to pay the current liabilities and the outstanding revenue bonds payable as of October 22, 1985. This Agreement requires the Authorities to transfer full title to the Facility only when principal and interest on the outstanding revenue bonds or any subsequent refinancing revenue bonds have been paid in full. The Agreement also entitles the Authorities to repossess the Facility if revenue bond debt service payments are not made.

In connection with this transaction, the Corporation entered into a Facility Agreement dated as of October 1, 1986, obligating it to construct the Facility and to provide waste disposal services to the City of Alexandria, Arlington County, and the Authorities for 20 years. Under the Facility Agreement, the County has a guaranteed annual tonnage of acceptable waste commitment to the Facility. The commitment is based on a percent of solid waste the County expects to collect. The Facility charges a fee on each ton based on defined costs, and the County has met its maximum requirement for annual tonnage each year.

In July 1998, the Authorities advance refunded \$55,025,000 of the outstanding revenue bonds (Series 1998 A bonds) for the Facility to take advantage of lower interest rates. In November 1998, the IDA issued \$48,550,000 in new retrofit revenue bonds (Series 1998 B bonds) to cover the cost of new pollution abatement equipment at the Facility required by federal law. The proceeds of the Series 1998 B bonds were lent to Authorities to construct the equipment. A promissory note was issued by the ASWA in the amount of \$27,651,000 as part of this construction financing. The Series 1998 A bonds matured in January 2008, and the plant was sold to Covanta for \$10.00 per bill of sale which was dated February 28, 2008. On July 30, 2012, the Trust defeased the 1998 B bonds to take advantage of lowering the tipping fees. The Trust received a payment of \$1,468,952 after it paid \$1,680 in legal fees and \$4,083 in administration fees.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Because the ASWA Board is essentially the same as the Arlington County Board and the financing agreements require the capital assets built with the Series 1998 B bonds to belong to the ASWA (60% ownership), the County had to record these assets in its financial statements for FY 1999 and FY 2000. Cash, capital assets (construction-in-progress), and the promissory note signed by the ASWA were displayed with the County's enterprise funds. The retrofitting of the Facility's boiler units with certain air pollution control equipment was made necessary by the EPA regulations adopted pursuant to the 1990 Clean Air Act Amendments which imposed more stringent emission limitations on waste-to-energy facilities. The Corporation has agreed to design, construct, start-up, and test the equipment so that it passes the acceptance tests.

Since acceptance testing on each unit was completed in November 2000, the operating lease agreement between the ASWA and the Corporation took effect in January 2001. Since in essence the lease is a line of credit for capital, the capital assets completed and covered by the lease and the promissory note are removed from the County records and are now considered a part of the plant.

D. Alexandria/Arlington Waste To Energy Facility Monitoring Group Trust Fund "WTE-FMG"

On December 31, 2012, Arlington County and the City of Alexandria entered into a new Inter-local agreement and established the Waste To Energy Facility Monitoring Group Trust "WTE-FMG" and terminated the Alexandria/Arlington Waste Disposal Trust fund. The new trust oversees the operation of the facility and it has been used to pay consulting fees to the engineering firm for operations and maintenance audits of the facility, professional association fees and other payments related to the WTE facility. The Trust derives its revenue mainly from contributions by both jurisdictions and interest on invested funds. The funds are invested by Arlington County in First Virginia Community Bank, the carrying value of the funds totaled \$259,263 and \$269,556 and the bank balance totaled \$259,263 and \$268,622 at June 30, 2023 and June 30, 2022 respectively. During FY 2023, the WTE-FMG had \$118,857 as revenues and project-related expenditures of \$113,251.

E. Industrial Development Authority Ice Skating Facility

The County is committed to encouraging continuing economic development, including the area around Ballston, inducing the relocation to the County of private businesses to strengthen the business climate, and to making sports and recreation facilities available to the citizens of the County. To further these ends, on December 14, 2004, the County Board approved a resolution to assist the Washington Capitals Hockey Club (the "Capitals"), a professional team of the National Hockey League, in the development and construction of a skating facility and related improvements (the "Skating Facility"). The Skating Facility was built on the eighth (top) level of the existing Ballston Public Parking Garage (the "Garage"), which is owned by the County, adjacent to the Ballston Commons Mall. In 1984, the County had assisted in the development of Ballston Commons Mall, by constructing the existing seven-level parking garage. Under the current arrangements, the County leases the land on which the Garage is built and owns certain rights in the Garage pursuant to a ground lease between the Federated Department Stores, Inc.(FDS), as lessor, and the County, as lessee.

The Skating Facility contains approximately 95,000 square feet of constructed space and houses, among other amenities, two ice sheets suitable for National Hockey League use, one of which is convertible to host sports and events that do not require the ice surface; locker rooms and other training facilities for the Capitals; changing rooms for youth and adult hockey teams and figure skaters; a pro shop; rooms for public use; and corporate office space for the Capitals. The development also includes public parking (the "Parking Facilities").

As part of the agreement, the County agreed to construct an eighth level slab (the "Eighth Level Slab") on top of the Garage, to lease the Eighth Level Slab to the Industrial Development Authority of Arlington County, Virginia (the "IDA"), and to acquire the rights necessary to assist the development and construction of the project on the Garage pursuant to a Skating Facility Agreement (the "Skating Facility Agreement"), among the County, FDS, and certain other parties. The County has also constructed public parking (the "Parking Facilities") on the Eighth Level Slab.

The IDA agreed to acquire the rights necessary to undertake development and construction of the Skating Facility pursuant to the Deed of Lease and Grant of Air Rights, and, as a third party beneficiary, under the Skating Facility Agreement. The County is currently

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

leasing the Eighth Level Slab to the IDA and the IDA is leasing back to the County a portion of the Eighth Level Slab on which the County is operating the Parking Facilities.

In 2005, the IDA negotiated with the Capitals a Development Agreement under which the IDA developed and constructed the Skating Facility. The IDA issued \$35,700,000 Series 2005 IDA Skating Facility Taxable Revenue Bonds (the “Bonds”) to provide financing for the Skating Facility and, if necessary, the Parking Facilities.

On April 22, 2010 the IDA issued \$30,120,000 Series 2010 IDA Taxable Revenue Refunding Bonds (“Refunding Bonds”) with an average interest rate of 5.37% to refund \$35,200,000 of outstanding Bonds. The net proceeds of \$29,781,467 (after payment of \$338,533 in underwriting fees, insurance, and other issuance costs) plus an additional \$5,418,533 debt service reserve fund and debt service fund monies were used as payment on the Bonds. The 2005 Bonds were issued as a floating rate obligation, with interest payable monthly based off a spread to the London Interbank Offered Rate (LIBOR). The Bonds were redeemed in full at par on May 3, 2010 without penalty and there would not be any Net Present Value (NPV) savings given that the Bonds were floating rate obligation callable at any time.

On October 29, 2020 the IDA issued \$19,710,000 Series 2020B IDA Taxable Revenue Refunding Bonds (“Refunding Bonds”) with an average interest rate of 1.50% to refund \$19,480,000 of outstanding Bonds and pay \$298,818.47 of interest and fees. The net proceeds of \$19,557,214.47 (after payment of \$152,785.53 in underwriting fees, insurance, and other issuance costs) plus an additional \$221,604 of proceeds transferred from the Series 2010 IDA revenue refunding bond debt service reserve fund and project fund used as payment on the Bonds. As of June 30, 2022, \$19,710,000 was outstanding under these Taxable Revenue Refunding bonds.

A Cooperation Agreement between the County and the IDA states that, subject to appropriation of funds by the County Board, the County will deliver to the IDA sufficient funds so that the IDA can, among other things, make payments with respect to the Bonds and otherwise carry out its obligations under the Development Agreement if necessary. To further secure its obligations to make payments with respect to the Bonds, the IDA will, if required, grant a lien on and security interest in all of its right, title and interest in the Project, including its leasehold interest in the Eighth Level Slab, under a Leasehold Deed of Trust and Security Agreement between the IDA and certain individual trustees for the benefit of the trustee for the Bonds.

The IDA owns the Skating Facility and is currently leasing it to the Capitals, or an affiliate, pursuant to a Deed of Lease (the "Capitals Lease"), between the IDA and the Capitals, under which the Capitals have furnished, equip and operate the Skating Facility. Under the Capitals Lease, the Capitals will make payments of rent that are equal to debt service on the Bonds. Under the Cooperation Agreement, the IDA will agree to remit to the County all revenues received from the leasing of the Skating Facility, including those derived under the Capitals Lease. In FY 2023, \$2.3 million was received from the Capitals.

Construction on the project started in April of 2005 and the ice rinks opened to the public and the Capitals on November 10, 2006.

F. Industrial Development IDA Affordable Housing Project

AHC Limited Partnership-10 (“AHC-10”) and AHC Limited Partnership-11 (“AHC-11”) (collectively the “Gates Partnership”) Debt (Series 2006) was issued by the IDA, Virginia and the proceeds loaned to the Gates Partnership in order to acquire, rehabilitate, and equip a 464-unit multifamily apartment complex for rental to individuals and families of low-income known as the Gates of Ballston (the Project). The debt is projected to be repaid from the revenues generated by the Project. AHC-10 owns the Project, is the borrower on the debt, and leases the Project to AHC-11 under a master lease agreement; AHC-11 rents the Project units to subtenants, pays all operating expenses, and is responsible for making monthly lease payments to AHC-10. The Gates Partnership also has a mortgage note with the Virginia Housing Development Authority and a promissory note with the County. Subject to appropriation, the County will only be responsible for reimbursement of the debt service payments to the extent that the debt service reserve of the Gates Partnership is insufficient to make the required debt service payments.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

G. Ballston Public Parking Garage

In August 1984, Arlington County, Virginia, (the “County”) entered into various agreements to acquire an existing parking garage, to lease the adjacent land, and to construct a new garage. The Ballston Public Parking Garage Fund (the “Fund”) was established to account for the acquisition, construction, and operations of the parking garage. The Fund is an Enterprise Fund of the County. The Ballston Public Parking Garage (the “BPPG”) commenced operations in 1986 and has generated sufficient positive cash flow since inception to meet its operating and revenue bond debt service requirements. However, when considering certain liabilities (e.g., mortgage payable), the garage has a deficiency in net position of \$57,751,648 at June 30, 2023. The deferred rent and mortgage payable are liabilities, but are to be paid only when certain net operating income circumstances are met. The deficit has been caused by slower than anticipated commercial development of the areas adjacent to the garage and limitations on parking rates. Under the agreement with the May Company (Center Mark Properties, Inc. and successors), the County was initially precluded from increasing some key parking rates. Management of the County believes subsequent rate increases in future fiscal years, coupled with the completion of adjacent development projects, will result in the eventual achievement of profitable operations.

H. Collective Bargaining

In July 2021, the Arlington County Board adopted an ordinance to allow collective bargaining by five bargaining units. These include police; fire and emergency medical services; service, labor, and trades; office and technical; and professional employees. Certain employee classifications are excluded from collective bargaining such as finance, human resources, Sheriff’s office, and others. Currently, three unions have been recognized, Police, Fire, and Service, Labor and Trades. Currently, Collective Bargaining Agreements are in place with both Fire and Police through FY 2026. An MOU with the Service, Labor and Trade units is in place through FY 2024. Negotiations are ongoing with the Services, Labor and Trade unit beyond FY 2024. The County has added additional staff and consulting resources to support the negotiations, including a Chief Labor Relations Officer and additional staff in legal and human resources. Funding for any agreement or arbitration award is subject to County Board appropriation.

I. Litigation

The County is a defendant in lawsuits concerning various matters; in the opinion of the County Attorney, the resulting liability from these lawsuits is not expected to be material.

NOTE 14. Joint Ventures

Northern Virginia Criminal Justice Academy

The County participates in a joint venture with Loudoun County and the Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park to provide training for sworn law enforcement and correctional officers to satisfy requirements mandated by the Commonwealth of Virginia. The Industrial Development Authority of Loudoun County, Virginia issued \$6,585,000 Northern Virginia Criminal Justice Academy Lease Revenue Bonds, Series 1993, to finance the acquisition, renovation, and equipment of the Academy Training Center. The County, the City of Alexandria, and Loudoun County have entered into a lease arrangement with the Industrial Development Authority of Loudoun County. The County maintains an equity interest only in the land and building of the Academy, which is reflected in the County's General Leases. The County does not maintain an equity interest in the Academy's operations. In 2006, the County Board approved a resolution which committed the County to enter into an Agreement with the Academy.

The Counties of Arlington, Loudoun and Prince William and the City of Alexandria (Principal Members) agreed to facilitate the financing of the acquisition and construction of an Emergency Vehicle Operating Center (“EVOCC”) on property to be owned by the Academy and refinance existing indebtedness (\$6,585,000). Northern Virginia Criminal Justice Academy Lease Revenue Bonds, Series 1993 issued by the Industrial Development Authority of Loudoun County; establish a debt service reserve fund, if needed and finance costs of issuance

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

related to the transaction. The financing of the EVOC was accomplished by the issuance of lease revenue bonds (the “Academy Bonds”) by the Loudoun IDA in the aggregate principal amount of \$18,650,000.

The Academy Bonds are payable solely from the revenues derived by the Loudoun IDA from a lease between the Authority and the Principal members. The Loudoun IDA leases the EVOC to the Principal Members who have agreed to make rental payment, subject to annual appropriations sufficient to pay the principal and interest on the Academy Bonds, maintain certain reserve requirements and apply other costs, if any associated with the EVOC. As of June 30 2023, no bonds remain outstanding.

The Academy Bonds do not constitute a debt or a pledge of the credit or taxing powers of Arlington County and the Loudoun IDA is not obligated to make any payments on the Academy Bonds except from payments made on behalf of the County and other Principal Members under the lease.

In addition, the County pays the Northern Virginia Criminal Justice Academy for operating costs based on the pro-rata share of officers trained as well as capital costs in the form of debt service payments associated with the bond financing of the construction of the Emergency Vehicle Operations Center (EVOC). Financial statements for the Academy may be obtained from the Northern Virginia Criminal Justice Academy, 45299 Research Place, Ashburn, Virginia, 22011-2600.

NOTE 15. Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, excluding School Board employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely the property and rights of the plan participants and their beneficiaries. Participants' rights under the plan are in an amount equal to the fair market value of the deferred account for each participant. Investments in the plan are valued at market. All defined contribution plan assets are invested as directed by the individual employee and the plan is administered by Voya. The plan's investments are not reported on the County's Balance Sheet as such funds are held by a third party, over which the County has limited oversight.

NOTE 16. Employee Retirement Systems

The County maintains a single-employer, defined benefit pension plan, the Arlington County Employees' Retirement System ("System"), which covers substantially all employees of the County Board. The System was established under Chapters 21, 35, and 46 of the Arlington County Code.

The Schools participate in two VRS plans: the cost-sharing employer Teacher Retirement Plan and an agent Political Subdivision plan.

A. Arlington County Employees' Retirement System (ACERS)

Plan Description

ACERS, also referenced as the “System”, is a pension trust fund of the County financial reporting entity and is included in the County's Annual Comprehensive Financial Report. The accompanying financial statements present information on the operations of the System in conformity with generally accepted accounting principles.

The System is a single employer public employee defined benefit pension plan providing retirement benefits to Arlington County uniformed and general employees and to certain School Board employees.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Plan Administration

On November 16, 2004, amendments to Arlington County Chapters 21, 35 and 46 were made to transfer the System's administrative responsibilities to the County Manager while leaving investment responsibility with the Retirement Board.

The Retirement Board consists of seven voting and three substitute trustees as follows:

- Three appointed by the County Board
- One appointed by the County Manager
- One trustee and one substitute trustee elected by general employees
- One trustee and one substitute trustee elected by police officers, firefighters, and deputy sheriffs (uniform)
- One trustee and one substitute trustee elected by retired employees

If no eligible person is nominated for an elected position, the County Manager appoints an eligible person to serve as trustee.

In December 2007, the County Code was modified to require that the trustees elected by active employees be active employees and that the trustees elected by retired employees currently be receiving retirement benefits from the System.

The trustees annually elect a President, Vice-President and Secretary from among their members, and appoint a Treasurer and Assistant Treasurer, who may or may not be a member of the Retirement Board.

The trustees annually approve a Retirement Board Investment Office administrative budget. Administrative expenses are funded from System assets.

Plan Membership

At June 30, 2023, System membership consisted of the following:

	<u>General</u>	<u>Uniformed</u>	<u>School</u>	<u>Total</u>
Active Employees:				
Vested	1,656	513	2	2,171
Non-Vested	1,165	307	-	1,472
Total Active Employees	<u>2,821</u>	<u>820</u>	<u>2</u>	<u>3,643</u>
 Vested Deferred	636	140	19	795
Retirees and Beneficiaries	2,566	974	737	4,277
 Total Members	<u>6,023</u>	<u>1,934</u>	<u>758</u>	<u>8,715</u>

Benefits Provided

The System provides retirement benefits as well as survivor and disability benefits. The table below describes the benefits and how they are calculated.

All plan members are eligible for disability benefits after two years of service and qualify for Social Security disability at retirement. Disability retirement benefits are determined in the same manner as retirement benefits with no reduction for early retirement.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

All normal retirement benefits vest after five years of credited service. If an employee leaves covered employment before five years of credited service, accumulated employee contributions plus interest are refunded to the employee or designated beneficiary. A summary of member contribution rates, normal service retirement and average final compensation for the employees covered under various chapters of the County Code except for the period ending June 30, 2023 is provided in the next section below.

Benefit terms provide for annual cost of living adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustments are 100% of the CPI-U increase up to a maximum of 3% plus one half of the CPI-U increase for the next 9%. This equates to a maximum of 7.5% increase for a 12% increase in the CPI-U.

The System also provides a Deferred Retirement Option Plan (DROP) for employees eligible for retirement. Retirement benefits are paid into a stable value investment fund for DROP participants.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Member Contributions and Retirement Benefits

	<u>Participants Covered Under Arlington County Code Chapter</u>		
	<u>21</u>	<u>35</u>	<u>46</u>
Covers Employees Hired:	Before 2/8/81	Before 2/8/81	2/8/81 or After
Contribution Rates:			
General Employees	4.00%	NA	4.00%
School Board Employees (Covered by VRS)	0%	0%	0%
Uniformed Employees:			
- Management	5.62%	N/A	5.00% through 1/3/09, 7.5% thereafter
- Non-Management	6.62%	N/A	5.00% through 1/3/09, 7.50% thereafter
Normal Retirement Age:			
General County Employees	60	N/A	62
School Board Employees	60	62	62
Uniformed Employees	50	N/A	52
"Rule of 80" Applies	Yes	No	Yes
Retirement Benefit:			
Percentage of Average Final Salary (AFS) times years of creditable service subject to a 30-year maximum. AFS is generally the average of the three highest compensation years, including overtime. For Chapter 46 employees retiring on or after 1/4/09, the New AFS definition excludes overtime and most premium pays.	2.50% for each of the first 20 years plus 2.00% for each of the next 10 years	2.13% reduced by the VRS benefits under Formula A	Retiring on/prior to 1/3/09 General: 1.50% Uniform: 2.00% until Social Security Eligible then 1.50%, 1.70% & 2.00% for each 10 year increment Retiring on/after 1/4/09 General: 1.70% New AFS or 1.50% Prior AFS through 1/3/09 plus 1.70% New AFS thereafter Uniform: 2.50% through 1/3/09 plus 2.70% thereafter on New AFS or 2.00% Prior AFS through 1/3/09 plus 2.70% New AFS thereafter until Social Security Eligible then 1.50%, 1.70% & 2.00% for each 10-year increment prior to 1/3/09
Employee contribution refund upon leaving County	Contributions plus interest	N/A	Contributions plus interest

Contributions

Chapters 21, 35 and 46 of the County Code established the Plan and provide the basis for determining the contribution rates. The County Board may amend the Plan at any time.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Based on an annual actuarial valuation prepared by an actuary selected by the Retirement Board, a contribution rate is recommended to the County Board for adoption. The actuarially determined rate results in contributions to the Systems which, along with member contributions, are anticipated to be sufficient to fund the value of benefits expected to be earned by plan members during the year, plus an amount to amortize any unfunded actuarial liability.

As of the measurement date for the year ended June 30, 2023, the active member contribution rate was 4.00% of pay for general employees and 7.50% of pay for uniformed employees. The County's blended contribution rate was 21.1% of annual covered payroll. Employer contributions were \$65,748,328 and employee contributions were \$16,019,748 for FY2023.

Rate of Return

For the year ending June 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.8%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

	Schedule of Investment Returns							
	Last Six Fiscal Years							
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Annual Money-Weighted Rate of Return								
Net of Investment Expense	7.80%	-10.10%	28.30%	6.60%	6.80%	7.80%	12.70%	0.01%

The chart is intended to show information for 10 years. More data will be added as it becomes available.

Net Pension Liability (Asset)

The County's net pension liability (asset) was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability as of June 30, 2023 was determined by an actuarial valuation and measurement date as of June 30, 2022, using the following actuarial assumptions:

Investment rate of return	6.75%
Assumed inflation rate	3.00%
Projected salary increases	3.00%

Mortality rates were based on the PubG -2010 Employee projected with scale MP-2018.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2019.

Discount Rate

The discount rate used to measure the total pension liability as of June 30, 2022 was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that employer contributions will be made at rates determined by the Retirement Board, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

of current plan members. Therefore, the actuarial assumed rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Asset

Sensitivity of the Net Pension Asset to Changes in the Discount Rate

	Increase (Decrease) (\$ in millions)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a) - (b)
FY2023 Beginning balance - Measurement date of June 30, 2021	\$2,540.9	\$3,187.9	(\$647.0)
Changes for the year:			
Service cost	62.6	-	62.6
Interest	171.6	-	171.6
Differences between expected and actual experience	24.1	-	24.1
Contributions - employer	-	61.2	(61.2)
Contributions - employee	-	14.8	(14.8)
Net investment income	-	(321.3)	321.3
Benefit payments, including refunds of employee contributions	(126.5)	(126.5)	0.0
Administrative expense	-	(2.2)	2.2
Net changes	\$131.8	(\$374.0)	\$505.8
FY2023 Ending Balance - Measurement date of June 30, 2022	\$2,672.7	\$2,813.9	(\$141.2)

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

	(\$ in millions)		
	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
County's net pension asset	\$239.5	(\$141.2)	(\$450.7)

The System's Fiduciary Net Position as of June 30, 2022 and June 30, 2022 Measurement Date

Detailed information about the System's fiduciary net position is available in a separately issued Arlington County Employees' Retirement System financial report and can be downloaded from the Retirement Investment Office's website at <https://careers.arlingtonva.us/plan-performance>, or by writing to the Retirement Investment Office at 2100 Clarendon Boulevard, Suite 504, Arlington, VA 22201.

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

For the year ended June 30, 2023, the County recognized pension expense of \$15.9 million calculated as of the measurement date of June 30, 2022. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$18,100,000	\$22,200,000
Changes of assumptions	-	-
Net difference between projected and actual earning on the System's investments	106,600,000	-
Employer contributions subsequent to measurement date	<u>65,700,000</u>	<u>-</u>
Total	<u>\$190,400,000</u>	<u>\$22,200,000</u>

The amount of \$65,700,000 was reported as deferred outflows of resources related to the ACERS resulting from the employer's contributions subsequent to the measurement date; therefore, will be recognized as a reduction of the Net ACERS liability in the Fiscal Year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the ACERS will be recognized in the Retirement expense in future reporting periods as follows:

For the Fiscal Years Ending June 30,
(\$ in millions)

	<u>Balances</u>
2024	(\$8.5)
2025	(0.9)
2026	5.2
2027	106.7
Thereafter	<u>-</u>
	<u>\$102.5</u>

Additional disclosures on changes in net pension liability, related ratios, and employer contributions can be found in the RSI following the notes to the financial statements.

B. Virginia Retirement System (VRS) Teacher Retirement Plan

Plan Description

All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Retirement Plan upon employment. This cost-sharing plan is administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the *Code of Virginia*, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

The System administers three different benefit structures for covered employees in the VRS Teacher Retirement Plan – Plan 1, Plan 2, and, Hybrid. Each of these benefit structures has different eligibility criteria.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required contribution rate for the year ended June 30, 2023 (measurement date June 30, 2022) was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$57,165,238 and \$51,688,310 for the years ended June 30, 2023 and June 30, 2022, respectively.

In June 2022, the Commonwealth made a special contribution on approximately \$442.4 million to the VRS Teacher Employee plan. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act, and is classified as a non-employer contribution.

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

At June 30, 2023, Schools reported a liability of \$332,993,411 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 31, 2021 and rolled forward to the measurement date of June 30, 2022. Schools' proportion of the net pension liability was based on Schools actuarially determined employer contributions to the pension plan for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, Schools' proportion was 3.50% as compared to 3.60% at June 30, 2021.

For the year ended June 30, 2023, Schools recognized pension expense of \$15,087,731. Since there was a change in proportionate share between measurement dates, a portion of the expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

At June 30, 2023, Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows Resources</u>
Difference between expected and actual experience	\$ -	\$ 22,961,212
Net difference between projected and actual earnings on pension plan investments	-	43,415,367
Change in assumptions	31,394,571	-
Change in proportion and difference between employer contributions and proportionate share of contributions	1,113,447	16,938,389
Employer contributions subsequent to the measurement date	<u>57,165,238</u>	<u>-</u>
Total	<u>\$ 89,673,256</u>	<u>\$ 83,314,968</u>

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

The \$57,165,238 reported as deferred outflows of resources related to pensions resulting from the Schools' contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (NPL) in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

For the Fiscal Years Ending June 30,

	<u>Balances</u>
2024	(\$15,148,203)
2025	(19,914,500)
2026	(33,123,581)
2027	17,379,334
2028	-
Thereafter	-
	<u>(\$50,806,950)</u>

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2021, using the entry age normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Inflation:	2.5%
Salary increases, including Inflation:	3.5% – 5.95%
Investment rate of return:	6.75%, net of pension plan investment expense, including inflation

Mortality rates:

Pre-Retirement:

Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males.

Post-Retirement:

Pub-2010 Amount Weighted Teachers Healthy Retiree rates projected generationally; males set forward one year; 105% of rates for females.

Post-Disablement:

Pub-2010 Amount Weighted Teachers Disabled rates projected generationally; 110% of rates for males and females.

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant rates projected generationally.

Mortality Improvement:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 Public Sector Mortality Tables. For future mortality improvements, replace load with Modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit Experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement from 75 to 80 for all.
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Net Pension Liability (NPL)

The NPL is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position. As of June 30, 2022, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	Teacher Employee Retirement Plan
Total Pension Liability	\$54,732,329
Plan Fiduciary Net Position	45,211,731
Employers' Net Pension Liability	<u>\$9,520,598</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.61%
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The total pension liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The NPL is disclosed in accordance with the requirements of GAAP in the System's notes to the financial statements and required supplementary information.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Long-Term Expected Rate of Return

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

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

* The above allocation provides a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2022, the rate contributed by the school division for the VRS Teacher Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2022 on, school divisions are assumed to contribute 100% of the actuarially determined contribution rates. 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 active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Sensitivity of the School Division's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the school division's proportionate share of the net pension liability using the discount rate of 6.75%, as well as what the school division's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

School division's porportional share of the VRS Teacher Employee Retirement plan net pension liability	1% Decrease <u>5.75%</u> \$594,751,723	Current Discount Rate <u>6.75%</u> \$332,993,411	1% Increase <u>7.75%</u> \$119,864,583
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Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2022 ACFR. A copy of the 2022 VRS ACFR may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2022-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Additional disclosures on employers share of net pension liability, related rations, and employer contributions can be found in the required supplementary information following the notes to the financial statements.

C. Virginia Retirement System Political Subdivision Plan

Plan Description

All full-time, salaried permanent employees, such as school maintenance, janitorial and cafeteria employees and bus drivers as elected by Schools are automatically covered by VRS Retirement Plan upon employment. This cost-sharing plan is administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer are pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria a defined in the *Code of Virginia*, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and, Hybrid. Each of these benefit structures has a different eligibility criteria.

Employees Covered by Benefit Terms

As of the June 30, 2023 (based on the June 30, 2021 actuarial valuation), System membership consisted of the following:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

	<u>Number</u>
Retirees and Beneficiaries	159
Inactive Members:	
Vested inactive members	56
Non-vested inactive members	223
Inactive members active elsewhere in VRS	<u>94</u>
VRS Total inactive members	373
Active Members	<u>633</u>
Total Covered employees	<u>1,165</u>

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5% of their compensation toward their retirement.

The political subdivision's contractually required contribution rate for the year ended June 30, 2023 was 5.98% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from Arlington County Public Schools were \$1,518,902 and \$1,341,028 for the years ended June 30, 2023 and June 30, 2022, respectively.

Net Pension Liability

The political subdivisions net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2021, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Actuarial Assumptions – General Employees

The total pension liability for General Employees in the Political Subdivision's Retirement Plan was based on an actuarial valuation as of June 30, 2021, using the entry age normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Inflation:	2.5%
Salary increases, including Inflation:	3.5% – 5.35%
Investment rate of return:	6.75, net of pension plan investment expense, including inflation

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Mortality rates:

Others (Non 10 Largest) – Non-Hazardous Duty: 15% of deaths are assumed to be service related

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward two years.

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward three years.

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back three years; 90% of rates for females set back three years.

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward two years.

Mortality Improvement:

Rates projected generationally with modified MP-2020 Improvement Scale that is 74% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Others (Non 10 Largest) – Non-Hazardous Duty:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 Public Sector Mortality tables, For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age.
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Long-Term Expected Rate of Return

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

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

* The above allocation provides a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2021, actuarial valuations, whichever was greater. From July 1, 2022 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. 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 active and inactive employees. Therefore, the Long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Changes in Net Pension Liability

	Increase (Decrease)		
(measurement date)	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(a) - (b)
Balances at June 30, 2021	\$64,243,649	\$66,920,915	(\$2,677,266)
Changes for the year:			
Service cost	2,028,716	-	2,028,716
Interest	4,399,147	-	4,399,147
Differences between expected and actual experience	176,758	-	176,758
Change in assumptions	-	-	-
Contributions - employer	-	1,310,113	(1,310,113)
Contributions - employee	-	1,152,176	(1,152,176)
Net investment income	-	(102,498)	102,498
Benefit payments, including refunds	(2,199,634)	(2,199,634)	-
Administrative expenses	-	(41,030)	41,030
Other changes	-	1,438	(1,438)
Net changes	4,404,987	120,565	4,284,422
Balances at June 30, 2022	\$68,648,636	\$67,041,480	\$1,607,156

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

The following presents the net pension liability of the political subdivision using the discount rate of 6.75%, as well as what the political subdivision's net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Political subdivision's Net Pension Liability/(Asset)	\$11,459,786	\$1,607,156	(\$6,320,783)

For the year ended June 30, 2023, the political subdivision recognized pension expense of \$1,203,551. At June 30, 2023, the political subdivision reported deferred inflows of resources related to pensions from the following sources:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions subsequent to the measurement date	\$1,518,902	\$-
Difference between expected and actual experience	610,871	78,835
Net difference between projected and actual earnings on plan investments	-	1,820,317
Change in assumptions	767,678	-
Total	<u>\$2,897,451</u>	<u>\$1,899,152</u>

The amount \$1,518,902 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the Fiscal Years Ending June 30

	Balances
2024	(\$73,113)
2025	(161,167)
2026	(1,211,759)
2027	925,436
2028	-
Thereafter	<u>-</u>
Total	(\$520,603)

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2022 ACFR. A copy of the 2022 VRS ACFR may be downloaded from the VRS website at <http://www.varetire.org/pdg/publications/2022-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA. 23218-2500.

Additional disclosures on changes in net pension liability, related ratios, and employer contributions can be found in the RSI following the notes to the financial statements.

NOTE 17. Other Postemployment Benefits (OPEB)

A. County OPEB

Plan Description

In addition to the pension benefits described in Note 16, the County administers a single-employer defined benefit healthcare plan, The Arlington County Retiree Welfare Benefit Trust. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the County's pension plans. The plan does not issue a publicly available financial report.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Plan Administration

Investments for the County's OPEB Plan are the responsibility of the Arlington County Employee's Retirement System Board of Trustees (the Retirement Board.) The Retirement Board consists of seven voting and three substitute trustees as follows:

- Three appointed by the County Board
- One appointed by the County Manager
- One trustee and one substitute trustee elected by general employees
- One trustee and one substitute trustee elected by uniformed employees
- One trustee and one substitute trustee elected by retired employees

Additional details regarding the Retirement Board can be found in Note 16.

Plan Membership

At July 1, 2022 (valuation date), the following employees were covered by the benefit terms:

Total Active employees with coverage	3,084
Total Active employees without coverage	591
Total Retirees with coverage	1,772
Total Retirees without coverage	<u>336</u>
Total Members	<u>5,783</u>

Benefits Provided

Postemployment benefits are provided to eligible retirees include medical, dental, and life insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All permanent employees of the County who meet eligibility requirements of the pension plan are eligible to receive postemployment health care benefits. In addition, the County provides a fixed basic death benefit for all retirees.

Contributions

The contribution requirements of plan members are established and may be amended by the County Board. Funding for these benefits is currently made on a pay-as-you-go basis; however, the County intends to fund the actuarially determined contributions in future years. For full career employees, the County currently contributes between 16% and 80% towards the cost of medical and dental health premiums and 100% of premiums for a fixed coverage for life and accidental death insurance. For FY 2023, the County contributed \$11,573,495 towards benefit payments and an additional \$6,000,000 in pre-funding contributions towards health and life plans for retirees.

Investment Policy

The investment policy for the County OPEB plan was adopted in April 2009 and most recently revised in September 2016. The investment objective is to earn an average annual rate of return for the Trust of at least 8% or 3% over the CPI-U, whichever is greater, over rolling five-year periods, net of all investment management fees and direct investment expense. The following is the Board's adopted allocation policy:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

<u>Asset Class</u>	<u>Target Percentage</u>
Equities	60%-70%
Fixed Income	<u>30%-40%</u>
Total:	100%

Concentrations

The Trust does not hold investments in any one organization that represent five percent or more of the OPEB Trust's Fiduciary Net Position.

Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on the County's OPEB investments, net of investment expense was 7.8%. The money weighted rate of return expresses investment performance, adjusted for the changing amounts actually invested.

Net OPEB Liability

The County's net OPEB liability was measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022.

Actuarial Assumptions

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00% per year as of June 30, 2023
Salary Increases	3.00% per year for general salary inflation as of June 30, 2023
Discount Rate	6.75% for accounting and funding disclosures as of June 30, 2023
Investment Rate of Return	6.75% as of June 30, 2023

Mortality rates for active employees and healthy retirees were based on 100% of the Pub-2010 General Employee and General Retiree mortality tables for males (110% for females) projected with generational mortality improvements from 2010 using Scale MP-2018. Rates for Uniformed employees and healthy Uniformed retirees were based on 100% of the Pub-2010 Safety Employee and Safety Retiree above-median income mortality tables for males (125% for females) projected with generational mortality improvements from 2010 using Scale MP-2018.

Mortality rates for disabled retirees were based on 100% of the Pub-2010 Non-Safety Disabled Retiree mortality table for males (100% for females) projected with generational improvements from 2010 using Scale MP-2018. Rates for disabled Uniformed retirees were based on 100% of the Safety Disabled Retiree mortality table (125% for females) projected with generational mortality improvements from 2010 using Scale MP-2018.

The demographic and economic assumptions are set to reflect the same assumptions (where applicable) as ACERS. Those assumptions were set by the Retirement Board on the basis of the recommendations made by Cheiron as a result of an experience study performed concurrently with the June 30, 2019 pension actuarial valuation. The Retirement Board did not change the investment return of 6.75% or the inflation and general wage inflation assumptions of 3.00% from the previous experience study.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

The Long-Term Expected Rate of Return on OPEB Plan investments is 6.75% as of June 30, 2023.

Discount Rate

This Plan uses the Bond Buyer GO 20-Bond Municipal Bond Index to satisfy the requirements under GAAP. As this index is issued weekly, the value closest to but not after the reporting date is used in determining the appropriate rate. Based on this practice, the municipal bond rate at June 29, 2022 was 3.54% and the municipal bond rate at June 29, 2023 was 3.65%.

However, the depletion test as of the most recent actuarial valuation of July 1, 2022, reflecting known contributions after that date as well as the current funding policy, showed that the projected assets are expected to cover future benefit payments for current participants and as such the single rate used as the discount rate for this report, as required by GAAP, is the long-term expected rate of return, 6.75%.

Changes in Net OPEB Liability-County

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2022	\$250,177,024	\$201,769,121	\$48,407,903
Changes for the year:			
Service cost	6,209,048	-	6,209,048
Interest	16,921,832	-	16,921,832
Changes of benefits	-	-	-
Difference between expected and actual experience	(10,942,518)	-	(10,942,518)
Changes in assumptions	5,891,422	-	5,891,422
Contributions-employer	-	17,573,495	(17,573,495)
Net investment income	-	20,227,043	(20,227,043)
Benefit payments	(11,573,495)	(11,573,495)	-
Net changes:	6,506,289	26,227,043	(19,720,754)
Balances at June 30, 2023	\$256,683,313	\$227,996,164	\$28,687,149

Sensitivity of the net OPEB Liability to changes in the Discount Rate

The following amounts present the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1- percentage point lower (5.75%) or 1-percentage point higher (7.75%) than the current discount rate:

1% Decrease	Current Discount Rate	1% Increase
5.75%	6.75%	7.75%
\$54,923,898	\$28,687,149	\$6,280,659

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Sensitivity of the net OPEB Liability to changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1- percentage-point lower (6.40% decreasing annually to an ultimate rate of 2.78%) or 1- percentage-point higher (8.40% decreasing annually to an ultimate rate of 4.78%) than the current healthcare cost trend rates:

1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
6.40% decreasing to 2.78%	7.40% decreasing to 3.78%	8.40% decreasing to 4.78%
<u>\$11,137,443</u>	<u>\$28,687,149</u>	<u>\$46,686,869</u>

OPEB expense and deferred outflows of resources and deferred inflows of resources

For the year ended June 30, 2023, the County will recognize OPEB expense in the amount of (\$13,183,205). At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$-	\$28,497,257
Changes of assumptions	13,942,467	36,058,777
Net difference between projected and actual earnings on OPEB plan investments	3,100,299	-
Total	<u>\$17,042,766</u>	<u>\$64,556,034</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense in the future fiscal years and noted below:

For the Fiscal Years Ending June 30

	Balances
2024	(\$21,750,348)
2025	(18,985,434)
2026	(6,778,654)
2027	1,168
2028	-
Thereafter	-
	<u>(\$47,513,268)</u>

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

OPEB Trust Financial Statements

ARLINGTON COUNTY, VIRGINIA
STATEMENT OF FIDUCIARY NET POSITION
OPEB TRUST
JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	<u>2023</u>	<u>2022</u>
ASSETS		
Equity in pooled cash and investments	\$ -	\$ -
Investments, at fair value		
Foreign, Municipal and U.S. Government		
Obligations, including Fixed		
Instruments in Pooled Funds	79,798,656	70,619,191
Domestic and Foreign Equities, including		
Equities in Pooled Funds	148,197,507	131,149,928
Total assets	<u>227,996,163</u>	<u>201,769,119</u>
LIABILITIES		
Accounts payable and		
accrued liabilities	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>
NET POSITION RESTRICTED FOR OPEB	<u>\$227,996,163</u>	<u>\$201,769,119</u>

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

ARLINGTON COUNTY, VIRGINIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
OPEB TRUST
FOR THE YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2022)

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
ADDITIONS:		
Employer contributions	\$6,000,000	\$6,500,000
Other Contributions	70,619	75,271
Investment income:		
Interest and dividends	16,289,728	18,693,658
Net appreciation (depreciation) in fair value	3,937,315	(38,485,858)
Total Additions	<u>26,297,662</u>	<u>(13,216,929)</u>
DEDUCTIONS:		
Other consulting expenses	<u>70,619</u>	<u>75,271</u>
Total Deductions	<u>70,619</u>	<u>75,271</u>
Net Increase/(Decrease)	26,227,043	(13,292,200)
Net Position Restricted for OPEB, beginning of year:	<u>201,769,120</u>	<u>215,061,320</u>
Net Position Restricted for OPEB, end of year:	<u>\$227,996,163</u>	<u>\$201,769,120</u>

Additional disclosures on changes in net OPEB liability, related ratios, and employer contributions can be found in the RSI following the notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

B. Arlington County-Line of Duty Act Program (LODA)-OPEB

General Information about the LODA Program

The VRS LODA Program is a multiple-employer, cost-sharing OPEB plan. It was established pursuant to §9.1-400 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The LODA Program provides death and health insurance benefits to eligible state employees and local government employees, including volunteers, who die or become disabled resulting from the performance of their duties as a public safety officer. In addition, health insurance benefits are provided to eligible survivors and family members. For purposes of measuring the LODA Program's liabilities, deferred outflows of resources, deferred inflows of resources, and expenses, information about the fiduciary net position of the program and the additions to/deductions from the program's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Description

All paid employees and volunteers in hazardous duty positions in Virginia localities and hazardous duty employees who are covered under the VRS, the State Police Officers' Retirement System (SPORS), or the Virginia Law Officers' Retirement System (VaLORS) are automatically covered by the LODA Program. As required by statute, VRS (the "System") is responsible for managing the assets of the program. Participating employers made contributions to the program beginning in FY 2012. The employer contributions are determined by the System's actuary using anticipated program costs and the number of covered individuals associated with all participating employers.

The specific information for the LODA Program, including eligibility, coverage and benefits is set out below:

LODA PLAN PROVISIONS

Eligible Employees

The eligible employees of the LODA Program are paid employees and volunteers in hazardous duty positions in Virginia localities and hazardous duty employees who are covered under VRS, SPORS, or VaLORS.

Benefit Amounts

The LODA Program provides death and health insurance benefits for eligible individuals:

- **Death** – The death benefit is a one-time payment made to the beneficiary or beneficiaries of a covered individual. Amounts vary as follows:
 - \$100,000 when a death occurs as the direct or proximate result of performing duty as of January 1, 2006, or after.
 - \$25,000 when the cause of death is attributed to one of the applicable presumptions and occurred earlier than five years after the retirement date.
 - An additional \$20,000 benefit is payable when certain members of the National Guard and U.S. military reserves are killed in action in any armed conflict on or after October 7, 2001.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

- **Health Insurance** – The LODA program provides health insurance benefits.

The health insurance benefits are managed through the Virginia Department of Human Resource Management (DHRM). The health benefits are modeled after the State Employee Health benefits Program plans and provide consistent, premium-free continued health plan coverage for LODA-eligible disabled individuals, survivors and family members. Individuals receiving the health insurance benefits must continue to meet eligibility requirements as defined by the Line of Duty Act.

Contributions

The contribution requirements for the LODA program are governed by §9.1-400.1 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each employer's contractually required employer contribution rate for the program for the year ended June 30, 2023 was \$681.84 per covered full-time-equivalent employee. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021 and represents the pay-as-you-go funding rate and not the full actuarial cost of the benefits under the program. The actuarially determined pay-as-you-go rate was expected to finance the costs and related expenses of benefits payable during the year. Contributions to the program from the entity were \$660,284 and \$636,157 for the years ended June 30, 2023 and June 30, 2022, respectively.

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

At June 30, 2023, the entity reported a liability of \$18,276,482 for its proportionate share of the net LODA OPEB liability. The net LODA OPEB liability was measured as of June 30, 2022 and the total LODA OPEB liability used to calculate the net LODA OPEB liability was determined by an actuarial valuation as of that June 31, 2021 and rolled forward to June 30, 2022. The entity's proportion of the net LODA OPEB liability was based on the County's actuarially determined pay-as-you-go employer contributions to the LODA OPEB plan for the year ended June 30, 2022 relative to the total of the actuarially determined pay-as-you-go employer contributions for all participating employers. At June 30, 2022, the County's proportion was 4.82923% as compared to 4.56406% at June 30, 2021.

For the year ended June 30, 2023, the entity recognized LODA OPEB expense of \$2,648,275. Since there was a change in proportionate share between measurement dates, a portion of the LODA OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2023, the agency reported deferred outflows of resources and deferred inflows of resources related to the LODA OPEB Program from the following sources:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,404,130	\$ 3,415,836
Net difference between projected and actual earnings on LODA OPEB plan investments	-	78,159
Change in assumptions	5,096,803	4,507,831
Change in proportionate share	1,738,813	179,452
Employer Contributions subsequent to the measurement date	<u>636,157</u>	<u>-</u>
Total	<u><u>\$8,875,903</u></u>	<u><u>\$8,181,278</u></u>

An amount of \$636,157 reported as deferred outflows of resources related to the LODA OPEB Program resulting from the entity's contributions subsequent to the measurement date will be recognized as a reduction of the net LODA OPEB liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the LODA OPEB plan will be recognized as an expense in future reporting periods as follows:

For the Fiscal Years Ending June 30

	<u>Balances</u>
2024	\$190,359
2025	192,028
2026	193,804
2027	293,834
2028	208,537
Thereafter	<u>(1,020,094)</u>
	<u><u>\$58,468</u></u>

Actuarial Assumptions

The total LODA OPEB liability was based on an actuarial valuation as of June 30, 2021, using the entry age normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Inflation - 2.50 percent

Salary increases, including inflation - Locality employees: N/A

Medical cost trend rates assumption: –

- Under age 65: 7.00 percent – 4.75 percent

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

- Ages 65 and older: 5.25 percent – 4.75 percent

Investment rate of return 3.69 percent, net of OPEB plan investment expenses, including inflation*

* Since the LODA Program is funded on a current-disbursement basis, the assumed annual rate of return of 3.69% was used since it approximates the risk-free rate of return.

Mortality rates – Largest Ten Locality Employers With Public Safety Employees

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females, set forward two years.

Post-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 110% of rates for males; 105% of rates for females, set forward three years.

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back three years; 90% of rates for females, set back three years.

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward two years.

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 Public Sector Mortality tables, For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted to better fit experience and changed final retirement age from 65 to 70.
Withdrawal Rates	Decreased rates
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Net LODA OPEB Liability

The net OPEB liability (NOL) for the LODA Program represents the program's total OPEB liability determined in accordance with GAAP, less the associated fiduciary net position. As of June 30, 2022, NOL amounts for the LODA Program is as follows (amounts expressed in thousands):

Total LODA OPEB liability	\$385,669
Plan Fiduciary Net position	<u>\$7,214</u>
Employers' Net OPEB liability	<u>\$378,455</u>

Plan Fiduciary Net Position as a Percentage of the Total LODA OPEB Liability 1.87%

The total LODA OPEB liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net OPEB liability is disclosed in accordance with the requirements of GAAP in the System's notes to the financial statements and RSI.

Long-Term Expected Rate of Return

The long-term expected rate of return on LODA OPEB Program's investments was set at 3.69% for this valuation. Since LODA is funded on a current-disbursement basis, it is not able to use the VRS Pooled Investments 6.75% assumption. Instead, the assumed annual rate of return of 3.69% was used since it approximates the risk-free rate of return. This Single Equivalent Interest Rate (SEIR) is the applicable municipal bond index rate based on the Bond Buyer General Obligation 20-year Municipal Bond Index published monthly by the Board of Governors of the Federal Reserve System as of the measurement date of June 30, 2022.

Discount Rate

The discount rate used to measure the total LODA OPEB liability was 3.69%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made per the VRS Statutes and that they will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2022, the rate contributed by participating employers to the LODA OPEB Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly.

Sensitivity of the Covered Employer's Proportionate Share of the Net LODA OPEB Liability to Changes in the Discount Rate

The following presents the covered employer's proportionate share of the net LODA OPEB liability using the discount rate of 3.69%, as well as what the covered employer's proportionate share of the net LODA OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.69%) or one percentage point higher (4.69%) than the current rate:

1% Decrease	Current Discount Rate	1% Increase
2.69%	3.69%	4.69%
\$20,862,434	\$18,276,482	\$16,160,874

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Sensitivity of the Covered Employer's Proportionate Share of the Net LODA OPEB Liability to Changes in the Health Care Trend Rate

Because the LODA Program contains provisions for the payment of health insurance premiums, the liabilities are also impacted by the health care trend rates. The following presents the covered employer's proportionate share of the net LODA OPEB liability using health care trend rate of 7.00% decreasing to 4.75%, as well as what the covered employer's proportionate share of the net LODA OPEB liability would be if it were calculated using a health care trend rate that is one percentage point lower (6.00% decreasing to 3.75%) or one percentage point higher (8.00% decreasing to 5.75%) than the current rate:

1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
6.00% decreasing to 3.75%	7.00% decreasing to 4.75%	8.00% decreasing to 5.75%
\$15,401,912	\$18,276,482	\$21,884,514

LODA OPEB Plan Fiduciary Net Position

Detailed information about the LODA Program's Fiduciary Net Position is available in the separately issued VRS 2022 ACFR. A copy of the 2022 VRS ACFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2022-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

C. Schools OPEB

Plan Description

In addition to the pension benefits described in Note 16, the Schools administer a single-employer defined benefit healthcare plan, the Arlington County School Board Retiree Welfare Benefit Trust. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the Schools' pension plans. The plan does not issue a publicly available financial report.

Plan Administration

Investments for the Schools OPEB Plan are the responsibility of the Arlington County Employee's Retirement System Board of Trustees (the Retirement Board.) The Retirement Board consists of seven voting and three substitute trustees as follows:

- Three appointed by the County Board
- One appointed by the County Manager
- One trustee and one substitute trustee elected by general employees
- One trustee and one substitute trustee elected by uniformed employees
- One trustee and one substitute trustee elected by retired employees

Additional details regarding the Retirement Board can be found in Note 16.

Plan Membership

At June 30, 2023 (valuation date), the following employees were covered by the benefit terms:

Total Active employees with coverage	3,672
Total Active employees without coverage	1,582
Total Retirees with coverage	<u>1,063</u>
Total Plan Members	<u>6,317</u>

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Benefits Provided

The benefits provided are the same as those provided to active employees, and include medical, dental, and life insurance. Medicare eligible retirees and spouses are covered by United Healthcare Medicare Supplement or Kaiser Medicare Plus. Employees hired on/after January 1, 2009 must have at least 10 years of service at retirement to be eligible for retiree health coverage through Arlington Public Schools. There is no age or service requirement for disability health benefits. A surviving spouse can continue coverage after the death of the retiree but the School subsidy ceases and the surviving spouse is responsible for the full premium.

Contributions

The contribution requirements of plan members are established and may be amended by the School Board. Funding for these benefits is currently made on a pay-as-you-go basis; however, the School Board intends to fund the Actuarially Determined Contribution in future years. For full career employees, the Schools currently contributes between 10% and 77% towards the cost of medical premiums based on coverage selected. Dental insurance for retirees is paid 100% by the retiree. Life insurance for retirees is covered by the Virginia Retirement System. For FY 2023 the Schools' contributed \$11,469,649 toward benefit payments and made a pre-funding contribution of \$2,600,000 towards health plans for retirees.

Investment Policy

The Schools OPEB investment policy was adopted in April 2009 and most recently revised in September 2016. The investment objective is to earn an average annual rate of return for the Trust of at least 8% or 3% over the CPI-U, whichever is greater, over rolling five-year periods, net of all investment management fees and direct investment expense. The following is the Board's adopted allocation policy:

<u>Asset Class</u>	<u>Target Percentage</u>
Equities	60%-70%
Fixed Income	30%-40%
Total:	100%

Concentrations

For the Schools OPEB Plan, the Trust does not hold investments in any one organization that represent five percent or more of the OPEB Trust's Fiduciary Net Position.

Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense for the Schools Trust was 7.8%. The money weighted rate of return expresses investment performance, adjusted for the changing amounts actually invested.

Net OPEB Liability

The Schools' net OPEB liability was measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Actuarial Assumptions

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00% per year as of June 30, 2023
Salary Increases	3.00% per year for general salary inflation as of June 30, 2023
Discount Rate	6.75% for accounting and funding disclosures as of June 30, 2023
Investment Rate of Return	6.75% as of June 30 2023

Mortality rates for active members and healthy retirees and beneficiaries were based on the 100% of the Pub-2010 Teachers Employee mortality table for males (115% for females) projected with generational mortality improvements from 2010 using Scale MP-2018.

Mortality rates for disabled members were based on 100% of the Pub-2010 Non-Safety Disabled Retiree Mortality Table for males (115% for females) projected with generational mortality improvements from 2010 using Scale MP-2018.

The Long-Term expected rate of return was 6.75% as of June 30, 2023.

Discount rate

This Plan uses the Bond Buyer GO 20-Bond Municipal Index to satisfy the requirements under paragraph 48 of GASB No. 74. As this index is issued weekly, the value closest to but not after the reporting date is used in determining the appropriate rate. Based on this practice, the municipal bond rate at June 30, 2022 was 3.54% and the municipal bond rate at June 29, 2023 was 3.65%. However, the depletion test as of the most recent actuarial valuation of July 1, 2023, reflecting known contributions after that date as well as the current funding policy, showed that the projected assets are expected to cover future benefit payments for current participants and as such the single rate used as the discount rate for this report, as required by GASB No. 74, is the long-term expected rate of return, 6.75%.

Changes in Net OPEB Liability-Arlington Public Schools

	Increase (Decrease)		
	Plan Fiduciary Net		
	Total OPEB Liability	Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at June 30, 2022	\$195,092,140	\$83,712,652	\$111,379,488
Changes for the year:			
Service cost	4,524,587	-	4,524,587
Interest	13,179,666	-	13,179,666
Change of benefit terms	-	-	-
Difference between expected and actual experience	(21,398,976)	-	(21,398,976)
Changes in assumptions	(56,205,673)	-	(56,205,673)
Contributions-employer	-	11,469,649	(11,469,649)
Net investment income	-	8,407,264	(8,407,264)
Benefit payments	(8,869,649)	(8,869,649)	-
Net changes:	(68,770,045)	11,007,264	(79,777,309)
Balances at June 30, 2023	\$126,322,095	\$94,719,916	\$31,602,179

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Sensitivity of the net OPEB Liability to changes in the Discount Rate

The following amounts present the net OPEB liability of the Schools, as well as what the Schools' net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.75%) or 1-percentage point higher (7.75%) than the current discount rate:

1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
\$49,301,869	\$31,602,179	\$17,059,724

Sensitivity of the net OPEB Liability to changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the Schools, as well as what the Schools' net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1- percentage-point lower (6.0% decreasing an ultimate rate of 2.68%) or 1-percentage-point higher (8.00% decreasing to an ultimate rate of 4.68%) than the current healthcare cost trend rates:

1% Decrease 6.00% decreasing to 2.68%	Current Healthcare Cost Trend Rates 7.00% decreasing to 3.68%	1% Increase 8.00% decreasing to 4.68%
\$16,970,263	\$31,602,179	\$46,825,622

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the year ended June 30, 2023, the Schools will recognize OPEB expense in the amount of \$498,274. At June 30, 2023, the Schools reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$10,350,115	\$19,128,627
Changes of assumptions	10,861,526	67,128,469
Net difference between projected and actual earnings on OPEB plan investments	1,224,288	-
Total:	\$22,435,929	\$86,257,096

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized as OPEB expenses in future fiscal years as noted below:

For the fiscal years ending June 30,

2024	(\$11,138,269)
2025	(11,384,517)
2026	(7,375,973)
2027	(9,808,341)
2028	(9,819,331)
Thereafter	(14,294,736)
	<u>(\$63,821,167)</u>

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

OPEB Trust Statements-Arlington Public Schools

ARLINGTON COUNTY, VIRGINIA
OPEB TRUST FUND - SCHOOLS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	<u>JUNE 30, 2023</u>	<u>JUNE 30, 2022</u>
ASSETS		
Cash and Investments	\$94,719,916	\$83,712,652
Accounts Receivable	<u>-</u>	<u>-</u>
Total assets	<u>94,719,916</u>	<u>83,712,652</u>
LIABILITIES	<u>-</u>	<u>-</u>
NET POSITION RESTRICTED FOR OPEB	<u>\$94,719,916</u>	<u>\$83,712,652</u>

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

ARLINGTON COUNTY, VIRGINIA
OPEB TRUST FUND - SCHOOLS
STATEMENT OF CHANGES IN PLAN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	<u>2023</u>	<u>2022</u>
ADDITIONS:		
Employer contributions	\$ 2,600,000	\$ 2,600,000
Investment Income:		
Interest and dividends	6,758,499	7,761,250
Net appreciation (depreciation) in fair value	<u>1,648,765</u>	<u>(15,937,957)</u>
Total additions	11,007,264	(5,576,707)
	<u>11,007,264</u>	<u>(5,576,707)</u>
Net Increase/(Decrease)	11,007,264	(5,576,707)
Net Position Held in Trust for Plan Benefits, beginning of year	<u>83,712,652</u>	<u>89,289,359</u>
Net Position Held in Trust for Plan Benefits, end of year:		
Restricted	<u>\$94,719,916</u>	<u>\$83,712,652</u>

Additional disclosures on changes in Schools net OPEB liability, related ratios, and employer contributions can be found in the required supplementary information following the notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

D. Arlington Public Schools Health Insurance Credit (“HIC”) Program OPEB-Teachers

Summary of Significant Accounting Policies

The VRS Teacher Employee HIC Program is a multiple-employer, cost-sharing plan. The Teacher Employee HIC Program was established pursuant to §51.1-1400 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The Teacher Employee HIC program is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. For purposes of measuring the net Teacher Employee HIC Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC Program OPEB, and the Teacher Employee HIC Program OPEB expense, information about the fiduciary net position of the VRS Teacher Employee HIC Program; and the additions to/deductions from the VRS Teacher Employee HIC Program’s net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Teacher Employee Health Insurance Credit Program

Plan Description

All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee HIC Program. This plan is administered by VRS, along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree’s death.

The specific information for the Teacher HIC Program OPEB, including eligibility, coverage, and benefits is set out in the table below:

TEACHER EMPLOYEE HIC PROGRAM PLAN PROVISIONS	
Eligible Employees	<p>The Teacher Employee Retiree HIC Program was established July 1, 1993 for retired Teacher Employees covered under VRS who retire with at least 15 years of service credit.</p> <p>Eligible employees are enrolled automatically upon employment. They include:</p> <ul style="list-style-type: none">• Full-time permanent (professional) salaried employees of public school divisions covered under VRS.
Benefit Amounts	<p>The Teacher Employee Retiree HIC Program provides the following benefits for eligible employees:</p> <ul style="list-style-type: none">• At Retirement – For Teacher and other professional school employees who retire, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

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

HIC Program Notes:

- The monthly HIC benefit cannot exceed the individual premium amount.
- Employees who retire after being on long-term disability under VLDP must have at least 15 year of service credit to qualify for the health insurance credit as a retiree.

Contributions

The contribution requirement for active employees is governed by §51.1-1401(E) of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2023 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Program. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021 and rolled forward to the measurement date of June 30, 2022. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Program were \$4,404,361 and \$3,957,685 for the years ended June 30, 2023 and June 30, 2022, respectively.

In June 2022, the Commonwealth made a special contribution of approximately \$12 million to the VRS Teacher Health Insurance Credit Program. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act, and is classified as a non-employer contribution.

Teacher Employee HIC Program OPEB Liabilities, Teacher Employee HIC Program OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Teacher Employee HIC Program OPEB

At June 30, 2023, Schools' reported a liability of \$43,853,899 for its proportionate share of the VRS Teacher Employee HIC Program net OPEB liability. The net VRS Teacher Employee HIC Program OPEB liability was measured as of June 30, 2022 and the total VRS Teacher Employee HIC Program OPEB liability used to calculate the net VRS Teacher Employee HIC Program OPEB liability was determined by an actuarial valuation as of June 30 2021 and rolled forward to the measurement date of June 30, 2022. Schools' proportion of the net VRS Teacher Employee HIC Program OPEB liability was based on Schools' actuarially determined employer contributions to the VRS Teacher Employee HIC Program OPEB plan for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, Schools' proportion of the VRS Teacher Employee HIC Program was 3.51099% as compared to 3.61437% at June 30, 2021.

For the year ended June 30, 2023, Schools' recognized VRS Teacher Employee HIC Program OPEB expense of \$3,404,544. Since there was a change in proportionate share between June 30, 2021 and June 30, 2022 a portion of the VRS Teacher Employee HIC program net OPEB expense was related to deferred amounts from changes in proportion.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

At June 30, 2023, Schools' reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee HIC program OPEB from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$-	\$1,787,554
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	44,017
Change in assumptions	1,281,196	111,988
Change in proportionate share	627,328	2,092,225
Employer Contributions subsequent to the measurement date	4,404,361	-
Total	<u>\$6,312,885</u>	<u>\$4,035,784</u>

An amount of \$4,404,361 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from Schools' contributions subsequent to the measurement date will be recognized as a reduction of the net Teacher Employee HIC OPEB liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized as expenses in future reporting periods as follows:

For the Fiscal Years Ending June 30

	<u>Balances</u>
2024	(\$234,013)
2025	(268,445)
2026	(416,097)
2027	(356,754)
2028	(459,312)
Thereafter	<u>(392,639)</u>
	<u>(\$2,127,260)</u>

Actuarial Assumptions

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee HIC Program was based on an actuarial valuation as of June 30, 2021, using the entry age normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Inflation - 2.5 percent

Salary increases, including inflation – Teacher Employees: 3.5 percent – 5.95 percent

Investment rate of return - 6.75 percent, net of plan investment expenses, including inflation

Mortality rates – Teachers

Pre-Retirement:

Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males.

Post-Retirement:

Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward one year; 105% of rates for females.

Post-Disablement:

Pub-2010 Amount Weighted Teachers Disabled Retiree Rates projected generationally; 110% of rates for males and females.

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally.

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid, changed changed final retirement from 75 to 80 for all.
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount rate	No change

Net Teacher Employee HIC OPEB Liability

The net OPEB liability (NOL) for the Teacher Employee HIC Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

As of June 30, 2022, NOL amounts for the VRS Teacher Employee HIC Program is as follows (amounts expressed in thousands):

	Teacher Employee HIC OPEB Plan
Total Teacher Employee HIC OPEB liability	\$1,470,891
Plan Fiduciary Net Position	<u>221,845</u>
Teacher Employee net HIC OPEB liability	<u>\$1,249,046</u>

Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB liability 15.08%

The total Teacher Employee HIC OPEB liability is calculated by the System's actuary, and the plan's fiduciary net position is reported in the System's financial statements. The net Teacher Employee HIC OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

Long-Term Expected Rate of Return

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

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

* The above allocation provides a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

** On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11% including 2.5% inflation.

Discount Rate

The discount rate used to measure the total Teacher Employee HIC OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2022, the rate contributed by each school division for the VRS Teacher Employee HIC Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2022 on, all agencies are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total Teacher Employee HIC OPEB liability.

Sensitivity of Schools' Proportionate Share of the Teacher Employee HIC Net OPEB Liability to Changes in the Discount Rate

The following presents Schools' proportionate share of the VRS Teacher Employee HIC Program net HIC OPEB liability using the discount rate of 6.75%, as well as what would be Schools' proportionate share of the net HIC OPEB liability if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease	Current Discount	1% Increase
	5.75%	Rate	7.75%
		6.75%	
Teacher HIC Net OPEB Liability	\$49,423,847	\$43,853,899	\$39,132,394

Teacher Employee HIC OPEB Fiduciary Net Position

Detailed information about the VRS Teacher Employee HIC Program's Fiduciary Net Position is available in the separately issued VRS 2022 ACFR. A copy of the 2022 VRS ACFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2022-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

E. Arlington Public Schools Health Insurance Credit ("HIC") Program OPEB-Non-Professional Employees

The Political Subdivision Health Insurance Credit Program is a multiple-employer, agent defined benefit plan that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers. The Political Subdivision Health Insurance Credit Program was established pursuant to § 51.1-1400 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. For purposes of measuring the net Political Subdivision Health Insurance Credit Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the Political Subdivision Health Insurance Credit Program OPEB, and the Political Subdivision Health Insurance Credit Program OPEB expense, information about the fiduciary net position of the Virginia Retirement System (VRS) Political Subdivision Health Insurance Credit Program; and the additions to/deductions from the VRS Political Subdivision Health Insurance Credit Program's fiduciary net position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

General Information About the Political Subdivision Health Insurance Credit Program

Plan Description

All full-time, salaried permanent employees of participating political subdivisions are automatically covered by the VRS Political Subdivision Health Insurance Credit Program upon employment. This plan is administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

The specific information about the Political Subdivision Health Insurance Credit Program OPEB, including eligibility, coverage and benefits is set out in the table below:

POLITICAL SUBDIVISION HEALTH INSURANCE CREDIT PROGRAM (HIC) PLAN PROVISIONS
<p>Eligible Employees</p> <p>The Political Subdivision Retiree Health Insurance Credit Program was established July 1, 1993, for retired political subdivision employees of employers who elect the benefit and who retire with at least 15 years of service credit.</p> <p>Eligible employees are enrolled automatically upon employment. They include:</p> <ul style="list-style-type: none">• Full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan.
<p>Benefit Amounts</p> <p>The political subdivision's Retiree Health Insurance Credit Program provides the following benefits for eligible employees:</p> <ul style="list-style-type: none">• <i>At Retirement:</i> For employees who retire, the monthly benefit is \$1.50 per year of service per month with a maximum benefit of \$45.00 per month.• <i>Disability Retirement:</i> For employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is \$45.00 per month.
<p>Health Insurance Credit Program Notes:</p> <ul style="list-style-type: none">• The monthly Health Insurance Credit benefit cannot exceed the individual premium amount.• No Health Insurance Credit for premiums paid and qualified under LODA; however, the employee may receive the credit for premiums paid for other qualified health plans.• Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the Health Insurance Credit as a retiree.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Employees Covered by Benefit Terms

As of the June 30, 2021 actuarial valuation, membership consistend of the following:

	<u>Number</u>
Retirees and Beneficiaries	61
Inactive vested members	4
Active employees	633
Total	698

Contributions

The contribution requirement for active employees is governed by § 51.1-1402(E) of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The VRS Schools Non-professional Employee HIC Program contractually required employer contribution rate for the year ended June 30, 2023, was 1.21% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the Schools Non-professional Employee Program to the Political Subdivision Health Insurance Credit Program were \$84,631 and \$60,987 for the years ended June 30, 2023, and June 30, 2022, respectively.

Net HIC OPEB Liability

The Schools Non-professional Employee net Health Insurance Credit OPEB liability was measured as of June 30, 2022. The total Health Insurance Credit OPEB liability was determined by an actuarial valuation performed as of June 30, 2021, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Inflation: 2.5%

Salary Increases including inflation-

Locality-General employees 3.5%-5.35%

Locality-Hazardous duty employees 3.5%-4.75%

Investment rate of return: 6.75% net of plan investment expense, including inflation

Non 10 Largest Locality Employers – General Employees

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward two years.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward three years.

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back three years; 90% of rates for females set back three years.

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward two years.

Mortality Improvement:

Rates projected generationally with modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified MortalityImprovement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Long-Term Expected Rate of Return

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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

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

*The above allocation provides a one year return of 7.83%. However, one year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

**On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2022, the rate contributed by the entity for the HIC OPEB was 100% of the actuarially determined contribution rate. From July 1, 2022, on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Changes in HIC Non-Professional Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at June 30, 2021	\$696,501	\$65,211	\$631,290
Changes for the year:			
Service cost	17,116	-	17,116
Interest	47,336	-	47,336
Change in assumptions	14,549	-	14,549
Difference between actual and expected experience	75,943	-	75,943
Contributions - employer	-	60,987	(60,987)
Net investment income	-	(776)	776
Benefit payments, including refunds	(24,687)	(24,687)	-
Administrative expenses	-	(182)	182
Other changes	-	154	(154)
Net changes	130,257	35,496	94,761
Balances at June 30, 2022	\$826,758	\$100,707	\$726,051

Sensitivity of the Political Subdivision Health Insurance Credit Net OPEB Liability to Changes in the Discount Rate

The following presents Schools' proportionate share of the VRS Non-Professional Employee HIC Program net HIC OPEB liability using the discount rate of 6.75%, as well as what would be Schools' proportionate share of the net HIC OPEB liability if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	5.75%	6.75%	7.75%
Non-Professional HIC Net OPEB Liability	\$825,269	\$726,051	\$642,410

HIC Program OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Non-Professional HIC Program OPEB

For the year ended June 30, 2023, the Non-Professional Plan recognized HIC Program OPEB expense of \$74,724. At June 30, 2023, the Non-Professional plan reported deferred outflows of resources and deferred inflows of resources related to the HIC Credit Program from the following sources:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$64,040	\$-
Net difference between projected and actual earnings on HIC OPEB plan investments	1,949	-
Change in assumptions	18,876	-
Employer Contributions subsequent to the measurement date	84,631	-
Total	<u>\$169,496</u>	<u>\$-</u>

An amount of \$84,631 reported as deferred outflows of resources relating from the HIC OPEB Non-Professional Plan contributions subsequent to the measurement date will be recognized as a reduction of the HIC OPEB liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in the HIC OPEB expense in future reporting periods as follows:

For the Fiscal Years Ending June 30

	<u>Balances</u>
2024	\$15,870
2025	15,870
2026	15,871
2027	16,930
2028	14,930
Thereafter	<u>5,394</u>
	<u>\$84,865</u>

Non-Professional Employee HIC OPEB Fiduciary Net Position

Detailed information about the VRS Teacher Employee HIC Program's Fiduciary Net Position is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (ACFR). A copy of the 2022 VRS ACFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2022-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

F. Arlington Public Schools-Teachers Group Life Insurance (“GLI”) Program-OPEB

Summary of Significant Accounting Policies

The VRS GLI Program is a multiple-employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The GLI Program was established pursuant to §51.1-500 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The GLI Program is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers. For purposes of measuring the net GLI program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the GLI Program OPEB, and GLI Program OPEB expense, information about the fiduciary net position of the VRS GLI Program OPEB and the additions to/deductions from the VRS GLI Program OPEB’s net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the GLI Program

Plan Description

All full-time, salaried permanent employees of the state agencies, teachers and employees of participating political subdivisions are automatically covered by the VRS GLI Program upon employment. This plan is administered by the VRS (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

In addition to the basic GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI Program. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members’ paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the GLI Program OPEB.

The specific information for GLI Program OPEB, including eligibility, coverage and benefits is set out in the table below:

GLI PROGRAM PLAN PROVISIONS
<p>Eligible Employees</p> <p>The GLI Program was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program, including the following employers that do not participate in VRS for retirement:</p> <ul style="list-style-type: none">• City of Richmond• City of Portsmouth• City of Roanoke• City of Norfolk• Roanoke City Schools Board <p>Basic group life insurance coverage is automatic upon employment. Coverage end for employees who leave their position before retirement eligibility or who take a refund of their member contributions and accrued interest.</p>

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Benefit Amounts

The benefits payable under the GLI Program have several components.

- **Natural Death Benefit** – The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled.
- **Accidental Death Benefit** – The accidental death benefit is double the natural death benefit.
- **Other Benefit Provisions** – In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include:
 - Accidental dismemberment benefit
 - Safety belt benefit
 - Repatriation benefit
 - Felonious assault benefit
 - Accelerated death benefit option

Reduction in benefit Amounts

The benefit amounts provided to members covered under the GLI Program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.

Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)

For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the GLI Program. The minimum benefit was set at \$8,000 by statute. This amount is increased annually based on the VRS Plan 2 cost-of-living adjustment and is currently \$8,984 as of June 30, 2023.

Contributions

The contribution requirements for the GLI Program are governed by §51.1-506 and §51.1-508 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Program was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% X 60%) and the employer component was 0.54% (1.34% X 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2023 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contribution to the GLI Program from the entity were \$1,993,200 and \$1,741,898 for the years ended June 30, 2023 and June 30, 2022, respectively.

In June 2022, the Commonwealth made a special contribution of approximately \$30.4 million to the Group Life Insurance Plan. This special payment was authorized by a Budget Amendment included in Chapter 1 of the 2022 Appropriation Act.

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

At June 30, 2023, Schools' reported a liability of \$18,333,692 for its proportionate share of the net GLI OPEB liability. The net GLI OPEB liability was measured as of June 30, 2022 and the total GLI OPEB liability used to calculate the net GLI OPEB liability was determined by an actuarial valuation performed as of June 30, 2021 and rolled forward to the measurement date of June 30, 2022. The covered employer's proportion of the net GLI OPEB liability was based on the covered employer's actuarially determined employer contributions to the GLI Program for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022 the participating employer's proportion was 1.52261% as compared to 1.56208% at June 30, 2021.

For the year ended June 30, 2023, the participating employer recognized GLI OPEB expense of \$616,117. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2023, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB Program from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$1,451,798	\$735,504
Net difference between projected and actual earnings on GLI OPEB program investments	-	1,145,586
Change in assumptions	683,818	1,785,775
Change in proportionate share	172,730	788,139
Employer Contributions subsequent to the measurement date	1,993,200	-
Total	<u>\$4,301,546</u>	<u>\$4,455,004</u>

The amount of \$1,993,200 was reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date; therefore, will be recognized as a reduction of the Net GLI

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

OPEB liability in the Fiscal Year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

For the Fiscal Year Ending June 30

	<u>Balances</u>
2024	(\$354,126)
2025	(446,810)
2026	(1,105,791)
2027	(11,522)
2028	(228,409)
Thereafter	<u>-</u>
	<u>(\$2,146,658)</u>

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2021, using the entry age normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Inflation- 2.5 percent
Salary increases, including inflation –
 Teachers 3.5 percent – 5.95 percent
 Locality – General employees 3.5 percent – 5.35 percent
Investment rate of return - 6.75 Percent, net of investment expenses, including inflation

Mortality rates – Teachers

Pre-Retirement:

Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males.

Post-Retirement:

Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward one year; 105% of rates for females.

Post-Disablement:

Pub-2010 Amount Weighted Teachers Disabled Retiree Rates projected generationally; 110% of rates for males and females.

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally.

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid, changed changed final retirement from 75 to 80 for all.
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount rate	No change

Net GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position.

As of June 30, 2022, NOL amounts for the GLI Program is as follows (amounts expressed in thousands):

	<u>Group Life Insurance OPEB Program</u>
Total GLI OPEB liability	\$3,672,085
Plan Fiduciary Net Position	<u>2,467,989</u>
Employers' Net GLI OPEB liability	<u>\$1,204,096</u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB liability	67.21%

The total GLI OPEB liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net GLI OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and RSI.

Long-Term Expected Rate of Return

The long-term expected rate of return on the System's investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of System's investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

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

* The above allocation provides a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

**On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including inflation of 2.5%.

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2022, the rate contributed by the entity for the GLI OPEB Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2022 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB Program's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

Sensitivity of Schools' Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate

The following presents Schools' proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what Schools' proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

1% Decrease	Current Discount Rate	1% Increase
5.75%	6.75%	7.75%
\$26,677,669	\$18,333,692	\$11,590,618

GLI Program's Fiduciary Net Position

Detailed information about the GLI Program's Fiduciary Net Position is available in the separately issued VRS 2022 ACFR. A copy of the 2022 VRS ACFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2022-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

G. Arlington County Schools GLI-Non-Professional OPEB Plan

Summary of Significant Accounting Policies

The VRS GLI Program is a multiple-employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The GLI Program was established pursuant to §51.1-500 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The GLI Program is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers. For purposes of measuring the net GLI Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the GLI Program OPEB, and GLI Program OPEB expense, information about the fiduciary net position of the VRS GLI Program and the additions to/deductions from the VRS GLI Program OPEB's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the GLI Program

Plan Description

All full-time, salaried permanent employees of the state agencies, teachers and employees of participating political subdivisions are automatically covered by the VRS GLI Program upon employment. This plan is administered by the VRS (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

In addition to the basic group life insurance benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI Program. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the GLI Program.

The specific information for GLI Program, including eligibility, coverage and benefits is set out in the table below:

GLI PROGRAM PLAN PROVISIONS
Eligible Employees The GLI Program was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program, including the following employers that do not participate in VRS for retirement:

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

- City of Richmond
- City of Portsmouth
- City of Roanoke
- City of Norfolk
- Roanoke City Schools Board

Basic group life insurance coverage is automatic upon employment. Coverage end for employees who leave their position before retirement eligibility or who take a refund of their member contributions and accrued interest.

Benefit Amounts

The benefits payable under the GLI Program have several components.

- **Natural Death Benefit** – The natural death benefit is equal to the employee’s covered compensation rounded to the next highest thousand and then doubled.
- **Accidental Death Benefit** – The accidental death benefit is double the natural death benefit.
- **Other Benefit Provisions** – In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include:
 - Accidental dismemberment benefit
 - Safety belt benefit
 - Repatriation benefit
 - Felonious assault benefit
 - Accelerated death benefit option

Reduction in benefit Amounts

The benefit amounts provided to members covered under the GLI Program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.

Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)

For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the GLI Program. The minimum benefit was set at \$8,000 by statute in 2015. This amount is increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$8,984 as of June 30, 2023.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Contributions

The contribution requirements for the GLI Program are governed by §51.1-506 and §51.1-508 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Program was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% X 60%) and the employer component was 0.54% (1.34% X 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2023 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contribution to the GLI Program from Arlington Public Schools were \$155,664 and \$139,932 for the years ended June 30, 2023 and June 30, 2022, respectively.

In June 2022, the Commonwealth made a special contribution of approximately \$30.4 million to the Group Life Insurance Plan. This special payment was authorized by a Budget Amendment included in Chapter 1 of the 2022 Appropriation Act.

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

At June 30, 2023, Schools reported a liability of \$1,393,633 for its proportionate share of the net GLI OPEB liability. The net GLI OPEB liability was measured as of June 30, 2022 and the total GLI OPEB liability used to calculate the net GLI OPEB liability was determined by an actuarial valuation as of June 30, 2021 and rolled forward to the measurement date of June 30, 2022. Schools' proportion of the net GLI OPEB liability was based on Schools' actuarially determined employer contributions to the GLI Program for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, Schools' proportion was 0.11931% as compared to 0.11970% at June 30, 2021.

For the year ended June 30, 2023, Schools recognized GLI OPEB expense of \$99,134. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2023, Schools' reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB Program from the following sources:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$113,761	\$57,633
Net difference between projected and actual earnings on GLI OPEB program investments	-	89,767
Change in assumptions	53,583	139,931
Change in proportionate share	72,728	16,207
Employer Contributions subsequent to the measurement date	<u>155,664</u>	<u>-</u>
Total	<u>\$395,736</u>	<u>\$303,538</u>

An amount of \$155,664 reported as deferred outflows of resources related to the GLI OPEB Program resulting from Schools' contributions subsequent to the measurement date will be recognized as a reduction of the net GLI OPEB liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB Program will be recognized in the GLI OPEB expense in future reporting periods as follows:

For the Fiscal Years ending June 30th:

	<u>Balances</u>
2024	\$10,211
2025	(4,839)
2026	(65,619)
2027	8,417
2028	(11,636)
Thereafter	<u>-</u>
	<u>(\$63,466)</u>

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2021, using the entry age normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Inflation: 2.5 percent

Salary increases, including inflation – Locality – General employees: 3.5 percent – 5.35 percent

Investment rate of return of 6.75 percent, net of investment expenses including inflation

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Mortality rates – Non-Largest Ten Locality Employers - General Employees

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years.

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year.

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years.

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally.

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the changes to the discount rate which was based on VRS Board action effective July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; Set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all.
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service decrement through 9 years of service.
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Net GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2022, NOL amounts for the Group Life Insurance Program is as follows (amounts expressed in thousands):

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

	<u>GLI OPEB Program</u>
Total GLI OPEB Liability	\$3,672,085
Plan Fiduciary Net Position	<u>2,467,989</u>
Employers' Net GLI OPEB Liability	<u>\$1,204,096</u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	67.21%

The total GLI OPEB liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net GLI OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and RSI.

Long-Term Expected Rate of Return

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

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

* The above allocation provides a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

** One October 10, 2019 the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing median return of 7.11% including inflation of 2.5%.

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2022, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2022 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

Sensitivity of Schools' Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate

The following presents Schools' proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what Schools' proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
\$2,090,432	\$1,436,607	\$908,228

GLI Program Fiduciary Net Position

Detailed information about the GLI program's Fiduciary Net Position is available in the separately issued VRS 2022 ACFR. A copy of the 2022 VRS ACFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2022-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 18. Pension and OPEB Aggregated Components

A. Primary Government OPEB and Pension

The table below presents the aggregate amounts for OPEB and Pension expenses of the Primary government for the period ending June 30, 2023.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

**Arlington County Government
OPEB and Pension Components-Primary Government
For the Period Ending June 30, 2023**

	County OPEB	LODA OPEB	Total Primary Government OPEB	County Pension	Total OPEB & Pension
Net OPEB/Pension Liability	\$28,687,149	\$18,276,482	\$46,963,631	\$-	\$46,963,631
Net OPEB/Pension Asset	-	-	-	141,200,000	64,100,000
Deferred Inflows	64,556,034	8,181,278	72,737,312	22,200,000	141,801,989
Deferred Outflows	17,042,766	8,239,746	25,282,512	124,700,000	80,897,824
Deferred Outflows-Contributions*	-	636,157	636,157	65,700,000	60,328,364
OPEB/Pension Expense	(13,183,205)	2,648,275	(10,534,930)	15,900,000	51,465,672

*The County Pension and LODA OPEB Plan have measurement dates of the previous fiscal year end. Therefore, current year contributions which were made subsequent to the measurement date are reported as deferred outflows of resources and will be recognized as a reduction in the respective Pension and LODA OPEB liabilities in the following fiscal year.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

B. Component Unit Schools OPEB and Pension

The table below presents aggregate amounts for OPEB and Pension expense for the Component Unit Schools.

**Arlington County Public Schools
OPEB and Pension Components
For the Period Ending June 30, 2023**

APS OPEB Plans	APS OPEB	APS Teachers HIC OPEB	APS Teachers GLI OPEB	APS Non-Prof HIC OPEB	APS Non-Prof GLI OPEB	Total OPEB
Net OPEB Liability	\$31,602,179	\$43,853,899	\$18,333,692	\$726,051	\$1,436,607	\$95,952,428
Deferred Inflows	86,257,096	4,035,784	4,455,004	-	303,538	95,051,422
Deferred Outflows	22,435,929	1,908,524	2,308,346	84,865	240,072	26,977,736
Deferred Outflows-Contributions*	-	4,404,361	1,993,200	84,631	155,664	6,637,856
OPEB/Pension Expense	498,274	3,404,544	616,117	74,724	88,810	4,682,469

APS Pension Plans	APS Teachers Pension	APS Political Sub- Division Pension	Total APS Pension
Net Pension Liability	\$332,993,411	\$1,607,156	\$334,600,567
Deferred Inflows	83,314,968	6,610,694	89,925,662
Deferred Outflows	32,508,018	6,090,091	38,598,109
Deferred Outflows-Contributions*	57,165,238	1,518,902	58,684,140
Total Deferred Outflows	89,673,256	7,608,993	97,282,249
OPEB/Pension Expense	15,087,731	1,203,551	16,291,282

*The APS Teachers OPEB, Non-Professional OPEB, and all APS Pension Plans have a measurement date of the previous fiscal year end. Therefore, current year contributions which were made subsequent to the measurement date are reported as deferred outflows of resources, and will be recognized as a reduction in the respective APS OPEB or Pension liability in the following fiscal year.



Required Supplementary Information

The exhibits included are required to supplement the basic financial statements. This information is considered to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historic context.

ARLINGTON COUNTY, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 11-A
Page 1 of 2

ARLINGTON COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts			Variance
	Original	Final	Actual	Positive (Negative)
REVENUES:				
General Property taxes:				
Real estate	\$852,164,325	\$852,164,325	\$862,594,538	\$10,430,213
Personal	132,652,147	132,652,147	141,574,708	8,922,561
Other local taxes	224,135,000	224,135,000	250,489,355	26,354,355
Licenses, permits and fees	7,344,004	7,344,004	10,162,288	2,818,284
Charges for services	65,551,375	66,946,879	59,030,346	(7,916,533)
Fines and forfeitures	7,092,144	7,092,144	5,161,999	(1,930,145)
Grants:				
State grants	86,295,460	92,385,904	85,807,699	(6,578,205)
Federal grants	34,883,714	49,536,949	55,128,922	5,591,973
Use of money and property	13,932,984	14,632,984	33,022,703	18,389,719
Miscellaneous revenue	11,832,408	217,926,661	24,429,390	(193,497,271)
Total revenues	1,435,883,561	1,664,816,997	1,527,401,948	(137,415,049)
EXPENDITURES:				
General Government Administration:				
County Board	2,031,124	2,144,058	1,815,270	328,788
County Manager	6,054,700	6,125,761	6,136,346	(10,585)
Financial Management	10,061,086	10,232,470	9,987,309	245,161
Human Resources	11,156,462	11,277,958	11,123,799	154,159
Technology Services	29,193,673	29,366,454	28,953,272	413,182
County Attorney	4,072,083	4,101,635	3,741,376	360,259
Commissioner of Revenue	6,049,004	6,151,275	6,055,127	96,148
Treasurer	7,672,981	7,790,660	7,161,546	629,114
Electoral Board	1,989,586	2,010,345	1,748,237	262,108
Total General Government	78,280,699	79,200,616	76,722,282	2,478,334
Judicial Administration:				
Circuit Court & Circuit Court Judiciary	5,664,924	5,799,122	5,341,891	457,231
General District Court	423,627	427,471	351,768	75,703
Juvenile & Domestic Relations Court	7,705,708	7,818,638	6,925,453	893,185
Commonwealth Attorney	5,862,840	6,661,293	5,554,753	1,106,540
Sheriff & Jail	47,167,664	49,574,999	50,103,188	(528,189)
Office of the Public Defender	386,120	386,120	403,540	(17,420)
Magistrate's Office	29,986	29,986	28,654	1,332
Total Judicial Administration	67,240,869	70,697,629	68,709,247	1,988,382
Public Safety:				
Police	76,915,884	80,563,409	76,798,341	3,765,068
Pubic Safety Communications and Emergency Management	14,591,151	14,769,074	14,409,426	359,648
Fire	71,934,553	75,371,176	77,348,171	(1,976,995)
Total Public Safety	163,441,588	170,703,659	168,555,938	2,147,721
Environmental Services	114,788,989	118,537,227	112,573,286	5,963,941
Health & Welfare	172,625,843	187,445,865	170,966,283	16,479,582
Libraries	16,542,254	16,827,229	16,213,146	614,083

ARLINGTON COUNTY, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 11-A
Page 2 of 2

ARLINGTON COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Planning & Community Development:				
Economic Development	10,117,503	10,440,360	9,685,556	754,804
Community Planning, Housing & Development	12,350,859	12,918,870	12,218,968	699,902
Total Planning & Community Development	22,468,362	23,359,230	21,904,524	1,454,706
Parks and Recreation	53,154,373	55,028,416	52,485,423	2,542,993
Education	584,382,149	619,888,887	603,038,946	16,849,941
Non-Departmental:				
Non-Departmental	83,413,659	178,078,755	99,243,776	78,834,979
Debt Service				
Principal payment	44,416,345	44,416,345	49,725,000	(5,308,655)
Interest payment	32,569,562	32,569,562	26,984,082	5,585,480
Other costs	125,000	125,000	29,969	95,031
Regionals/Contributions	7,392,026	7,586,026	7,285,284	300,742
METRO	46,622,208	46,622,208	46,622,208	-
Total Non-Departmental	214,538,800	309,397,896	229,890,319	79,507,577
Total expenditures	1,487,463,926	1,651,086,654	1,521,059,394	130,027,260
Excess (deficiency) of revenues over expenditures	(51,580,365)	13,730,343	6,342,554	(7,387,789)
OTHER FINANCING SOURCES (USES):				
Transfers in	337,008	4,274,470	7,861,286	3,586,816
Transfers out	(10,302,176)	(18,019,813)	(15,472,451)	2,547,362
Sale of Land	-	15,000	1,798,508	1,783,508
Issuance of debt	-	-	-	-
Total other financing sources/(uses)	(9,965,168)	(13,730,343)	(5,812,657)	7,917,686
Net change in fund balance*	(61,545,533)	-	529,897	529,897
Fund Balance - beginning of year	362,807,057	362,807,057	362,807,057	-
Fund Balance - end of year	\$301,261,524	\$362,807,057	\$363,336,953	\$529,897

ARLINGTON COUNTY, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 11-B

Arlington County Government
Notes to Schedule of Revenues, Expenditures, and Changes
in Fund Balance-Budget and Actual
For the Year Ended June 30, 2023

The following procedures are used by the County in establishing the annual budgetary data reflected in the budgetary comparison schedule.

- 1) Prior to March 1, the County Manager is charged with presenting a proposed operating budget for the fiscal year commencing the following July. A multi-year capital improvement program is developed and approved separately from the operating budget and the School Board prepares a separate operations budget, supported to a large degree by transfers from the County's general fund. The County Board conducts budget work sessions with the departments and advisory commissions and holds public hearings prior to the final adoption of the budget by May 15th.
- 2) Annual appropriations are adopted for the general, enterprise, special revenue, capital projects, and internal service funds. Appropriations are controlled at the department level in the general fund.
- 3) Departments are charged with making sure that approved budget levels reflect any supplemental appropriations approved by the County Board. In addition, DMF is authorized to transfer budgeted amounts within any department if the total departmental appropriation is not changed. Any revisions that alter estimated revenues or total expenditures for any department or fund must be approved by the County Board. Appropriations lapse at June 30 unless the County Board approves carrying them forward to the next fiscal year.
- 4) The budgets of the general government fund types, which include the general fund, special revenue funds, and general capital projects fund, are prepared on a modified-accrual basis of accounting.

ARLINGTON COUNTY, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 11-C

Arlington County Retirement System
Schedule of Changes in the County's Net Pension Liability (Asset) and Related Ratios
For the Years Ended June 30, 2015 through 2023*
(\$ in millions)

	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability								
Service cost	\$62.6	\$60.8	\$59.8	\$59.3	\$57.8	\$56.5	\$53.8	\$54.8
Interest	171.6	166.3	161.4	149.5	143.5	139.1	143.6	135.6
Differences between expected and actual experience	24.1	(29.4)	(30.1)	(31.1)	(13.7)	(27.1)	(47.3)	(16.2)
Changes of assumptions	-	-	-	112.6	-	-	27.2	-
Benefit payments including refunds of employee contributions	(126.5)	(119.9)	(115.5)	(110.8)	(105.0)	(99.7)	(95.3)	(90.8)
Net change in total pension liability	131.8	77.8	75.6	179.5	85.7	68.8	82.0	83.4
Total pension liability -- beginning	2,540.9	2,463.1	2,387.5	2,208.0	2,122.3	2,053.5	1,971.5	1,888.1
Total pension liability -- ending	<u>\$2,672.7</u>	<u>\$2,540.9</u>	<u>\$2,463.1</u>	<u>\$2,387.5</u>	<u>\$2,208.0</u>	<u>\$2,122.3</u>	<u>\$2,053.5</u>	<u>\$1,971.5</u>
Plan fiduciary net position								
Contributions - employer	\$61.2	\$59.7	\$59.9	\$56.7	\$54.9	\$51.8	\$54.5	\$58.2
Contributions - employee	14.8	14.8	14.7	13.0	12.9	12.7	12.3	12.2
Net investment income	(321.3)	708.1	156.8	152.1	167.3	246.3	(1.3)	37.3
Benefit payments including refunds of employee contributions	(126.5)	(119.9)	(115.5)	(110.8)	(105.0)	(99.7)	(95.3)	(90.8)
Administrative expense	(2.2)	(2.0)	(2.0)	(0.8)	(0.8)	(0.8)	(1.7)	(1.5)
Net change in plan fiduciary net position	(374.0)	660.7	113.9	110.2	129.3	210.3	(31.5)	15.4
Plan fiduciary net position - beginning	3,187.9	2,527.2	2,413.3	2,303.1	2,173.8	1,963.5	1,995.0	1,979.6
Plan fiduciary net position - ending	<u>\$2,813.9</u>	<u>\$3,187.9</u>	<u>\$2,527.2</u>	<u>\$2,413.3</u>	<u>\$2,303.1</u>	<u>\$2,173.8</u>	<u>\$1,963.5</u>	<u>\$1,995.0</u>
County's net pension liability (asset) - ending	<u>(\$141.2)</u>	<u>(\$647.0)</u>	<u>(\$64.1)</u>	<u>(\$25.8)</u>	<u>(\$95.1)</u>	<u>(\$51.5)</u>	<u>\$90.0</u>	<u>(\$23.5)</u>
Plan fiduciary net position as a percentage of the total pension liability	105.3%	125.5%	102.6%	101.1%	104.3%	102.4%	95.6%	101.2%
Covered payroll	\$297.1	\$285.6	\$285.2	\$270.0	\$261.4	\$236.5	\$248.9	\$243.5
County's net position liability (asset) as a percentage of covered-payroll	-47.5%	-226.5%	-22.5%	-9.6%	-36.4%	-21.8%	36.2%	-9.7%

* The amounts presented in this schedule have a measurement date of the previous fiscal year end. Furthermore, this schedule is intended to show information for 10 years. Since 2023 is the ninth year for this presentation, there are only nine years of information available. Additional years will be displayed as they become available.

ARLINGTON COUNTY, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 11-D

Arlington County Retirement System
Schedule of Employer Contributions-County
Last 10 Fiscal Years
(\$ in millions)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$65.8	\$61.2	\$59.7	\$59.9	\$56.7	\$54.9	\$51.8	\$54.5	\$58.2	\$53.7
County contributions in relation to the actuarially determined contributions	65.8	61.2	59.9	59.9	56.7	54.9	51.8	54.5	58.2	53.7
Contribution deficiency/ (excess)	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Covered Payroll	\$316.3	\$297.1	\$285.6	\$285.2	\$270.0	\$261.4	\$236.5	\$248.9	\$243.5	\$252.4
Contributions as a percentage of covered payroll	20.8%	20.6%	20.9%	21.0%	21.0%	21.0%	21.9%	21.9%	23.9%	22.6%

Exhibit 11-E

Notes to Schedule-Arlington County Retirement System Pension-Key Assumptions

Valuation date	June 30, 2020
Timing	Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the System year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal cost method
Asset valuation method	Five year, smoothed
Amortization method	Level percent open
Discount rate	6.75%
Amortization growth rate	3.00%
Inflation	3.00%
Salary increases	3.00% plus merit/seniority component which vary by year of service and are compounded annually

Mortality	<u>General and Uniformed</u> RP-2000 Combined Mortality with generational mortality improvements using Scale AA for active employees and non-disabled inactive members; for Uniformed members, 50% of deaths assumed to be service-connected. RP-2000 Disabled Mortality projected with generational mortality improvements using Scale AA for disabled lives.
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	<u>School</u> RP-2000 Employee Mortality with White Collar adjustment with generational improvements using Scale BB for active and non-disabled inactive members; no deaths assumed to be service-connected. RP-2000 Disabled Mortality projected with generational mortality improvements using Scale AA for disabled lives.
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ARLINGTON COUNTY, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 11-F

Schedule of Employer's Share of Net Pension Liability
VRS Teacher Retirement Plan
For the Years Ended June 30, 2015 through 2023*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's Proportion of the Net Pension Liability	3.49762%	3.60019%	3.66778%	3.68727%	3.70772%	3.62326%	3.54755%	3.50960%	3.41217%
Employer's Proportionate Share of the Net Pension Liability	\$332,993,411	\$279,486,255	\$533,758,312	\$485,265,685	\$436,027,000	\$445,588,000	\$497,158,000	\$441,730,000	\$412,350,000
Employer's Covered Payroll	331,046,582	322,573,631	322,899,378	299,004,021	293,004,021	278,505,978	295,036,838	264,893,277	-
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	100.59%	86.64%	165.30%	162.29%	148.81%	159.99%	168.51%	166.76%	-
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.61%	85.46%	71.47%	73.51%	74.81%	72.92%	68.28%	70.68%	70.88%

* The amounts presented in this schedule have a measurement date of the previous fiscal year end. Furthermore, this schedule is intended to show information for 10 years. Since 2023 is the ninth year for this presentation, there are only nine years of information available. Additional years will be displayed as they become available.

ARLINGTON COUNTY, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 11-G

VRS Teachers Retirement Plan
Schedule of Employer Contributions
For the Years Ended 2015 through 2023 *

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2023	\$57,165,238	\$57,165,238	\$-	\$369,111,113	15.49%
2022	51,688,310	51,688,310	-	331,046,582	15.61%
2021	50,731,932	50,731,932	-	322,573,631	15.73%
2020	48,195,875	48,195,875	-	322,899,378	14.93%
2019	47,023,129	47,023,129	-	299,004,021	15.73%
2018	47,818,256	47,818,256	-	293,004,021	16.32%
2017	40,828,976	41,192,000	(363,024)	278,505,978	14.66%
2016	41,482,179	41,585,081	(102,902)	295,036,838	14.06%
2015	38,409,525	37,194,010	1,215,515	264,893,277	14.04%

*This schedule is intended to show information for 10 years. Since 2023 is the ninth year for this presentation, there are only nine years of information available. Additional years will be displayed as they become available.

Exhibit 11-H

Notes to Schedule-VRS Teachers Retirement Plan

Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions – The actuarial assumptions used in the June 30, 2021 valuation were based on the results of the most recent actuarial experience study of the System for the four- year period ending June 30, 2020, except for the change in discount rate, which was based on VRS Board action effective July 1, 2019. Changes in the assumptions based on the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement from 75 to 80 for all.
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

ARLINGTON COUNTY, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 11-I

Arlington Public Schools VRS Political Subdivision
Schedule of Changes in Net Pension Liability and Related Ratios
For the Years ended June 30, 2015 through 2023*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability									
Service cost	\$2,028,716	\$2,149,359	\$2,087,903	\$1,944,608	\$1,886,500	\$1,874,972	\$1,828,396	\$2,027,449	\$1,830,932
Interest	4,399,147	3,840,216	3,604,880	3,327,475	3,013,456	2,837,805	2,699,983	2,439,032	2,209,579
Differences between expected and actual	176,758	948,813	(288,136)	514,042	1,015,819	(4,454)	(1,444,760)	237,081	-
Changes in assumptions	-	1,461,151	-	1,712,931	-	(947,788)	-	-	-
Benefit payments, incl refunds of contributions	(2,199,634)	(2,095,971)	(1,740,387)	(1,517,186)	(1,342,405)	(1,160,059)	(1,069,403)	(881,977)	(643,241)
Net change in total pension liability	4,404,987	6,303,568	3,664,260	5,981,870	4,573,370	2,600,476	2,014,216	3,821,585	3,397,270
Total pension liability - beginning	64,243,649	57,940,081	54,275,821	48,293,951	43,720,581	41,120,105	39,105,889	35,284,304	31,887,034
Total pension liability - ending	\$68,648,636	\$64,243,649	\$57,940,081	\$54,275,821	\$48,293,951	\$43,720,581	\$41,120,105	\$39,105,889	\$35,284,304
Plan fiduciary net position									
Contributions - employer	\$1,310,113	\$1,261,144	\$1,233,076	\$1,207,932	\$1,151,875	\$1,077,379	\$1,225,860	\$954,339	\$1,725,606
Contributions - employee	1,152,176	1,116,321	1,107,945	1,064,709	1,008,648	935,848	884,066	722,556	1,003,574
Net investment income	(102,498)	14,421,795	975,506	3,185,444	3,193,423	4,632,064	667,328	1,570,563	4,406,370
Benefit payments, incl refunds of contributions	(2,199,634)	(2,095,971)	(1,740,387)	(1,517,186)	(1,342,405)	(1,160,059)	(1,069,403)	(881,977)	(643,241)
Administrative expense	(41,030)	(34,612)	(31,921)	(29,714)	(26,286)	(25,371)	(21,338)	(20,294)	(21,639)
Other	1,438	(171)	(1,178)	(2,024)	(2,904)	(4,184)	(273)	(332)	232
Net change in plan fiduciary net position	120,565	14,668,506	1,543,041	3,909,161	3,982,351	5,455,677	1,686,240	2,344,855	6,470,902
Plan fiduciary net position - beginning	66,920,915	52,252,409	50,709,368	46,800,207	42,817,856	37,362,179	35,675,939	33,331,084	26,860,182
Plan fiduciary net position - ending	\$67,041,480	\$66,920,915	\$52,252,409	\$50,709,368	\$46,800,207	\$42,817,856	\$37,362,179	\$35,675,939	\$33,331,084
Political subdivision's net pension liability	\$1,607,156	(\$2,677,266)	\$5,687,672	\$3,566,453	\$1,493,744	\$902,725	\$3,757,926	\$3,429,950	\$1,953,220
Plan fiduciary net position as a percentage of the total pension liability	97.66%	104.17%	90.18%	93.43%	96.91%	97.94%	90.86%	91.23%	94.46%
Covered payroll	\$25,418,572	\$25,913,299	\$24,495,341	\$21,082,014	\$18,170,928	\$18,633,172	\$17,912,069	\$18,922,234	\$17,327,513
Political subdivision's net pension liability as a percentage of covered payroll	6.32%	-10.33%	23.22%	16.92%	8.22%	4.84%	20.98%	18.13%	11.27%

* The amounts presented in this schedule have a measurement date of the previous fiscal year end. Furthermore, this schedule is intended to show information for 10 years. Since 2023 is the ninth year for this presentation, there are only nine years of information available. Additional years will be displayed as they become available.

ARLINGTON COUNTY, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 11-J

VRS Political Subdivisions
Schedule of Employer Contributions
For the Years Ended 2015 through 2023 *

Date	Contributions in Relation to		Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
	Contractually Required Contribution	Contractually Required Contribution			
2023	\$1,518,902	\$1,518,902	\$-	\$28,826,709	5.27%
2022	1,341,028	1,341,028	-	25,913,299	5.18%
2021	1,291,914	1,291,914	-	24,662,305	5.24%
2020	1,255,049	1,255,049	-	24,495,341	5.12%
2019	1,218,540	1,218,540	-	21,082,014	5.78%
2018	1,251,977	1,251,977	-	18,170,928	6.89%
2017	1,082,587	1,077,379	5,208	18,633,172	5.81%
2016	1,234,142	1,199,863	34,279	17,912,069	6.89%
2015	1,302,210	1,709,102	(406,892)	18,922,234	9.12%

* This schedule is intended to show information for 10 years. Since 2022 is the eighth year for this presentation, there are only eight years of information available. Additional years will be displayed as they become available.

Exhibit 11-K

Notes to Schedule-VRS Political Subdivisions

Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions – The actuarial assumptions used in the June 30, 2021 valuation were based on the most recent experience study of the System for the four-year period ending June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective July 1, 2019. Changes to the actuarial assumptions based on the experience study and VRS Board action are as follows:

Non 10 Largest – Non-Hazardous Duty:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement from 75 to 80 for all.
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change

ARLINGTON COUNTY, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 11-L

Schedule of Changes in Net OPEB Liability and Related Ratios-County OPEB Plan
For the Years Ended June 30, 2017 through 2023*

	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability							
Service cost	\$6,209,048	\$6,012,315	\$6,488,331	\$7,186,201	\$6,542,420	\$7,045,072	\$6,789,601
Interest	16,921,832	20,066,052	20,988,451	20,654,160	21,063,700	20,569,239	19,577,252
Changes of benefit terms	-	-	-	(9,579,643)	-	-	-
Changes of assumptions	5,891,422	(15,708,120)	(14,017,999)	7,679,137	(16,439,988)	(855,957)	21,967,205
Difference between expected and actual experience	(10,942,518)	(46,185,968)	(15,102,579)	(7,043,612)	(4,310,682)	(4,316,370)	(7,417,570)
Benefit Payments	(11,573,495)	(10,370,247)	(12,682,715)	(13,791,000)	(13,349,194)	(15,838,142)	(12,672,328)
Net change in total OPEB liability	6,506,289	(46,185,968)	(14,326,511)	5,105,243	(6,493,744)	6,603,842	28,244,160
Total OPEB liability - beginning	250,177,024	296,362,992	310,689,503	305,584,260	312,078,004	305,474,162	277,230,002
Total OPEB liability - ending (a)	\$256,683,313	\$250,177,024	\$296,362,992	\$310,689,503	\$305,584,260	\$312,078,004	\$305,474,162
Plan fiduciary net position							
Contributions - employer	\$17,573,495	\$16,870,247	\$20,182,715	\$20,291,000	\$20,349,194	\$19,237,827	\$19,522,328
Net investment income	20,227,043	(19,792,200)	43,019,873	7,340,191	13,509,558	7,935,995	11,825,989
Benefit payments	(11,573,495)	(10,370,247)	(12,682,715)	(13,791,000)	(13,349,194)	(12,042,855)	(12,672,328)
Net change in plan fiduciary net position	26,227,043	(13,292,200)	50,519,873	13,840,191	20,509,558	15,130,967	18,675,989
Plan fiduciary net position - beginning	201,769,121	215,061,321	164,541,448	150,701,257	130,191,699	115,060,732	96,384,743
Plan fiduciary net position - ending (b)	\$227,996,164	\$201,769,121	\$215,061,321	\$164,541,448	\$150,701,257	\$130,191,699	\$115,060,732
Net OPEB Liability - ending	\$28,687,149	\$48,407,903	\$81,301,671	\$146,148,055	\$154,883,003	\$181,886,305	\$190,413,430
Plan fiduciary net position as a % of the total OPEB liability	88.8%	80.7%	72.6%	53.0%	49.3%	42.7%	37.7%
**Covered-employee payroll	\$251,054,635	\$300,453,925	\$295,476,884	\$284,480,517	\$281,226,164	\$272,210,858	N/A
Net OPEB liability as % of covered-employee payroll	11.43%	16.11%	27.52%	51.37%	55.07%	66.82%	N/A

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**Contributions to the OPEB Plan are not based on a measure of pay but are a function of benefits covered, family status, and demographics. Therefore, the relevant measure is "covered-employee payroll", or the payroll of employees provided with OPEB through the OPEB plan.

ARLINGTON COUNTY, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 11-M

Schedule of Employer Contributions
Arlington County OPEB Plan
For the Years Ended June 30, 2013 through 2023

					Contributions as a % of Covered- Employee Payroll
Date	Actuarially Determined Contribution (ADC)	Contributions in relation to ADC	Contribution Deficiency (Excess)	Covered- Employee Payroll	
2023	\$8,337,218	\$17,573,495	(\$9,236,277)	\$251,054,635	7.00%
2022	14,834,010	16,870,247	(2,036,237)	300,453,925	5.61%
2021	16,880,221	20,182,715	(3,302,494)	295,476,884	6.83%
2020	18,450,712	20,291,000	(1,840,288)	284,480,517	7.13%
2019	18,525,231	20,349,194	(1,823,963)	281,226,164	7.24%
2018	19,316,113	19,237,827	78,286	272,210,858	7.07%
2017	17,836,375	19,522,328	(1,685,953)	-	-
2016	18,448,969	19,706,851	(1,257,882)	-	-
2015	18,935,237	19,480,852	(545,615)	-	-
2014	19,871,609	20,942,046	(1,070,437)	-	-

Exhibit 11-N

Notes to Schedules-County OPEB

Valuation Date: June 30, 2022

Actuarially determined contribution rates are calculated as of June 30, 2022, prior to the fiscal year in when they are reported, and have been rolled forward to June 30, 2023.

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry age normal level % of salary

Amortization method/period Level % of salary, 21 years

Asset valuation method Set equal to the market value of assets

Inflation: 3.00% annual increase

Medical trend rate: The medical trend rate assumption starts at 7.00% in 2023 and gradually declines to 3.94% by the year 2041.

Salary increases 3.00% per year net of exiting employees and new hires

Investment rate of return 6.75% per year as of June 30, 2023

Mortality rates: The mortality rates for active and healthy retirees were calculated at 100% of the Pub-2010 General Employee/Retiree mortality table for males (110% for females) projected with generational mortality improvements from 2010 using Scale MP-2018. The mortality rates for disabled retirees were calculated at 100% of the Pub-2010 Non-Safety Disabled retiree mortality table for males (110% for females).

ARLINGTON COUNTY, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 11-O

County OPEB Plan
Schedule of Investment Returns
Last Seven Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual Money-Weighted Rate of Return Net of Investment Expense	7.89%	-10.10%	26.17%	4.86%	10.37%	6.89%	12.25%

The chart is intended to show information for 10 years. More data will be added as it becomes available.

ARLINGTON COUNTY, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 11-P

**Schedule of Employer's Share of Net OPEB Liability
Line of Duty Act Program (LODA)
For the Years Ended June 30, 2018 through 2023***

	2023	2022	2021	2020	2019	2018
Employer's Proportion of the Net LODA OPEB Liability	4.83%	4.56%	4.52%	4.44%	4.14%	4.10%
Share of the Net LODA OPEB Liability	\$18,276,482	\$20,127,121	\$18,944,488	\$15,923,862	\$12,992,000	\$10,773,000
Covered-Employee Payroll	\$303,409,917	\$305,574,785	\$284,480,517	\$286,986,839	\$272,210,858	\$309,889,759
Employer's Proportionate Share of the Net LODA OPEB Liability as a % of Covered-Employee Payroll	6.02%	6.59%	6.66%	5.55%	4.77%	3.48%
as a % of Total LODA Liability	1.87%	1.68%	1.02%	0.79%	0.60%	1.30%

* The amounts presented have a measurement date of the previous fiscal year end. Furthermore, this schedule is intended to show information for 10 years. Since 2018 is the first year for this presentation, there are only six years of information available. Additional years will be displayed as they become available.

**The contributions for the Line of Duty Act Program are based on the number of participants in the Program using a per capita-based contribution versus a payroll-based contribution. Therefore, covered-employee payroll is the relevant measurement, which is the total payroll of the employees in the OPEB plan.

ARLINGTON COUNTY, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 11-Q

Schedule of Employer Contributions
Line of Duty Act Program (LODA)
For the Years Ended June 30, 2014 through 2023

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a % of Covered- Employee Payroll
2023	\$636,157	\$636,157	\$-	\$323,806,938	0.20%
2022	660,284	660,284	-	303,409,917	0.22%
2021	628,364	628,364	-	305,574,785	0.21%
2020	614,726	614,726	-	284,480,517	0.22%
2019	595,670	595,670	-	286,986,839	0.21%
2018	441,414	441,414	-	272,210,858	0.16%
2017	442,123	442,123	-	309,889,759	0.14%
2016	418,315	418,315	-	300,085,853	0.14%
2015	409,235	409,235	-	292,004,396	0.14%
2014	435,192	435,192	-	271,739,851	0.16%

* The contributions for the Line of Duty Act Program are based on the number of participants in the Program using a per capita-based contribution versus a payroll-based contribution. Therefore, covered-employee payroll is the relevant measurement, which is the total payroll of employees in the OPEB plan.

Exhibit 11-R

Notes to Required Supplementary Information
Line of Duty Act Program (LODA)
For the Year Ended June 30, 2023

Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions – The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an experience study for the period July 1, 2016 through June 30, 2020. Changes to the assumptions based on the study are as follows:

Employees In The Non- Largest Ten Locality Employers With Public Safety Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70.
Withdrawal Rates	Decreased rates and based on service only to better fit fit experience and be consistent with Locals Top 10 Hazardous Duty.
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change

ARLINGTON COUNTY, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 11-S

Schedule of Changes in Net OPEB Liability and Related Ratios-Arlington Public Schools
For the Years Ended June 30, 2017 through 2023

Total OPEB Liability	2023	2022	2021	2020	2019	2018	2017
Service cost	\$4,524,587	\$4,386,787	\$4,642,415	\$4,444,683	\$4,335,321	\$4,514,868	\$3,724,642
Interest	13,179,666	12,626,967	13,016,390	12,227,083	11,876,704	11,989,545	10,156,192
Changes in benefit terms	-	-	-	(1,354,960)	-	-	-
Changes in assumptions	(56,205,673)	(6,013,896)	(14,977,786)	2,277,620	(2,188,349)	(13,025,339)	18,230,091
Diff between expected and actual experience	(21,398,976)	5,838,729	527,435	2,220,971	(1,078,733)	2,312,548	7,411,499
Benefit payments	(8,869,649)	(8,709,473)	(8,734,220)	(7,918,493)	(7,810,271)	(6,774,239)	(6,227,027)
Net change in total OPEB liability	(68,770,045)	8,129,114	(5,525,766)	11,896,904	5,134,672	(982,617)	33,295,397
Total OPEB liability - beginning	195,092,140	186,963,026	192,488,792	180,591,888	175,457,216	176,439,833	143,144,436
Total OPEB liability - ending (a)	\$126,322,095	\$195,092,140	\$186,963,026	\$192,488,792	\$180,591,888	\$175,457,216	\$176,439,833
Plan fiduciary net position							
Contributions-employer	\$11,469,649	\$11,309,473	\$11,334,220	\$7,918,493	\$10,410,271	\$9,374,239	\$8,827,027
Net investment income	8,407,264	-8,176,707	17,984,729	3,190,968	5,931,810	3,506,989	5,287,676
Benefit payments	(8,869,649)	(8,709,473)	(8,734,220)	(7,918,493)	(7,810,271)	(6,774,239)	(6,227,027)
Net change in plan fiduciary net position	11,007,264	-5,576,707	20,584,729	3,190,968	8,531,810	6,106,989	7,887,676
Plan fiduciary net position - beginning	83,712,652	89,289,359	68,704,630	65,513,662	56,981,852	50,874,863	42,987,187
Plan fiduciary net position - ending (b)	\$94,719,916	\$83,712,652	\$89,289,359	\$68,704,630	\$65,513,662	\$56,981,852	\$50,874,863
Net OPEB Liability-ending (a) - (b)	\$31,602,179	\$111,379,488	\$97,673,667	\$123,784,162	\$115,078,226	\$118,475,364	\$125,564,970
 Plan Fiduciary net position as % of total OPEB liability	 75.0%	 42.9%	 47.8%	 35.7%	 36.3%	 32.5%	 28.8%
Covered-employee payroll	\$381,852,629	\$287,223,413	\$323,771,732	\$331,556,331	\$313,758,720	\$305,435,909	\$294,660,463
Net OPEB liability as % of covered-employee payroll	8.28%	38.8%	30.2%	37.3%	36.7%	38.8%	42.6%

This schedule is intended to show information for 10 years. Additional years will be added as they become available.

ARLINGTON COUNTY, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 11-T

Schedule of Employer Contributions - Arlington Public Schools OPEB
For the Years Ended June 30, 2014 through 2023

Date	Actuarially Determined Contribution (ADC)	Contributions in relation to ADC	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contribution as a Percentage of Covered- Employee Payroll
2022	\$12,080,016	\$11,469,649	\$610,367	\$381,852,629	3.0%
2022	10,880,564	11,309,473	(428,909)	287,223,413	3.9%
2021	12,623,808	11,334,220	1,289,588	323,771,732	3.5%
2020	11,713,825	7,918,493	3,795,332	331,556,331	2.4%
2019	11,651,099	10,410,271	1,240,828	313,758,720	3.3%
2018	11,712,327	9,374,239	2,338,088	305,435,909	3.1%
2017	9,448,250	8,827,027	621,223	294,660,463	3.0%
2016	9,072,082	8,033,056	1,039,026	275,631,084	2.9%
2015	7,516,603	8,000,708	(484,105)	211,917,981	3.8%
2014	7,631,362	7,910,729	(279,367)	204,258,295	3.9%

Exhibit 11-U

Notes to Schedules-Arlington Public Schools

Valuation Date: June 30, 2023

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Entry age normal level % of salary

Amortization method: Level % of salary

Amortization period: Remaining amortization period is 23 years

Asset valuation method: Fair market value of assets

Inflation: 3.00% per year as of June 30, 2023

Medical trend rate: Medical trends assumptions for this valuation were developed using the Society of Actuaries (SOA) Long-run Medical Cost trend model version 2021_b.

Salary increases: 3.00% salary scale as of June 30, 2023

Investment rate of return: 6.75% per year as of June 30, 2023

Mortality rates: Active members, Healthy Retirees and Beneficiaries, or Disabled Retirees-100% of the respective Pub-2010 Teachers employee, retiree, or disabled retiree mortality table for males (115% for females) projected with generational mortality improvements from 2010 using Scale MP-2018

ARLINGTON COUNTY, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 11-V

Arlington Public Schools OPEB Plan
Schedule of Investment Returns
Last Seven Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Annual Money-Weighted Rate of Return Net of Investment Expense	7.80%	-10.10%	26.17%	4.86%	10.37%	6.89%

The chart is intended to show information for 10 years. More data will be added as it becomes available.

ARLINGTON COUNTY, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 11-W

Schedule of Employer's Share of Net OPEB Liability
Arlington Public Schools-Teachers Plan
Health Insurance Credit Program (HIC)
For the Years Ended June 30, 2018 through 2023*

	2023	2022	2021	2020	2019	2018
Employer's Proportion of the Net HIC OPEB Liability	3.51%	3.61%	3.68%	3.71%	3.72%	3.63%
Employer's Proportionate Share of the Net HIC OPEB Liability	\$43,853,899	\$46,392,938	\$48,047,430	\$48,569,733	\$47,295,000	\$46,108,000
Covered Payroll	\$327,081,398	\$319,756,685	\$320,477,047	\$310,878,333	\$301,138,537	\$300,366,698
Employer's Proportionate Share of the Net HIC OPEB Liability as a Percentage of its Covered Payroll	13.41%	14.51%	14.99%	15.62%	15.71%	15.35%
Plan Fiduciary Net Position as a Percentage of the Total HIC OPEB Liability	15.08%	13.15%	9.95%	8.97%	8.08%	7.04%

*The amounts in this schedule have a measurement date of the previous fiscal year end. Furthermore, this schedule is intended to show information for 10 years. Since 2018 is the first year for this presentation, there are only six years of information available. Additional years will be displayed as they become available.

ARLINGTON COUNTY, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 11-X

Schedule of Employer Contributions
Arlington Public Schools-Teachers Plan
Health Insurance Credit (HIC) Program
For the Years Ended June 30, 2014 through 2023

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2023	\$4,404,361	\$4,404,361	\$-	\$363,996,767	1.21%
2022	3,957,685	3,957,685	-	327,081,398	1.21%
2021	3,869,056	3,869,056	-	319,756,685	1.21%
2020	3,845,725	3,845,725	-	320,477,047	1.20%
2019	3,730,540	3,730,540	-	310,878,333	1.20%
2018	3,704,004	3,704,004	-	301,138,537	1.23%
2017	3,183,887	3,183,887	-	300,366,698	1.06%
2016	2,867,346	2,867,346	-	270,504,340	1.06%
2015	2,819,847	2,819,847	-	266,023,302	1.06%
2014	2,757,249	2,757,249	-	250,659,000	1.10%

Exhibit 11-Y

Notes to Schedules
Arlington Public Schools HIC-Teachers Plan
For the Year Ended June 30, 2023

Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions – The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an experience study of the System for the period from July 1, 2016, through June 30, 2020, except the change to the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the assumptions as a result of the experience study and board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; Changed final retirement from 75 to 80 for all.
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

ARLINGTON COUNTY, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 11-Z

VRS Political Subdivisions
Schedule of Changes in HIC Net OPEB Liability and Related Ratios
For the Year ended June 30, 2022*

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total HIC OPEB liability			
Service cost	\$17,116	\$20,893	\$-
Interest	47,336	42,117	-
Benefit changes	-	-	623,954
Differences between expected and actual	75,943	-	-
Changes in assumptions	14,549	9,537	-
Benefit payments	<u>(24,687)</u>	<u>-</u>	<u>-</u>
Net change in total OPEB liability	130,257	72,547	623,954
Total OPEB liability - beginning	<u>696,501</u>	<u>623,954</u>	<u>-</u>
Total OPEB liability - ending	<u><u>\$826,758</u></u>	<u><u>\$696,501</u></u>	<u><u>\$623,954</u></u>
 Plan fiduciary net position			
Contributions - employer	\$60,987	\$58,222	\$-
Net investment income	(776)	7,245	-
Benefit payments, incl refunds of contributions	(24,687)	-	-
Administrative expense	(182)	(256)	-
Other	<u>154</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	<u>35,496</u>	<u>65,211</u>	<u>-</u>
Plan fiduciary net position - beginning	<u>65,211</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - ending	<u><u>\$100,707</u></u>	<u><u>\$65,211</u></u>	<u><u>\$-</u></u>
 Political subdivision's net OPEB liability	 <u><u>\$726,051</u></u>	 <u><u>\$631,290</u></u>	 <u><u>\$623,954</u></u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 12.18%	 9.36%	 0.00%
 Covered payroll	 \$25,913,289	 \$24,662,305	 N/A
 Political subdivision's net OPEB liability as a percentage of covered payroll	 2.80%	 2.56%	 N/A

* During the 2020 Virginia General Assembly Session, House Bill 1513 was enacted. This bill required the addition of Health Insurance Credit benefits for Non-Teacher employees effective July 1, 2021. Arlington Schools Political Subdivision was therefore required to implement this plan effective for fiscal year 2022 reporting. Additional years will be reported as they become available.

ARLINGTON COUNTY, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 11-AA

Schedule of Employer Contributions
Arlington Public Schools-Political Subdivision
Health Insurance Credit (HIC) Program
For the Years Ended June 30, 2021 through 2023

		Contributions in Relation to			Contributions as a % of
	Contractually Required Contribution	Contractually Required Contribution	Contribution Deficiency (Excess)	Covered- Employee Payroll	Covered- Employee Payroll
Date	(1)	(2)	(3)	(4)	(5)
2023	\$84,631	\$84,631	-	28,826,709	0.29%
2022	60,987	60,987	-	25,913,289	0.24%
2021	58,222	\$58,222	-	24,662,305	0.24%

* During the 2020 Virginia General Assembly Session, House Bill 1513 was enacted. This bill required the addition of Health Insurance Credit benefits for Non-Teacher employees effective July 1, 2021. Arlington Schools Political Subdivision was therefore required to implement this plan effective for fiscal year 2022 reporting. Additional years will be reported as they become available.

Exhibit 11-AB

Notes to Schedules
Arlington Public Schools HIC-Political Subdivision Plan
For the Year Ended June 30, 2023

Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions – The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an experience study of the System for the period from July 1, 2016, through June 30, 2020, except the change to the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the assumptions as a result of the experience study and board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	PUB2010 public sector mortality tables. For future use modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; Changed final retirement from 75 to 80 for all.
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

ARLINGTON COUNTY, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 11-AC

Schedule of Employer's Share of Net OPEB Liability
Arlington Public Schools-Teachers Plan
Group Life Insurance Program
For the Years Ended June 30, 2018 through 2023*

	2023	2022	2021	2020	2019	2018
OPEB Liability	1.52%	1.56%	1.58%	1.60%	1.60%	1.57%
Employer's Porportionate Share of the Net GLI OPEB Liability	\$18,333,692	\$18,186,850	\$26,339,577	\$26,016,243	\$24,253,000	\$23,574,000
Covered Payroll	\$331,046,582	\$322,573,631	\$322,163,165	\$312,990,048	\$334,144,790	\$288,942,885
Net GLI OPEB Liability as a Percentage of its Covered Payroll	5.54%	5.64%	8.18%	8.31%	7.26%	8.16%
Percentage of the Total GLI OPEB Liability	67.21%	67.45%	52.64%	52.00%	51.22%	48.86%

* The amounts presented in this schedule have a measurement date of the previous fiscal year end.
Furthermore, this schedule is intended to show inofimraiton for 10 years. Since 2018 is the first year
for this presentation, there are only six years of information available. Additional years will be displayed
as they become available.

ARLINGTON COUNTY, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 11-AD

Schedule of Employer Contributions
Arlington Public Schools-Teachers Plan
General Life Insurance (GLI) Program
For the Years Ended June 30, 2014 through 2023

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2023	\$1,993,200	\$1,993,200	\$-	\$369,111,113	0.54%
2022	1,787,652	1,787,652	-	331,046,582	0.54%
2021	1,741,898	1,741,898	-	322,573,631	0.54%
2020	1,675,248	1,675,248	-	322,163,165	0.52%
2019	1,627,548	1,627,548	-	312,990,048	0.52%
2018	1,737,553	1,737,553	-	334,144,790	0.52%
2017	1,655,136	1,502,503	152,633	288,942,885	0.52%
2016	1,573,752	1,314,583	259,169	252,804,423	0.52%
2015	1,386,596	1,386,596	-	266,653,025	0.52%
2014	1,304,982	1,304,982	-	250,957,983	0.52%

Exhibit 11-AE

Notes to Schedules
For the Year Ended June 30, 2023
Arlington Public Schools-Teachers GLI Program

Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions – The actuarial assumptions used in the June 30, 2021 valuation were based on the most recent experience study of the System for the four-year period ending June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective July 1, 2019. Changes to the actuarial assumptions resulting from the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables.
Retirement Rates	Adjusted to better fit experience for Plan 1; set separate rates for Plan 2/Hybrid; changed final retirement from 75 to 80 for all.
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

ARLINGTON COUNTY, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 11-AF

Schedule of Employer's Share of Net OPEB Liability
Arlington Public Schools-Non-Professional Employees
Group Life Insurance Program
For the Years Ended June 30, 2018 through 2023*

	2023	2022	2021	2020	2019	2018
Liability	0.11931%	0.11970%	0.12086%	0.11772%	0.11420%	0.10838%
Employer's Proportionate Share of the Net GLI OPEB Liability	\$1,436,607	\$1,393,633	\$2,016,956	\$1,915,618	\$1,735,000	\$1,631,000
Covered Payroll	\$25,913,299	\$24,662,305	\$24,419,844	\$23,073,185	\$18,129,748	\$18,508,403
GLI OPEB Liability as a Percentage of its Covered Payroll	5.54%	5.65%	8.26%	8.30%	9.57%	8.81%
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	67.21%	67.45%	52.64%	52.00%	51.22%	48.86%

* The amounts in this schedule have a measurement date of the previous fiscal year end. Furthermore, this schedule is intended to show information for 10 years. Since 2018 is the first year for this presentation, there are only six years of information available. Additional years will be displayed as they become available.

ARLINGTON COUNTY, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 11-AG

Schedule of Employer Contributions
Arlington Public Schools-Non-Professional Employees
Group Life Insurance (GLI) Program
For the Years Ended June 30, 2014 through 2023

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2023	\$155,664	\$155,664	\$-	\$28,826,709	0.54%
2022	139,932	139,932	-	25,913,299	0.54%
2021	133,171	133,171	-	24,662,305	0.54%
2020	126,983	126,983	-	24,419,844	0.52%
2019	119,981	119,981	-	23,073,185	0.52%
2018	94,275	94,275	-	18,129,748	0.52%
2017	96,244	103,950	(7,706)	18,508,403	0.56%
2016	105,446	89,114	16,332	20,277,983	0.44%
2015	113,430	113,430	-	21,813,445	0.52%
2014	114,226	114,226	-	21,966,555	0.52%

Exhibit 11-AH

Notes to Schedules
For the Year Ended June 30, 2023
Arlington Public Schools-Non-Professional Employees GLI Program

Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions – The following changes in actuarial assumptions were made effective June 30, 2021 based on the most recent experience study of the System for the four-year period ending June 30, 2020, except for the discount rate which was based on VRS Board action effective July 1, 2019. Changes to the actuarial assumptions due to the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to PUB2010 public sector mortality tables.
Retirement Rates	Adjusted to better fit experience for Plan 1; set separate rates for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all.
Withdrawal Rates	Adjusted rates to better fit experience at each age and service year through nine years of service.
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change



OTHER SUPPLEMENTARY INFORMATION

The supplemental schedules are presented to reflect finance-related legal and contractual compliance, details of data summarized in the preceding financial statements and other information deemed useful for financial statements users in the analysis of the County's financial activities.

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Combined Financial Statements - Overview

The combined financial statements provide a summary level of reporting for the operating results and financial position of the County's various fund types.

These "general purpose financial statements" provide a broad financial overview for users requiring less detailed information than is presented in the individual statements for each separate fund.

ARLINGTON COUNTY, VIRGINIA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

	SPECIAL REVENUE FUNDS								
	Ballston Quarter Community Development Authority	Travel & Tourism Promotion	Ballston Business Improvement District	Rosslyn Business Improvement District	National Landing Business Improvement District	Community Development Grants	Housing Choice Vouchers Program	Street and Highway Bond Fund	Neighborhood Conservation Bond Fund
ASSETS									
Equity in pooled cash and investments	\$1,448,904	\$894,985	\$1,050,886	\$2,687,493	\$2,444,362	\$483,253	\$1,662,957	\$12,209,785	\$6,459,888
Receivables, net	-	116,170	-	-	-	-	-	-	-
Receivables from other governments	-	-	-	-	-	292,217	6,886	-	-
Receivables leases	-	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	746,459	1,778,462	-	4,275
Total assets	<u>\$1,448,904</u>	<u>\$1,011,155</u>	<u>\$1,050,886</u>	<u>\$2,687,493</u>	<u>\$2,444,362</u>	<u>\$1,521,929</u>	<u>\$3,448,305</u>	<u>\$12,209,785</u>	<u>\$6,464,163</u>
LIABILITIES									
Vouchers payable	\$-	\$155,695	\$-	\$-	\$-	\$33,252	\$54,271	\$5,260,749	\$193,266
Contracts payable - retainage	-	-	-	-	-	-	-	-	213,894
Unearned revenue	-	839,258	770,441	2,500,117	2,390,110	1,488,677	3,394,034	-	-
Other liabilities	-	-	-	-	-	-	-	-	3,200
Total liabilities	<u>-</u>	<u>994,953</u>	<u>770,441</u>	<u>2,500,117</u>	<u>2,390,110</u>	<u>1,521,929</u>	<u>3,448,305</u>	<u>5,260,749</u>	<u>410,360</u>
DEFERRED INFLOW OF RESOURCES									
Leases	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES									
Nonspendable - prepaid items	-	-	-	-	-	746,459	0	-	4,275
Restricted	1,448,904	16,202	280,445	187,376	-	(718,189)	669,131	6,949,036	6,049,528
Committed	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(28,270)	(669,131)	-	-
Total fund balances (deficit)	<u>1,448,904</u>	<u>16,202</u>	<u>280,445</u>	<u>187,376</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,949,036</u>	<u>6,053,803</u>
Total liabilities, deferred inflow of resources and fund balances (deficit)	<u>\$1,448,904</u>	<u>\$1,011,155</u>	<u>\$1,050,886</u>	<u>\$2,687,493</u>	<u>\$2,444,362</u>	<u>\$1,521,929</u>	<u>\$3,448,305</u>	<u>\$12,209,785</u>	<u>\$6,464,163</u>

CAPITAL PROJECTS FUNDS								
Government Facility Bond**	Stormwater Fund	Public Recreation Bond Fund	Transit Facility Bond Fund	National Landing TIF	Columbia Pike TIF	IDA Bond Fund*	Total Non-Major Governmental Funds	ASSETS
\$56,965,495	\$11,332,577	\$17,432,676	\$21,182,585	\$23,244,290	\$4,165,045	\$7,675,564	\$171,340,745	Equity in pooled cash and investments
-	1,073,459	-	-	2,160,360	-	3,297,436	6,647,425	Receivables, net
-	-	-	-	14,736	-	-	313,839	Receivables from other governments
-	-	-	-	-	-	18,545,236	18,545,236	Receivables leases
-	5,525,211	-	-	-	-	-	8,054,407	Prepaid
<u>\$56,965,495</u>	<u>\$17,931,247</u>	<u>\$17,432,676</u>	<u>\$21,182,585</u>	<u>\$25,419,386</u>	<u>\$4,165,045</u>	<u>\$29,518,236</u>	<u>\$204,901,652</u>	Total assets
								LIABILITIES
\$2,805,007	\$1,035,063	\$237,705	\$-	\$339,748	\$-	\$-	\$10,114,756	Vouchers payable
875,246	192,891	123,590	-	105,114	-	-	1,510,735	Contracts payable - retainage
-	-	-	-	-	-	-	11,382,637	Unearned revenue
-	-	-	-	-	-	3,297,436	3,300,636	Other liabilities
<u>3,680,253</u>	<u>1,227,954</u>	<u>361,295</u>	<u>-</u>	<u>444,862</u>	<u>-</u>	<u>3,297,436</u>	<u>26,308,764</u>	Total liabilities
								DEFERRED INFLOW OF RESOURCES
-	-	-	-	-	-	17,800,536	17,800,536	Leases
-	-	-	-	-	-	17,800,536	17,800,536	Total deferred inflows of resources
								FUND BALANCES
-	5,525,211	-	-	-	-	-	6,275,945	Nonspendable - prepaid items
53,285,242	5,522,108	17,071,381	21,182,585	-	-	8,420,264	120,418,265	Restricted
-	5,655,974	-	-	24,974,524	4,165,045	-	34,795,543	Committed
-	-	-	-	-	-	-	(697,401)	Unassigned
<u>53,285,242</u>	<u>16,703,293</u>	<u>17,071,381</u>	<u>21,182,585</u>	<u>24,974,524</u>	<u>4,165,045</u>	<u>8,420,264</u>	<u>160,792,352</u>	Total fund balances(deficit)
<u>\$56,965,495</u>	<u>\$17,931,247</u>	<u>\$17,432,676</u>	<u>\$21,182,585</u>	<u>\$25,419,386</u>	<u>\$4,165,045</u>	<u>\$29,518,236</u>	<u>\$204,901,652</u>	Total liabilities, deferred inflows of resources and fund balances(deficit)

* IDA Fund includes Skating Facility & Signature Loan. ** Government Facility Bond includes Fire Station Bond Fund and Library Bond Fund numbers.

ARLINGTON COUNTY, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	SPECIAL REVENUE FUNDS							
	Ballston Quarter Community Development Authority	Travel & Tourism Promotion	Ballston Business Improvement District	Rosslyn Business Improvement District	National Landing Business Improvement District	Community Development Grants	Housing Choice Vouchers Program	Street and Highway Bond Fund
REVENUES:								
Other local taxes	\$3,085,880	\$1,541,751	\$1,483,797	\$4,242,794	\$4,372,585	\$-	\$-	\$-
Real estate taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	2,455,260	22,455,481	-
Interest earnings	-	-	4,062	3,286	1,434	-	-	251,849
Charges for services	-	-	-	-	-	-	-	-
Miscellaneous revenues	-	-	-	-	-	-	-	-
Total revenues	3,085,880	1,541,751	1,487,859	4,246,080	4,374,019	2,455,260	22,455,481	251,849
EXPENDITURES:								
Current:								
General government	-	-	-	-	-	-	-	558,981
Planning and community development	3,124,178	1,775,557	1,432,786	4,072,949	4,232,315	2,455,260	-	-
Health and welfare	-	-	-	-	-	-	22,455,481	-
Intergovernmental:								
Community development	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	12,848,534
Total expenditures	3,124,178	1,775,557	1,432,786	4,072,949	4,232,315	2,455,260	22,455,481	13,407,515
Revenues over (under) expenditures	(38,298)	(233,806)	55,073	173,131	141,704	-	-	(13,155,666)
OTHER FINANCING SOURCES(USES):								
Proceeds from sale of bonds	-	-	-	-	-	-	-	20,510,000
Transfers in (out)	-	246,700	-	(84,856)	(87,452)	-	-	(251,849)
Total other financing sources (uses), net	-	246,700	-	(84,856)	(87,452)	-	-	20,258,151
Net change in fund balances	(38,298)	12,894	55,073	88,275	54,252	-	-	7,102,485
FUND BALANCE (Deficit), beginning of year	1,487,202	3,308	225,372	99,101	-	-	-	(153,449)
FUND BALANCE (Deficit), end of year	\$1,448,904	\$16,202	\$280,445	\$187,376	\$54,252	-	\$-	\$6,949,036

CAPITAL PROJECTS FUNDS

Neighborhood Conservation Bond Fund	Government Facility Bond Fund**	Stormwater Fund	Public Recreation Bond Fund	Transit Facility Fund	National Landing TIF	Columbia Pike TIF	IDA Bond Fund*	Total Non-Major Governmental Funds	
									REVENUES:
\$-	\$-	\$593,750	\$-	\$-	\$-	\$-	\$-	\$15,320,557	Other local taxes
-	-	14,574,948	-	-	4,553,418	1,534,595	-	20,662,961	Real estate taxes
-	-	-	-	-	451,557	-	-	25,362,298	Intergovernmental
152,752	1,836,466	311,316	734,970	56,905	-	-	939,764	4,292,804	Interest income
-	-	2,107,940	-	-	-	-	2,325,732	4,433,672	Charges for services
-	(4,635)	2,379,728	-	-	2,944,908	-	-	5,320,001	Miscellaneous revenues
152,752	1,831,831	19,967,682	734,970	56,905	7,949,883	1,534,595	3,265,496	75,392,293	Total revenues
									EXPENDITURES:
									Current:
-	114,193	10,523,540	176,497	-	599,618	-	-	11,972,829	General government
21,712	-	-	-	-	-	249,512	-	17,364,269	Planning and community development
-	-	-	-	-	-	-	-	22,455,481	Health and welfare
-	-	-	-	20,700,000	-	-	-	20,700,000	Intergovernmental:
-	-	-	-	-	-	-	-	-	Community development
-	-	290,000	-	-	-	-	-	290,000	Debt Service:
-	-	645,500	-	-	-	-	294,890	940,390	Principal
1,715,607	18,817,162	17,102,377	4,994,863	-	5,476,671	-	-	60,955,214	Interest
1,737,319	18,931,355	28,561,417	5,171,360	20,700,000	6,076,289	249,512	294,890	134,678,183	Capital outlay
1,737,319	18,931,355	28,561,417	5,171,360	20,700,000	6,076,289	249,512	294,890	134,678,183	Total expenditures
(1,584,567)	(17,099,524)	(8,593,735)	(4,436,390)	(20,643,095)	1,873,594	1,285,083	2,970,606	(59,285,890)	Revenues over (under) expenditures
									OTHER FINANCING SOURCES(USES):
4,000,000	19,970,000	-	3,205,000	41,800,000	-	-	-	89,485,000	Proceeds from sale of bonds
(152,752)	(1,836,466)	-	(734,970)	(56,905)	-	-	(558,899)	(3,517,449)	Transfers in (out)
3,847,248	18,133,534	-	2,470,030	41,743,095	-	-	(558,899)	85,967,551	Total other financing sources (uses), net
2,262,681	1,034,010	(8,593,735)	(1,966,360)	21,100,000	1,873,594	1,285,083	2,411,707	26,681,661	Net change in fund balances
3,791,122	52,251,232	25,297,028	19,037,741	82,585	23,100,930	2,879,962	6,008,557	134,110,691	FUND BALANCE (Deficit), beginning of year
\$6,053,803	\$53,285,242	\$16,703,293	\$17,071,381	\$21,182,585	\$24,974,524	\$4,165,045	\$8,420,264	\$160,792,352	FUND BALANCE (Deficit), end of year

* IDA Fund includes Skating Facility & Signature Loan. ** Government Facility Bond includes Fire Station Bond Fund and Library Bond Fund numbers.



General Fund

The General Fund is the primary operating fund of the County and is used to account for the majority of current operating expenditures of the general government. Financing is also provided for the operations of other funds, which include the County's public school system. Debt service expenditures for the payments of principal and interest on the County's general long-term debt (bond and other long-term debt not serviced by the Utilities Operating or School Debt Service Funds) are included in this fund.

The major sources of revenue include property taxes, other local taxes, licenses, permits, fees and other miscellaneous charges. Revenues and expenditures under a variety of State and Federal grant programs are also accounted for in this fund.

ARLINGTON COUNTY, VIRGINIA
GENERAL FUND
BALANCE SHEET
JUNE 30, 2023

	2023	2022
ASSETS		
Equity in pooled cash and investments	478,067,218	472,278,561
Petty cash	541	-
Cash with fiscal agents	270,456	270,456
Receivables(net, where applicable, of allowance for uncollectibles):		
Taxes	487,665,185	467,025,778
Accounts receivable - other	21,997,922	16,102,807
Accounts receivable - development loan	380,182	380,182
Receivables leases	211,577,256	-
Accrued interest	1,816,358	1,480,892
Due from other governments	14,085,086	22,728,174
Temporary loan to other funds	3,433,959	2,375,538
Prepaid items and other assets	2,134,413	2,023,792
Total assets	<u>1,221,428,576</u>	<u>1,203,966,756</u>
LIABILITIES		
Accrued payroll liabilities	30,150,374	25,184,164
Vouchers payable	21,958,199	21,350,160
Current maturities of interest payable	267,304	267,304
Other current liabilities	2,700,453	2,152,034
Unearned revenue	17,307,720	39,040,037
Due to component unit	104,860,518	77,203,364
Total liabilities	<u>177,244,568</u>	<u>165,197,063</u>
DEFERRED INFLOWS OF RESOURCES		
Leases	203,501,200	215,621,911
Deferred revenue - taxes	477,345,855	460,340,725
Total deferred inflows of resources	<u>680,847,055</u>	<u>675,962,636</u>
FUND BALANCES:		
Non spendable:		
Prepaid items	1,336,872	1,678,224
Mark to Market Investment reserve	-	(25,284,273)
Leases	4,514,249	3,678,665
Restricted:		
Grants	18,560,812	18,863,792
Seized assets	5,639,486	1,994,486
Mark to Market Investment reserve	-	25,284,273
Committed:		
Self insurance reserve	5,415,547	5,000,000
Stabilization reserve	15,516,310	13,929,644
Operating reserve	85,339,704	76,613,044
Subsequent years' County budget	22,935,895	31,606,919
Subsequent years' capital projects	6,257,461	1,884,484
Prior year encumbrances	342,813	346,377
Affordable Housing Investment Fund - allocated	32,767,802	67,317,758
Subsequent years' School's budget	34,675,381	20,484,857
Assigned:		
Subsequent years' County budget	14,621,833	5,981,558
Subsequent years' capital projects	19,760,793	9,800,334
Subsequent years' School budget	-	-
Stabilization reserve	629,453	-
Incomplete projects	4,778,424	3,075,923
Affordable Housing Investment Fund - Unallocated	68,734,239	31,631,761
Unassigned	<u>21,509,879</u>	<u>26,528,839</u>
Total fund balances	<u>363,336,953</u>	<u>362,807,057</u>
Total liabilities, deferred inflows of resources and fund balances	<u>1,221,428,576</u>	<u>1,203,966,756</u>

ARLINGTON COUNTY, VIRGINIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	2023			
	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	2022 ACTUALS
REVENUES:				
Taxes	\$1,208,951,472	\$1,254,658,601	\$45,707,129	\$1,184,396,767
Licenses and permits	7,344,004	10,162,288	2,818,284	14,678,868
From the Commonwealth of Virginia	92,385,904	85,807,699	(6,578,205)	83,711,767
From the federal government	49,536,949	55,128,922	5,591,973	55,105,568
Charges for services	66,946,879	59,030,346	(7,916,533)	54,163,697
Fines and forfeitures	7,092,144	5,161,999	(1,930,145)	5,765,432
Use of money and property	14,632,984	33,022,703	18,389,719	26,067,463
Miscellaneous revenues	215,446,661	24,500,009	(190,946,652)	182,737,636
Total revenues	1,662,336,997	1,527,472,567	(134,864,430)	1,606,627,198
EXPENDITURES:				
Current:				
General government	79,200,616	76,722,282	2,478,334	86,083,521
Judicial administration	70,697,629	68,709,247	1,988,382	67,157,359
Public safety	170,703,659	168,555,938	2,147,721	157,196,992
Environmental services	118,537,227	112,573,286	5,963,941	107,392,616
Health and welfare	187,445,865	170,966,283	16,479,582	208,010,638
Parks and recreation	55,028,416	52,485,423	2,542,993	44,340,809
Libraries	16,827,229	16,213,146	614,083	13,938,064
Planning and community development	23,359,230	21,904,524	1,454,706	21,094,799
Non-departmental	178,078,755	99,243,776	78,834,979	320,835,968
Contributions to regional agencies	54,208,234	53,907,492	300,742	53,563,050
Debt service:				
Principal	44,416,345	49,725,000	(5,308,655)	50,321,380
Interest on serial bonds	32,569,562	26,984,082	5,585,480	28,928,670
Other costs	125,000	29,969	95,031	58,011
Total expenditures	1,031,197,767	918,020,448	113,177,319	1,158,921,877
Revenues over expenditures	631,139,230	609,452,119	(21,687,111)	447,705,321
OTHER FINANCING SOURCES (USES):				
Transfers in	6,754,470	7,861,286	1,106,816	3,836,863
Transfers from component unit	-	2,207,346	2,207,346	196,402
Transfers out	(18,019,813)	(15,543,070)	2,476,743	(11,205,550)
Transfers to component unit	(619,888,887)	(605,246,292)	14,642,595	(558,674,283)
Premium on sales of bonds	-	-	-	-
Proceeds from line of credit	-	-	-	-
Proceeds from sale of land	15,000	1,798,508	1,783,508	1,062,156
Total other financing sources (uses)	(631,139,230)	(608,922,222)	22,217,008	(414,784,412)
Revenues over expenditures and other sources (uses)	-	529,897	529,897	32,920,909
FUND BALANCE, beginning of year	362,807,057	362,807,057	-	329,886,148
FUND BALANCE, end of year	\$362,807,057	\$363,336,953	\$529,897	\$362,807,057



Special Revenue Funds

Ballston Quarter Community Development Authority – to account for the operations of the Ballston Quarter redevelopment project. This will be funded by a CDA bond and backed with incremental tax revenues.

Travel and Tourism Promotion – to account for the operations of various programs to promote tourism and business travel in the County.

Ballston Business Improvement District – to account for the operations of a service district in the Ballston area created to collect and disperse local tax revenue for supplemental services to those already provided by county government

Rosslyn Business Improvement District – to account for the operations of a service district in the downtown Rosslyn area created to collect and disperse local tax revenue for supplemental services to those already provided by county government.

National Landing Business Improvement District – to account for the operations of a service district in the downtown Crystal City area created to collect and disperse local tax revenue for supplemental services to those already provided by county government.

Community Development Grants – to account for the operations of various community development programs which are financed by block grant and other grant assistance by the U.S. Department of Housing and Urban Development.

Housing Choice Vouchers Program – to account for the operations of various housing programs which are financed by grant assistance from the U.S. Department of Housing and Urban Development.

ARLINGTON COUNTY, VIRGINIA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
AS OF JUNE 30, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2022)

	Ballston Quarter Community Development Authority	Travel & Tourism Promotion	Ballston Business Improvement District	Rosslyn Business Improvement District	National Landing Business Improvement District	Community Development Grants	Housing Choice Vouchers Program	Totals	
								June 30, 2023	June 30, 2022
ASSETS									
Equity in pooled cash and investments	\$1,448,904	\$894,985	\$1,050,886	\$2,687,493	\$2,444,362	\$483,253	1,662,957	\$10,672,840	\$11,916,813
Receivable from other governments	-	-	-	-	-	292,217	6,886	299,103	183,347
Receivables-community development	-	116,170	-	-	-	-	-	116,170	102,842
Prepaid items	-	-	-	-	-	746,459	1,778,462	2,524,921	1,721,082
Total assets	\$1,448,904	\$1,011,155	\$1,050,886	\$2,687,493	\$2,444,362	\$1,521,929	\$3,448,305	\$13,613,034	\$13,924,084
LIABILITIES									
Unearned Revenue	\$-	\$839,258	\$770,441	\$2,500,117	\$2,390,110	\$1,488,677	\$3,394,034	\$11,382,637	\$11,769,445
Vouchers payable	\$-	\$155,695	\$-	\$-	\$-	\$33,252	\$54,271	\$243,218	\$304,783
Due to primary government	-	-	-	-	-	-	-	\$-	0
Temporary loan - General Fund	-	-	-	-	-	-	-	\$-	34,874
Total liabilities	-	155,695	-	-	-	33,252	54,271	243,218	339,657
FUND BALANCES									
Nonspendable-prepaid items	-	-	-	-	-	746,459	-	746,459	1,721,082
Restricted	1,448,904	16,202	280,445	187,376	54,252	(718,189)	669,131	1,938,121	1,814,982
Unassigned	-	-	-	-	-	(28,270)	(669,131)	(697,401)	(1,721,082)
Total fund balances	1,448,904	16,202	280,445	187,376	54,252	-	-	1,987,179	1,814,982
Total liabilities, deferred inflows of resources and fund balances	\$1,448,904	\$1,011,155	\$1,050,886	\$2,687,493	\$2,444,362	\$1,521,929	\$3,448,305	\$13,613,034	\$13,924,084

ARLINGTON COUNTY, VIRGINIA
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2022)

	Ballston Quarter Community Development Authority	Travel and Tourism Promotion	Ballston Business Improvement District	Rosslyn Business Improvement District	National Landing Business Improvement District	Community Development Grants	Housing Choice Vouchers Program	Totals	
								June 30, 2023	June 30, 2022
REVENUES:									
Other local taxes	\$3,085,880	\$1,541,751	\$1,483,797	\$4,242,794	\$4,372,585	\$-	\$-	\$14,726,807	\$14,113,541
From the federal government	-	-	-	-	-	2,455,260	22,455,481	24,910,741	25,764,746
Interest earnings	-	-	4,062	3,286	1,434	-	-	8,782	2,089
Total revenues	3,085,880	1,541,751	1,487,859	4,246,080	4,374,019	2,455,260	22,455,481	39,646,330	39,880,376
EXPENDITURES:									
Current -									
Planning and community development	3,124,178	1,775,557	1,432,786	4,072,949	4,232,315	2,455,260	-	17,093,045	16,235,140
Health and welfare	-	-	-	-	-	-	22,455,481	22,455,481	23,753,874
Total expenditures	3,124,178	1,775,557	1,432,786	4,072,949	4,232,315	2,455,260	22,455,481	39,548,526	39,989,014
Revenues over (under) expenditures	(38,298)	(233,806)	55,073	173,131	141,704	-	-	97,804	(108,638)
OTHER FINANCING SOURCES (USES):									
Transfers out	-	-	-	(84,856)	(87,452)	-	-	(172,308)	(200,773)
Transfers in	-	246,700	-	-	-	-	-	246,700	396,816
Total other financing sources(uses)	-	246,700	-	(84,856)	(87,452)	-	-	74,392	196,043
Revenues and other financing sources (uses) over (under) expenditures	(38,298)	12,894	55,073	88,275	54,252	-	-	172,196	87,405
FUND BALANCES, beginning of year	1,487,202	3,308	225,372	99,101	-	-	-	1,814,983	1,727,577
FUND BALANCES, end of year	\$1,448,904	\$16,202	\$280,445	\$187,376	\$54,252	\$-	\$-	\$1,987,179	\$1,814,982

ARLINGTON COUNTY, VIRGINIA
SPECIAL REVENUE FUNDS
BALLSTON QUARTER COMMUNITY DEVELOPMENT AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Other local taxes	<u>\$3,526,319</u>	<u>\$3,085,880</u>	<u>(\$440,439)</u>
Total revenues	<u>3,526,319</u>	<u>3,085,880</u>	<u>(440,439)</u>
EXPENDITURES:			
Planning and community development	<u>3,526,319</u>	<u>3,124,178</u>	<u>402,141</u>
Revenues over expenditures *	<u>-</u>	<u>(38,298)</u>	<u>(38,298)</u>
FUND BALANCE, beginning of year	<u>1,487,202</u>	<u>1,487,202</u>	<u>-</u>
FUND BALANCE, end of year	<u><u>\$1,487,202</u></u>	<u><u>\$1,448,904</u></u>	<u><u>(\$38,298)</u></u>

* The net change in fund balance was included in the budget as an appropriation (i.e., spenddown) of fund balance.

ARLINGTON COUNTY, VIRGINIA
 SPECIAL REVENUE FUNDS
 TRAVEL AND TOURISM PROMOTION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Other local taxes	<u>\$2,395,593</u>	<u>\$1,541,751</u>	<u>(\$853,842)</u>
Total revenues	<u>2,395,593</u>	<u>1,541,751</u>	<u>(853,842)</u>
EXPENDITURES:			
Planning and community development	<u>2,773,626</u>	<u>1,775,557</u>	<u>998,069</u>
Revenues under expenditures	<u>(378,033)</u>	<u>(233,806)</u>	<u>(144,227)</u>
OTHER FINANCING SOURCES:			
Transfers in	<u>378,033</u>	<u>246,700</u>	<u>131,333</u>
Total other financing sources	<u>378,033</u>	<u>246,700</u>	<u>131,333</u>
Revenues and other financing sources over expenditures	<u>-</u>	<u>12,894</u>	<u>(12,894)</u>
FUND BALANCE, beginning of year	<u>3,308</u>	<u>3,308</u>	<u>-</u>
FUND BALANCE, end of year	<u><u>\$3,308</u></u>	<u><u>\$16,202</u></u>	<u><u>(\$12,894)</u></u>

ARLINGTON COUNTY, VIRGINIA
SPECIAL REVENUE FUNDS
BALLSTON BUSINESS IMPROVEMENT DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Other local taxes	\$1,431,745	\$1,483,797	\$52,052
Interest earnings	<u>-</u>	<u>4,062</u>	<u>4,062</u>
Total revenues	<u>1,431,745</u>	<u>1,487,859</u>	<u>56,114</u>
EXPENDITURES:			
Planning and community development	<u>1,431,745</u>	<u>1,432,786</u>	<u>(1,041)</u>
Revenues over expenditures	<u>-</u>	<u>55,073</u>	<u>55,073</u>
OTHER FINANCING USES:			
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over other financing uses and expenditures	<u>-</u>	<u>55,073</u>	<u>55,073</u>
FUND BALANCE, beginning of year	<u>225,372</u>	<u>225,372</u>	<u>-</u>
FUND BALANCE, end of year	<u><u>\$225,372</u></u>	<u><u>\$280,445</u></u>	<u><u>\$55,073</u></u>

ARLINGTON COUNTY, VIRGINIA
SPECIAL REVENUE FUNDS
ROSSLYN BUSINESS IMPROVEMENT DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Other local taxes	\$4,352,535	\$4,242,794	(\$109,741)
Interest earnings	<u>1,221</u>	<u>3,286</u>	<u>2,065</u>
Total revenues	<u>4,353,756</u>	<u>4,246,080</u>	<u>(107,676)</u>
EXPENDITURES:			
Planning and community development	<u>4,266,705</u>	<u>4,072,949</u>	<u>(193,756)</u>
Revenues over (under) expenditures	<u>87,051</u>	<u>173,131</u>	<u>86,080</u>
OTHER FINANCING USES:			
Transfers Out	<u>(87,051)</u>	<u>(84,856)</u>	<u>2,195</u>
Total other financing uses	<u>(87,051)</u>	<u>(84,856)</u>	<u>2,195</u>
Revenues over (under) other financing uses and expenditures	<u>-</u>	<u>88,275</u>	<u>88,275</u>
FUND BALANCE, beginning of year	<u>99,101</u>	<u>99,101</u>	<u>-</u>
FUND BALANCE, end of year	<u><u>\$99,101</u></u>	<u><u>\$187,376</u></u>	<u><u>\$88,275</u></u>

ARLINGTON COUNTY, VIRGINIA
 SPECIAL REVENUE FUNDS
 NATIONAL LANDING BUSINESS IMPROVEMENT DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Other local taxes	\$4,566,084	\$4,372,585	(\$193,499)
Interest earnings	<u>-</u>	<u>1,434</u>	<u>1,434</u>
Total revenues	<u>4,566,084</u>	<u>4,374,019</u>	<u>(192,065)</u>
EXPENDITURES:			
Planning and community development	<u>4,474,762</u>	<u>4,232,315</u>	<u>242,447</u>
Revenues over expenditures	<u>91,322</u>	<u>141,704</u>	<u>50,382</u>
OTHER FINANCING USES:			
Transfers Out	<u>(91,322)</u>	<u>(87,452)</u>	<u>3,870</u>
Total other financing uses	<u>(91,322)</u>	<u>(87,452)</u>	<u>3,870</u>
Revenues over other financing uses and expenditures	<u>-</u>	<u>54,252</u>	<u>54,252</u>
FUND BALANCE, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, end of year	<u><u>\$-</u></u>	<u><u>\$54,252</u></u>	<u><u>\$54,252</u></u>

ARLINGTON COUNTY, VIRGINIA
 SPECIAL REVENUE FUNDS
 COMMUNITY DEVELOPMENT GRANTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
From the federal government	<u>\$11,009,379</u>	<u>\$2,455,260</u>	<u>(\$8,554,119)</u>
Total revenues	<u>11,009,379</u>	<u>2,455,260</u>	<u>(8,554,119)</u>
EXPENDITURES:			
Planning and community development	<u>11,009,379</u>	<u>2,455,260</u>	<u>8,554,119</u>
Revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, end of year	<u><u>\$-</u></u>	<u><u>\$-</u></u>	<u><u>\$-</u></u>

ARLINGTON COUNTY, VIRGINIA
 SPECIAL REVENUE FUNDS
 HOUSING CHOICE VOUCHERS PROGRAM
 SCHEDULE OF REVENUES, EXPENDITURE AND CHANGES IN FUND BALANCES
 BUDGET(GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
From the federal government	<u>\$26,334,230</u>	<u>\$22,455,481</u>	<u>(\$3,878,749)</u>
EXPENDITURES:			
Health and welfare	<u>26,275,163</u>	<u>22,455,481</u>	<u>3,819,682</u>
Revenues over expenditures	<u>59,067</u>	<u>-</u>	<u>(59,067)</u>
FUND BALANCE, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, end of year	<u><u>\$59,067</u></u>	<u><u>\$-</u></u>	<u><u>(\$59,067)</u></u>



Capital Projects Funds

The Capital Projects Funds are used to account for the purchase and/or construction of major capital facilities, including buildings, roads and other long-lived improvements, which are not financed by proprietary funds. Financing is provided primarily by general obligation bonds and IDA revenue bonds, Federal and State grants, general fund transfers, revenues from sanitary district tax and special incremental tax on real property.

The capital projects for general government functions which are financed under the County's pay-as-you-go capital programs are accounted for in the General Capital Projects Funds. As required by law, separate funds are used to account for the capital project expenditures financed by the proceeds of general obligation bonds, IDA revenue bonds, revenues from sanitary district tax and special incremental tax on real property.

ARLINGTON COUNTY, VIRGINIA
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET SCHEDULE
JUNE 30, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2022)

	General Capital Projects Fund	Street and Highway Bond Fund	Neighborhood Conservation Bond Fund	Government Facility Bond **	Stormwater Fund	Public Recreation Bond Fund	Transportation Capital Fund
ASSETS:							
Equity in pooled cash and investments	\$108,293,746	\$12,209,785	\$6,459,888	\$56,965,495	\$11,332,577	\$17,432,676	\$170,501,054
Receivables	2,814,784	-	-	-	1,073,459	-	10,849,281
Receivables from other governments	1,346,730	-	-	-	-	-	14,183,375
Receivables - leases	-	-	-	-	-	-	1,863,285
Prepaid expenses	145,086	-	4,275	-	5,525,211	-	2,279,010
Total assets	\$112,600,346	\$12,209,785	\$6,464,163	\$56,965,495	\$17,931,247	\$17,432,676	\$199,676,005
LIABILITIES AND FUND BALANCES							
LIABILITIES:							
Vouchers payable	\$7,509,828	\$5,260,749	\$193,266	\$2,805,007	\$1,035,063	\$237,705	\$14,173,234
Contracts payable-retainage	226,611	-	213,894	875,246	192,891	123,590	3,001,604
Unearned revenues	-	-	-	-	-	-	-
Other liabilities	2,804,828	-	3,200	-	-	-	-
Total liabilities	10,541,267	5,260,749	410,360	3,680,253	1,227,954	361,295	17,174,838
Deferred Inflows of resources - leases	-	-	-	-	-	-	1,829,199
FUND BALANCES:							
<u>Non-spendable</u>							
Prepaid	145,086	-	4,275	-	5,525,211	-	227,695
<u>Restricted</u>							
Capital projects	-	6,949,036	6,049,528	53,285,242	5,522,108	17,071,381	-
<u>Committed to</u>							
Capital projects	101,913,993	-	-	-	5,655,974	-	180,444,273
Total fund balances	102,059,079	6,949,036	6,053,803	53,285,242	16,703,293	17,071,381	180,671,968
Total liabilities and fund balances	\$112,600,346	\$12,209,785	\$6,464,163	\$56,965,495	\$17,931,247	\$17,432,676	\$199,676,005

* IDA Fund includes Skating Facility & Signature Loan. ** Government Facility Bond includes Fire Station Bond Fund and Library Bond Fund numbers.

Transit Facility Bond Fund	National Landing BID	Columbia Pike TIF	IDA Bond Fund *	Totals		
				June 30, 2023	June 30, 2022	
ASSETS:						
\$21,182,585	\$23,244,290	\$4,165,045	\$7,675,564	\$439,462,705	\$456,752,087	Equity in pooled cash and investments
-	2,160,360	-	3,297,436	20,195,320	8,301,627	Receivables
-	14,736	-	-	15,544,841	10,126,290	Receivables from other governments
-	-	-	18,545,236	20,408,521	23,310,745	Receivable leases
-	-	-	-	7,953,582	170,170	Prepaid expenses
\$21,182,585	\$25,419,386	\$4,165,045	\$29,518,236	\$503,564,969	\$498,660,919	Total assets
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
\$-	\$339,748	\$-	\$-	\$31,554,600	\$26,945,354	Vouchers payable
-	105,114	-	-	4,738,950	5,215,832	Contracts payable-retainage
-	-	-	-	-	6,755,463	Unearned revenues
-	-	-	3,297,436	6,105,464	6,353,834	Other liabilities
-	444,862	-	3,297,436	42,399,014	45,270,483	Total liabilities
-	-	-	17,800,536	19,629,735	23,094,386	Deferred Inflows of resources - leases
FUND BALANCES:						
-	-	-	-	5,902,267	170,170	<u>Non-spendable</u> Prepaid
21,182,585	-	-	8,420,264	118,480,144	81,166,962	<u>Restricted:</u> Capital projects
-	24,974,524	4,165,045	-	317,153,809	348,958,918	<u>Committed to:</u> Capital projects
21,182,585	24,974,524	4,165,045	8,420,264	441,536,220	430,296,050	Total fund balances
\$21,182,585	\$25,419,386	\$4,165,045	\$29,518,236	\$503,564,969	\$498,660,919	Total liabilities and fund balances

ARLINGTON COUNTY, VIRGINIA
CAPITAL PROJECT FUNDS
COMBINING SCHEDULE OF REVENUES
EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2022)

	General Capital Projects Fund	Street and Highway Bond Fund	Neighborhood Conservation Bond Fund	Government Facility Bond**	Stormwater Fund	Public Recreation Bond Fund	Transportation Capital Fund
REVENUES:							
From the Commonwealth of Virginia	\$2,740,840	\$-	\$-	\$-	\$593,750	\$-	\$21,798,753
From the Federal government	637,476	-	-	-	-	-	2,434,276
Charges for services	1,737,822	-	-	-	2,107,940	-	626,213
Real estate taxes	-	-	-	-	14,574,948	-	24,162,819
Interest	-	251,849	152,752	1,836,466	311,316	734,970	4,322
Miscellaneous revenues	11,988,541	-	-	(4,635)	2,379,728	-	32,920,862
Total revenues	17,104,679	251,849	152,752	1,831,831	19,967,682	734,970	81,947,245
EXPENDITURES:							
Inter Governmental:							
Community development	-	-	-	-	-	-	-
Current operating:							
General Government	8,226,825	558,981		114,193	10,523,540	-	16,583,959
Planning and Community Development	588,637	-	21,712	-	-	-	-
Parks, Recreation and Cultural Development	259,727	-	-	-	-	176,497	-
Public Safety	3,456,058	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	290,000	-	-
Interest	-	-	-	-	645,500	-	-
Capital outlay	43,316,431	12,848,534	1,715,607	18,817,162	17,102,377	4,994,863	73,471,796
Total expenditures	55,847,678	13,407,515	1,737,319	18,931,355	28,561,417	5,171,360	90,055,755
Revenues over/(under) expenditures	(38,742,999)	(13,155,666)	(1,584,567)	(17,099,524)	(8,593,735)	(4,436,390)	(8,108,510)
OTHER FINANCING SOURCES/(USES):							
Proceeds from line of credit	11,124,718	-	-	-	-	-	-
Proceeds for bond premium	9,891,865	-	-	-	-	-	-
Proceeds from sale of bonds	-	20,510,000	4,000,000	19,970,000	-	3,205,000	-
Transfers in	14,503,093	-	-	-	-	-	-
Transfers out	-	(251,849)	(152,752)	(1,836,466)	-	(734,970)	(3,937,462)
Total other financing sources/(uses), net	35,519,676	20,258,151	3,847,248	18,133,534	-	2,470,030	(3,937,462)
Revenues and other financing sources/(uses) over/(under) expenditures	(3,223,323)	7,102,485	2,262,681	1,034,010	(8,593,735)	(1,966,360)	(12,045,972)
FUND BALANCE, beginning of year	105,282,402	(153,449)	3,791,122	52,251,232	25,297,028	19,037,741	192,717,940
FUND BALANCE, end of year	\$102,059,079	\$6,949,036	\$6,053,803	\$53,285,242	\$16,703,293	\$17,071,381	\$180,671,968

* IDA Fund includes Skating Facility & Signature Loan. ** Government Facility Bond includes Fire Station Bond Fund and Library Bond Fund numbers.

Transit Facility Bond Fund	National Landing TIF	Columbia Pike TIF	IDA Bond Fund *	Totals		
				June 30, 2023	June 30, 2022	
						REVENUES:
\$-	\$14,736	\$-	\$-	\$25,148,079	\$6,791,398	From the Commonwealth of Virginia
-	436,821	-	-	3,508,573	4,667,769	From the Federal government
-	-	-	2,325,732	6,797,707	6,708,632	Charges for services
-	4,553,418	1,534,595	-	44,825,780	43,100,254	Real estate taxes
56,905	-	-	939,764	4,288,344	771,249	Interest
-	2,944,908	-	-	50,229,404	20,443,134	Miscellaneous revenues
56,905	7,949,883	1,534,595	3,265,496	134,797,887	82,482,436	Total Revenues
						EXPENDITURES:
20,700,000	-	-	-	20,700,000	21,888,502	Inter Governmental:
-	-	-	-	-	-	Community development
-	599,618	-	-	36,607,116	25,616,820	Current operating:
-	-	249,512	-	859,861	976,446	General Government
-	-	-	-	436,224	779,991	Planning and Community Development
-	-	-	-	3,456,058	553,601	Parks, Recreation and Cultural Development
-	-	-	-	290,000	290,000	Public Safety
-	-	-	-	290,000	290,000	Debt Service
-	-	-	294,890	940,390	955,793	Principal
-	5,476,671	-	-	177,743,441	139,043,709	Interest
20,700,000	6,076,289	249,512	294,890	241,033,090	190,104,862	Capital outlay
20,700,000	6,076,289	249,512	294,890	241,033,090	190,104,862	Total expenditures
(20,643,095)	1,873,594	1,285,083	2,970,606	(106,235,203)	(107,622,426)	Revenues over/ (under) expenditures
						OTHER FINANCING SOURCES/(USES):
-	-	-	-	11,124,718	5,234,436	Proceeds from line of credit
-	-	-	-	9,891,865	-	Proceeds for bond premium
41,800,000	-	-	-	89,485,000	-	Proceeds from sale of bonds
-	-	-	-	14,503,093	10,478,484	Transfers in
(56,905)	-	-	(558,899)	(7,529,303)	(3,470,319)	Transfers out
41,743,095	-	-	(558,899)	117,475,373	12,242,601	Total other financing sources/(uses), net
21,100,000	1,873,594	1,285,083	2,411,707	11,240,170	(95,379,825)	Revenues and other financing sources/(uses) over/(under) expenditures
82,585	23,100,930	2,879,962	6,008,557	430,296,050	525,675,875	FUND BALANCE, beginning of year
\$21,182,585	\$24,974,524	\$4,165,045	\$8,420,264	\$441,536,220	\$430,296,050	FUND BALANCE, end of year

ARLINGTON COUNTY, VIRGINIA
CAPITAL PROJECT FUNDS
COMBINING SCHEDULE OF REVENUES
EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	General Capital Projects Fund			Street and Highway Bond Fund			Neighborhood Conservation Bond Fund		
	Budget	Actual	Variance- Positive (Negative)	Budget	Actual	Variance- Positive (Negative)	Budget	Actual	Variance- Positive (Negative)
REVENUES:									
From the Commonwealth of Virginia	\$11,190,288	\$2,740,840	(\$8,449,448)	\$-	\$-	\$-	\$-	\$-	\$-
From the Federal government	6,346,343	637,476	(5,708,867)	-	-	-	-	-	-
Charges for services	-	1,737,822	1,737,822	-	-	-	-	-	-
Real estate taxes	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	251,849	251,849	-	152,752	152,752
Miscellaneous revenues	812,479	11,988,541	11,176,062	-	-	-	-	-	-
Total revenues	18,349,110	17,104,679	(1,244,431)	-	251,849	251,849	-	152,752	152,752
Inter governmental:									
Community development	-	-	-	-	-	-	-	-	-
Current operating:									
General government	4,950,902	8,226,825	3,275,923	-	558,981	558,981	-	-	-
Planning and community development	-	588,637	588,637	-	-	-	-	21,712	21,712
Parks, recreation and cultural developmer	-	259,727	259,727	-	-	-	-	-	-
Public safety	-	3,456,058	3,456,058	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Capital outlay	195,640,272	43,316,431	(152,323,841)	21,534,714	12,848,534	(8,686,180)	8,235,442	1,715,607	(6,519,835)
Total expenditures	200,591,174	55,847,678	(144,743,496)	21,534,714	13,407,515	(8,127,199)	8,235,442	1,737,319	(6,498,123)
Revenues over/(under) expenditures	(182,242,064)	(38,742,999)	143,499,065	(21,534,714)	(13,155,666)	8,379,048	(8,235,442)	(1,584,567)	6,650,875
OTHER FINANCING SOURCES/(USES):									
Proceeds from lease purchase	17,548,000	-	(17,548,000)	-	-	-	-	-	-
Proceeds from line of credit	-	11,124,718	11,124,718	-	-	-	-	-	-
Proceeds for bond premium	12,650,902	9,891,865	(2,759,037)	-	-	-	-	-	-
Proceeds from sale of bonds	-	-	-	19,510,000	20,510,000	1,000,000	2,000,000	4,000,000	2,000,000
Transfers in	14,318,609	14,503,093	184,484	-	-	-	-	-	-
Transfers out	-	-	-	-	(251,849)	(251,849)	-	(152,752)	(152,752)
Total other financing sources/(uses), net	44,517,511	35,519,676	(8,997,835)	19,510,000	20,258,151	748,151	2,000,000	3,847,248	1,847,248
Revenues and other financing sources (Uses) Over/(Under) Expenditures	(137,724,553)	(3,223,323)	134,501,230	(2,024,714)	7,102,485	9,127,199	(6,235,442)	2,262,681	8,498,123
FUND BALANCE, beginning of year	137,724,553	105,282,402	(32,442,151)	2,024,714	(153,449)	(2,178,163)	6,235,442	3,791,122	(2,444,320)
FUND BALANCE, end of year	\$-	\$102,059,079	\$102,059,079	\$-	\$6,949,036	\$6,949,036	\$-	\$6,053,803	\$6,053,803

ARLINGTON COUNTY, VIRGINIA
CAPITAL PROJECT FUNDS
COMBINING SCHEDULE OF REVENUES
EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	Government Facility Bond Fund			Stormwater Fund			Public Recreation Bond Fund		
	Budget	Actual	Variance- Positive (Negative)	Budget	Actual	Variance- Positive (Negative)	Budget	Actual	Variance- Positive (Negative)
REVENUES:									
From the Commonwealth of Virginia	\$-	\$-	\$-	\$625,000	\$593,750	\$-	\$-	\$-	\$-
From the Federal government	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	1,371,500	2,107,940	736,440	-	-	-
Real estate taxes	-	-	-	14,557,128	14,574,948	17,820	-	-	-
Interest income	-	1,836,466	1,836,466	-	311,316	-	-	734,970	734,970
Miscellaneous revenues	-	(4,635)	-	1,655,109	2,379,728	-	-	-	-
Total revenues	-	1,831,831	1,831,831	18,208,737	19,967,682	1,758,945	-	734,970	734,970.0
Inter governmental:									
Community development	-	-	-	-	-	-	-	-	-
Current operating:									
General government	-	114,193	114,193	14,833,831	10,523,540	(4,310,291)	-	-	-
Planning and community development	-	-	-	-	-	-	-	-	-
Parks, recreation and cultural developmer	-	-	-	-	-	-	-	176,497	176,497
Public safety	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	290,000	-	-	-	-
Interest	-	-	-	-	645,500	-	-	-	-
Capital outlay	89,393,882	18,817,162	(70,576,720)	41,877,880	17,102,377	(24,775,503)	33,064,747	4,994,863	(28,069,884)
Total expenditures	89,393,882	18,931,355	(70,462,527)	56,711,711	28,561,417	(28,150,294)	33,064,747	5,171,360	(27,893,387)
Revenues over/(under) expenditures	(89,393,882)	(17,099,524)	72,294,358	(38,502,974)	(8,593,735)	29,909,239	(33,064,747)	(4,436,390)	28,628,357
OTHER FINANCING SOURCES/(USES):									
Proceeds from lease purchase	-	-	-	-	-	-	-	-	-
Proceeds from line of credit	-	-	-	-	-	-	-	-	-
Proceeds for bond premium	-	-	-	-	-	-	-	-	-
Proceeds from sale of go bonds	28,810,000	19,970,000	(8,840,000)	14,560,000	-	-	11,550,000	3,205,000	(8,345,000)
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	(1,836,466)	(1,836,466)	-	-	-	-	(734,970)	(734,970)
Total other financing sources/(uses), net	28,810,000	18,133,534	(10,676,466)	14,560,000	-	(14,560,000)	11,550,000	2,470,030	(9,079,970)
Revenues and other financing sources									
(Uses) Over/(Under) Expenditures	(60,583,882)	1,034,010	61,617,892	(23,942,974)	(8,593,735)	15,349,239	(21,514,747)	(1,966,360)	19,548,387
FUND BALANCE, beginning of year	60,583,882	52,251,232	(8,332,650)	23,942,974	25,297,028	1,354,054	21,514,747	19,037,741	(2,477,006)
FUND BALANCE, end of year	\$-	\$53,285,242	\$53,285,242	\$-	\$16,703,293	\$16,703,293	\$-	\$17,071,381	\$17,071,381

ARLINGTON COUNTY, VIRGINIA
CAPITAL PROJECT FUNDS
COMBINING SCHEDULE OF REVENUES
EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	Transportation Capital Fund		
	Budget	Actual	Variance- Positive (Negative)
REVENUES:			
From the Commonwealth of Virginia	\$4,508,974	\$21,798,753	\$17,289,779
From the Federal government	-	2,434,276	2,434,276
Charges for services	-	626,213	626,213
Real estate taxes	24,657,374	24,162,819	(494,555)
Interest income	-	4,322	-
Miscellaneous revenues	9,793,893	32,920,862	23,126,969
Total revenues	38,960,241	81,947,245	42,987,004
Inter governmental:			
Community development	-	-	-
Current operating:			
General government	3,532,295	16,583,959	13,051,664
Planning and community development	-	-	-
Parks, recreation and cultural developmer	-	-	-
Public safety	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Capital outlay	386,401,779	73,471,796	(312,929,983)
Total expenditures	389,934,074	90,055,755	(299,878,319)
Revenues over/(under) expenditures	(350,973,833)	(8,108,510)	342,865,323
OTHER FINANCING SOURCES/(USES):			
Proceeds from lease purchase	-	-	-
Proceeds from line of credit	-	-	-
Proceeds for bond premium	-	-	-
Proceeds from sale of go bonds	-	-	-
Transfers in	-	-	-
Transfers out	(3,901,741)	(3,937,462)	(35,721)
Total other financing sources/(uses), net	(3,901,741)	(3,937,462)	(35,721)
Revenues and other financing sources			
(Uses) Over/(Under) Expenditures	(354,875,574)	(12,045,972)	342,829,602
FUND BALANCE, beginning of year	354,875,574	192,717,940	(162,157,634)
FUND BALANCE, end of year	\$-	\$180,671,968	\$180,671,968

ARLINGTON COUNTY, VIRGINIA
CAPITAL PROJECT FUNDS
COMBINING SCHEDULE OF REVENUES
EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	Transit Facility Fund			National Landing TIF			Columbia Pike TIF		
	Budget	Actual	Variance- Positive (Negative)	Budget	Actual	Variance- Positive (Negative)	Budget	Actual	Variance- Positive (Negative)
REVENUES:									
From the Commonwealth of Virginia	\$-	\$-	\$-	\$474,000	\$14,736	(\$459,264)	\$-	\$-	\$-
From the Federal government	-	-	-	-	436,821	436,821	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Real estate taxes	-	-	-	4,600,160	4,553,418	(46,742)	1,453,260	1,534,595	81,335
Interest income	-	56,905	56,905	-	-	-	-	-	-
Miscellaneous revenues	-	-	-	-	2,944,908	2,944,908	-	-	-
Total revenues	-	56,905	56,905	5,074,160	7,949,883	2,875,723	1,453,260	1,534,595	81,335
Inter governmental:									
Community development	-	20,700,000	20,700,000	-	-	-	-	-	-
Current operating:									
General government	-	-	-	311,402	599,618	288,216	-	-	-
Planning and community development	-	-	-	-	-	-	4,378,701	249,512	(4,129,189)
Parks, recreation and cultural developmer	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Capital outlay	41,791,320	-	(41,791,320)	46,183,306	5,476,671	(40,706,635)	-	-	-
Total expenditures	41,791,320	20,700,000	(21,091,320)	46,494,708	6,076,289	(40,418,419)	4,378,701	249,512	(4,129,189)
Revenues over/(under) expenditures	(41,791,320)	(20,643,095)	21,148,225	(41,420,548)	1,873,594	43,294,142	(2,925,441)	1,285,083	4,210,524
OTHER FINANCING SOURCES/(USES):									
Proceeds from lease purchase	-	-	-	-	-	-	-	-	-
Proceeds from line of credit	-	-	-	-	-	-	-	-	-
Proceeds for bond premium	-	-	-	-	-	-	-	-	-
Proceeds from sale of go bonds	41,791,320	41,800,000	8,680	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	(56,905)	(56,905)	-	-	-	-	-	-
Total other financing sources/(uses), net	41,791,320	41,743,095	(48,225)	-	-	-	-	-	-
Revenues and other financing sources									
(Uses) Over/(Under) Expenditures	-	21,100,000	21,100,000	(41,420,548)	1,873,594	43,294,142	(2,925,441)	1,285,083	4,210,524
FUND BALANCE, beginning of year	-	82,585	82,585	41,420,548	23,100,930	(18,319,618)	2,925,441	2,879,962	(45,479)
FUND BALANCE, end of year	\$-	\$21,182,585	\$21,182,585	\$-	\$24,974,524	\$24,974,524	\$-	\$4,165,045	\$4,165,045

ARLINGTON COUNTY, VIRGINIA
CAPITAL PROJECT FUNDS
COMBINING SCHEDULE OF REVENUES
EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	IDA Bond Fund		
	Budget	Actual	Variance- Positive (Negative)
REVENUES:			
From the Commonwealth of Virginia	\$-	\$-	\$-
From the Federal government	-	-	-
Charges for services	-	2,325,732	2,325,732
Real estate taxes	-	-	-
Interest income	-	939,764	939,764
Miscellaneous revenues	-	-	-
Total revenues	-	3,265,496	3,265,496.00
Inter governmental:			
Community development	-	-	-
Current operating:			
General government	-	-	-
Planning and community development	-	-	-
Parks, recreation and cultural developmer	-	-	-
Public safety	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	294,890	294,890
Capital outlay	16,359,647	-	(16,359,647)
Total expenditures	16,359,647	294,890	(16,064,757)
Revenues over/(under) expenditures	(16,359,647)	2,970,606	19,330,253
OTHER FINANCING SOURCES/(USES):			
Proceeds from lease purchase	-	-	-
Proceeds from line of credit	-	-	-
Proceeds for bond premium	-	-	-
Proceeds from sale of go bonds	-	-	-
Transfers in	-	-	-
Transfers out	-	(558,899)	(558,899)
Total other financing sources/(uses), net	-	(558,899)	(558,899)
Revenues and other financing sources			
(Uses) Over/(Under) Expenditures	(16,359,647)	2,411,707	18,771,354
FUND BALANCE, beginning of year	16,359,647	6,008,557	(10,351,090)
FUND BALANCE, end of year	\$-	\$8,420,264	\$8,420,264



Enterprise Funds

Utilities Fund – to account for the operations, maintenance and construction of the County's water and sanitary sewer system and for the capital asset improvements in the water pollution control plant. Revenues of this fund consist principally of charges for services to County residents. Debt service on the general obligation bonds issued to finance the construction of plant facilities is also accounted for in this fund.

Ballston Public Parking Garage Fund – to account for the financing of services to the general public where all or most of the operating expenses involved are recovered in the form of charges to users of such services.

Eighth Level Ballston Public Parking Garage Fund - to account for financing of services to the general public where all or most of the operating expenses involved are recovered in the form of charges to users of such services.

CPHD Development Fund – to account for financing of the fee-supported units of the Inspection Services Division and Planning Division. Operating expenses involved are recovered in the form of charges to users of such services.

ARLINGTON COUNTY, VIRGINIA
ENTERPRISE FUNDS
COMBINING BALANCE SHEET SCHEDULE
JUNE 30, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2022)

					Totals	
	Utilities	Ballston Public Parking Garage	8th Level Ballston Public Parking Garage	CPHD Development Fund	June 30, 2023	June 30, 2022
ASSETS						
CURRENT ASSETS:						
Equity in pooled cash and investments	\$38,066,918	\$1,476,742	\$1,839,052	\$3,591,931	\$44,974,643	\$62,955,476
Cash with fiscal agents	25,221	-	-	-	25,221	25,221
Accounts receivable:						
Water-sewer charges	1,589,724	-	-	-	1,589,724	884,918
Estimated unbilled service charges	13,584,212	-	-	-	13,584,212	13,242,484
Other	4,058,070	112,974	-	-	4,171,044	4,508,152
Lease receivable	410,492	-	-	-	410,492	-
Prepaid expenses	2,625,699	-	-	-	2,625,699	2,568,524
Inventories	3,780,657	-	-	-	3,780,657	2,407,298
Total current assets	64,140,993	1,589,716	1,839,052	3,591,931	71,161,692	86,592,073
NON-CURRENT ASSETS						
Right to use leases, net	220,108	9,960,137	-	10,715,715	20,895,960	-
CAPITAL ASSETS:						
Land	6,161,255	-	-	-	6,161,255	6,161,255
Sewer system	453,545,496	-	-	-	453,545,496	431,228,520
Water system	887,495,891	-	-	-	887,495,891	867,077,906
Equipment	4,665,398	1,652,860	73,900	2,906,351	9,298,509	7,922,555
Building	-	32,732,601	3,511,471	-	36,244,072	36,244,072
Intangible assets	6,375,894	-	-	1,116,969	7,492,863	7,426,771
Construction in progress	14,115,213	-	-	20,405,667	34,520,880	25,974,469
Less accumulated depreciation-intangible assets	(4,645,150)	-	-	(1,116,969)	(5,762,119)	(3,324,973)
Less accumulated depreciation	(315,344,600)	(20,096,278)	(918,046)	(2,906,351)	(339,265,275)	(301,346,134)
Total capital assets (net of accumulated depreciation)	1,052,369,397	14,289,183	2,667,325	20,405,667	1,089,731,572	1,077,364,441
Total assets	\$1,116,730,498	\$25,839,036	\$4,506,377	\$34,713,313	\$1,181,789,224	\$1,163,956,514

ARLINGTON COUNTY, VIRGINIA
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2022)

					Totals	
	Utilities	Ballston Public Parking Garage	8th Level Ballston Public Parking Garage	CPHD Development Fund	June 30, 2023	June 30, 2022
LIABILITIES						
CURRENT LIABILITIES:						
Payable from current assets:						
General obligation bonds payable	\$8,609,980	\$-	\$-	\$-	\$8,609,980	\$7,764,981
VRA loan payable	17,366,021	-	-	-	17,366,021	17,023,231
Interest payable	1,569,733	45,235,794	-	-	46,805,527	44,336,800
Vouchers payable	6,832,961	261,112	12,068	223,615	7,329,756	6,989,388
Contracts payable - retainage	518,278	-	-	-	518,278	198,930
Mortgage /notes payable	-	3,429,679	-	-	3,429,679	3,429,679
Leases	53,488	1,108,871	-	1,276,564	2,438,923	2,311,516
Other accrued liabilities	295,822	24,515,567	-	-	24,811,389	23,943,753
Compensated absences	177,361	-	-	132,822	310,183	331,912
Total current liabilities	35,423,644	74,551,023	12,068	1,633,001	111,619,736	106,330,191
LONG-TERM LIABILITIES:						
Compensated absences	1,596,251	-	-	1,195,400	2,791,651	2,987,206
Leases	184,648	9,039,661	-	9,906,404	19,130,713	21,346,412
VRA loan payable	76,276,607	-	-	-	76,276,607	93,642,628
Mortgage payable	-	-	-	-	-	-
General obligation bonds payable	38,922,371	-	-	-	38,922,371	47,532,351
Total long-term liabilities	116,979,877	9,039,661	-	11,101,804	137,121,342	165,508,597
Total liabilities	152,403,521	83,590,684	12,068	12,734,805	248,741,078	271,838,788
DEFERRED INFLOWS OF RESOURCES						
Leases	406,518	-	-	-	406,518	122,791
Deferred Cost of Refunding	664,439	-	-	-	664,439	827,931
NET POSITION						
Net investment in capital assets	909,587,155	10,671,109	2,667,325	19,938,414	942,864,003	910,234,485
Unrestricted (deficit)	53,668,865	(68,422,757)	1,826,984	2,040,094	(10,886,814)	3,981,381
Total net position (deficit)	963,256,020	(57,751,648)	4,494,309	21,978,508	931,977,189	914,215,866
Total liabilities, deferred inflows of resources and net position	\$1,116,730,498	\$25,839,036	\$4,506,377	\$34,713,313	\$1,181,789,224	\$1,187,005,376

ARLINGTON COUNTY, VIRGINIA
ENTERPRISE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITIONS
FOR THE YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2022)

	Totals					
	Utilities	Ballston Public Parking Garage	8th Level Ballston Public Parking Garage	CPHD Development Fund	June 30, 2023	June 30, 2022
OPERATING REVENUES:						
Water-sewer service charges	\$100,660,886	\$-	\$-	\$-	\$100,660,886	\$95,040,998
Water-service hook-up charges	6,051,830	-	-	-	6,051,830	9,290,895
Water-service connection charges	1,716,595	-	-	-	1,716,595	1,093,059
Sewage treatment service charges	5,694,437	-	-	-	5,694,437	4,471,682
Permits and fees	-	-	-	17,255,517	17,255,517	21,595,268
Other	4,631,085	-	-	-	4,631,085	5,384,181
Parking charges	-	2,876,324	247,428	-	3,123,752	2,357,089
Total operating revenues	118,754,833	2,876,324	247,428	17,255,517	139,134,102	139,233,172
OPERATING EXPENSES:						
Personnel services	20,605,038	-	-	11,777,949	32,382,987	29,584,945
Fringe benefits	7,276,827	-	-	4,177,610	11,454,437	10,714,636
Contractual services	12,509,157	720,333	49,202	3,254,075	16,532,767	16,402,777
Purchases of water	6,750,758	-	-	-	6,750,758	7,231,090
Materials and supplies	10,806,529	160,164	13,599	65,772	11,046,064	9,678,228
Rent	-	1,279,992	-	-	1,279,992	1,279,992
Depreciation and amortization	18,896,319	2,073,823	95,177	1,431,289	22,496,608	22,168,097
Equipment (construction contracts)	7,578,281	-	-	(\$3,527,372)	4,050,909	165,342
Internal services	-	-	-	4,076,776	4,076,776	3,687,705
Miscellaneous	7,977,106	364,763	23,663	-	8,365,532	7,835,716
Total operating expenses	92,400,015	4,599,075	181,641	21,256,099	118,436,830	108,748,528
Operating income (loss)	26,354,817	(1,722,751)	65,787	(4,000,582)	20,697,271	30,484,644
NON-OPERATING REVENUES(EXPENSES):						
Interest income and other income	921,123	-	-	129,504	1,050,627	-1,650,969
Interest expense and fiscal charges	(3,322,416)	(2,691,245)	-	(221,686)	(6,235,347)	(7,098,702)
Total non-operating expenses, net	(2,401,293)	(2,691,245)	-	(92,182)	(5,184,720)	(8,749,671)
Net Income before contributions and net transfers	23,953,524	(4,413,996)	65,787	(4,092,764)	15,512,551	21,734,973
CONTRIBUTIONS						
Contributions from developers and other sources	1,842,039	-	-	-	1,842,039	179,780
TRANSFERS						
Transfers in	406,733	-	-	-	406,733	-
Change in net position	26,202,296	(4,413,996)	65,787	(4,092,764)	17,761,323	21,914,753
Net position (deficit), beginning of year	937,053,724	(53,337,652)	4,428,522	26,071,272	914,215,866	892,301,113
Net position (deficit), end of year	\$963,256,020	(\$57,751,648)	\$4,494,309	\$21,978,508	\$931,977,189	\$914,215,866

ARLINGTON COUNTY, VIRGINIA
ENTERPRISE FUNDS
COMBINING SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2022)

	Totals					
	Utilities	Ballston Public Parking Garage	8th Level Ballston Public Parking Garage	CPHD Development Fund	June 30 2023	June 30 2022
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash received from customers	\$116,959,368	\$2,763,350	\$247,428	\$17,255,517	\$137,225,663	\$140,267,452
Cash paid to suppliers	(45,139,472)	(2,798,301)	(96,166)	(4,077,632)	(52,111,571)	(48,129,210)
Cash paid to employees	(28,071,474)	-	-	(15,983,234)	(44,054,708)	(40,199,823)
Net cash provided by operating activities	43,748,422	(34,951)	151,262	(2,805,349)	41,059,384	51,938,419
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest income	921,123	-	-	129,504	1,050,627	(1,650,969)
Net cash provided by (used for) investing activities	921,123	-	-	129,504	1,050,627	(1,650,969)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITY						
Transfer received other funds	406,733	-	-	-	406,733	-
Contributions from developers and other sources	-	-	-	-	-	-
Net cash provided by (used for) non-capital financing activities	406,733	-	-	-	406,733	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Principal payments - bonds	(7,450,000)	-	-	-	(7,450,000)	(7,150,000)
Payment of VRA loan	(17,023,231)	-	-	-	(17,023,231)	(16,688,169)
Interest and other loan expenses	(3,542,375)	-	-	(221,686)	(3,764,061)	(4,501,423)
Right to use lease	(46,453)	-	-	(1,220,527)	(1,266,980)	(2,237,007)
Purchase of property	(23,534,256)	-	-	(3,527,372)	(27,061,628)	(23,642,529)
Net cash used for capital and related financing activities	(51,596,315)	-	-	(4,969,585)	(56,565,900)	(54,219,128)
Net increase(decrease) in cash and cash equivalents	(6,520,037)	(34,951)	151,262	(7,645,430)	(14,049,156)	(3,931,678)
Cash and cash equivalents at beginning of year	44,586,956	1,511,693	1,687,790	11,237,360	59,023,799	62,955,477
Cash and cash equivalents at end of year	\$38,066,918	\$1,476,742	\$1,839,052	\$3,591,930	\$44,974,643	\$59,023,799
Reconciliation of operating income (loss) to net cash provided by (used for) operations:						
Operating Income (loss)	\$26,354,817	(\$1,722,751)	\$65,787	(\$4,000,582)	\$20,697,271	\$30,484,644
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation and amortization expense	18,896,319	2,073,823	95,177	1,431,289	22,496,608	22,168,097
Effect of changes in operating assets and liabilities:						
Accounts receivable	(1,728,206)	(112,974)	-	-	(1,841,180)	721,261
Inventories	(748,706)	-	-	-	(748,706)	(624,653)
Vouchers payable	962,240	(465,161)	(9,702)	(208,380)	278,997	(2,498,199)
Compensated absences	(189,609)	-	-	(27,675)	(217,284)	99,759
Contract retainage	319,348	-	-	-	319,348	1,151
Prepaid expenses	(50,522)	-	-	-	(50,522)	--
Accrued rent liability	-	192,112	-	-	192,112	1,279,992
Unearned revenues	(\$67,259)	-	-	-	(67,259)	313,019
Net cash provided by operating activities	\$43,748,422	(\$34,951)	\$151,262	(\$2,805,348)	\$41,059,385	\$51,938,419
Schedule of non-cash capital and related financing activities:						
Contributions from developers and other sources	\$1,842,039	\$-	\$-	\$-	\$1,842,039	\$179,780

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Internal Service Funds

Automotive Equipment Fund – to account for the costs related to the operation and maintenance of automotive equipment used by County departments and agencies. The acquisition and replacement of automotive equipment is accounted for in this fund. Revenue is derived primarily from user charges to recover actual costs which include depreciation of equipment.

Printing Fund – to account for the costs of operating a central print shop which provides printing and duplicating services to County departments and agencies. Revenue is derived principally from user charges and specific services.

ARLINGTON COUNTY, VIRGINIA
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET SCHEDULE
JUNE 30, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2022)

			Totals	
	Automotive Equipment	Printing	June 30, 2023	June 30, 2022
ASSETS				
CURRENT ASSETS:				
Equity in pooled cash and investments	\$14,818,626	\$-	\$14,818,626	\$14,696,039
Accounts receivable	795,000	4,970	799,970	13,316
Inventories	836,486	194,263	1,030,749	794,771
Total current assets	16,450,112	199,233	16,649,345	15,504,126
CAPITAL ASSETS:				
Equipment and other capital assets	95,258,775	35,633	95,294,408	90,344,823
Right to use lease assets	4,728	1,421,521	1,426,249	1,425,153
Less-lease amortization	(1,026)	(1,329,285)	(1,330,311)	(777,231)
Less-accumulated depreciation	(59,074,344)	(31,906)	(59,106,250)	(56,555,330)
Net capital assets	36,188,133	95,963	36,284,096	34,437,415
Total assets	<u>\$52,638,245</u>	<u>\$295,196</u>	<u>\$52,933,441</u>	<u>\$49,941,541</u>
LIABILITIES AND NET POSITION				
CURRENT LIABILITIES:				
Vouchers payable	\$435,196	\$35,161	\$470,357	\$357,110
Compensated absences	34,862	9,648	44,510	54,573
Obligations under lease	-	-	-	228,860
Due to other funds	-	3,433,959	3,433,959	2,375,538
Lease	603	78,803	79,406	557,320.00
Accounts payable	9,861	26,493	36,354	422,125.00
Total current liabilities	480,522	3,584,064	4,064,586	3,995,526
LONG-TERM LIABILITIES:				
Compensated absences	313,755	86,829	400,584	491,155
Lease	3,123	15,201	18,324	96,715
Obligations under lease	-	-	-	-
Total long-term liabilities	316,878	102,030	418,908	587,870
Total liabilities	797,400	3,686,094	4,483,494	4,583,396
NET POSITION:				
Net investment in capital assets	36,184,407	1,959	36,284,096	34,208,555
Unrestricted (deficit)	15,656,438	(3,392,857)	12,165,851	11,149,590
Total net position (deficit)	51,840,845	(3,390,898)	48,449,947	45,358,145
Total liabilities and net position	<u>\$52,638,245</u>	<u>\$295,196</u>	<u>\$52,933,441</u>	<u>\$49,941,541</u>

ARLINGTON COUNTY, VIRGINIA
INTERNAL SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITIONS
FOR THE YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2022)

			Totals	
	Automotive Equipment	Printing	June 30, 2023	June 30, 2022
OPERATING REVENUES:				
Charges for services	\$24,444,930	\$1,870,656	\$26,315,586	\$22,860,271
OPERATING EXPENSES:				
Cost of store issuances	5,093,324	451,812	5,545,136	5,430,348
Personnel services	4,295,977	494,138	4,790,115	4,860,515
Fringe benefits	1,676,764	197,775	1,874,539	1,927,198
Material and supplies	729,421	233,854	963,275	1,086,355
Utilities	131,876	37,058	168,934	111,516
Operating equipment	1,199,062	-	1,199,062	5,641
Outside services	1,105,050	719,871	1,824,921	1,296,951
Amortization of lease	730	552,350	553,080	777,232
Depreciation	6,406,708	3,563	6,410,271	6,225,058
Total operating expenses	20,638,912	2,690,421	23,329,333	21,720,814
Operating income (loss)	3,806,018	(819,765)	2,986,253	1,139,457
NON-OPERATING REVENUES (EXPENSES):				
Interest payment on leases	(168,625)	-	(168,625)	(288,146)
Gain on disposal of assets	141,517	-	141,517	403,515
Total non-operating revenues (expenses)	(27,108)	-	(27,108)	115,369
Income (loss) before transfers	3,778,910	(819,765)	2,959,145	1,254,826
CONTRIBUTIONS AND NET TRANSFERS				
Transfers in	-	262,658	262,658	254,979
Transfers out	(130,000)	-	(130,000)	(130,000)
Total transfers	(130,000)	262,658	132,658	124,979
Change in net position	3,648,910	(557,107)	3,091,803	1,379,805
Net position, beginning of year	48,191,935	(2,833,791)	45,358,144	43,978,340
Net position, end of year	\$51,840,845	(\$3,390,898)	\$48,449,947	\$45,358,145

ARLINGTON COUNTY, VIRGINIA
INTERNAL SERVICE FUNDS
COMBINING SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2022)

			Totals	
	Automotive Equipment	Printing	June 30, 2023	June 30, 2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from interfund charges for fleet management services	\$23,649,930	\$-	\$23,649,930	\$21,205,615
Receipts from interfund charges for print services	-	1,879,002	1,879,002	1,677,338
Payments to suppliers and providers	(8,259,487)	(1,950,343)	(10,209,830)	(7,594,610)
Payments to employees for salaries and benefits	(6,072,292)	(692,998)	(6,765,290)	(6,746,008)
Net cash provided by operating activities	9,318,151	(764,339)	8,553,812	8,542,335
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Temporary loan from general fund	-	3,433,959	3,433,959	2,375,538
Repayment of prior year temp loan	-	(2,375,538)	(2,375,538)	(1,966,485)
Operating transfers in	-	262,658	262,658	254,979
Operating transfers out	(130,000)	-	(130,000)	(130,000)
Net cash provided by (used for) non-capital financing activities	(130,000)	1,321,079	1,191,079	534,032
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Principal payment on line of credit for capital	(228,860)	-	(228,860)	(225,618)
Payment of interest on leases	(168,625)	-	(168,625)	(288,146)
Purchases of equipment	(10,258,662)	-	(10,258,662)	(2,703,361)
Lease	(660)	(556,740)	(557,400)	(771,118.00)
Proceeds from sale of equipment	1,591,244	-	1,591,244	475,386
Net cash used for capital and related financing activities	(9,065,563)	(556,740)	(9,622,303)	(3,512,857)
Net increase (decrease) in cash and cash equivalents	122,588	-	122,588	5,563,510
Cash and cash equivalents at beginning of year	14,696,038	-	14,696,038	9,132,529
Cash and cash equivalents at end of period	<u>\$14,818,626</u>	<u>\$-</u>	<u>\$14,818,626</u>	<u>\$14,696,039</u>
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$3,806,018	(\$819,765)	\$2,986,253	\$1,139,457
Adjustments to reconcile operating income(loss) to net cash provided by operating activities:				
Depreciation and amortization	6,407,438	555,913	6,963,351	7,002,290
Effect of changes in operating assets and liabilities:				
Accounts receivable	(795,000)	8,346	(786,654)	22,682
Inventories	(77,225)	(158,753)	(235,978)	(11,348)
Vouchers payables	76,470	(348,996)	(272,526)	347,549
Compensated absences	(99,550)	(1,084)	(100,634)	41,705
Net cash provided by operating activities	<u>\$9,318,151</u>	<u>(\$764,339)</u>	<u>\$8,553,812</u>	<u>\$8,542,335</u>



Fiduciary Funds

Fiduciary funds are used to account for the assets received and disbursed by the County government acting in a trustee capacity or as an agent for individuals, private organizations, and other governments.

Pension Trust Fund – to account for the operations of the Arlington Employee's Supplemental Retirement System.

Other Postemployment Benefits (OPEB) Fund – to account for the assets held in trust by the County for the employees / beneficiaries of its OPEB plan.

Private Purpose Trust Fund:

Alexandria/Arlington Waste To Energy–Facility Monitoring Group “WTE-FMG” Trust Fund – to account for the WTE-FMG Trust Fund set up by the County and the City of Alexandria for supervision and oversight of the Waste To Energy facility.

Custodial Funds:

Commonwealth of Virginia Fund – to account for the collection and remittance of State taxes and fees by the County as an agency for the Commonwealth of Virginia.

Other Custodial Funds – to account for assets held in a trustee capacity for individuals, other organizations, or other governments.

ARLINGTON COUNTY, VIRGINIA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
TRUST FUNDS
JUNE 30, 2023

	Pension Trust	OPEB Trust	Total Pension and OPEB Trusts	Private Purpose Trust Alexadria/Arlington Waste to Energy Facility Monitoring Group
ASSETS				
Equity in pooled cash and investments	\$111,326,276	\$-	\$111,326,276	\$259,263
Contributions receivable:				
Employer	2,860,584	-	2,860,584	-
Employee	896,428	-	896,428	-
Accrued interest and other receivables	4,750	-	4,750	-
Investments, at fair value:				
Foreign, municipal and U.S. Government Obligations, including Fixed Instruments in Pooled Funds	109,660,086	79,798,656	189,458,742	-
Corporate fixed income obligations	70,353,368	-	70,353,368	-
Domestic and foreign equities, including equities in pooled funds	818,199,425	148,197,507	966,396,932	-
Other investments	272,091,967	-	272,091,967	-
Real estate funds	21,889,733	-	21,889,733	-
Pooled equity	823,020,399	-	823,020,399	-
Pooled fixed income	748,492,164	-	748,492,164	-
Total assets	2,978,795,180	227,996,163	3,206,791,343	259,263
LIABILITIES				
Accounts payable and accrued liabilities	2,669,130	-	2,669,130	13,613
Total liabilities	2,669,130	-	2,669,130	13,613
NET POSITION RESTRICTED FOR PLAN BENEFITS AND OTHER PURPOSES	\$2,976,126,050	\$227,996,163	\$3,204,122,213	\$245,650

ARLINGTON COUNTY, VIRGINIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Alexandria/Arlington Waste to Energy Facility Monitoring Group
<hr/>	
ADDITIONS	
Contributions and revenues	
Shared revenues	\$118,000
	<hr/>
Total contributions	118,000
	<hr/>
Investment earnings:	
Interest and other	857
	<hr/>
Net investment earnings	857
	<hr/>
Total additions	118,857
	<hr/>
DEDUCTIONS	
Administrative expenses	113,251
	<hr/>
Total deductions	113,251
	<hr/>
Change in net position	5,606
	<hr/>
Net position - beginning of the year	240,044
	<hr/>
Net position - ending of the year	\$245,650
	<hr/> <hr/>

ARLINGTON COUNTY, VIRGINIA
PENSION AND OPEB TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2022)

	Pension Trust	OPEB Trust	June 30, 2023	June 30, 2022
ADDITIONS:				
Employer contributions	\$65,748,329	\$6,000,000	\$71,748,329	\$67,748,511
Members' contributions	16,019,748	-	16,019,748	14,836,453
Other contributions	-	70,619	70,619	75,271
Investment income:				
Interest and dividends	38,490,067	16,289,728	54,779,795	48,595,022
Net appreciation (depreciation) in fair value	186,666,969	3,937,315	190,604,284	(380,523,081)
Gross income from securities lending	200,882	-	200,882	289,805
Bank fees and expenses from securities lending	(50,217)	-	(50,217)	(71,992)
Investment expense	(9,921,070)	-	(9,921,070)	(9,496,497)
Total Additions	297,154,708	26,297,662	323,452,370	(258,546,508)
DEDUCTIONS:				
Members' benefits	131,238,498	-	131,238,498	125,120,746
Refund of members' contributions	1,400,966	-	1,400,966	1,338,300
Administrative expenses	1,143,760	-	1,143,760	992,955
Other consulting expenses	1,130,797	70,619	1,201,416	1,290,613
Total Deductions	134,914,021	70,619	134,984,640	128,742,614
Net (Decrease)/Increase	162,240,687	26,227,043	188,467,730	(387,289,122)
Net Position Held in Trust for Plan Benefits, beginning of year	2,813,885,363	\$201,769,120	3,015,654,483	3,402,958,158
Net Position Held in Trust for Plan Benefits, end of year:	<u>\$2,976,126,050</u>	<u>\$227,996,163</u>	<u>\$3,204,122,213</u>	<u>\$3,015,669,036</u>

ARLINGTON COUNTY, VIRGINIA
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUND
 JUNE 30, 2023

	Commonwealth of Virginia	Other Custodial Funds	Total Custodial Funds
ASSETS			
Equity in pooled cash and investments	\$73,318	\$148,981	\$222,299
Total assets	73,318	148,981	222,299
LIABILITIES			
Accounts payable and accrued liabilities	\$73,318	\$148,981	222,299
Total liabilities	73,318	148,981	222,299
NET POSITION	\$-	\$-	\$-

ARLINGTON COUNTY, VIRGINIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Commonwealth of Virginia</u>	<u>Other Custodial Funds</u>	<u>Total Custodial Funds</u>
ADDITIONS:			
Contributions and revenues:			
Tax collections for other governments	\$13,531,554	\$-	\$13,531,554
Collections for Other Organizations	-	104,385	104,385
Total Collections for Others	<u>13,531,554</u>	<u>104,385</u>	<u>13,635,939</u>
Total additions	<u>13,531,554</u>	<u>104,385</u>	<u>13,635,939</u>
DEDUCTIONS:			
Tax payments to other governments	13,531,554	-	13,531,554
Payments to other organizations	<u>-</u>	<u>104,385</u>	<u>104,385</u>
Total deductions	<u>13,531,554</u>	<u>104,385</u>	<u>13,635,939</u>
Change in net position	-	-	-
Fiduciary Net position - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fiduciary Net position - year end	<u><u>\$-</u></u>	<u><u>\$-</u></u>	<u><u>\$-</u></u>



Discretely Presented Component Unit – Schools

School Operating Fund – to account for the general operations of the County's public school system. Financing is provided primarily by transfers from the County's General Fund and from State and Federal grants to be used only for education programs.

School Food and Nutrition Services Fund – to account for the operations of the School food services programs for student meals. Revenue is provided by fees, State financing and other miscellaneous sources to be used for School food service operations.

School Community Activities Fund – to account for the operations of various community service programs, which include aquatic centers and day care facilities. Financing is provided primarily by General Fund transfers and fees collected for specific activities.

School Special Grants/ Debt Service Funds - to account for the operations of various special school programs, which are financed by limited term grants under State and Federal aid programs. Debt Service expenditures for the payment of principal and interest on school bonds are also accounted for in these funds.

School Capital Project Funds – to account for purchase and /or construction of major capital facilities for the schools. The capital projects which are financed under the County's Pay-As-You-go Capital Programs are accounted for in the School Capital Projects Pay-As-You-Go Fund. As required by law, a separate fund, the School Capital Projects Bond Fund, is used to account for the capital project expenditures financed by the proceeds of general obligation bonds.

School Comprehensive Services Act Fund – to account for expenditures for at-risk youth by the Department of Human Services - Foster Care, Juvenile and Domestic Relations District Court and the Schools. The State reimburses 55% of these expenditures.

School Student Activities Fund - to account for assets held by the Schools in a non-fiduciary capacity for various student activities.

Arlington County School Board Retiree Welfare Benefit Plan Trust – to account for the assets held in trust by the School Board for the employees / beneficiaries of its OPEB plan.

ARLINGTON COUNTY, VIRGINIA
COMBINING BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD
JUNE 30, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2022)

	Governmental Funds								Totals	
	School Operating Fund	School Food & Nutrition Service Fund	School Community Activities Fund	School Special Grants Fund	School Capital Projects Bond Fund	School Capital Projects (Pay-as-you go Fund)	School Children's Services Act	School Activities Fund	June 30, 2023	June 30, 2022
ASSETS										
Equity in pooled cash and investments	\$64,017,199	\$12,353,325	\$-	\$1,301,348	\$146,033,224	\$33,559,844	\$-	\$3,094,645	\$260,359,585	\$167,020,070
Petty cash	-	4,640	375	-	-	-	-	-	5,015	5,065
Accounts receivable	10,374,060	1,305,802	3,960	5,413,793	-	-	-	14,051	17,111,666	33,700,488
Due from other funds	-	-	-	135,091	-	-	-	-	135,091	1,061,285
Due from primary government	79,983,974	-	1,387,966	-	-	23,425,939	62,639	-	104,860,518	77,203,364
Right to use leases, net	-	-	-	-	-	-	-	-	-	54,011,428
Inventories and other assets	45,697	107,899	-	-	-	-	-	9,011	162,607	223,978
Total assets	\$154,420,930	\$13,771,666	\$1,392,301	\$6,850,232	\$146,033,224	\$56,985,783	\$62,639	\$3,117,707	\$382,634,482	\$333,225,679
LIABILITIES AND FUND BALANCES										
LIABILITIES										
Accrued salaries payable	\$66,186,540	\$337,448	\$752,695	\$1,502,733	\$4,735	\$1,848	-	48,237	68,834,236	\$61,028,141
Vouchers payable	3,779,983	590,743	103,332	1,313,763	1,878,173	2,159,354	62,639	-	9,887,987	13,401,616
Contracts payable - retainage	-	-	445	-	454,184	-	-	-	454,629	2,316,734
Other liabilities	8,938,141	-	8,403	39,308	71,909	67,541	-	-	9,125,302	6,444,488
Deferred revenue	86,509	-	-	-	-	5,522,108	-	-	5,608,617	67,899
Due to other funds	135,091	-	-	-	-	-	-	-	135,091	-
Due to primary government	-	-	-	-	-	-	-	-	-	-
Non- Current Liabilities:										
Due within one year - leases	-	-	-	-	-	-	-	-	-	4,845,630
Net Lease Liabilities	4,423,590	-	-	-	-	-	-	-	4,423,590	50,227,084
Total liabilities	83,549,854	928,191	864,875	2,855,804	2,409,001	7,750,851	62,639	\$48,237	\$98,469,452	138,331,592
FUND BALANCES										
<u>Non spendable:</u>										
Inventory	-	107,898	-	-	-	-	-	9,011	\$116,909	\$125,828
<u>Restricted for:</u>										
Capital projects	-	-	-	-	130,723,882	28,037,735	-	-	158,761,617	84,024,278
Grants	-	-	-	3,994,428	-	-	-	-	3,994,428	1,319,303
Student Activities	-	-	-	-	-	-	-	3,060,459	3,060,459	2,908,543
<u>Committed to:</u>										
Incomplete projects	6,853,877	265,482	527,426	-	12,900,341	21,197,197	-	-	41,744,323	40,302,670
Next years' School budget	45,201,121	-	-	-	-	-	-	-	45,201,121	24,584,631
<u>Assigned to:</u>										
Operating reserve	-	12,470,095	-	-	-	-	-	-	12,470,095	11,635,474
Unfunded liabilities	2,000,000	-	-	-	-	-	-	-	2,000,000	2,000,000
Subsequent years' debt service	3,385,010	-	-	-	-	-	-	-	3,385,010	1,255,490
Health insurance reserve	1,000,000	-	-	-	-	-	-	-	1,000,000	1,000,000
Future year budget reserve	11,383,829	-	-	-	-	-	-	-	11,383,829	24,567,631
VRS reserve	1,047,239	-	-	-	-	-	-	-	1,047,239	1,047,239
Compensation reserve	-	-	-	-	-	-	-	-	-	123,000
Total fund balances	70,871,076	12,843,475	527,426	3,994,428	143,624,223	49,234,932	-	3,069,470	284,165,030	194,894,086
Total liabilities and fund balance	\$154,420,930	\$13,771,666	\$1,392,301	\$6,850,232	\$146,033,224	\$56,985,783	\$62,639	\$3,117,707	\$382,634,482	\$333,225,678

ARLINGTON COUNTY, VIRGINIA
 RECONCILIATION OF THE FUND BALANCES OF COMPONENT UNIT - SCHOOLS TO
 NET POSITION OF COMPONENT UNIT - SCHOOLS
 JUNE 30, 2023

Total - component unit - Schools' fund balances	\$284,165,030
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	919,913,370
Net OPEB liabilities are not due and payable in the current period and are not reported in the funds	(95,952,428)
Deferred outflows of resources from pensions are not available to pay for current period expenditures and are not reported in the funds	97,282,249
Deferred outflows of resources from OPEB are not available to pay for current period expenditures and are not reported in the funds	\$33,615,592
Net pension liabilities are not due and payable in the current period and are not reported in the funds	(334,600,567)
Deferred inflows of resources from pension are not due and payable in the current period and are not reported in the funds	(89,925,662)
Deferred inflows of resources from OPEB are not due and payable in the current period and are not reported in the funds	(95,051,422)
Long-term liabilities, including leases, are not due and payable in the current period and are not reported in the funds	(64,994,831)
Net position (deficit) of component unit - Schools	<u>\$654,451,331</u>

ARLINGTON COUNTY, VIRGINIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD
 FOR THE YEAR ENDED JUNE 30, 2023
 (WITH SUMMARIZED COMPARATIVE TOTALS FOR 2022)

	Governmental Funds								Totals		
	School Operating Fund	School Food & Nutrition Service Fund	School Community Activities Fund	School Special Grants Fund	School Capital Projects Bond Fund	School Capital Projects (Pay-as-you- go) Fund	School Debt Service Fund	School Children's Services Act	School Activities Fund	June 30, 2023	June 30, 2022
REVENUES:											
Sales tax	\$ 41,676,832	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,676,832	\$ 40,479,170
State/local government	54,026,936	977,805	-	5,607,805	-	3,032,249.00	-	2,235,897	-	65,880,692	53,811,310
Federal	5,403,050	7,567,696	-	16,515,468	-	-	-	-	-	29,486,214	59,876,860
Charges for services	3,023,180	4,457,083	11,179,456	2,286,639	-	-	-	-	4,306,415	25,252,773	18,661,284
Use of money and property	-	-	-	-	2,207,346	-	-	-	-	2,207,346	196,402
Total revenues	104,129,998	13,002,584	11,179,456	24,409,912	2,207,346	3,032,249	-	2,235,897	4,306,415	164,503,857	173,025,026
EXPENDITURES:											
Current:											
Community Activities	-	-	17,061,148	-	-	-	-	-	-	17,061,148	15,505,567
Education	645,704,321	12,207,442	-	22,239,603	-	-	-	4,752,812	4,148,483	689,052,661	676,871,710
Capital projects	-	-	-	-	11,858,735	17,107,887	-	-	-	28,966,622	39,733,304
Debt service:											
Principal	-	-	-	-	-	-	38,045,000	-	-	38,045,000	38,625,000
Interest	-	-	-	-	-	-	17,624,171	-	-	17,624,171	19,700,805
Total expenditures	645,704,321	12,207,442	17,061,148	22,239,603	11,858,735	17,107,887	55,669,171	4,752,812	4,148,483	790,749,602	790,436,386
Excess (deficiency) of revenues over (under) expenditures	(541,574,323)	795,142	(5,881,692)	2,170,309	(9,651,389)	(14,075,638)	(55,669,171)	(2,516,915)	157,932	(626,245,745)	(617,411,361)
Other financing sources(uses):											
Transfers in	539,219,946	-	5,928,166	-	-	2,656,652	54,924,661	2,516,915	-	605,246,340	559,993,831
Transfers out	(2,600,000)	-	-	-	(2,207,346)	-	-	-	-	(4,807,346)	(2,796,402)
Proceeds from Leases	-	-	-	-	-	-	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	-	-
Deferred cost of refunding	-	-	-	-	-	-	-	-	-	-	-
Bond Premium	-	-	-	-	-	-	-	-	-	-	-
Interfund transfers	(2,949,326)	-	-	\$504,816	-	\$1,700,000	744,510	-	-	-	-
Bond proceeds	-	-	-	-	\$97,890,000	\$10,845,900	-	-	-	108,735,900	-
Proceeds from line of credit	6,341,795	-	-	-	-	-	-	-	-	6,341,795	6,225,235.00
Misc. revenues - leases	-	-	-	-	-	-	-	-	-	0	60,736,181
Total other financing sources(uses), net	540,012,415	-	5,928,166	504,816	\$95,682,654	15,202,552	55,669,171	2,516,915	\$-	715,516,689	624,158,845
Excess (deficiency) of revenues and other sources over (under) expenditures and other financing (uses)	(1,561,908)	795,142	46,474	2,675,125	86,031,265	1,126,914	-	-	157,932	\$89,270,944	6,747,484
FUND BALANCES, beginning of year	72,432,984	12,048,333	480,952	1,319,303	57,592,958	48,108,018	\$-	\$-	\$2,911,538	\$194,894,086	\$188,146,602
FUND BALANCES, end of year	\$70,871,076	\$12,843,475	\$527,426	\$3,994,428	\$143,624,223	\$49,234,932	\$-	\$-	\$3,069,470	\$284,165,030	\$194,894,086

ARLINGTON COUNTY, VIRGINIA
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - COMPONENT UNIT-SCHOOLS
 TO STATEMENT OF ACTIVITIES - COMPONENT UNIT SCHOOLS
 FOR THE YEAR ENDED JUNE 30, 2023

Net change in fund balances - component unit-Schools	\$89,270,944
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.

Add: Capital acquisitions	\$81,419,465	
Less Depreciation expense	<u>(36,410,433)</u>	45,009,032

LOC proceeds provide current financial resources to the governmental funds, but line of credit increases long-term liabilities in the Statement of Net Position. Repayment of line of credit is an expenditure in the governmental fund but the repayment reduces long term liabilities in the Statement of Net Position.

Add: Repayment of line of credit - capital	2,075,078	2,075,078
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OPEB expenses

Add: FY 2023 OPEB contributions deferred	6,637,856	
Less: OPEB expense	<u>(4,682,469)</u>	1,955,387

Pension expenses

Add: FY 2023 pension contributions deferred	58,684,140	
Less: Pension expense	<u>(16,291,282)</u>	42,392,858

Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in governmental funds

such as compensated absences	(4,722,081)	
and transfers to OPEB	2,600,000	
and newly added leases	7,909,711	
and current year lease amortization	11,476,844	
and miscellaneous other activities	<u>(2,207,346)</u>	15,057,128

Change in net position of component unit-Schools	<u><u>\$195,760,427</u></u>
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ARLINGTON COUNTY, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET(GAAP BASIS) AND ACTUAL
DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD
FOR THE YEAR ENDED JUNE 30, 2023

	School Operating Fund			School Food & Nutrition Service Fund			School Community Activities Fund		
	Budget	Actual	Variance- Positive (Negative)	Budget	Actual	Variance- Positive (Negative)	Budget	Actual	Variance- Positive (Negative)
REVENUES:									
Sales tax	\$38,419,503	\$41,676,832	\$3,257,329	\$-	\$-	\$-	\$-	\$-	\$-
Intergovernmental									
State	52,826,816	54,026,936	1,200,120	431,678	977,805	546,127	-	-	-
Federal	900,000	5,403,050	4,503,050	6,375,000	7,567,696	1,192,696	-	-	-
Charges for services	3,675,300	3,023,180	(652,120)	4,740,000	4,457,083	(282,917)	10,680,620	11,179,456	498,836
Use of money and property	-	-	-	-	-	-	-	-	-
Total revenues	<u>95,821,619</u>	<u>104,129,998</u>	<u>8,308,379</u>	<u>11,546,678</u>	<u>13,002,584</u>	<u>1,455,906</u>	<u>10,680,620</u>	<u>11,179,456</u>	<u>498,836</u>
EXPENDITURES:									
Education	683,521,586	633,691,717	49,829,869	11,836,704	12,207,442	(370,738)	-	-	-
Community Activities	-	-	-	-	-	-	18,028,086	17,061,148	966,938
Lease and SBITA Principal	-	8,605,549	(8,605,549)	-	-	-	-	-	-
Lease and SBITA Interest	-	3,407,055	(3,407,055)	-	-	-	-	-	-
Expenditures - Capital outlay	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Total expenditures	<u>683,521,586</u>	<u>645,704,321</u>	<u>37,817,265</u>	<u>11,836,704</u>	<u>12,207,442</u>	<u>(370,738)</u>	<u>18,028,086</u>	<u>17,061,148</u>	<u>966,938</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(587,699,967)</u>	<u>(541,574,323)</u>	<u>46,125,644</u>	<u>(290,026)</u>	<u>795,142</u>	<u>1,085,168</u>	<u>(7,347,466)</u>	<u>(5,881,692)</u>	<u>1,465,774</u>
Other financing sources(uses):									
Transfers in	548,741,656	539,219,946	(9,521,710)	-	-	-	6,866,514	5,928,166	(938,348)
Transfers out	(2,633,078)	(2,600,000)	33,078	-	-	-	-	-	-
Proceeds of refunding bonds	-	-	-	-	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-	-	-	-	-	-
Deferred cost of refunding	-	-	-	-	-	-	-	-	-
Interfund transfers	(2,814,235)	(2,949,326)	(135,091)	-	-	-	-	-	-
Proceeds from sale of bonds	-	-	-	-	-	-	-	-	-
Bond Premium	-	-	-	-	-	-	-	-	-
Misc. revenues	-	-	-	-	-	-	-	-	-
Proceeds from line of credit	-	6,341,795	6,341,795	-	-	-	-	-	-
Total other financing sources(uses), net	<u>543,294,343</u>	<u>540,012,415</u>	<u>(3,281,928)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,866,514</u>	<u>5,928,166</u>	<u>(938,348)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other financing uses	<u>(44,405,624)</u>	<u>(1,561,908)</u>	<u>42,843,716</u>	<u>(290,026)</u>	<u>795,142</u>	<u>1,085,168</u>	<u>(480,952)</u>	<u>46,474</u>	<u>527,426</u>
FUND BALANCES, beginning of year	<u>72,432,984</u>	<u>72,432,984</u>	<u>-</u>	<u>12,048,333</u>	<u>12,048,333</u>	<u>-</u>	<u>480,952</u>	<u>480,952</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$28,027,360</u>	<u>\$70,871,076</u>	<u>\$42,843,716</u>	<u>\$11,758,307</u>	<u>\$12,843,475</u>	<u>\$1,085,168</u>	<u>\$-</u>	<u>\$527,426</u>	<u>\$527,426</u>

ARLINGTON COUNTY, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET(GAAP BASIS) AND ACTUAL
DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD
FOR THE YEAR ENDED JUNE 30, 2023

	School Special Grants Fund			School Debt Service Fund			School Capital Projects Bond Fund		
	Budget	Actual	Variance- Positive (Negative)	Budget	Actual	Variance- Positive (Negative)	Budget	Actual	Variance- Positive (Negative)
REVENUES:									
Sales tax	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Intergovernmental									
State	3,757,547	5,607,805	1,850,258	-	-	-	-	-	-
Federal	25,142,552	16,515,468	(8,627,084)	-	-	-	-	-	-
Charges for services	2,222,669	2,286,639	63,970	-	-	-	-	-	-
Use of money and property	-	-	-	-	-	-	-	2,207,346	2,207,346
Total revenues	<u>31,122,768</u>	<u>24,409,912</u>	<u>(6,712,856)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,207,346</u>	<u>2,207,346</u>
EXPENDITURES:									
Education	32,811,796	22,239,603	10,572,193	-	-	-	-	-	-
Community Activities	-	-	-	-	-	-	-	-	-
Lease and SBITA Principal	-	-	-	-	-	-	-	-	-
Lease and SBITA Interest	-	-	-	-	-	-	-	-	-
Expenditures - Capital outlay	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	155,482,958	11,858,735	143,624,223
Debt service:									
Principal	-	-	-	40,138,500	38,045,000	2,093,500.00	-	-	-
Interest and fiscal charges	-	-	-	19,718,325	17,624,171	2,094,154	-	-	-
Total expenditures	<u>32,811,796</u>	<u>22,239,603</u>	<u>10,572,193</u>	<u>59,856,825</u>	<u>55,669,171</u>	<u>4,187,654</u>	<u>155,482,958</u>	<u>11,858,735</u>	<u>143,624,223</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,689,028)</u>	<u>2,170,309</u>	<u>3,859,337</u>	<u>(59,856,825)</u>	<u>(55,669,171)</u>	<u>4,187,654</u>	<u>(155,482,958)</u>	<u>(9,651,389)</u>	<u>145,831,569</u>
Other financing sources(uses):									
Transfers in	-	-	-	59,112,315	54,924,661	(4,187,654)	-	-	-
Transfers out	-	-	-	-	-	-	-	(\$2,207,346)	(2,207,346)
Proceeds of refunding bonds	-	-	-	-	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-	-	-	-	-	-
Deferred cost of refunding	-	-	-	-	-	-	-	-	-
Interfund transfers	\$369,725	\$504,816	-	744,510	744,510	-	-	-	-
Proceeds of sale of bonds	-	-	-	-	-	-	\$97,890,000	\$97,890,000	-
Bond Premium	-	-	-	-	-	-	-	-	-
Misc. revenues	-	-	-	-	-	-	-	-	-
Proceeds from line of credit	-	-	-	-	-	-	-	-	-
Total other financing sources(uses), net	<u>369,725</u>	<u>504,816</u>	<u>-</u>	<u>59,856,825</u>	<u>55,669,171</u>	<u>(4,187,654)</u>	<u>97,890,000</u>	<u>95,682,654</u>	<u>(2,207,346)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other financing uses	<u>(1,319,303)</u>	<u>2,675,125</u>	<u>3,859,337</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(57,592,958)</u>	<u>86,031,265</u>	<u>143,624,223</u>
FUND BALANCES, beginning of year	<u>1,319,303</u>	<u>1,319,303</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,592,958</u>	<u>57,592,958</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$-</u>	<u>\$3,994,428</u>	<u>\$3,859,337</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$143,624,223</u>	<u>\$143,624,223</u>

ARLINGTON COUNTY, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET(GAAP BASIS) AND ACTUAL
DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD
FOR THE YEAR ENDED JUNE 30, 2023

	School Capital Projects (Pay-as-you-go) Fund			School Children's Services Act			School Activities	Totals		Variance-Positive
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Actual	Budget	Actual	(Negative)
REVENUES:										
Sales tax	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$38,419,503	\$41,676,832	\$3,257,329
Intergovernmental										
State	\$3,032,249	3,032,249	-	2,463,250	2,235,897	(227,353)	-	62,511,540	65,880,692	3,369,152
Federal	-	-	-	-	-	-	-	32,417,552	29,486,214	(2,931,338)
Charges for services	-	-	-	-	-	-	\$4,306,415	21,318,589	25,252,773	3,934,184
Use of money and property	-	-	-	-	-	-	-	0	2,207,346	2,207,346
Total revenues	<u>3,032,249</u>	<u>3,032,249</u>	<u>0</u>	<u>2,463,250</u>	<u>2,235,897</u>	<u>(227,353)</u>	<u>\$4,306,415</u>	<u>154,667,184</u>	<u>164,503,857</u>	<u>9,836,673</u>
EXPENDITURES:										
Education	-	-	-	4,975,000	4,752,812	222,188	\$4,148,483	733,145,086	677,040,057	56,105,029
Community Activities	-	-	-	-	-	-	-	18,028,086	17,061,148	966,938
Lease and SBITA Principal	-	-	-	-	-	-	-	-	8,605,549	(8,605,549)
Lease and SBITA Interest	-	-	-	-	-	-	-	-	3,407,055	(3,407,055)
Expenditures - Capital outlay	-	-	-	-	-	-	-	-	0	0
Capital projects	65,891,543	17,107,887	48,783,656	-	-	-	-	221,374,501	28,966,622	192,407,879
Debt service:										
Principal	-	-	-	-	-	-	-	40,138,500	38,045,000	-
Interest and fiscal charges	-	-	-	-	-	-	-	19,718,325	17,624,171	2,094,154
Total expenditures	<u>65,891,543</u>	<u>17,107,887</u>	<u>48,783,656</u>	<u>4,975,000</u>	<u>4,752,812</u>	<u>222,188</u>	<u>4,148,483</u>	<u>1,032,404,498</u>	<u>790,749,602</u>	<u>239,561,396</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(62,859,294)</u>	<u>(14,075,638)</u>	<u>48,783,656</u>	<u>(2,511,750)</u>	<u>(2,516,915)</u>	<u>(5,165)</u>	<u>157,932</u>	<u>(877,737,314)</u>	<u>(626,245,745)</u>	<u>249,398,069</u>
Other financing sources(uses):										
Transfers in	2,656,652	2,656,652	-	2,511,750	2,516,915	5,165	-	619,888,887	605,246,340	(14,642,547)
Transfers out	-	-	-	-	-	-	-	(2,633,078)	(4,807,346)	(2,174,268)
Proceeds of refunding bonds	-	-	-	-	-	-	-	-	-	0
Payments to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	0
Deferred cost of refunding	-	-	-	-	-	-	-	-	-	0
Interfund transfers	1,700,000	1,700,000	-	-	-	-	-	0	-	-
Proceeds of sale of bonds	10,394,624	10,845,900	-	-	-	-	-	108,284,624	108,735,900	451,276
Bond Premium	-	-	-	-	-	-	-	-	0	-
Misc. revenues	-	-	-	-	-	-	-	-	0	0
Proceeds from line of credit	-	-	-	-	-	-	-	-	6,341,795	6,341,795
Total other financing sources(uses), net	<u>14,751,276</u>	<u>15,202,552</u>	<u>-</u>	<u>2,511,750</u>	<u>2,516,915</u>	<u>5,165</u>	<u>-</u>	<u>725,540,433</u>	<u>715,516,689</u>	<u>(10,023,744)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other financing uses	<u>(48,108,018)</u>	<u>1,126,914</u>	<u>49,234,932</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$157,932</u>	<u>(152,196,881)</u>	<u>89,270,944</u>	<u>239,374,325</u>
FUND BALANCES, beginning of year	<u>48,108,018</u>	<u>48,108,018</u>	<u>-</u>	<u>\$-</u>	<u>\$-</u>	<u>-</u>	<u>2,911,538</u>	<u>191,982,548</u>	<u>194,894,086</u>	<u>2,911,538</u>
FUND BALANCES, end of year	<u>\$-</u>	<u>\$49,234,932</u>	<u>\$49,234,932</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$3,069,470</u>	<u>39,785,667</u>	<u>\$284,165,030</u>	<u>\$242,285,863</u>

EXHIBIT G-4

ARLINGTON COUNTY, VIRGINIA
 OPEB TRUST FUND - SCHOOLS
 STATEMENT OF PLAN NET POSITION
 JUNE 30, 2023
 (WITH COMPARATIVE TOTALS FOR 2022)

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and Investments	<u>\$94,719,916</u>	<u>\$83,712,652</u>
Total assets	<u>94,719,916</u>	<u>83,712,652</u>
LIABILITIES	<u>-</u>	<u>-</u>
NET POSITION	<u><u>\$94,719,916</u></u>	<u><u>\$83,712,652</u></u>

EXHIBIT G-5

ARLINGTON COUNTY, VIRGINIA
 OPEB TRUST FUND - SCHOOLS
 STATEMENT OF CHANGES IN PLAN NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2023
 (WITH COMPARATIVE TOTALS FOR 2022)

	<u>2023</u>	<u>2022</u>
ADDITIONS:		
Employer contributions	\$2,600,000	\$2,600,000
Investment Income:		
Interest and dividends	6,758,499	7,761,250
Net appreciation (depreciation) in fair value	<u>1,648,765</u>	<u>(15,937,957)</u>
Total additions	<u>11,007,263</u>	<u>(5,576,707)</u>
Net Increase (decrease)	11,007,263	(5,576,707)
Net Position Held in Trust for Plan Benefits, beginning of year	<u>83,712,652</u>	<u>89,289,359</u>
Net Position Held in Trust for Plan Benefits, end of year:		
Restricted	<u><u>\$94,719,916</u></u>	<u><u>\$83,712,652</u></u>



Supplemental Schedules

The supplemental schedules are presented to reflect finance-related legal and contractual compliance, details of data summarized in the preceding financial statements and other information deemed useful for financial statement users in the analysis of the County's financial activities.

ARLINGTON COUNTY, VIRGINIA
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Governmental Funds			Proprietary Funds		Fiduciary Funds	Component Unit	
	General	Special Revenue	Capital Projects	Enterprise	Internal Service	Custodial	Schools	Total (Memorandum Only)
BALANCES, beginning of year	\$472,278,561	\$11,916,812	\$456,752,087	\$59,023,799	\$14,696,039	\$378,910	\$0	1,182,066,278
Receipts (net):								
Taxes	1,254,658,601	14,726,807	44,825,780	-	-	-	41,676,832	1,355,888,020
Licenses and permits	10,162,288	-	-	-	-	-	-	10,162,288
Fines and forfeitures	5,161,999	-	-	-	-	-	-	5,161,999
Revenue from use of money and property	33,022,703	8,782	4,288,344	1,050,627	-	-	2,207,346	40,577,802
Charges for services	59,030,346	-	6,797,707	139,134,102	26,315,586	44,448	25,252,773	256,574,962
Miscellaneous	24,500,009	-	50,229,404	1,842,039	-	41,094	-	76,612,546
Intergovernmental	140,936,621	24,910,741	28,656,652	-	-	8,284,215	95,366,906	298,155,135
Proceeds from indebtedness	-	-	89,485,000	-	-	-	-	89,485,000
Proceeds from sale of assets	1,798,508	-	-	-	1,591,244	-	-	3,389,752
Total Receipts	1,529,271,075	39,646,330	224,282,887	142,026,767	27,906,830	8,369,757	164,503,857	2,136,007,503
Total Receipts and Balance	2,001,549,636	51,563,142	681,034,974	201,050,566	42,602,869	8,748,667	164,503,857	3,318,073,781
Disbursements (net):								
Warrants(checks)issued	836,022,636	40,964,694	247,315,669	128,245,363	27,519,416	8,380,050	448,914,095	1,737,361,924
Retirement of indebtedness	49,725,000	-	290,000	24,473,231	228,860	-	38,045,000	112,762,091
Interest and other debt costs	27,014,051	-	940,390	3,764,061	168,625	-	17,624,171	49,511,298
Total Disbursements	912,761,687	40,964,694	248,546,059	156,482,656	27,916,901	8,380,050	504,583,266	1,899,635,313
Interfund Transfers:								
Transfers in	10,068,632	246,700	14,503,093	406,733	262,658	-	605,246,340	630,734,156
Transfers out	(620,789,362)	(172,308)	(7,529,303)	-	(130,000)	-	(4,807,346)	(633,428,319)
BALANCES, end of year	\$478,067,219	\$10,672,840	\$439,462,705	\$44,974,643	\$14,818,626	\$368,617	\$260,359,585	\$1,415,744,305

ARLINGTON COUNTY, VIRGINIA
SCHEDULE OF CASH AND INVESTMENTS
ADJUSTED CASH IN BANKS (BOOK BALANCE)
JUNE 30, 2023

Assets held by the Treasurer	
Cash on hand	<u>\$18,000</u>
Cash in banks:	
Checking	
Wells Fargo	(\$11,504,285)
Truist	136,010
Citibank	(69,998)
Bank of America	23,942
FVC Bank	188,463
JP Morgan Chase	45,245
United Bank	39,750
U.S. Bank	10,900
Total Checking Account	<u>(\$11,129,973)</u>
Savings :	
Wells Fargo	7,156,173
Bank of America	3,350,708
Total Savings Account	<u>10,506,881</u>
Money Markets :	
John Marshall Money Market - ICS	22,675,935
John Marshall Money Market	2,500
Sandy Spring Money Market	245,438
Total Money Markets	<u>22,923,873</u>
Total Cash in Banks	<u>22,318,781</u>
Investments:	
Held with Trustee :	
Negotiable Certificate of Deposit	5,000,500
Corporate Notes	136,289,524
United States Treasury Notes	28,837,242
Fed Agency Bonds/Notes	344,826,052
Municipal Investments	32,184,579
Total Held with Trustee	<u>\$547,137,897</u>
State Treasurer's Local Government Investment Pool	100,604,198
Virginia Investment Pool Daily Liquidity	236,235,512
State Non Arbitrage Investment Program (SNAP)	330,718,445
Total Investments	<u>1,214,696,052</u>
Total Cash and Investments held by the Treasurer	<u>\$1,237,014,833</u>
Assets held with Trustees	
Mellon - IDA Ballston Skating Facility	769,866
Mellon - IDA Lease Revenue Bonds	13,143,621
Total Assets held with Trustees	<u>\$13,913,487</u>
Total Cash & Investment Balances, June 30, 2023	<u><u>\$1,250,928,320</u></u>

ARLINGTON COUNTY, VIRGINIA
SCHEDULE OF CASH AND INVESTMENTS
CASH IN BANKS
JUNE 30, 2023

Assets Held by the Treasurer	
Cash on Hand	<u>\$18,000</u>
Cash in Banks:	
Checking	
Wells Fargo	1,399,877
Truist Bank	136,010
Citibank	(69,998)
Bank of America	23,942
FVC Bank	188,463
JP Morgan Chase	44,026
United Bank	38,754
U.S Bank	10,900
Total Checking Account	<u>1,771,974</u>
Savings:	
Wells Fargo	24,609,388
Bank of America	3,350,708
Total Savings Account	<u>27,960,096</u>
Money Markets:	
John Marshall Money Market - ICS	22,675,935
John Marshall Money Market	2,500
Sandy Spring Money Market	245,438
Total Money Markets	<u>22,923,873</u>
Total Cash in Banks	<u>52,673,943</u>
Investments:	
Held with Trustee :	
Negotiable Certificate of Deposit	5,000,500
Corporate Notes	136,289,524
United States Treasury Notes	28,837,242
Fed Agency Bonds/Notes	344,826,052
Municipal Investments	32,184,579
Total Held with Trustee	<u>547,137,897</u>
State Treasurer's Local Government Investment Pool	100,604,198
Virginia Investment Pool Daily Liquidity	236,235,512
State Non Arbitrage Investment Program (SNAP)	330,718,445
Total Investments	<u>1,214,696,052</u>
Total Cash and Investments held by the Treasurer	<u>1,267,369,995</u>
Assets held with Trustees	
Mellon - IDA Ballston Skating Facility	769,866
Mellon - IDA Lease Revenue Bonds	13,143,621
Total Assets held with Trustees	<u>13,913,487</u>
Total Cash & Investment Balances	<u><u>\$1,281,283,482</u></u>

ARLINGTON COUNTY, VIRGINIA
COMBINED SCHEDULE OF INVESTMENTS-ALL FUNDS
JUNE 30, 2023

	Interest Rate	Maturity Date	Market Value
Corporate Notes;			
TRUSTEES OF BOSTON COLL	2.91%	7/1/2023	1,250,000
PRINCETON THEOLOGICAL	4.11%	7/1/2023	2,000,000
MET LIFE GLOB FUNDING PRIV PLCMT	0.45%	9/1/2023	1,432,699
CANADIAN IMPERIAL BANK	6.20%	9/13/2023	2,001,720
PACIFIC LIFE GF PRIV PLCMT	0.50%	9/23/2023	2,124,802
INTL FINANCE CORP MED TERM NOTE	0.39%	10/20/2023	2,461,500
PROVINCE OF ALBERTA	3.35%	11/1/2023	2,979,660
INTL BK RECON & DEVELOP	0.25%	11/24/2023	2,450,400
MET LIFE GLOB FUNDING PRIV PLCMT	0.40%	1/7/2024	1,947,140
PROVINCE OF ALBERTA	2.95%	1/23/2024	2,464,200
UBS AG LONDON PRIV PLCMT	0.45%	2/9/2024	4,832,250
ALPHABET INC	3.38%	2/25/2024	1,974,640
WESTPAC BANKING CORP	3.30%	2/26/2024	2,953,350
NORTHWESTERN MUTUAL GLBL PRIV PLCMT	0.60%	3/25/2024	1,253,473
MET TOWER GLOBAL FUNDING PRIV PLCMT	0.70%	4/5/2024	1,537,248
MASSMUTUAL GLOBAL FUNDIN PRIV PLCMT	3.60%	4/9/2024	2,456,725
NEW YORK LIFE GLOBAL FDG PRIV PLCMT	2.88%	4/10/2024	1,468,680
CREDIT AGRICOLE LONDON PRIV PLCMT	3.88%	4/15/2024	2,949,060
USAA CAPITAL CORP PRIV PLCMT	0.50%	5/1/2024	2,718,623
APPLE INC	3.45%	5/6/2024	2,113,125
NOVARTIS CAPITAL CORP	3.40%	5/6/2024	3,246,155
FLORIDA POWER & LIGHT CO	3.25%	6/1/2024	4,898,100
PRINCETON THEOLOGICAL	4.28%	7/1/2024	964,461
PROTECTIVE LIFE PRIV PLCMT	0.78%	7/5/2024	2,949,402
WALMART INC	2.85%	7/8/2024	1,950,180
AMAZON.COM INC	2.80%	8/22/2024	2,916,900
SOUTHERN CALIF GAS CO	3.15%	9/15/2024	1,939,480
MET LIFE GLOB FUNDING PRIV PLCMT	0.70%	9/27/2024	2,339,850
PROVINCE OF ALBERTA	1.88%	11/13/2024	1,441,329
BANQUE FED CRED MUTUEL PRIV PLCMT	2.38%	11/21/2024	1,210,396
APPLE INC	2.75%	1/13/2025	3,374,665
JOHNSON & JOHNSON	2.63%	1/15/2025	5,326,035
US BANK NA CINCINNATI	2.80%	1/27/2025	3,145,209
MICROSOFT CORP	2.70%	2/12/2025	2,893,200
WESTPAC BANKING CORP	2.35%	2/19/2025	954,230
CME GROUP INC	3.00%	3/15/2025	2,618,358
PROTECTIVE LIFE GLOBAL	3.22%	3/28/2025	951,430
YALE UNIVERSITY	0.87%	4/15/2025	995,912
NATIONAL SECS CLEARING PRIV PLCMT	1.50%	4/23/2025	2,080,030
APPLE INC	3.20%	5/13/2025	1,850,694
RABOBANK NEDERLAND NY MED TERM NOTE	3.38%	5/21/2025	3,825,214
ROYAL BANK OF CANADA MEDIUM TERM NOTE	5.50%	5/22/2025	996,810
ROYAL BANK OF CANADA MEDIUM TERM NOTE	5.50%	5/30/2025	1,967,940
SOUTHERN CALIF GAS CO	3.20%	6/15/2025	2,479,381
GUARDIAN LIFE GLOB FUND PRIV PLCMT	1.10%	6/23/2025	4,092,660
PACIFIC LIFE GF II PRIV PLCMT	1.20%	6/24/2025	2,735,610
ROYAL BANK OF CANADA MEDIUM TERM NOTE	4.05%	8/4/2025	1,960,340
EMORY UNIVERSITY	1.57%	9/1/2025	91,540
PRICOA GLOBAL FUNDING PRIV PLCMT	0.80%	9/1/2025	899,150
AUTOMATIC DATA PROCESSNG	3.38%	9/15/2025	1,933,700
NESTLE HOLDINGS INC PRIV PLCMT	3.50%	9/24/2025	2,543,429
MICROSOFT CORP	3.13%	11/3/2025	240,648
ROCHE HOLDING INC PRIV PLCMT	3.00%	11/10/2025	1,910,060
AUST & NZ BANKING GRP NY	3.70%	11/16/2025	962,990
NATIONAL SECS CLEARING PRIV PLCMT	0.75%	12/7/2025	2,314,704
GUARDIAN LIFE GLOB FUND PRIV PLCMT	0.88%	12/10/2025	1,093,822
NESTLE HOLDINGS INC PRIV PLCMT	0.63%	1/15/2026	1,715,753
INTL BK RECON & DEVELOP	0.65%	2/10/2026	3,234,180
APPLE INC	3.25%	2/23/2026	1,139,264
BERKSHIRE HATHAWAY INC	3.13%	3/15/2026	1,926,540
GUARDIAN LIFE GLOB FUND PRIV PLCMT	1.25%	5/13/2026	810,471
COMMONWEALTH BANK AUST PRIV PLCMT	1.13%	6/15/2026	2,663,700
MET LIFE GLOB FUNDING PRIV PLCMT	1.88%	1/11/2027	1,336,305
Total Corporate Notes			136,289,522
Government Agency Bonds;			
FED NATL MTG ASSN	0.25%	7/10/2023	1,377,759
FED NATL MTG ASSN	0.30%	8/3/2023	7,466,250
FED NATL MTG ASSN	0.30%	8/10/2023	2,486,500
FED FARM CREDIT BK	0.15%	8/10/2023	298,191
FED FARM CREDIT BK	0.32%	8/10/2023	4,970,800
FED HOME LN BK	3.25%	8/15/2023	2,493,550
FED NATL MTG ASSN	0.36%	8/18/2023	2,484,450
INT DEVELOPMENT FIN CORP ZERO CPN	0.00%	8/21/2023	4,997,200
FED HOME LN BK	0.32%	8/25/2023	881,822

ARLINGTON COUNTY, VIRGINIA
COMBINED SCHEDULE OF INVESTMENTS-ALL FUNDS
JUNE 30, 2023

	Interest Rate	Maturity Date	Market Value
FED NATL MTG ASSN	0.32%	8/25/2023	2,481,300
FED HOME LN BK	3.50%	8/28/2023	3,458,965
FED HOME LN BK	3.63%	9/6/2023	1,992,660
FED HOME LN MTG CORP	0.25%	9/8/2023	2,477,300
FED HOME LN BK	4.84%	9/13/2023	1,996,420
FED HOME LN BK	2.50%	9/13/2023	2,683,422
FED HOME LN BK	3.88%	9/15/2023	1,394,792
FED FARM CREDIT BK	0.27%	10/5/2023	2,465,450
FED HOME LN BK	0.22%	10/5/2023	5,423,275
FED FARM CREDIT BK	0.28%	10/13/2023	2,940,434
FED NATL MTG ASSN	0.30%	10/24/2023	983,670
FED FARM CREDIT BK	0.29%	11/2/2023	2,455,900
FED HOME LN MTG CORP	0.30%	11/13/2023	2,454,250
FED FARM CREDIT BK	3.38%	11/15/2023	337,389
FED HOME LN MTG CORP	0.30%	11/16/2023	2,449,400
FED HOME LN BK	3.50%	12/8/2023	3,468,500
FED HOME LN BK	3.75%	12/19/2023	698,979
FED FARM CREDIT BK	0.21%	12/21/2023	5,850,360
FED HOME LN MTG CORP MED TERM NOTE	3.30%	12/28/2023	1,761,826
FED HOME LN MTG CORP MED TERM NOTE	0.30%	12/29/2023	1,461,630
FED HOME LN MTG CORP	0.30%	12/29/2023	3,198,000
FED HOME LN MTG CORP MED TERM NOTE	0.31%	12/29/2023	3,897,840
FEDERAL NATIONAL MORTGAGE ASSN	5.00%	12/29/2023	398,640
FED NATL MTG ASSN	0.31%	2/2/2024	2,423,600
FED HOME LN MTG CORP MED TERM NOTE	0.38%	2/14/2024	2,420,525
FED HOME LN BK	4.76%	2/20/2024	1,990,340
FED HOME LN BK	1.75%	2/23/2024	243,870
FED HOME LN MTG CORP MED TERM NOTE	0.40%	2/26/2024	483,305
FED HOME LN BK	4.00%	2/28/2024	1,983,040
FED HOME LN BK	5.45%	2/28/2024	3,121,531
FED FARM CREDIT BK	0.36%	3/4/2024	5,020,525
FED HOME LN BK	0.37%	3/8/2024	2,752,787
FED NATL MTG ASSN	0.32%	3/28/2024	2,308,200
FED FARM CREDIT BK	0.27%	4/5/2024	2,881,380
FED HOME LN BK	0.70%	5/15/2024	153,394
FED HOME LN BK	0.45%	6/10/2024	2,859,600
FED FARM CREDIT BK	0.58%	6/17/2024	2,860,590
FED FARM CREDIT BK	0.39%	6/17/2024	6,192,550
FED HOME LN BK	3.65%	6/21/2024	1,959,440
FED HOME LN BK	0.42%	6/24/2024	951,170
FED HOME LN BK	0.38%	6/28/2024	1,187,900
FED FARM CREDIT BK	0.57%	7/2/2024	2,607,768
FED HOME LN BK	0.50%	7/12/2024	864,373
FED HOME LN MTG CORP MED TERM NOTE	0.38%	7/15/2024	2,370,650
FED HOME LN BK	0.57%	7/29/2024	3,320,275
FED HOME LN BK	0.41%	8/1/2024	3,548,438
FED HOME LN MTG CORP MED TERM NOTE	0.45%	8/5/2024	4,541,712
FED NATL MTG ASSN	0.41%	8/12/2024	3,496,426
FED FARM CREDIT BK	0.48%	9/3/2024	763,830
FED HOME LN BK	0.57%	9/3/2024	944,020
FED FARM CREDIT BK	0.43%	9/10/2024	2,347,075
FED NATL MTG ASSN	0.40%	9/16/2024	328,192
FED HOME LN MTG CORP MED TERM NOTE	0.42%	9/17/2024	2,719,620
FED HOME LN BK	0.50%	9/24/2024	2,352,100
FED HOME LN MTG CORP MED TERM NOTE	5.00%	9/27/2024	2,977,470
FED HOME LN MTG CORP MED TERM NOTE	0.40%	9/30/2024	831,972
FED HOME LN BK	1.00%	9/30/2024	1,362,514
FED HOME LN BK	0.55%	9/30/2024	1,881,640
FED HOME LN BK	0.63%	10/15/2024	2,349,750
FED FARM CREDIT BK	0.40%	10/15/2024	5,857,063
FED HOME LN MTG CORP MED TERM NOTE	5.13%	11/22/2024	496,405
FED NATL MTG ASSN	0.50%	11/26/2024	1,860,500
FED HOME LN BK	1.25%	12/17/2024	1,656,900
FED HOME LN MTG CORP MED TERM NOTE	5.50%	12/20/2024	119,369
FED HOME LN MTG CORP MED TERM NOTE	0.40%	12/30/2024	1,858,040
FED HOME LN MTG CORP MED TERM NOTE	0.38%	12/30/2024	4,643,300
FED HOME LN BK	0.63%	12/30/2024	2,475,044
FED HOME LN BK	0.50%	1/21/2025	1,637,895
FED HOME LN BK	0.55%	1/28/2025	2,790,810
FED HOME LN MTG CORP MED TERM NOTE	0.45%	1/29/2025	1,775,139
FED FARM CREDIT BK	0.32%	2/10/2025	2,309,350
FED NATL MTG ASSN	0.50%	2/18/2025	1,851,440
FED HOME LN MTG CORP MED TERM NOTE	0.55%	2/26/2025	476,746
FED HOME LN BK	0.63%	2/26/2025	2,896,531
FED HOME LN BK	0.63%	2/27/2025	889,738
FED HOME LN BK	2.50%	3/14/2025	967,170
FED HOME LN MTG CORP MED TERM NOTE	0.45%	3/24/2025	922,520
FED HOME LN BK	0.65%	3/24/2025	416,610
FED HOME LN BK	2.50%	3/24/2025	486,055

ARLINGTON COUNTY, VIRGINIA
COMBINED SCHEDULE OF INVESTMENTS-ALL FUNDS
JUNE 30, 2023

	Interest Rate	Maturity Date	Market Value
FED HOME LN MTG CORP MED TERM NOTE	0.48%	3/28/2025	1,337,843
FED HOME LN MTG CORP MED TERM NOTE	0.45%	3/28/2025	1,844,320
FED HOME LN BK	2.00%	3/28/2025	283,056
FED HOME LN BK	3.00%	4/14/2025	728,130
FED HOME LN BK	0.70%	4/29/2025	1,846,720
FED HOME LN BK	0.70%	4/29/2025	2,308,425
FED HOME LN MTG CORP MED TERM NOTE	0.75%	4/30/2025	924,140
FED HOME LN BK	0.75%	5/12/2025	2,308,725
FED HOME LN MTG CORP MED TERM NOTE	5.25%	5/23/2025	1,735,405
FED HOME LN MTG CORP	0.75%	5/28/2025	553,284
FED HOME LN MTG CORP MED TERM NOTE	0.75%	5/28/2025	922,140
FED HOME LN MTG CORP MED TERM NOTE	0.48%	5/29/2025	481,530
FED HOME LN BK	5.60%	6/13/2025	1,972,196
FED HOME LN BK	0.75%	6/16/2025	2,301,275
FED HOME LN BK	5.55%	6/20/2025	2,494,875
FED HOME LN MTG CORP MED TERM NOTE	2.50%	6/27/2025	1,952,020
FED HOME LN BK	0.60%	6/27/2025	1,846,840
FED HOME LN MTG CORP MED TERM NOTE	0.65%	6/30/2025	918,740
FED FARM CREDIT BK	0.39%	7/14/2025	3,898,159
FED HOME LN BK	0.72%	7/14/2025	4,384,166
FED HOME LN BK	1.20%	7/18/2025	463,500
FED HOME LN MTG CORP	0.38%	7/21/2025	1,824,780
FED NATL MTG ASSN	0.70%	7/21/2025	912,310
FED NATL MTG ASSN	0.50%	7/21/2025	1,826,600
FED HOME LN BK	0.80%	7/21/2025	2,757,240
FED HOME LN MTG CORP MED TERM NOTE	0.50%	7/23/2025	914,380
FED FARM CREDIT BK	0.67%	8/4/2025	1,981,055
FED NATL MTG ASSN	0.55%	8/5/2025	730,208
FED FARM CREDIT BK	0.57%	8/12/2025	912,590
FED HOME LN BK	0.50%	8/12/2025	3,122,045
FED HOME LN MTG CORP MED TERM NOTE	0.50%	8/13/2025	1,822,240
FED NATL MTG ASSN	0.50%	8/14/2025	227,760
INT DEVELOPMENT FIN CORP ZERO CPN	0.00%	8/16/2025	5,532,780
FED HOME LN BK	0.70%	8/18/2025	1,628,130
FED HOME LN MTG CORP MED TERM NOTE	0.63%	8/19/2025	913,100
FED HOME LN MTG CORP MED TERM NOTE	4.00%	8/25/2025	1,974,280
FED FARM CREDIT BK	0.61%	8/25/2025	4,401,510
FED HOME LN MTG CORP MED TERM NOTE	5.15%	8/28/2025	498,200
FED HOME LN BK	4.00%	8/28/2025	1,759,032
FED FARM CREDIT BK	0.55%	9/16/2025	3,182,655
FED HOME LN BK	0.50%	9/22/2025	2,269,400
FED HOME LN MTG CORP	0.60%	9/30/2025	1,818,460
FED HOME LN BK	0.70%	9/30/2025	874,877
FED HOME LN BK	0.88%	10/22/2025	2,247,456
FED HOME LN MTG CORP	0.65%	10/27/2025	908,390
FED HOME LN BK	4.75%	10/27/2025	1,634,903
FED HOME LN MTG CORP MED TERM NOTE	0.45%	10/29/2025	394,388
FED NATL MTG ASSN	0.50%	11/7/2025	1,812,640
FED HOME LN MTG CORP MED TERM NOTE	5.25%	11/10/2025	1,730,260
FED NATL MTG ASSN	0.56%	11/17/2025	1,587,373
FED HOME LN MTG CORP	0.64%	11/24/2025	1,284,595
FED HOME LN BK	0.57%	11/25/2025	1,050,728
FED HOME LN BK	0.85%	12/15/2025	4,953,124
FED HOME LN BK	0.90%	12/26/2025	1,818,360
FED HOME LN BK	6.00%	12/29/2025	1,297,309
VARIOUS	VARIOUS	VARIOUS 2026	44,742,292
Total Government Agency Bonds			<u>\$344,826,060</u>
Municipal Obligations:			
VIRGINIA ST PORT AUTH CMWLTH	0.57%	7/1/2023	200,000
VIRGINIA ST HSG DEV AUTH	0.84%	7/1/2023	275,000
UPPER OCCOQUAN VA SEWAGE AUTHR	0.53%	7/1/2023	500,000
VIRGINIA ST PUBLIC SCH AUTH	0.55%	8/1/2023	1,992,680
HAMPTON VA	0.53%	9/1/2023	496,130
VIRGINIA ST HSG DEV AUTH	0.61%	9/1/2023	595,206
NEW YORK NY	2.32%	10/1/2023	1,636,998
RHODE ISLAND INFRASTRUCTURE BA	0.31%	10/1/2023	1,323,558
VIRGINIA ST RESOURCES AUTH INF	0.39%	11/1/2023	329,442
VIRGINIA ST RESOURCES AUTH INF	0.44%	11/1/2023	639,321
CURATORS OF THE UNIV OF MISSOU	1.47%	11/1/2023	650,971
VIRGINIA ST RESOURCES AUTH INF	0.50%	11/1/2023	845,707
VIRGINIA COLLEGE BLDG AUTH EDUCATION REVENUE	2.91%	2/1/2024	985,380
TEXAS ST PUBLIC FIN AUTH LEASE	0.50%	2/1/2024	301,094
VIRGINIA ST CLG BLDG AUTH EDUC	0.78%	2/1/2024	388,568
NEW YORK CITY NY TRANSITIONAL	2.46%	2/1/2024	491,005
SUSSEX CNTY DE	0.52%	3/15/2024	777,582
NEW YORK ST URBAN DEV CORP REV	2.86%	3/15/2024	250,413
UNIV OF NORTH CAROLINA NC AT C	0.97%	4/1/2024	241,863

ARLINGTON COUNTY, VIRGINIA
COMBINED SCHEDULE OF INVESTMENTS-ALL FUNDS
JUNE 30, 2023

	Interest Rate	Maturity Date	Market Value
VIRGINIA ST HSG DEV AUTH	0.47%	4/1/2024	479,805
MONTGOMERY CNTY MD COPS	2.00%	4/1/2024	413,478
FLORIDA ST BRD OF EDU PUBLIC	0.39%	6/1/2024	956,010
LOUISIANA ST	0.65%	6/1/2024	1,915,820
VIRGINIA ST HSG DEV AUTH	1.15%	7/1/2024	309,738
RICHMOND VA	2.00%	7/15/2024	1,593,471
VIRGINIA ST HSG DEV AUTH	0.45%	8/1/2024	202,597
MCKINNEY TX	1.00%	8/15/2024	893,752
HAMPTON VA	0.70%	9/1/2024	473,515
VIRGINIA ST HSG DEV AUTH	0.87%	9/1/2024	566,778
RAPPAHANNOCK VA REGL JAIL AUTH	0.62%	10/1/2024	395,170
JEA FL DIST ENERGY SYS REVENUE	3.39%	10/1/2024	467,376
VIRGINIA ST RESOURCES AUTH	2.00%	11/1/2024	234,485
VIRGINIA ST RESOURCES AUTH	1.00%	11/1/2024	334,715
VIRGINIA ST HSG DEV AUTH	0.90%	11/1/2024	748,880
VIRGINIA ST RESOURCES AUTH	0.64%	11/1/2024	939,920
HOUSTON TX	2.11%	3/1/2025	928,609
SUSSEX CNTY DE	0.62%	3/15/2025	1,123,304
NEW YORK NY	3.15%	4/1/2025	341,677
MONTGOMERY CNTY MD COPS	2.00%	4/1/2025	404,824
WISCONSIN ST GEN FUND ANNUAL	1.90%	5/1/2025	1,074,188
VIRGINIA ST PORT AUTH CMWLTH	3.52%	7/1/2025	192,604
VIRGINIA ST HSG DEV AUTH	1.35%	7/1/2025	366,328
MARYLAND ST	0.67%	8/1/2025	914,250
NEW YORK NY	2.28%	8/1/2025	1,082,024
VIRGINIA ST HSG DEV AUTH	1.07%	9/1/2025	499,681
RAPPAHANNOCK VA REGL JAIL AUTH	1.00%	10/1/2025	386,771
VIRGINIA ST HSG DEV AUTH	1.24%	11/1/2025	317,135
VIRGINIA ST HSG DEV AUTH	1.44%	11/1/2026	706,760
Total Municipal Obligations			<u>\$32,184,582</u>
US TREASURY;			
US T NOTE	0.25%	9/30/2023	9,878,500
US T BILL	0.00%	12/21/2023	2,145,242
US T NOTE	0.38%	4/15/2024	4,806,850
US T NOTE	0.25%	6/15/2024	2,856,450
US T NOTE	0.25%-0.38%	VARIOUS 2025	9,150,200
TOTAL US TREASURY			<u>28,837,242.00</u>
DISC CERTIFICATES OF DEPOSIT;			
BANK OF NOVA SCOTIA CERTIFICATE OF DEPOSIT	5.56%	2/8/2024	5,000,500
TOTAL CERTIFICATES OF DEPOSIT			<u>5,000,500</u>
Money Market Funds;			
JOHN MARSHALL BANK	5.20%		22,675,935
JOHN MARSHALL BANK	0.10%		2,500
SANDY SPRING BANK	3.45%		245,438
Total Money Market Funds			<u>\$22,923,873</u>
VIRGINIA STATE NON-ARBITRAGE PROGRAM (SNAP)			330,718,445
VIRGINIA INVESTMENT POOL DAILY LIQUIDITY			236,235,512
STATE TREASURER'S LOCAL GOVERNMENT INVESTMENT POOL (LGIP)			100,604,198
MELLON-IDA BALLSTON SKATING FACILITY			769,866
MELLON-IDA LEASE REVENUE BONDS			13,143,621
TOTAL SECURITIES			<u>\$1,251,533,421</u>

ARLINGTON COUNTY, VIRGINIA
COMBINED SCHEDULE OF LONG-TERM OBLIGATIONS
JUNE 30, 2022

			Bonds Outstanding: (Relates to total amount authorized and sold)		Payments: (Relates to total amount authorized and sold)	
	Amount Authorized and Sold	Date of Bonds	Interest Rate- %	Principal	Annual Amount	Maturity Date
General obligation debt:						
<u>Serviced by general fund:</u>						
G.O. Public improvement refunding (\$81,255,000)		5/9/13				
Street & Highway	\$10,194,261		2.225	1,345,000	1,345,000	08/01/23
Neighborhood conservation	6,878,456		2.320	880,000	880,000	08/01/24
Parks and recreation	15,956,083		2.470	860,000	860,000	08/01/25
Fire station	1,564,102		2.620	635,000	635,000	08/01/26
Library	1,591,281					
Metro	8,060,817					
	<u>\$44,245,000</u>			<u>\$3,720,000</u>		
G.O. Public improvement refunding (\$40,455,000)		5/28/14				
Street & Highway	\$3,177,905		5.000	8,720,000	4,360,000	08/15/23-24
Neighborhood conservation	1,633,800					
Parks and recreation	7,423,080					
Government facility bond	2,326,465					
Metro	3,403,750					
	<u>\$17,965,000</u>			<u>\$8,720,000</u>		
G.O. Public improvement (\$77,440,000)		6/17/15				
Street & Highway	\$9,370,000		4.000	6,945,000	2,315,000	08/15/22-25
Neighborhood conservation	3,000,000		3.000	4,630,000	2,315,000	08/15/26-27
Parks and recreation	5,705,000					
Government facility bond	18,365,000					
Metro	8,000,000					
	<u>\$44,440,000</u>			<u>\$11,575,000</u>		
G.O. Public improvement (\$55,200,000)		5/4/16				
Street & Highway	\$3,075,000		5.000	8,260,000	1,180,000	08/15/23-29
Neighborhood conservation	4,000,000					
Parks and recreation	5,610,000					
Government facility bond	8,365,000					
Metro	1,600,000					
	<u>\$22,650,000</u>			<u>\$8,260,000</u>		
G.O. Public improvement refunding (\$161,530,000)		5/4/16				
Street & Highway	\$13,758,132					
Neighborhood conservation	9,438,268					
Parks and recreation	27,586,418		5.000	3,520,000	3,520,000	08/15/23
Government facility bond	7,093,846		5.000	4,120,000	4,120,000	08/15/24
Metro	17,419,589		5.000	6,190,000	6,190,000	08/15/25
Higher Education	548,993		5.000	8,195,000	8,195,000	08/15/26
Fire Station	2,524,864		5.000	5,985,000	5,985,000	08/15/27
Libraries	519,890		2.500	8,970,000	8,970,000	08/15/28
	<u>78,890,000</u>		2.500	8,835,000	8,835,000	08/15/29
			2.500	7,930,000	7,930,000	08/15/30
			2.750	5,340,000	5,340,000	08/15/31
			2.750	1,655,000	1,655,000	08/15/32
				<u>\$60,740,000</u>		
G.O. Public improvement (\$185,095,000)		5/31/17				
Street & Highway	\$15,670,000					
Neighborhood conservation	9,600,000					
Parks and recreation	11,900,000					
Government facility bond	26,125,000		5.000	28,600,000	5,720,000	08/15/23-27
Metro	46,600,000		5.000	17,145,000	5,715,000	08/15/28-30
	<u>\$109,895,000</u>		4.000	34,290,000	5,715,000	08/15/31-36
				<u>\$80,035,000</u>		

ARLINGTON COUNTY, VIRGINIA
COMBINED SCHEDULE OF LONG-TERM OBLIGATIONS
JUNE 30, 2022

	Amount Authorized and Sold	Date of Bonds	Bonds Outstanding: (Relates to total amount authorized and sold)		Payments: (Relates to total amount authorized and sold)		Maturity Date
			Interest Rate- %	Principal	Annual Amount		
G.O. Public improvement (\$153,555,000)		6/20/2018					
Street & Highway	\$15,210,000						
Neighborhood conservation	3,000,000						
Parks and recreation	6,725,000	5.000	2,000,000	2,000,000	08/15/23		
Government facility bond	18,220,000	5.000	2,250,000	2,250,000	08/15/24		
Metro	18,000,000	5.000	2,500,000	2,500,000	08/15/25		
	<u>\$61,155,000</u>	5.000	3,000,000	3,000,000	08/15/26		
		5.000	3,250,000	3,250,000	08/15/27		
		5.000	3,500,000	3,500,000	08/15/28		
		5.000	3,750,000	3,750,000	08/15/29		
		5.000	8,290,000	4,145,000	8/15/2030-31		
		5.000	12,420,000	4,140,000	8/15/2032-34		
		5.000	8,280,000	4,140,000	8/15/2036-37		
				<u>\$49,240,000</u>			
G.O. Public improvement (\$169,480,000)		6/19/2019					
Street & Highway	\$13,215,000						
Neighborhood conservation	3,700,000						
Parks and recreation	28,550,000	5.000	37,905,000	5,415,000	6/15/2024-30		
Government facility bond	33,485,000	4.000	48,735,000	5,415,000	6/15/2031-39		
Metro	27,400,000						
	<u>\$106,350,000</u>						
				<u>\$86,640,000</u>			
G.O. Public improvement refunding (\$32,335,000)		10/24/2019					
Street & Highway	\$3,199,039						
Neighborhood conservation	3,087,185	5.000	1,060,000	1,060,000	08/15/23		
Government facility bond	568,221	5.000	1,080,000	1,080,000	08/15/24		
Parks and recreation	671,127	5.000	1,090,000	1,090,000	08/15/25		
Metro	3,374,427	5.000	1,100,000	1,100,000	08/15/26		
	<u>\$10,900,000</u>	5.000	1,105,000	1,105,000	08/15/27		
		5.000	1,120,000	1,120,000	08/15/28		
		5.000	1,135,000	1,135,000	08/15/29		
		5.000	1,140,000	1,140,000	08/15/30		
				<u>\$8,830,000</u>			
G.O. Public improvement (\$166,480,000)		10/27/2020					
Street & Highway	\$24,535,000	5.000	3,000,000	3,000,000	08/01/23		
Neighborhood conservation	6,000,000	5.000	5,000,000	5,000,000	08/01/24		
Parks and recreation	31,380,000	5.000	49,490,000	7,070,000	08/01/25-31		
Government facility bond	41,695,000	4.000	49,490,000	7,070,000	08/01/32-38		
Metro	20,520,000	4.000	14,150,000	7,075,000	08/01/39-40		
	<u>\$124,130,000</u>						
				<u>\$121,130,000</u>			
G.O. Public improvement refunding (\$219,310,000)		10/27/2020					
	<u>\$92,465,000</u>	5.000	12,040,000	12,040,000	08/15/23		
		5.000	10,575,000	10,575,000	08/15/24		
		5.000	9,845,000	9,845,000	08/15/25		
		5.000	7,615,000	7,615,000	08/15/26		
		5.000	7,570,000	7,570,000	08/15/27		
		5.000	4,615,000	4,615,000	08/15/28		
		5.000	4,535,000	4,535,000	08/15/29		
		5.000	5,630,000	5,630,000	08/15/30		
		5.000	7,960,000	7,960,000	08/15/31		
		5.000	7,805,000	7,805,000	08/15/32		
		5.000	5,190,000	5,190,000	08/15/33		
		5.000	3,685,000	3,685,000	08/15/34		
		5.000	5,400,000	5,400,000	08/15/35		
				<u>\$92,465,000</u>			
G.O. Public improvement (\$95,395,000)		6/23/2021					
Street & Highway	\$5,640,000						
Government facility bond	9,985,000	5.000	11,575,000	2,315,000	6/15/2024-28		
Parks and recreation	7,470,000	5.000	30,160,000	2,320,000	6/15/2029-41		

ARLINGTON COUNTY, VIRGINIA
COMBINED SCHEDULE OF LONG-TERM OBLIGATIONS
JUNE 30, 2022

	Amount Authorized and Sold	Date of Bonds	Bonds Outstanding: (Relates to total amount authorized and sold)		Payments: (Relates to total amount authorized and sold)		Maturity Date
			Interest Rate- %	Principal	Annual Amount		
Metro	21,300,000						
	<u>\$44,395,000</u>						
				<u>\$41,735,000</u>			
G.O. Public improvement (\$187,375,000)		6/22/2023					
Street & Highway		5.000		840,000	840,000		06/30/24
Government facility bond		5.000		1,280,000	1,280,000		06/30/25
Parks and recreation		5.000		8,010,000	2,670,000		6/30/26-6/30/28
Metro		5.000		32,725,000	4,675,000		6/30/29-6/30/35
	<u>\$89,485,000</u>	5.000		26,680,000	6,670,000		6/30/36-6/30/39
		4.000		5,925,000	5,925,000		06/30/40
		4.000		14,025,000	4,675,000		6/30/41-6/30/43
				<u>\$89,485,000</u>			
SUBTOTAL:				<u>\$ 662,575,000</u>			
FY 2004 Bond premium to be amortized				110,617			
FY 2005 Bond premium to be amortized				421,710			
FY 2006 Bond premium to be amortized				246,654			
FY 2007 Bond premium to be amortized				90,104			
FY 2008 Bond premium to be amortized				372,875			
FY 2010 Bond premium to be amortized				328,776			
FY 2011 Bond premium to be amortized				2,583,510			
FY 2012 Bond premium to be amortized				2,906,573			
FY 2013 Bond premium to be amortized				4,867,833			
FY 2014 Bond premium to be amortized				1,343,140			
FY 2015 Bond premium to be amortized				2,049,495			
FY 2016 Bond premium to be amortized				3,160,954			
FY 2017 Bond premium to be amortized				12,380,471			
FY 2018 Bond premium to be amortized				13,051,444			
FY 2019 Bond premium to be amortized				14,717,145			
FY 2021 Bond premium to be amortized				41,887,542			
FY 2023 Bond premium to be amortized				9,891,865			
Total GO Bonds serviced by general fund:				<u>772,985,709</u>			
IDA Revenue bond (\$76,315,000)		5/9/13					
Refunding 2004 IDA	\$23,930,000	5.00/2.73		3,060,000	3,060,000		12/15/23
\$2,020	20,250,000	5.00/2.93		3,080,000	3,080,000		12/15/24
Buckingham Village 3	<u>\$32,135,000</u>	3.08		1,955,000	1,955,000		12/15/25
	<u>\$76,315,000</u>	3.48		1,985,000	1,985,000		12/15/26
		3.48		2,015,000	2,015,000		12/15/27
		3.48		2,050,000	2,050,000		12/15/28
		4.11		1,255,000	1,255,000		12/15/34
		4.11		1,310,000	1,310,000		12/15/35
		4.11		1,365,000	1,365,000		12/15/36
		4.11		1,420,000	1,420,000		12/15/37
		4.11		1,480,000	1,480,000		12/15/38
		4.11		1,545,000	1,545,000		12/15/39
		4.11		1,610,000	1,610,000		12/15/40
		4.11		1,675,000	1,675,000		12/15/41
		4.11		1,745,000	1,745,000		12/15/42

ARLINGTON COUNTY, VIRGINIA
COMBINED SCHEDULE OF LONG-TERM OBLIGATIONS
JUNE 30, 2022

	Amount Authorized and Sold	Date of Bonds	Bonds Outstanding: (Relates to total amount authorized and sold)		Payments: (Relates to total amount authorized and sold)		Maturity Date
			Interest Rate- %	Principal	Annual Amount		
				\$27,550,000			
2017 IDA Revenue and refunding bonds (\$57,865,000)							
Refunding 2009B IDA	20,035,000		5.00	2,900,000	2,900,000		02/15/24
2011 IDA	6,115,000		5.00	2,950,000	2,950,000		02/15/25
Buckingham Village 3	31,715,000		5.00	2,995,000	2,995,000		02/15/26
	<u>\$57,865,000</u>		5.00	3,050,000	3,050,000		02/15/27
			5.00	3,105,000	3,105,000		02/15/28
			5.00	3,160,000	3,160,000		02/15/29
			5.00	3,215,000	3,215,000		02/15/30
			5.00	3,275,000	3,275,000		02/15/31
			5.00	2,790,000	2,790,000		02/15/32
			5.00	2,860,000	2,860,000		02/15/33
			5.00	2,930,000	2,930,000		02/15/34
			5.00	3,005,000	3,005,000		02/15/35
			5.00	2,680,000	1,340,000		2/15/2036-37
			5.00	8,010,000	1,335,000		2/15/2038-43
				\$46,925,000			
2020 IDA Revenue bonds (\$26,650,000)							
			5.00	4,720,000	4,720,000		08/01/23
			5.00	4,510,000	2,255,000		8/1/2024-25
	<u>\$26,650,000</u>		5.00	1,060,000	1,060,000		08/01/26
				\$10,290,000			
2020IDA Revenue and refunding bonds (\$57,865,000)							
Refunding 2013 IDA	11,230,000		0.62	150,000	150,000		08/01/23
			0.85	155,000	155,000		08/01/24
			1.00	155,000	155,000		08/01/25
	<u>\$11,230,000</u>		1.24	155,000	155,000		08/01/26
			1.34	160,000	160,000		08/01/27
			1.51	160,000	160,000		08/01/28
			1.61	2,220,000	2,220,000		08/01/29
			1.71	2,220,000	2,220,000		08/01/30
			1.86	2,220,000	2,220,000		08/01/31
			2.01	2,215,000	2,215,000		08/01/32
			2.11	1,170,000	1,170,000		08/01/33
				\$10,980,000			
Total IDA revenue bonds serviced by general fund				\$95,745,000			
Compensated absences				39,403,369			
Estimated liability for workers' compensation claims				4,314,413			
Serviced by general fund-line of credit for capital				22,044,776			
IDA Skating Facility				19,710,000			
Line of Credits				150,000,000			
Leases				125,173,413			
Net OPEB liability				46,963,631			
Total general obligation debt serviced by general fund:				1,276,340,311			
Due in one year				(254,778,265)			
Total long-term liabilities -general fund				1,021,562,046			
Serviced by School Operating Fund:							
Schools- QSCB (\$3,380,000)		7/6/10					
School Improvements	<u>\$3,380,000</u>		5.31	800,000	200,000		06/01/23-27
				\$800,000			
G.O. Public improvement refunding (\$81,255,000)		5/9/13					
School Improvements	<u>\$33,505,000</u>		2.225	525,000	525,000		08/01/23

ARLINGTON COUNTY, VIRGINIA
COMBINED SCHEDULE OF LONG-TERM OBLIGATIONS
JUNE 30, 2022

Amount Authorized and Sold	Date of Bonds	Bonds Outstanding: (Relates to total amount authorized and sold)		Payments: (Relates to total amount authorized and sold)		Maturity Date
		Interest Rate- %	Principal	Annual Amount		
		2.320	925,000	925,000		08/01/24
		2.470	900,000	900,000		08/01/25
		2.620	670,000	670,000		08/01/26
			\$3,020,000			
G.O. Public improvement refunding (\$40,455,000) School Improvements	\$19,725,000	5/28/14	5.000	10,170,000	5,085,000	08/15/2023-24
			\$10,170,000			
G.O. Public improvement (\$77,440,000) School Improvements	\$30,000,000	6/17/15	4.000	4,500,000	1,500,000	08/15/22-25
			3.000	3,000,000	1,500,000	08/15/26-27
			\$7,500,000			
G.O. Public improvement (\$55,200,000) School Improvements	\$32,550,000	5/4/16				
		5.000	6,520,000	1,630,000		08/15/22-26
		5.000	4,875,000	1,625,000		08/15/27-29
			\$11,395,000			
G.O. Public improvement refunding (\$161,530,000) School Improvements	\$72,220,000	5/4/16				
		5.000	2,120,000	2,120,000		08/15/23
		5.000	2,935,000	2,935,000		08/15/24
		5.000	4,155,000	4,155,000		08/15/25
		5.000	7,460,000	7,460,000		08/15/26
		5.000	7,135,000	7,135,000		08/15/27
		2.500	8,685,000	8,685,000		08/15/28
		2.500	8,555,000	8,555,000		08/15/29
		2.500	7,225,000	7,225,000		08/15/30
		2.750	5,180,000	5,180,000		08/15/31
		2.750	2,755,000	2,755,000		08/15/32
			\$56,205,000			
G.O. Public improvement (\$185,095,000) School Improvements	\$75,200,000	5/31/17				
		5.000	30,080,000	3,760,000		08/15/23-30
		2.000	22,560,000	3,760,000		08/15/31-36
			\$52,640,000			
G.O. Public improvement (\$153,555,000) School Improvements	\$92,400,000	6/20/2018				
		5.000	3,700,000	3,700,000		8/15/2023
		5.000	4,000,000	4,000,000		08/15/24
		5.000	4,200,000	4,200,000		08/15/25
		5.000	4,400,000	4,400,000		08/15/26
		5.000	4,500,000	4,500,000		08/15/27
		5.000	30,720,000	5,120,000		8/15/2028-33
		5.000	5,115,000	5,115,000		8/15/2034
		5.000	10,230,000	5,115,000		8/15/2036-37
			\$66,865,000			
G.O. Public improvement (\$169,480,000) School Improvements	\$63,130,000	6/19/2019				
		5.000	22,225,000	3,175,000		6/15/2023-30
		4.000	9,525,000	3,175,000		6/15/2031-33
		4.000	19,020,000	3,170,000		6/15/2034-39
			\$50,770,000			
G.O. Public improvement refunding (\$32,335,000) School Improvements	\$13,210,000	10/24/2019				
		5.000	1,285,000	1,285,000		08/15/23
		5.000	1,300,000	1,300,000		08/15/24
		5.000	1,320,000	1,320,000		08/15/25

ARLINGTON COUNTY, VIRGINIA
COMBINED SCHEDULE OF LONG-TERM OBLIGATIONS
JUNE 30, 2022

Amount Authorized and Sold	Date of Bonds	Bonds Outstanding: (Relates to total amount authorized and sold)		Payments: (Relates to total amount authorized and sold)		Maturity Date
		Interest Rate- %	Principal	Annual Amount		
		5.000	1,330,000	1,330,000		08/15/26
		5.000	1,345,000	1,345,000		08/15/27
		5.000	1,360,000	1,360,000		08/15/28
		5.000	1,370,000	1,370,000		08/15/29
		5.000	1,390,000	1,390,000		08/15/30
			\$10,700,000			
G.O. Public improvement (\$166,480,000) School Improvements	10/27/2020					
\$42,350,000		5.000	16,920,000	2,115,000		8/1/2022-30
		5.000	2,120,000	2,120,000		08/01/31
		4.000	19,080,000	2,120,000		8/1/2032-40
			\$38,120,000			
G.O. Public improvement refunding (\$17,210,000) School Improvements	10/27/2020					
\$8,640,000		5.000	1,340,000	1,340,000		08/01/23
			\$1,340,000			
G.O. Public improvement refunding (\$219,310,000) School Improvements	10/27/2020					
\$100,375,000		5.000	10,820,000	10,820,000		08/01/23
		5.000	11,705,000	11,705,000		08/01/24
		5.000	13,015,000	13,015,000		08/01/25
		5.000	12,185,000	12,185,000		08/01/26
		5.000	8,085,000	8,085,000		08/01/27
		5.000	4,255,000	4,255,000		08/01/28
		5.000	4,200,000	4,200,000		08/01/29
		5.000	5,730,000	5,730,000		08/01/30
		5.000	7,520,000	7,520,000		08/01/31
		5.000	7,350,000	7,350,000		08/01/32
		5.000	5,310,000	5,310,000		08/01/33
		5.000	3,360,000	3,360,000		08/01/34
		5.000	6,840,000	6,840,000		08/01/35
			\$100,375,000			
G.O. Public improvement (\$95,395,000) School Improvements	6/23/2021					
\$37,800,000		5.000	34,020,000	1,890,000		6/15/2023-6/15/2041
			\$34,020,000			
G.O. Public improvement (\$187,375,000) School Improvements	6/22/2023					
\$97,890,000		5.000	4,685,000	4,685,000		06/30/24
		5.000	2,070,000	690,000		6/30/25-6/30/27
		5.000	4,690,000	4,690,000		06/30/28
		5.000	40,140,000	6,690,000		6/30/29-6/30/34
		4.000	46,305,000	5,145,000		6/30/35-6/30/43
			\$97,890,000			
SUB TOTAL			\$541,810,000			
FY 2004 Bond Premium to be amortized			72,619			
FY 2005 Bond Premium to be amortized			292,718			
FY 2006 Bond Premium to be amortized			87,402			
FY 2007 Bond Premium to be amortized			51,446			
FY 2008 Bond Premium to be amortized			601,960			
FY 2010 Bond Premium to be amortized			519,016			
FY 2011 Bond Premium to be amortized			1,735,156			
FY 2012 Bond Premium to be amortized			4,920,612			
FY 2013 Bond Premium to be amortized			3,162,129			

ARLINGTON COUNTY, VIRGINIA
COMBINED SCHEDULE OF LONG-TERM OBLIGATIONS
JUNE 30, 2022

	Amount Authorized and Sold	Date of Bonds	Bonds Outstanding: (Relates to total amount authorized and sold)		Payments: (Relates to total amount authorized and sold)		Maturity Date
			Interest Rate- %	Principal	Annual Amount		
FY 2014 Bond Premium to be amortized				1,793,438			
FY 2015 Bond Premium to be amortized				1,338,894			
FY 2016 Bond Premium to be amortized				4,686,003			
FY 2017 Bond Premium to be amortized				8,312,648			
FY 2018 Bond Premium to be amortized				11,581,847			
FY 2019 Bond Premium to be amortized				8,648,117			
FY 2021 Bond Premium to be amortized				19,642,240			
FY 2023 Bond Premium to be amortized				11,065,588			
Total serial bonds serviced by school operating fund:				\$620,321,833			
Compensated absences				52,517,234			
Line of credit for capital serviced by schools				10,491,952			
Leases by schools				63,283,366			
Net pension liability schools				334,600,567			
Net OPEB liability schools				95,952,428			
Total general obligation debt serviced by school operating fund:				1,177,167,380			
Due in one year				(74,726,169)			
Total long-term liabilities - schools				1,102,441,210			
Total general obligation debt serviced by general fund and school operating fund:				2,124,003,256			
<u>Serviced by StormWater fund:</u>							
G.O. Public improvement (\$95,395,000)		6/23/2021					
Stormwater	13,200,000		5.000	305,000	305,000		06/15/24
			5.000	320,000	320,000		06/15/25
	<u>\$13,200,000</u>		5.000	335,000	335,000		06/15/26
			5.000	350,000	350,000		06/15/27
			5.000	370,000	370,000		06/15/28
			5.000	390,000	390,000		06/15/29
			5.000	410,000	410,000		06/15/30
			5.000	430,000	430,000		06/15/31
			5.000	450,000	450,000		06/15/32
			5.000	470,000	470,000		06/15/33
			5.000	495,000	495,000		06/15/34
			5.000	520,000	520,000		06/15/35
			5.000	545,000	545,000		06/15/36
			5.000	575,000	575,000		06/15/37
			5.000	605,000	605,000		06/15/38
			5.000	635,000	635,000		06/15/39
			5.000	665,000	665,000		06/15/40
			5.000	700,000	700,000		06/15/41
			5.000	730,000	730,000		06/15/42
			5.000	770,000	770,000		06/15/43
			5.000	810,000	810,000		06/15/44
			5.000	850,000	850,000		06/15/45
			5.000	890,000	890,000		06/15/46
				\$12,620,000			
SUBTOTAL:				\$12,620,000			
FY 2021 Bond premium to be amortized				3,942,304			
Total serial bonds serviced by stormwater fund:				16,562,304			
Due in one year				(476,405)			
Total general obligation debt serviced by StormWater fund				16,085,900			
<u>Serviced by utilities fund:</u>							

ARLINGTON COUNTY, VIRGINIA
COMBINED SCHEDULE OF LONG-TERM OBLIGATIONS
JUNE 30, 2022

Amount Authorized and Sold	Date of Bonds	Bonds Outstanding: (Relates to total amount authorized and sold)		Payments: (Relates to total amount authorized and sold)		Maturity Date
		Interest Rate- %	Principal	Annual Amount		
G.O. Public improvement refunding (\$81,255,000)	5/9/13					
Water share		2.225	15,000	15,000		08/01/23
Sewer share		2.320	615,000	615,000		08/01/24
Advanced Water Treatment		2.470	600,000	600,000		08/01/25
<u>\$3,505,000</u>		2.620	450,000	450,000		08/01/26
			<u>\$1,680,000</u>			
G.O. Public improvement refunding (\$40,455,000)	5/28/14					
Water share		5.000	1,110,000	555,000		08/15/2023-24
Advanced Water Treatment						
<u>\$2,765,000</u>						
			<u>\$1,110,000</u>			
G.O. Public improvement (\$77,440,000)	6/17/15					
Advanced Water Treatment		4.000	450,000	150,000		08/15/22-25
<u>\$3,000,000</u>		3.000	300,000	150,000		08/15/26-27
			<u>\$750,000</u>			
G.O. Public improvement refunding (\$161,530,000)	5/4/16					
Water share		5.000	585,000	585,000		08/15/23
Sewer share		5.000	605,000	605,000		08/15/24
Advanced Water Treatment		5.000	795,000	795,000		08/15/25
<u>\$10,420,000</u>		5.000	1,190,000	1,190,000		08/15/26
		5.000	680,000	680,000		08/15/27
		2.500	1,190,000	1,190,000		08/15/28
		2.500	1,175,000	1,175,000		08/15/29
		2.500	1,155,000	1,155,000		08/15/30
		2.750	940,000	940,000		08/15/31
		2.750	325,000	325,000		08/15/32
			<u>\$8,640,000</u>			
G.O. Public improvement refunding (\$32,335,000)	10/24/2019					
Water share						
Advanced Water Treatment		5.000	800,000	800,000		08/15/23
<u>\$8,225,000</u>		5.000	810,000	810,000		08/15/24
		5.000	820,000	820,000		08/15/25
		5.000	830,000	830,000		08/15/26
		5.000	840,000	840,000		08/15/27
		5.000	845,000	845,000		08/15/28
		5.000	855,000	855,000		08/15/29
		5.000	865,000	865,000		08/15/30
			<u>\$6,665,000</u>			
G.O. Public improvement refunding (\$219,310,000)	10/27/2020					
Water share						
Sewer share		5.000	6,190,000	6,190,000		08/01/23
Advanced Water Treatment		5.000	5,770,000	5,770,000		08/01/24
<u>\$26,470,000</u>		5.000	5,965,000	5,965,000		08/01/25
		5.000	3,725,000	3,725,000		08/01/26
		5.000	2,760,000	2,760,000		08/01/27
		5.000	270,000	270,000		08/01/28
		5.000	270,000	270,000		08/01/29
		5.000	260,000	260,000		08/01/30
		5.000	435,000	435,000		08/01/31
		5.000	430,000	430,000		08/01/32
		5.000	240,000	240,000		08/01/33
		5.000	155,000	155,000		08/01/34
			<u>\$26,470,000</u>			
SUBTOTAL:			<u>\$45,315,000</u>			
FY 2005 Bond premium to be amortized			48,476			

ARLINGTON COUNTY, VIRGINIA
COMBINED SCHEDULE OF LONG-TERM OBLIGATIONS
JUNE 30, 2022

Amount Authorized and Sold	Date of Bonds	Bonds Outstanding: (Relates to total amount authorized and sold)		Payments: (Relates to total amount authorized and sold)		Maturity Date
		Interest Rate- %	Principal	Annual Amount		
FY 2007 Bond premium to be amortized			182,861			
FY 2008 Bond premium to be amortized			274,805			
FY 2011 Bond premium to be amortized			621,847			
FY 2012 Bond premium to be amortized			575,394			
FY 2013 Bond premium to be amortized			296,516			
FY 2014 Bond premium to be amortized			83,563			
FY 2015 Bond premium to be amortized			133,889			
Total serial bonds serviced by utilities fund:			47,532,350			
Compensated absences - utilities fund			1,773,612			
Bond and VRA interest payable - utilities fund			1,569,733			
Leases - utilities			238,136			
VRA loans payable			93,642,628			
Total long-term obligations serviced by utilities fund:			144,756,459			
Compensated absences - Internal service funds			445,094			
Compensated absences - CPHD Development fund			1,328,223			
Line of credit for capital serviced by auto equipment fund			0			
Leases - CPHD and Internal Service			11,280,698			
Subtotal:			157,810,474			
Bond and mortgage interest payable			45,235,794			
Leases - ballston public parking garage			10,148,532			
Mortgage payable-ballston public garage fund			3,429,679			
Total business-type activities obligations:			216,624,479			
Due in one year			(79,084,231)			
Total business-type activities long-term obligations:			137,540,248			
Total long-term obligations:			2,277,629,404			

ARLINGTON COUNTY, VIRGINIA
SCHEDULE OF DELINQUENT PROPERTY TAXES RECEIVABLE
JUNE 30, 2023

<u>FISCAL YEAR</u>	<u>REAL ESTATE</u>	<u>PERSONAL PROPERTY</u>	<u>TOTAL</u>
2023	\$51,713	\$635,121	\$686,834
2022	30,933	255,365	286,298
2021	19,190	241,499	260,689
2020	1,447	218,832	220,279
2019	133	218,387	218,520
2018	-	-	-
2017	46	-	46
2016	1,851	-	1,851
2015	3,671	-	3,671
2014	-	-	-
2013	-	-	-
2012	-	-	-
2011	-	-	-
2010	-	-	-
2009	-	-	-
2008	-	-	-
2007	-	-	-
2006	-	-	-
2005	-	-	-
2004	-	-	-
TOTAL	<u>\$108,984</u>	<u>\$1,569,204</u>	<u>\$1,678,188</u>

NOTES:

Figures are rounded to the nearest dollar.

The amounts of delinquent real and personal property taxes receivable at June 30, 2023 are presented on the basis of the County's fiscal years during which such taxes became due.

The delinquent real estate taxes for the fiscal year consist of all taxes which were levied for the prior calendar year, and for the nineteen years preceding, which remain uncollected as of the close of the fiscal year.

The delinquent personal property taxes for the fiscal year consist of all taxes which were levied for the prior calendar year, and for the four years preceding, which remain uncollected as of the close of the fiscal year.

The amounts of delinquent taxes include the original levy and subsequent adjustment for penalties. The penalty balances for real and personal property taxes totaled \$8,355 and \$346,247, respectively.

ARLINGTON COUNTY, VIRGINIA
REAL ESTATE AND PERSONAL PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Total Current Tax Levy	Current Taxes Not Collected	Current Taxes Collected	Percent of Levy Collected	Collection of Prior Year's Taxes In Current Year	Total Taxes Collected	Total Collections As % of Current Levy	Write-Offs and Adjustments	Deferred Taxes	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as % of Total Levy
2014	787,485,043	1,730,821	785,754,221	99.78%	2,736,519	788,490,740	100.13%	1,016,011	2,303,573	2,623,869	0.33%
2015	812,023,501	1,379,131	810,644,370	99.83%	2,588,689	813,233,059	100.15%	848,789	2,394,515	2,197,169	0.27%
2016	837,718,153	1,297,393	836,420,761	99.85%	1,544,871	837,965,632	100.03%	599,182	3,052,244	2,034,123	0.24%
2017	868,874,581	1,380,080	867,494,501	99.84%	2,194,749	869,689,250	100.09%	903,604	3,158,640	1,964,782	0.23%
2018	899,725,011	1,322,536	898,402,475	99.85%	2,146,492	900,548,967	100.09%	597,207	3,491,420	1,685,935	0.19%
2019	932,328,308	2,502,038	929,826,270	99.73%	1,391,166	931,217,436	99.88%	530,237	3,685,987	1,652,718	0.18%
2020	972,115,572	3,201,218	968,914,354	99.67%	946,671	969,861,025	99.77%	629,153	4,081,075	2,142,238	0.22%
2021	996,782,615	2,486,271	994,296,344	99.75%	1,640,280	995,936,624	99.92%	699,468	4,225,672	1,823,128	0.18%
2022	1,019,581,465	1,881,873	1,017,699,592	99.82%	2,084,747	1,019,784,339	100.02%	606,674	4,197,712	1,638,887	0.16%
2023	1,067,108,899	1,786,287	1,065,322,612	99.83%	1,447,229	1,066,769,842	99.97%	397,521	4,319,667	1,678,189	0.16%

NOTES:

"Total Current Tax Levy" reflects current and delinquent taxes assessed in the current period less changes in the amount of deferred Real Estate taxes, plus penalties assessed for the current and prior years.

"Current Taxes Not Collected" consists of delinquent taxes plus first installment real estate taxes receivable.

"Current Taxes Collected" reflects the amount of a fiscal year's tax levy collected during each fiscal year.

"Total Taxes Collected" reflects "Current Taxes Collected" plus collection of prior year's taxes and penalties in the current year plus reimbursements from the Commonwealth for the Personal Property Tax Relief Act.

Delinquent personal property taxes are collectible for 5 years, delinquent real estate taxes for 20 years.

Source: Arlington County Treasurer's Office

ARLINGTON COUNTY, VIRGINIA
NET BOOK VALUE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL
FUNDS SCHEDULE BY SOURCE (1)
JUNE 30, 2023

	Governmental Funds <u>Total Cost</u>
Governmental funds capital assets:	
Land	\$262,802,488
Infrastructure	1,184,005,452
Buildings	672,590,205
Furniture, fixtures and equipment	338,875,323
Construction in Progress	199,936,922
Intangibles	<u>13,797,130</u>
Total governmental funds capital assets	<u><u>\$2,672,007,520</u></u>
Governmental funds right to use lease assets:	
Buildings	139,302,190
Equipment	24,636,930
Subscription	<u>1,054,071</u>
Total governmental funds right to use lease assets	<u><u>\$164,993,191</u></u>
Investments in governmental funds' capital assets by source:	
General fund	\$264,735,711
Special revenue funds	135,506
Capital projects funds	2,399,606,208
State literary loans	1,680,040
Donated assets	<u>5,850,055</u>
Total investment in general capital assets	<u><u>\$2,672,007,520</u></u>
Investments in governmental funds' right to use lease assets by source:	
General fund	\$163,951,483
Special revenue funds	<u>1,041,708</u>
Total investment in right to use lease assets	<u><u>\$164,993,191</u></u>

(1) This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in the internal service funds are excluded from the above amounts. The capital assets of internal service funds are included as governmental activities in the Statement of Net Position.

ARLINGTON COUNTY, VIRGINIA
SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS - BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2023

FUNCTION AND ACTIVITY:	General Capital Assets			
	6/30/2022 Beginning Balance	Additions	Deletions	6/30/2023 Ending Balance
Governmental funds:				
General Government	\$423,799,061	\$7,904,694	\$3,394	\$431,700,361
Public Safety	134,208,404	5,152,318	61,670	139,299,052
Environmental Services	1,441,208,057	152,567,792	17,499,824	1,576,276,025
Health and Public Welfare	36,732,101	594,039	-	37,326,140
Libraries	30,677,267	16,503	-	30,693,770
Parks and Recreation	348,926,931	11,994,241	1,042,051	359,879,121
Planning and Community Development	95,035,595	1,803,856	6,400	96,833,051
Total governmental funds	<u>2,510,587,416</u>	<u>180,033,443</u>	<u>18,613,339</u>	<u>2,672,007,520</u>
Right to use assets				
General Government	160,319,634	4,673,557	-	164,993,191
Total governmental funds right to use lease assets	<u>160,319,634</u>	<u>4,673,557</u>	<u>-</u>	<u>164,993,191</u>
Internal Services Fund				
Auto Equipment Fund	90,344,823	10,258,662	5,309,077	95,294,408
Total Internal Services Fund	<u>90,344,823</u>	<u>10,258,662</u>	<u>5,309,077</u>	<u>95,294,408</u>
Right to use assets				
Auto Equipment and Printing Funds	1,425,154	1,095	-	1,426,249
Total Internal Services Fund right to use assets	<u>1,425,154</u>	<u>1,095</u>	<u>-</u>	<u>1,426,249</u>
Component Unit: Schools	<u>1,328,445,305</u>	<u>81,419,465</u>	<u>-</u>	<u>1,409,864,770</u>
Total general capital assets	<u>\$3,929,377,544</u>	<u>\$271,711,570</u>	<u>\$23,922,416</u>	<u>\$4,177,166,698</u>
Total general right to use assets	<u>\$ 161,744,788</u>	<u>\$ 4,674,652</u>	<u>\$-</u>	<u>\$ 166,419,440</u>

ARLINGTON COUNTY, VIRGINIA
SCHEDULE OF GENERAL CAPITAL ASSETS - BY FUNCTION AND ACTIVITY
JUNE 30, 2023

EXHIBIT S-8

FUNCTION AND ACTIVITY:	Total	Land	Infrastructure	Buildings	Equipment	Intangibles	CIP	SBITA
General Government:								
Control-								
Legislative	\$ 1,313,232	\$-	\$-	\$-	\$1,313,232	\$-	\$-	\$-
Executive	532,598	-	-	-	532,598	-	-	-
Judicial	8,623,147	-	-	1,050,170	6,259,879	954,910	358,188	-
Total Control	10,468,977	-	-	1,050,170	8,105,709	954,910	358,188	-
Staff Agencies-								
Elections	1,129,595	-	-	-	1,129,595	-	-	-
Management and Finance	1,610,532	-	-	-	1,610,532	-	-	-
Human Resources	414,403	-	-	-	331,135	83,268	-	-
Office of County Attorney	1,092,069	-	-	-	972,247	119,822	-	-
Commissioner of the Revenue	629,149	-	-	-	629,149	-	-	-
Treasurer	349,169	-	-	244,884	72,199	32,086	-	-
Department of Technology Services	83,781,732	-	16,193,753	991,860	55,297,939	3,368,697	7,929,483	-
General government	332,224,735	152,376,031	88,148,773	68,532,953	22,037,630	1,001,390	127,958.00	-
Total Staff Agencies	421,231,384	152,376,031	104,342,526	69,769,697	82,080,426	4,605,263	8,057,441	-
Total General Government	431,700,361	152,376,031	104,342,526	70,819,867	90,186,135	5,560,173	8,415,629	-
Public Safety:								
Police	26,066,505	-	1,000,312	11,057,900	12,792,396	1,215,897	-	-
Fire	88,567,578	5,499,264	33,707,344	7,125,394	41,856,885	378,691	-	-
Public Safety Communications and Emergency Management	24,664,969	-	-	-	22,448,753	794,936	1,421,280	-
Total Public Safety	139,299,052	5,499,264	34,707,656	18,183,294	77,098,034	2,389,524	1,421,280	-
Community Services:								
Environmental Services	1,576,276,025	71,736,365	816,721,116	369,515,752	131,011,483	3,181,941	184,109,368	-
Health and Public Welfare	37,326,140	-	-	14,127,700	19,701,766	2,298,889	1,197,785	-
Libraries	30,693,770	-	11,857,686	18,349,791	486,293	-	-	-
Recreation	359,879,121	23,680,175	148,227,402	166,355,023	18,716,771	-	2,899,750	-
Community Development	96,833,051	9,510,653	68,149,066	15,238,778	1,674,841	366,603	1,893,110	-
Total Community Service	2,101,008,107	104,927,193	1,044,955,270	583,587,044	171,591,154	5,847,433	190,100,013	-
Total General Capital Assets	\$2,672,007,520	\$262,802,488	\$1,184,005,452	\$672,590,205	\$338,875,323	\$13,797,130	\$199,936,922	\$-
Governmental funds right to use lease assets:								
General Government				139,302,190	24,636,930			1,054,071
Total governmental funds right to use lease assets	\$164,993,191	\$-	\$-	\$ 139,302,190	\$24,636,930	\$-	\$-	\$ 1,054,071
Internal Services Fund:								
Auto Equipment Fund	\$95,294,408	\$-	\$-	\$-	\$95,294,408	\$-	\$-	\$-
Total Internal Services Fund	\$95,294,408	\$-	\$-	\$-	\$95,294,408	\$-	\$-	\$-
Internal Services Fund right to use lease assets								
Auto Equipment	-	-	-	-	1,426,249	-	-	-
Total governmental funds right to use lease assets	\$1,426,249	\$-	\$-	\$ -	\$1,426,249	\$-	\$-	\$-
Component Unit: Schools	\$1,409,864,770	\$4,697,946	\$-	\$1,215,362,580	\$183,126,833	\$-	\$6,677,411	\$-
Total General Capital Assets	\$4,177,166,698	\$267,500,434	\$1,184,005,452	\$1,887,952,785	\$617,296,564	\$13,797,130	\$206,614,333	\$-

ARLINGTON COUNTY, VIRGINIA
GENERAL AND SPECIAL REVENUE FUNDS
DETAIL SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2022)

	2023			
	Budget	Actual	Variance - Positive (Negative)	2022 Actuals
GENERAL FUND				
General property taxes:				
Real estate	\$852,164,325	\$862,594,538	\$10,430,213	\$830,318,888
Personal	132,652,147	141,574,708	8,922,561	127,071,165
Total general property taxes	984,816,472	1,004,169,246	19,352,774	957,390,053
Other local taxes:				
Business, professional and occupational license (BPOL) tax	78,000,000	83,191,768	5,191,768	77,913,433
Sales tax	46,000,000	53,332,446	7,332,446	47,967,779
Meals tax	39,000,000	46,534,736	7,534,736	39,302,301
Transient tax	16,500,000	22,697,994	6,197,994	15,070,995
Utility tax	17,200,000	16,569,439	(630,561)	16,770,948
Recordation, car rental and other local taxes	27,435,000	28,162,972	727,972	29,981,258
Total other local taxes	224,135,000	250,489,355	26,354,355	227,006,714
Total taxes	1,208,951,472	1,254,658,601	45,707,129	1,184,396,767
License, permits and fees	7,344,004	10,162,288	2,818,284	14,678,868
Fines and forfeitures	7,092,144	5,161,999	(1,930,145)	5,765,432
Charges for services	66,946,879	59,030,346	(7,916,533)	54,163,697
Grants:				
State grants	92,385,904	85,807,699	(6,578,205)	83,711,767
Federal grants	49,536,949	55,128,922	5,591,973	55,105,568
Total grants	141,922,853	140,936,621	(986,232)	138,817,335
Use of money and property	14,632,984	33,022,703	18,389,719	26,067,463
Sale of land and buildings	15,000	1,798,508	1,783,508	1,062,156
Miscellaneous revenue	215,446,661	24,500,008	(190,946,653)	332,737,636
GRAND TOTALS FOR GENERAL FUND	\$1,662,351,997	\$1,529,271,074	(\$133,080,923)	\$1,757,689,354
GENERAL FUND TRANSFERS FROM OTHER FUNDS:				
Rosslyn Business Improvement District	\$87,051	\$84,856	(\$2,195)	\$80,119
National Landing Business Improvement District	91,322	87,452	(3,870)	90,244
Automotive Equipment Fund	130,000	130,000	-	130,000
General Capital Projects	-	-	-	-
Street & Highway Bond Fund	-	251,849	251,849	27,488
Neighborhood Conservation Bond Fund	-	152,752	152,752	17,576
Government Facility Bond	-	1,836,465	1,836,465	159,108
Ballston Business Improvement District	28,635	29,676	1,041	30,410
Public Recreation Bond Fund	-	734,970	734,970	80,355
Stormwater Bond Fund	-	-	-	-
TCF – NVTA 30%	1,527,390	1,527,390	0	-
TCF C&I Tax	2,410,072	2,410,072	0	3,193,851
Transit Facilities Bond Fund	-	56,905	56,905	8,680
IDA Bond Funds	-	558,899	558,899	18,982
IDA Skating Facility	2,400,000	-	(2,400,000)	-
Emergency Community Center	-	-	-	-
School Capital Improvement Bond Fund	-	2,207,346	2,207,346	196,402
Utilities - Construction (Pay as U Go)	-	-	-	-
Custodial Funds	80,000	-	(80,000)	50
Total transfers	\$6,754,470	\$10,068,632	\$3,314,162	\$4,033,265
GRAND TOTALS	\$1,669,106,467	\$1,539,339,706	(\$129,766,761)	\$1,761,722,619

ARLINGTON COUNTY, VIRGINIA
GENERAL AND SPECIAL REVENUE FUNDS
DETAIL SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2022)

	2023			
	Budget	Actual	Variance - Positive (Negative)	2022 Actuals
SPECIAL REVENUE FUNDS:				
Ballston BID	\$1,431,745	\$1,487,859	\$56,114	\$1,521,367
Ballston Quarter CDA	3,526,319	3,085,880	(440,439)	2,913,249
Travel & Tourism Fund	2,395,593	1,541,751	(853,842)	1,153,141
Rosslyn BID	4,353,756	4,246,080	(107,676)	4,015,678
National Landing BID	4,566,084	4,374,019	(192,065)	4,512,195
Community Development Block Grant Fund	11,009,379	2,455,260	(8,554,119)	2,010,872
Housing Choice Vouchers	26,352,730	22,455,481	(3,897,249)	23,753,874
Total Special Revenue Funds	<u>\$53,635,606</u>	<u>\$39,646,330</u>	<u>(\$13,989,276)</u>	<u>\$39,880,376</u>
BREAKDOWN OF REVENUE BY FUNCTION:				
	Charges for services includes licenses & fees	Operating grants/Contributions		Capital Grants Contributions
		State	Federal	
General government	\$15,457,409	\$37,780,011	\$33,007,052	\$-
Public safety	11,715,747	12,036,994	1,136,344	-
Environmental services	26,736,627	11,482,317	-	-
Health & welfare	4,742,452	24,199,102	20,844,758	-
Libraries	49,698	266,949	-	-
Economic development	163,244	4,500	103,632	-
Planning & community development	2,635,643	-	-	-
Parks & recreation	12,853,813	37,826	37,136	-
Total General Fund	<u>\$74,354,633</u>	<u>\$85,807,699</u>	<u>\$55,128,922</u>	<u>\$-</u>

ARLINGTON COUNTY, VIRGINIA
GENERAL AND SPECIAL REVENUE FUNDS
DEETAIL SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2022)

	2023			2022
	Budget	Actual	Variance - Positive (Negative)	Actuals
General Government Administration:				
County Board	\$2,144,058	\$1,815,270	\$328,788	\$1,677,209
County Manager	6,125,761	6,136,346	(10,585)	4,792,298
Management and Finance	10,232,470	9,987,309	245,161	8,860,644
Human Resources	11,277,958	11,123,799	154,159	10,104,056
Technology Services	29,366,454	28,953,272	413,182	43,426,363
County Attorney	4,101,635	3,741,376	360,259	3,240,554
Commissioner of Revenue	6,151,275	6,055,127	96,148	5,679,612
Treasurer	7,790,660	7,161,546	629,114	6,884,012
Electoral Board	2,010,345	1,748,237	262,108	1,418,773
Total General Government	79,200,616	76,722,282	2,478,334	86,083,521
Judicial Administration:				
Circuit Court Judiciary	1,385,656	1,230,337	155,319	1,322,947
Circuit Court Clerk	4,413,466	4,111,554	301,912	4,143,885
District Court	427,471	351,768	75,703	348,993
Juvenile & Domestic Relations Court	7,818,638	6,925,453	893,185	6,420,517
Commonwealth Attorney	6,661,293	5,554,753	1,106,540	5,336,884
Sheriff & Jail	49,574,999	50,103,188	(528,189)	49,246,586
Magistrate's Office	29,986	28,654	1,332	28,220
Office of the Public Defender	386,120	403,540	(17,420)	309,327
Total Judicial Administration	70,697,629	68,709,247	1,988,382	67,157,359
Public Safety:				
Police	80,563,409	76,798,341	3,765,068	73,127,540
Public Safety Communications and Emergency Management	14,769,074	14,409,426	359,648	15,310,185
Fire	75,371,176	77,348,171	(1,976,995)	68,759,267
Total Public Safety	170,703,659	168,555,938	2,147,721	157,196,992
Department of Environmental Services:				
DES-Environmental Services	118,537,227	112,573,286	5,963,941	107,392,616
Health & Welfare:				
Human Services	187,445,865	170,966,283	16,479,582	208,010,638
Libraries:				
	16,827,229	16,213,146	614,083	13,938,064
Planning & Community Development:				
Economic Development	10,440,360	9,685,556	754,804	9,602,373
Community Planning, Housing & Development	12,918,870	12,218,968	699,902	11,492,426
Total Planning & Community Development	23,359,230	21,904,524	1,454,706	21,094,799
Parks & Recreation:				
	55,028,416	52,485,423	2,542,993	44,340,809
Non-Departmental:				
Non-Departmental	178,078,755	99,243,776	78,834,979	320,835,968
Debt Service				
Principal payment	44,416,345	49,725,000	(5,308,655)	50,321,380
Interest payment	32,569,562	26,984,082	5,585,480	28,928,670
Other costs	125,000	29,969	95,031	58,011
Regionals/Contributions	7,586,026	7,285,284	300,742	6,940,842
METRO	46,622,208	46,622,208	-	46,622,208
Total Non-Departmental	309,397,896	229,890,319	79,507,577	453,707,079
Total expenditures before transfers-out	1,031,197,767	918,020,448	113,177,319	1,158,921,877

ARLINGTON COUNTY, VIRGINIA
GENERAL AND SPECIAL REVENUE FUNDS
DEETAIL SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2022)

	2023			2022
	Budget	Actual	Variance - Positive (Negative)	Actuals
Transfers-Out;				
Travel & Tourism	378,033	246,700	131,333	396,816
Community Development Block Grant	460,000	460,000.00	-	-
Auto Equipment Fund	-	-	-	-
Printing Fund	262,658	262,658	-	254,979
General Capital Projects Fund	14,503,093	14,503,093	-	10,478,484
OPEB Trust Fund	-	70,619	(70,619)	75,271
Schools				
General Operating	619,888,887	539,219,898	80,668,989	489,278,577
Community Activities/Cable TV	-	5,928,166	(5,928,166)	4,800,513
Pay-As-You-Go	-	2,656,652	(2,656,652)	3,732,044
Debt Service	-	54,924,661	(54,924,661)	58,325,804
Comprehensive Services Act	-	2,516,915	(2,516,915)	2,537,345
Custodial	2,416,029		2,416,029	
Total transfers-out	<u>\$637,908,700</u>	<u>\$620,789,362</u>	<u>\$17,119,338</u>	<u>\$569,879,833</u>
GRAND TOTALS EXPENDITURES	<u>\$1,669,106,467</u>	<u>\$1,538,809,810</u>	<u>\$130,296,657</u>	<u>\$1,728,801,710</u>
SPECIAL REVENUE FUNDS:				
Ballston Quarter CDA	3,526,319	3,124,178	402,141	2,822,008
Travel & Tourism Promotion	2,773,626	1,775,557	998,069	1,549,957
Ballston Business Improvement District	1,403,110	1,403,110	-	1,405,390
Rosslyn Business Improvement District	4,266,705	4,072,949	193,756	4,024,962
Crystal City Business Improvement District	4,474,762	4,231,200	243,562	4,231,263
Community Development Block Grant	11,009,379	2,455,260	8,554,119	2,010,872
Section 8 Housing	26,275,163	22,455,481	3,819,682	23,753,874
Total Special Revenue Funds	<u>\$53,729,064</u>	<u>\$39,517,735</u>	<u>\$14,211,329</u>	<u>\$39,798,326</u>
TOTAL GENERAL AND SPECIAL REVENUE FUNDS	<u>\$1,722,835,531</u>	<u>\$1,578,327,545</u>	<u>\$144,507,986</u>	<u>\$1,768,600,036</u>

ARLINGTON COUNTY, VIRGINIA
SCHEDULE OF CAPITAL OUTLAYS AND CAPITAL PROJECTS
GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2023

FUND AND FUNCTION	AMOUNT
GENERAL FUND:	
Capital Outlays:	
General Government	\$157,450
Public Safety	\$342,689
Public Works	450,830
Health & Public Welfare	18,525
Parks & Recreation	204,957
Planning & Community development	-
Total General Fund	\$1,174,451
CAPITAL PROJECTS FUNDS:	
General Capital Projects Fund:	
Public Works:	
Transportation Projects	21,818,076
Government Facilities	7,517,914
Cultural & Recreation - Community Affairs:	
Government Facilities	8,265,688
Parks	5,714,754
Total General Capital Projects Funds	43,316,432
NVTA	73,471,796
NOVA Transportation Authority	
Street & Highway Bond Fund:	
Capital Projects - Public Works/Transportation/ Street & Highway Improvements	12,848,534
Neighborhood Conservation Bond Fund:	
Neighborhood Capital Projects	1,715,607
Government Facility Bond	18,817,162
Stormwater Fund	17,102,377
Public Recreation Bond Fund:	
Public Recreation	4,994,863
TIF Tax Increment Finance Fund:	
Crystal City	5,476,671
TOTAL ALL OTHER GOVERNMENTAL FUNDS	60,955,214
GRAND TOTAL	\$178,917,893

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STATISTICAL

(Unaudited)

This part of the Arlington County Annual Comprehensive Financial Report ("ACFR") presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time (Table A, Table B, Table C, Table C1, Table D, Table D1, Table D2, Table E and Table F.)

Revenue Capacity

These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax (Table G, and Table H.)

Debt Capacity

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and its ability to issue additional debt in the future (Table I, Table I1, and Table J.)

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place (Table K and Table L.)

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the County's ACFR relates to the services the County provides and the activities it performs (Table M, Table N, Table O, and Table P.)

Other

These schedules contain information needed for the Nationally Recognized Municipal Securities Information Repository (NRMSIR) and other disclosures (Tables Q-W.)

TABLE A

ARLINGTON COUNTY, VIRGINIA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	Restated 2014	2015	Restated 2016	Restated 2017	2018	2019	2020	2021	Restated 2022	2023
Governmental Activities										
Net investment in capital assets	\$535,062,341	\$574,586,273	\$635,380,832	\$680,734,809	\$709,263,105	\$731,027,923	\$794,000,992	\$817,971,527	\$514,274,489	\$709,575,585
Restricted	269,842,611	330,023,604	334,149,978	173,130,986	138,358,959	150,067,653	49,261,389	157,514,561	103,840,222	144,618,563
Unrestricted	79,773,920	81,902,773	117,459,284	68,643,510	69,423,556	155,826,816	340,792,351	300,860,321	384,242,769	86,241,347
Total governmental activities net position	\$884,678,872	\$986,512,650	\$1,086,990,094	\$922,509,305	\$917,045,620	\$1,036,922,392	\$1,184,054,732	\$1,276,346,408	\$1,002,357,480	\$940,435,495
Business-Type Activities										
Net investment in capital assets	\$665,755,045	\$690,358,957	\$716,480,873	\$745,082,642	\$782,955,479	\$820,779,039	\$852,241,713	\$860,599,018	\$910,234,485	\$921,700,887
Unrestricted	68,677,574	66,850,074	61,732,336	56,239,617	41,338,610	27,698,991	23,868,719	31,702,094	3,981,381	10,276,301
Total business-type activities net position	\$734,432,619	\$757,209,031	\$778,213,209	\$801,322,259	\$824,294,089	\$848,478,030	\$876,110,432	\$892,301,112	\$914,215,866	\$931,977,188
Primary government										
Net investment in capital assets	\$1,200,817,386	\$1,264,945,229	\$1,351,861,705	\$1,425,817,450	\$1,492,218,584	\$1,551,806,962	\$1,646,242,705	\$1,678,570,545	\$1,424,508,974	\$1,631,276,472
Restricted	269,842,611	330,023,604	334,149,978	173,130,986	138,358,959	150,067,653	49,261,389	157,514,561	103,840,222	144,618,563
Unrestricted	148,451,494	148,752,848	179,191,620	124,883,128	110,762,166	183,525,807	364,661,070	332,562,415	388,224,150	96,517,648
Total primary government activities net position	\$1,619,111,491	\$1,743,721,681	\$1,865,203,303	\$1,723,831,564	\$1,741,339,709	\$1,885,400,422	\$2,060,165,164	\$2,168,647,520	\$1,916,573,346	\$1,872,412,682
School Component Unit										
Net investment in capital assets	\$530,311,199	\$556,749,155	\$581,646,003	\$609,275,690	\$669,586,313	\$760,308,386	\$805,410,072	\$848,994,635	\$920,373,797	\$906,981,144
Restricted	60,416,507	72,843,131	75,799,932	136,786,090	161,881,887	134,160,068	84,516,880	109,224,137	88,252,124	165,816,504
Unrestricted	14,011,637	(406,303,553)	(463,796,368)	(563,004,285)	(540,914,359)	(551,814,383)	(579,729,281)	(567,739,525)	(549,935,016)	(418,346,317)
Total schools component unit activities net position	\$604,739,343	\$223,288,733	\$193,649,567	\$183,057,495	\$290,553,841	\$342,654,071	\$310,197,671	\$390,479,247	\$458,690,905	\$654,451,331
Other Component Units										
Net investment in capital assets	\$23,120,590	\$22,012,946	\$20,877,403	\$21,156,037	\$20,059,291	\$19,196,157	\$18,468,717	\$17,476,187	\$14,311,055	\$11,911,632
Unrestricted	4,052,943	5,317,754	5,797,323	4,218,609	4,543,551	4,522,787	4,614,972	5,447,089	5,665,634	7,715,276
Total other component units activities net position	\$27,173,533	\$27,330,700	\$26,674,726	\$25,374,646	\$24,602,842	\$23,718,944	\$23,083,689	\$22,923,276	\$19,976,689	\$19,626,908
Total reporting entity										
Net investment in capital assets	\$1,404,633,540	\$1,488,963,284	\$1,594,563,029	\$1,870,742,636	\$1,766,689,820	\$1,849,492,385	\$1,996,756,863	\$2,067,947,862	\$2,359,193,827	\$2,550,169,248
Restricted	330,259,118	402,866,735	409,949,910	309,917,076	298,915,290	282,617,828	132,080,730	267,951,031	192,092,346	310,435,067
Unrestricted	516,131,709	102,511,095	81,014,657	(248,396,007)	(10,434,274)	118,053,331	262,911,391	244,551,179	(156,045,233)	(314,113,393)
Total reporting entity net position	\$2,251,024,367	\$1,994,341,114	\$2,085,527,596	\$1,932,263,705	\$2,056,496,392	\$2,251,773,437	\$2,393,446,524	\$2,582,050,043	\$2,395,240,940	\$2,546,490,922

FY2014 Net Position restated due to implementation of GASB 68.

FY2016 Net Position restated due to implementation of GASB 75 for County and School's Non-VRS OPEB Plans.

FY2017 Net Position restated due to implementation of GASB 75 for School's VRS OPEB Plans.

FY2022 Beginning Net Position restated due to change in Accounting Principle.

ARLINGTON COUNTY, VIRGINIA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

Expenses	Restated 2014	2015	Restated 2016	Restated 2017	2018	2019	2020	2021	Restated 2022	2023
Primary government:										
Governmental activities:										
General government	\$246,530,409	\$231,359,735	\$394,484,321	\$279,284,619	\$256,738,339	\$255,269,010	\$270,906,963	\$302,449,114	\$606,401,430	\$335,611,397
Public safety	130,260,142	122,974,380	129,088,522	144,637,250	137,159,492	138,494,296	152,716,730	148,412,748	172,335,459	169,224,017
Environmental services	92,633,746	92,336,816	100,110,934	112,310,807	109,706,002	107,778,851	117,736,981	122,046,894	140,373,042	136,470,782
Health & welfare	121,333,852	115,512,691	121,129,960	139,912,548	151,108,894	143,381,298	158,419,693	156,367,688	247,433,161	186,233,762
Libraries	13,191,542	12,479,621	12,570,917	14,451,289	14,303,753	13,717,698	14,514,949	12,515,129	15,078,270	15,758,514
Parks, recreation & culture	38,608,095	36,436,310	39,197,586	45,591,640	43,938,152	54,858,577	47,785,625	41,513,470	56,942,448	61,247,423
Planning & community development	63,669,222	58,062,841	54,600,221	63,855,173	79,827,438	5,674,421	60,764,706	52,489,386	64,678,958	61,425,396
Education	418,066,409	457,765,814	464,731,408	475,698,480	498,407,581	495,754,509	518,411,207	798,734,277	558,477,881	625,170,122
Interest and other charges	16,786,171	18,380,254	18,435,458	16,537,709	18,647,406	22,827,210	26,748,943	24,654,234	29,942,474	27,954,441
Total governmental activities expenses	<u>1,141,079,588</u>	<u>1,145,308,461</u>	<u>1,334,349,327</u>	<u>1,292,279,515</u>	<u>1,309,837,057</u>	<u>1,288,795,870</u>	<u>1,368,005,797</u>	<u>1,659,182,940</u>	<u>1,891,663,123</u>	<u>1,619,095,854</u>
Business-type activities:										
Utilities	85,448,387	85,965,153	83,764,431	83,798,393	89,266,685	90,118,824	85,613,163	88,026,308	89,018,463	95,722,431
Ballston Public Parking Garage	5,315,660	6,307,728	6,215,496	6,218,247	7,875,701	7,817,622	6,672,400	6,799,304	7,068,367	7,290,320
8th Level Ballston Public Parking Garage	157,097	174,141	193,955	172,755	168,660	171,869	159,682	176,396	176,163	181,641
CPHD Development Fund	13,762,118	14,948,371	16,355,916	17,484,785	16,982,009	15,221,250	16,505,036	17,507,011	19,584,237	21,477,785
Total business-type activities expenses	<u>104,683,282</u>	<u>107,395,393</u>	<u>106,529,798</u>	<u>107,674,180</u>	<u>114,293,055</u>	<u>113,329,565</u>	<u>108,950,281</u>	<u>112,509,019</u>	<u>115,847,230</u>	<u>124,672,177</u>
Total primary government expenses	<u>\$1,245,762,870</u>	<u>\$1,252,703,854</u>	<u>\$1,440,879,125</u>	<u>\$1,399,953,695</u>	<u>\$1,424,130,112</u>	<u>\$1,402,125,435</u>	<u>\$1,476,956,078</u>	<u>\$1,771,691,959</u>	<u>\$2,007,510,353</u>	<u>\$1,743,768,032</u>
Component units:										
Schools	930,311,090	487,285,239	603,030,183	645,639,200	\$608,191,193	\$641,033,391	673,478,381	\$663,592,424	\$730,517,369	690,694,027
Other	7,468,573	7,480,926	8,268,201	8,235,021	8,457,705	8,609,075	8,714,010	8,456,037	10,478,834	8,685,149
Total component units activities expenses	<u>\$937,779,663</u>	<u>\$494,766,165</u>	<u>\$611,298,384</u>	<u>653,874,221</u>	<u>\$616,648,898</u>	<u>\$649,642,466</u>	<u>\$682,192,391</u>	<u>\$672,048,461</u>	<u>\$740,996,203</u>	<u>\$699,379,176</u>
Program Revenues										
Primary government:										
Governmental activities:										
Charges for services:										
General government	\$20,009,810	\$20,223,240	\$18,696,900	\$20,352,884	\$20,559,698	\$20,310,840	\$20,837,413	\$20,050,004	\$21,093,605	\$15,457,409
Environmental services	26,811,532	25,683,556	27,222,714	29,865,144	30,188,869	33,895,719	31,245,172	26,699,645	27,122,306	26,736,627
Public safety	11,590,616	10,621,445	11,010,776	11,064,477	10,696,452	11,327,279	10,267,596	8,532,279	10,047,810	11,715,747
Other activities	20,447,573	32,491,876	16,911,503	19,770,277	21,501,442	24,015,358	20,317,849	14,521,238	23,052,908	27,242,557
Operating grants and contributions	134,856,589	129,818,926	136,159,090	124,013,804	128,647,415	130,008,830	144,769,078	168,165,306	176,041,248	194,504,014
Total governmental activities program revenues	<u>213,716,120</u>	<u>218,839,043</u>	<u>210,000,983</u>	<u>205,066,586</u>	<u>211,593,876</u>	<u>219,558,026</u>	<u>227,437,108</u>	<u>237,968,472</u>	<u>257,357,876</u>	<u>275,656,354</u>
Business-type activities:										
Charges for services:										
Water-sewer service charges	88,880,766	94,542,664	93,056,953	97,263,095	94,465,528	92,757,659	96,130,683	92,364,661	95,040,998	100,660,886
Water-service hook-up charges	5,499,780	6,273,269	5,474,991	4,822,363	8,710,176	6,158,068	6,515,147	3,413,611	9,290,895	6,051,830
Other activities	30,649,078	27,925,859	27,473,298	27,291,713	31,591,667	33,179,774	31,590,358	30,356,908	34,901,279	32,421,386
Capital grants and contributions	3,789,066	1,065,000	906,855	985,385	1,068,855	2,734,420	1,512,140	2,457,070	179,780	1,842,039
Total business-type activities program revenues	<u>128,818,690</u>	<u>129,806,792</u>	<u>126,912,097</u>	<u>130,362,556</u>	<u>135,836,227</u>	<u>134,829,921</u>	<u>135,748,328</u>	<u>128,592,250</u>	<u>139,412,952</u>	<u>140,976,141</u>
Total primary government program revenues	<u>\$342,534,810</u>	<u>\$348,645,835</u>	<u>\$336,913,080</u>	<u>\$335,429,142</u>	<u>\$347,430,103</u>	<u>\$354,387,947</u>	<u>\$363,185,436</u>	<u>\$366,560,722</u>	<u>\$396,770,829</u>	<u>\$416,632,495</u>
Component units:										
Charges for services	\$28,565,024	\$28,974,950	\$34,839,210	\$40,966,481	\$29,786,395	\$31,829,095	\$27,229,601	\$12,868,450	\$26,802,518	\$33,458,700
Operating grants and contributions	465,682,654	505,002,526	54,346,672	58,222,744	61,670,606	68,242,922	70,288,414	94,917,833	113,688,170	95,366,906
Total component units program revenues	<u>\$494,247,678</u>	<u>\$533,977,476</u>	<u>\$89,185,882</u>	<u>\$99,189,225</u>	<u>\$91,457,001</u>	<u>\$100,072,017</u>	<u>\$97,518,015</u>	<u>\$107,786,283</u>	<u>\$140,490,688</u>	<u>\$128,825,606</u>

ARLINGTON COUNTY, VIRGINIA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	2014	2015	Restated 2016	Restated 2017	2018	2019	2020	2021	Restated 2022	Restated 2022
Net (Expense) Revenues										
Primary government:										
Governmental activities	(\$927,363,468)	(\$926,469,418)	(\$1,124,348,344)	(\$1,087,212,929)	(\$1,279,181,052)	(\$1,069,237,844)	(\$1,140,568,689)	(\$1,421,214,468)	(\$1,634,305,248)	(\$1,343,439,500)
Business-type activities	24,135,428	22,411,399	20,382,299	22,688,376	21,543,172	21,500,356	26,798,047	16,083,231	23,565,722	16,303,963
Total primary government net expense	(\$903,228,040)	(\$904,058,019)	(\$1,103,966,045)	(\$1,064,524,553)	(\$1,257,637,880)	(\$1,047,737,488)	(\$1,113,770,642)	(\$1,405,131,237)	(\$1,610,739,526)	(\$1,327,135,537)
Component units:										
Component unit activities	(\$443,531,985)	\$39,211,311	(\$522,112,502)	(\$554,684,996)	(\$525,191,897)	(\$549,570,449)	(\$584,674,376)	(\$564,262,178)	(\$600,505,516)	(\$570,553,570)
Total component units' net expense	(\$443,531,985)	\$39,211,311	(\$522,112,502)	(\$554,684,996)	(\$525,191,897)	(\$549,570,449)	(\$584,674,376)	(\$564,262,178)	(\$600,505,516)	(\$570,553,570)
General Revenues and Changes in Net Position										
Governmental activities:										
Property taxes:										
Real estate property taxes	\$683,987,883	\$701,941,723	\$722,486,477	\$753,992,522	\$768,501,925	\$808,086,871	\$844,941,780	\$865,127,001	\$873,419,142	\$907,420,318
Personal property taxes	110,688,939	108,913,548	111,768,494	114,836,050	115,869,128	117,994,659	120,480,341	121,056,721	127,071,165	141,574,708
Other local taxes:										
Business, professional occupancy license taxes	62,752,491	58,970,752	60,181,386	63,837,926	62,986,320	69,913,867	71,999,176	75,582,278	77,913,433	83,191,768
Other local taxes	139,621,783	144,447,846	146,376,918	153,982,204	154,166,783	160,330,029	146,624,193	124,981,655	163,206,822	182,618,144
Investment and interest earnings	6,578,889	7,895,921	9,852,799	7,998,391	10,397,487	30,470,487	22,066,092	7,280,131	26,840,801	37,319,829
Miscellaneous	34,381,768	27,933,406	10,662,537	(8,417,776)	(29,142,147)	2,318,704	81,589,446	294,953,062	537,342,702	70,592,749
Total governmental activities	1,038,011,753	\$1,050,103,196	\$1,061,328,611	\$1,086,229,317	\$1,082,779,496	1,189,114,617	\$1,287,701,028	1,488,980,848	1,805,794,085	\$1,422,717,516
Business-type activities:										
Investment and interest earnings	\$272,989	\$365,013	\$621,879	\$420,674	\$543,957	\$2,283,585	\$1,135,374	\$107,450	-\$1,650,969	\$1,050,627
Revenue from General Fund	-	-	-	-	884,701	400,000	(301,019)	-	0	406,733.0
Total business-type activities	\$272,989	\$365,013	\$621,879	\$420,674	\$1,428,658	\$2,683,585	\$834,355	\$107,450	-\$1,650,969	\$1,457,360
Total primary government	\$1,038,284,742	\$1,050,468,209	\$1,061,950,490	\$1,228,487,014	\$1,084,208,154	\$1,191,798,202	\$1,288,535,382	\$1,489,088,298	\$1,804,143,096	\$1,424,174,875
Component units activities:										
Other local taxes										
Other local taxes	\$19,368,052	\$21,198,389	\$23,067,985	\$24,458,713	\$26,332,866	\$28,417,611	\$30,735,856	\$34,044,649	\$40,479,170	\$41,676,832
Revenue from the general fund/miscellaneous	172,798	204,103	468,749,277	519,085,091	605,583,573	572,369,170	520,420,698	607,526,387	625,291,416	724,287,385
Total primary government	\$19,540,850	\$21,402,492	\$491,817,262	\$24,958,723	\$631,916,439	\$600,786,781	\$551,156,554	\$641,571,036	\$665,770,586	\$765,964,217
Changes in Net Position										
Primary government:										
Governmental activities	\$110,648,285	\$123,633,778	(\$63,019,733)	(\$983,612)	(\$5,463,685)	\$119,876,773	\$147,132,339	\$67,766,380	\$171,488,817	\$79,278,015
Business-type activities	24,408,417	22,776,412	21,004,178	23,109,050	22,971,830	24,183,941	27,632,402	16,190,681	21,914,753	17,761,323
Total primary government net expense	\$135,056,702	\$146,410,190	(\$42,015,555)	\$22,125,438	\$17,508,145	\$144,060,714	\$174,764,740	\$83,957,061	\$193,403,570	\$97,039,338
Component units:										
Component units activities	(\$423,991,135)	\$60,613,803	(\$30,295,140)	(\$10,973,165)	106,724,542	51,216,332	(\$33,091,655)	77,308,858	65,285,071	\$195,410,646
Total component units' net expense	(\$423,991,135)	\$60,613,803	(\$30,295,140)	(\$10,973,165)	\$106,724,542	\$51,216,332	(\$33,091,655)	\$77,308,858	\$65,285,071	\$195,410,646

Note: Through FY 2015, transfers from the primary government were reported as operating grants and contributions. From FY 2016 to present, the transfers are reported in revenue from the general fund/miscellaneous for the component units.

FY2014 Net Position restated due to implementation of GASB 68.
FY2016 Net Position restated due to implementation of GASB 75 for County and School's Non-VRS OPEB Plans.
FY2017 Net Position restated due to implementation of GASB 75 for School's VRS OPEB Plans.
FY2022 Beginning Net Position restated due to Change in Accounting Principle.

ARLINGTON COUNTY, VIRGINIA
FUND BALANCES, GOVERNMENTAL FUNDS AND COMPONENT UNITS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
<u>Nonspendable:</u>										
Prepaid	\$-	\$-	\$-	\$35,036	\$61,626	\$147,830	\$299,252	\$806,719	\$1,678,224	\$1,336,872
Leases	-	-	-	-	-	-	-	-	3,678,665	4,514,249
Mark to Market investment reserve	-	-	-	-	-	-	-	-	(25,284,273)	-
<u>Restricted for:</u>										
Seized assets	2,522,979	2,459,482	1,515,487	1,599,616	1,325,556	1,609,893	1,697,539	1,599,972	1,994,486	5,639,486
Grants	-	-	-	255,110	144,268	6,556	105,530	19,702,462	18,863,792	18,560,812
Mark to Market investment reserve	-	-	-	-	-	-	-	-	25,284,273	-
<u>Committed to:</u>										
Self insurance reserve	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,415,547
Economic & revenue stabilization contingent	3,000,000	8,599,377	3,000,000	4,000,000	4,000,000	6,700,000	20,812,837	13,929,644	13,929,644	15,516,310
Operating reserve	54,575,340	57,385,360	57,997,382	62,635,601	63,791,653	74,593,507	73,999,445	76,613,044	76,613,044	85,339,704
Subsequent years' County budget	4,860,024	4,529,331	7,165,939	4,643,563	4,407,475	5,395,806	6,099,018	11,050,030	31,606,919	22,935,895
Subsequent years' capital projects	14,831,642	2,833,146	2,057,099	6,636,589	195,358	16,776,098	-	4,527,882	1,884,484	6,257,461
Incomplete projects	412,220	281,390	562,321	664,991	-	488,256	342,706	344,463	346,377	342,813
Affordable Housing Investment Fund-Allocated	45,631,924	36,914,040	36,834,387	44,073,880	46,121,170	33,369,718	42,910,772	44,892,810	67,317,758	32,767,802
Subsequent years' School's budget	46,735,944	29,898,607	25,164,263	24,217,093	9,989,113	24,720,333	27,253,775	62,056,522	20,484,857	34,675,381
<u>Assigned to:</u>										
Subsequent years' County budget	15,593,759	8,904,967	5,950,000	5,860,000	2,115,131	3,742,270	25,833,581	6,128,748	5,981,558	14,621,833
Subsequent years' capital projects	11,782,428	16,289,709	17,248,521	10,279,343	8,900,209	15,968,901	15,138,549	13,878,031	9,800,334	19,760,793
Economic & revenue stabilization contingent	-	-	-	-	-	6,781,228	-	-	6,883,654	629,453
Subsequent years' School's budget	-	-	-	-	-	-	-	-	35,506,738	-
Operating reserve	2,810,020	612,022	1,887,880	-	6,379,165	-	-	-	-	-
Mark to Market Investment Reserve	-	-	-	-	-	4,882,157	4,882,159	4,882,159	-	-
Fresh AIRE program	1,480,249	1,029,381	652,621	156,301	-	-	-	-	-	-
Incomplete projects	3,772,275	2,562,778	2,531,501	2,532,004	5,258,062	3,273,950	3,957,960	1,089,187	3,075,923	4,778,424
Affordable Housing Investment Fund-Unallocated	20,045,133	22,960,486	23,676,458	13,841,061	7,898,390	15,313,904	18,531,863	46,840,865	31,631,761	68,734,239
<u>Unassigned:</u>										
Total General Fund Balance	\$233,053,937	\$200,260,076	\$191,243,859	\$186,430,188	\$181,910,989	\$233,013,737	\$246,864,985.25	\$329,886,147.80	\$362,807,057	\$363,336,953
General Fund Balance as Percent of General Fund Expenditures and Other Financing Uses	21.16%	17.07%	16.15%	15.26%	14.49%	18.47%	18.65%	25.13%	20.99%	23.61%
Other Governmental Funds										
Special Revenue funds										
<u>Nonspendable:</u>										
Prepaid	\$1,288,591	\$1,265,793	\$1,382,728	\$1,351,822	\$1,438,170	\$1,457,500	\$1,634,883	\$854,724	\$1,721,082	\$746,459
<u>Restricted for:</u>										
Grants	1,002,099	178,471	261,829	489,837	203,901	700,734	1,234,786	2,537,763	1,811,579	1,938,121
<u>Unassigned:</u>	-	(1,265,793)	(1,382,728)	(1,351,822)	(1,438,170)	(1,457,500)	(1,634,883)	(1,664,911)	(1,721,082)	(697,401)
Capital Project funds										
<u>Nonspendable:</u>										
Prepaid	4,275	4,275	4,275	4,275	204,275	325,660	90,614	3,118,321	170,170	5,902,267
<u>Restricted for:</u>										
Debt Service	29,790,565	27,117,029	22,682,341	13,529,817	-	-	-	-	-	-
Capital Project	-	-	-	157,256,606	136,685,234	147,750,470	46,223,534	133,674,364	81,166,962	118,480,144
<u>Committed to:</u>										
Capital Projects	271,072,724	332,569,683	335,752,062	291,701,436	315,695,204	324,266,277	327,963,248	388,883,190	348,958,918	317,153,809
<u>Unassigned:</u>	-	(90,872)	(90,872)	(90,872)	-	-	(1,178,162)	-	-	-
Total Other Governmental Fund Balance	\$303,158,254	\$361,135,251	\$358,609,635	\$462,891,099	\$452,788,614	\$473,043,141	\$374,334,020	\$527,403,451	\$432,107,629	\$443,523,399
Component unit - Schools										
<u>Nonspendable:</u>										
Inventory	\$-	\$-	\$-	\$65,361	\$47,853	\$65,361	\$183,594	\$131,759	\$125,828	\$116,909
<u>Restricted for:</u>										
Capital projects	57,977,311	69,833,117	72,212,556	132,830,419	157,543,728	129,085,720	79,922,641	107,776,617	84,024,278	158,761,617
Grants	2,439,196	3,010,014	3,587,376	3,955,671	4,338,159	5,074,348	4,594,239	1,447,520	1,319,303	3,994,428
Student Activities	-	-	-	-	-	-	-	2,802,930	2,908,543	3,060,459
<u>Committed to:</u>										
Incomplete projects	25,505,075	16,152,851	24,234,549	21,980,077	41,625,717	27,351,735	23,802,612	40,898,219	40,302,670	41,744,323
Subsequent years' School budget	15,121,892	7,179,001	16,689,537	17,317,655	25,319,573	15,149,258	19,974,087	25,159,933	24,584,631	45,201,121
<u>Assigned to:</u>										
Operating reserve	3,208,571	3,716,159	4,429,512	5,485,560	4,216,675	5,420,295	3,905,137	5,882,385	11,635,474	12,470,095
Unfunded liabilities	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Subsequent years' debt service	3,360,000	5,260,000	4,610,000	3,310,000	643,621	684,474	414,474	-	1,255,490	3,385,010
Health insurance reserve	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
General reserve	1,201,283	20,824,898	21,593,920	19,204,667	9,495,442	10,941,029	(233,182)	-	24,567,631	11,383,829
VRS reserve	5,637,239	5,637,239	4,637,239	2,512,239	2,512,239	2,512,239	1,412,239	1,047,239	1,047,239	1,047,239
Compensation reserve	-	2,000,000	5,200,000	4,650,000	4,700,000	-	3,812,296	-	123,000	-
Total Component Unit - Schools	\$117,450,567	\$136,613,279	\$160,194,689	\$214,294,838	\$253,443,007	\$199,284,459	\$140,788,137	\$188,146,602	\$194,894,086	\$284,165,030

TABLE D

ARLINGTON COUNTY, VIRGINIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
REVENUES:										
General property taxes:										
Real estate property taxes	\$668,556,176	\$688,841,170	\$713,443,705	\$739,206,924	\$760,072,030	\$785,896,658	\$825,774,860	\$854,173,489	\$873,419,142	\$907,420,318
Personal property taxes	110,688,939	108,913,548	111,768,494	114,836,050	115,869,128	117,994,659	120,480,341	121,056,721	127,071,165	141,574,708
Other Local taxes:										
BPOL	62,752,491	58,970,752	60,181,386	63,837,926	62,986,320	69,913,867	71,999,176	75,582,278	77,913,433	83,191,768
Other local taxes	139,621,783	144,447,846	146,376,918	153,982,204	154,166,783	160,330,029	146,624,193	124,981,655	163,206,822	182,618,144
Fines and forfeitures	8,113,863	7,941,007	7,059,138	7,059,743	7,295,337	7,637,315	6,781,552	5,484,417	5,765,432	5,161,999
Licenses, permits and fees	12,396,844	11,231,202	9,846,558	11,459,159	10,500,494	12,150,581	14,136,969	13,002,084	14,678,868	10,162,288
Intergovernmental	130,888,641	129,818,926	136,159,090	124,013,804	128,647,415	130,008,830	144,769,078	168,165,306	176,041,248	193,910,264
Charges for services	58,348,824	69,847,908	56,936,197	62,533,880	65,150,630	69,761,300	61,749,509	51,316,666	60,872,329	65,828,053
Interest and rent	6,578,890	7,895,921	9,852,799	7,998,391	10,397,487	30,470,487	22,066,092	7,280,131	26,840,801	37,319,829
Miscellaneous revenues	31,320,765	16,519,366	9,987,188	36,435,080	34,419,599	25,556,067	22,676,638	48,907,971	43,323,994	70,059,766
Total revenues	1,229,267,216	1,244,427,646	1,261,611,473	1,321,363,161	1,349,505,223	1,409,719,793	1,437,058,408	1,469,950,718	1,569,133,234	1,697,247,137
EXPENDITURES:										
Current operating:										
General government	225,143,159	231,403,533	227,511,625	242,249,446	248,875,917	258,405,036	255,816,798	301,806,204	553,256,718	335,032,463
Public safety	123,709,905	128,312,548	132,891,285	135,910,402	137,242,067	144,393,475	148,923,715	151,489,414	157,560,980	171,669,307
Environmental services	80,154,573	84,449,239	90,475,552	92,794,551	93,942,044	93,770,027	96,104,905	101,572,922	107,232,186	112,122,456
Health and welfare	117,309,171	122,873,986	127,311,224	134,083,906	155,041,903	153,617,662	159,064,487	163,858,541	231,757,896	193,403,239
Libraries	12,486,165	13,007,081	12,934,327	13,604,095	14,430,897	14,444,988	14,333,511	12,861,819	13,938,064	16,213,146
Parks, recreation and culture	34,197,295	35,811,989	37,839,728	40,102,122	40,584,735	42,195,997	41,158,699	36,050,849	45,058,527	52,716,690
Planning and community development	48,990,317	48,475,367	48,076,861	52,064,879	31,007,188	34,096,463	37,030,766	32,082,498	38,143,985	39,857,430
Debt service										
Principal	38,600,630	41,173,105	40,178,151	44,310,598	52,504,298	44,859,170	45,298,185	41,827,178	50,611,380	50,015,000
Interest and other charges	17,958,561	18,380,254	18,703,765	16,537,709	18,647,406	22,827,210	26,748,943	24,654,234	29,942,474	27,954,441
Bond issuance costs	(1,172,390)	-	(55,934)	-	-	-	-	-	-	-
Community development	11,504,210	11,286,794	7,596,576	8,300,000	48,000,000	23,244,376	22,155,624	19,931,498	21,888,502	20,700,000
Education	443,783,010	485,542,768	497,281,408	562,773,691	606,250,044	569,694,655	518,411,207	857,139,407	558,477,881	711,994,534
Capital outlay	77,111,549	86,217,132	103,529,116	102,738,956	137,977,942	148,209,754	171,587,564	128,984,691	139,625,041	178,917,892
Total expenditures	1,229,776,155	1,306,933,796	1,344,273,684	1,445,470,355	1,584,504,441	1,549,758,813	1,536,634,404	1,872,259,255	1,947,493,634	1,910,596,598
Deficiency of revenues under expenditures	(508,939)	(62,506,150)	(82,662,211)	(124,107,194)	(234,999,218)	(140,039,020)	(99,575,996)	(402,308,537)	(378,360,400)	(213,349,462)
OTHER FINANCING SOURCES(USES):										
Transfers in	29,921,732	30,328,278	21,548,610	24,794,452	18,497,120	19,169,562	33,312,939	17,877,475	14,712,113	22,611,079
Transfers out	(30,054,131)	(30,466,776)	(21,706,445)	(25,406,721)	(19,446,220)	(17,060,213)	(33,704,514)	(18,488,654)	(14,801,371)	(23,244,681)
Line of credit for capital	5,459,005	6,383,803	5,418,570	9,530,658	3,759,718	1,871,651	3,220,352	-	5,234,436.00	11,124,718
Issuance of Line of Credit	-	-	-	-	-	-	6,837,029	-	150,000,000	-
Refunding bonds issued	37,690,000	-	151,110,000	-	26,150,000	-	-	-	-	-
Payments to refunded bond escrow agent	(38,862,390)	-	(151,165,934)	-	(29,785,000)	-	4,862,630	8,095,928	1,062,156	1,798,508
Deferred cost of refunding	-	-	-	-	3,635,000.00	-	-	-	-	-
Premium from sale of bonds	2,442,072	5,647,316	12,072,242	29,561,598	32,439,884	29,206,577	189,686	72,762,584	-	20,957,453.0
Leases	-	-	-	-	-	-	-	-	159,781,556	4,669,647
Issuance of debt	63,210,000	74,440,000	55,200,000	185,095,000	185,270,000	169,480,000	-	533,620,000	-	187,375,000.0
Total other financing sources, net	69,806,288	86,332,621	72,477,043	223,574,987	220,520,502	211,353,326	14,718,122	613,867,333	315,988,890	225,291,724
Net change in fund balances	\$69,297,349	\$23,826,471	(\$10,185,168)	\$99,467,793	(\$14,478,716)	\$71,214,306	(\$84,857,874)	\$211,558,796	(\$62,371,510)	\$11,942,263
Debt service as a percentage of noncapital expenditures										
	4.9%	4.7%	4.7%	4.5%	4.9%	4.8%	5.3%	3.8%	4.5%	4.5%

TABLE D-1

ARLINGTON COUNTY, VIRGINIA
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTIONS (1)
LAST TEN FISCAL YEARS

Fiscal Year	General Government	Public Safety	Public Works/ Environmental Services	Health & Welfare	Culture/ Recreation (2)	Education	Non- Depart- mental	Debt Service(3)	Contributions to Regional Agencies		Total
									Transit	Other	
2014	105,703,611	124,205,497	80,533,785	117,358,298	110,126,685	436,028,377	76,452,328	99,504,576	28,194,000	7,854,224	1,185,961,381
2015	111,169,816	128,820,489	85,161,962	122,965,470	112,125,804	440,895,526	73,575,715	103,652,359	29,885,640	7,821,061	1,216,073,842
2016	116,780,112	133,129,820	90,929,047	127,949,353	114,633,008	475,846,878	63,067,532	103,412,767	30,328,935	6,182,977	1,262,260,429
2017	119,544,153	135,737,313	93,100,334	134,525,749	121,896,497	499,528,735	69,607,342	107,091,436	30,343,315	7,550,062	1,318,924,936
2018	124,042,899	137,855,697	94,573,460	136,105,243	122,093,842	530,772,539	65,329,008	121,463,580	36,239,655	7,019,804	1,375,495,727
2019	127,535,140	144,778,022	94,053,743	135,256,946	126,201,967	548,327,485	64,270,266	126,047,790	42,601,029	7,356,516	1,416,428,904
2020	131,334,864	149,210,523	96,197,295	140,082,502	127,063,764	563,940,012	52,773,126	131,227,588	47,597,637	7,337,677	1,446,764,988
2021	131,458,900	149,796,459	101,837,787	143,077,533	121,612,833	561,206,278	85,329,314	121,311,098	47,808,764	6,400,615	1,469,839,581
2022	153,240,880	157,196,992	107,392,616	208,010,638	134,868,253	676,871,710	320,835,968	138,879,659	46,622,208	6,940,842	1,950,859,766
2023	145,431,529	168,555,938	112,573,286	170,966,283	147,212,767	689,052,661	99,243,776	133,638,612	46,622,208	7,285,284	1,720,582,344

NOTES:

(1) Includes expenditures of the General and Special Revenue Funds of the County and School Board.

(2) Includes the specific functions of Libraries, Parks and Recreation, Planning and Development, Community Grants, Housing Grants, and Travel & Tourism Promotion and School Community Activities.

(3) Includes all debt service for the General, Special Revenue and Capital Project Funds of the County and School Board.

TABLE D-2

ARLINGTON COUNTY, VIRGINIA
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
LAST TEN FISCAL YEARS

Fiscal Year	Taxes	Licenses and Permits	Inter Governmental Revenue	Charges for Services	Fines and Forfeitures	Miscellaneous Revenues	Total
2014	963,946,680	12,396,844	156,810,777	74,212,578	8,113,863	37,374,435	1,252,855,177
2015	985,665,544	11,231,202	153,311,932	74,135,262	7,941,007	25,291,766	1,257,576,713
2016	1,017,112,658	9,846,558	162,131,804	81,787,347	7,059,138	26,824,880	1,304,762,385
2017	1,056,016,422	11,459,159	174,008,895	90,929,060	7,059,743	21,168,364	1,360,641,643
2018	1,080,066,898	10,500,494	174,975,857	81,490,726	7,295,337	31,878,659	1,386,207,971
2019	1,122,527,318	12,150,581	185,672,159	86,596,540	7,637,315	43,501,526	1,458,085,439
2020	1,153,909,860	14,136,969	205,990,246	74,898,497	6,781,552	28,867,887	1,484,585,011
2021	1,166,782,609	13,002,084	256,197,104	50,830,716	5,484,417	40,923,063	1,533,219,993
2022	1,238,989,478	14,678,868	278,270,251	72,824,981	5,765,432	209,003,590	1,819,532,600
2023	1,311,062,240	10,162,288	261,214,268	84,283,119	5,161,999	59,738,839	1,731,622,753

NOTES:

(1) Includes revenues of the General, Special Revenue Funds, and School Board.

TABLE E

ARLINGTON COUNTY, VIRGINIA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS

Fiscal Year	General Property	Local Sales	Local Cigarette	Transient (1)	Bank Stock	Recordation	Car Rental	Commercial Utility	Meals	Short Term Rental	Estate Taxes	Total
2014	742,255,176	39,046,328	2,902,811	20,784,241	3,275,105	5,318,784	5,270,912	10,310,369	34,951,030	50,698	67,790	864,233,244
2015	761,105,054	39,590,910	2,503,451	23,343,314	3,523,174	5,298,205	5,936,666	10,256,548	36,508,911	51,292	72,860	888,190,385
2016	787,537,662	39,683,462	2,412,224	24,106,373	3,341,220	6,049,810	6,222,399	9,869,041	37,332,584	64,907	69,902	916,689,584
2017	813,816,937	41,197,357	2,384,533	26,530,904	3,699,383	7,048,071	6,890,584	9,773,431	39,047,018	52,244	64,757	950,505,219
2018	836,627,052	42,007,601	2,370,175	26,277,948	3,845,928	6,022,870	6,528,308	10,021,776	39,469,397	49,489	57,618	973,278,162
2019	863,925,881	44,047,335	2,115,530	25,855,177	4,125,274	5,750,294	6,188,708	11,171,563	40,168,158	57,337	58,682	1,003,463,939
2020	904,607,797	43,718,554	1,922,066	17,381,151	3,630,492	6,835,497	5,918,313	11,050,120	32,772,936	57,258	54,649	1,027,948,833
2021	932,281,040	38,944,668	1,696,090	5,951,454	3,911,424	9,189,171	3,324,825	10,123,240	26,738,896	63,066	77,536	1,032,301,410
2022	957,488,676	47,967,779	2,155,666	15,824,729	3,935,984	10,716,857	6,753,431	10,404,321	39,302,301	56,467	67,182	1,094,673,393
2023	1,004,234,921	53,332,446	2,173,048	23,833,410	6,549,671	4,812,797	8,232,438	10,511,335	46,534,736	83,951	118,964	1,160,417,717

NOTES:

(1) Includes transient occupancy tax in Travel and Tourism Fund.

TABLE F

ARLINGTON COUNTY, VIRGINIA
 ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY (1)
 LAST TEN FISCAL YEARS

Fiscal Year	Real Property		Personal Property		Public Property		Total		Real Property Tax Rate (2)(3)	Personal Property Tax Rate
	Assessed Value	Actual Value	Assessed Value	Actual Value	Assessed Value	Actual Value	Assessed Value	Actual Value		
2014	66,399,525,600	66,399,525,600	2,222,369,095	2,222,369,095	801,404,536	801,404,536	69,423,299,231	69,423,299,231	1.006/.996	5.00%
2015	69,269,138,400	69,269,138,400	2,152,448,649	2,152,448,649	823,361,286	823,361,286	72,244,948,335	72,244,948,335	.996/.996	5.00%
2016	71,275,163,280	71,275,163,280	2,187,502,318	2,187,502,318	915,737,900	915,737,900	74,378,403,498	74,378,403,498	.996/.991	5.00%
2017	73,388,290,300	73,388,290,300	2,233,412,227	2,233,412,227	949,109,098	949,109,098	76,570,811,625	76,570,811,625	.991/1.006	5.00%
2018	74,983,635,100	74,983,635,100	2,250,358,804	2,250,358,804	760,481,473	760,481,473	77,994,475,377	77,994,475,377	1.006/1.006	5.00%
2019	77,590,138,200	77,590,138,200	2,319,811,269	2,319,811,269	942,812,221	942,812,221	80,852,761,690	80,852,761,690	1.006/1.026	5.00%
2020	81,139,153,900	81,139,153,900	2,374,133,461	2,374,133,461	950,789,542	950,789,542	84,464,076,903	84,464,076,903	1.026/1.026	5.00%
2021	83,049,154,800	83,049,154,800	2,345,618,833	2,345,618,833	956,482,215	956,482,215	86,351,255,848	86,351,255,848	1.026/1.030	5.00%
2022	85,975,360,100	85,975,360,100	2,454,853,888	2,454,853,888	997,692,454	997,692,454	89,427,906,442	89,427,906,442	1.030/1.030	5.00%
2023	89,197,941,100	89,197,941,100	2,868,289,317	2,868,289,317	1,049,315,284	1,049,315,284	93,115,545,701	93,115,545,701	1.030/1.030	5.00%

NOTES:

- (1) The amounts shown for assessed and estimated actual value of taxable property represent valuations for County tax years which end December 31st. Property in the County assessed each year at actual value. Therefore, the assessed values are equal to the actual value. Rates are per \$100 of assessed valuation.
- (2) Rate is established each calendar year; the first rate represents second half of the previous calendar year, and the second rate represents first half of the calendar year.
- (3) Rate includes sanitary district tax for stormwater management initiatives.

TABLE G

ARLINGTON COUNTY, VIRGINIA
PRINCIPAL TAXPAYERS (1)
CURRENT YEAR AND NINE YEARS AGO

2023				2014			
Taxpayer/ Type of Business	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxpayer/ Type of Business	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
JBG Smith properties Office buildings, apartartments, hotel, land	\$5,055,285,000	1	5.66%	Vornado Realty Trust Office buildings, apartartments, hotel, land	\$3,809,718,900	1	5.73%
Albrittain Interests Apartments, general commercial	\$1,635,618,000	2	1.83%	Arland Towers Company Office building, land	1,339,922,600	2	2.02%
Shirley Park Leasing LP Office Buildings	\$1,410,948,600	3	1.58%	Albrittain Interests Apartments, general commercial	1,323,430,600	3	2.01%
Tishman Speyer Apartments	\$1,366,806,800	4	1.53%	JBG Companies Office building, land, apts, retail, res	1,306,480,500	4	1.99%
Arland Towers Company Office Building, land	\$1,373,452,800	5	1.53%	Paradigm Managed Properties Apartments, general commercial	1,128,927,700	5	1.70%
Paradigm Managed Properties Apartments, general commercial	\$1,318,878,600	6	1.47%	Beacon Capital Office buildings, land	808,470,600	6	1.28%
Beacon Capital Partners Office buildings, land	\$925,187,300	7	1.03%	Caruthers Interests Retail, Office buildings, land, hotel	806,201,000	7	1.22%
Caruthers Retail, Office Apartment	\$720,162,800	8	0.80%	Shirley Park Leasing Office Building, apartment	797,629,900	8	1.20%
Street Retail Inc Retail office	\$618,976,600	9	0.60%	Street Retail Inc Retail, office buildings, land, hotel	752,930,200	9	1.13%
Fashion Centre Assoc Mixed use retail, Hotel	\$599,934,000	10	0.60%	Fashion Centre Assoc Mixed use retail, hotel	734,212,100	10	1.11%
Total	<u>\$15,025,250,500</u>		<u>16.63%</u>		<u>\$12,807,924,100</u>		<u>19.39%</u>

NOTES:

(1) Source - County Department of Management & Finance - Real Estate Assessments

TABLE H

ARLINGTON COUNTY, VIRGINIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Combined Real Estate and Personal Property Tax

	Total adjusted Tax Levy*	Collected in Fiscal Year of Levy		Collected in Subsequent Years	Total Collections to date	
		Amount	Percentage of Levy		Amount	Percentage of levy
2014	788,217,053	784,483,188	99.53%	3,733,865	788,217,053	100.00%
2015	812,912,215	809,269,205	99.55%	3,639,339	812,908,544	100.00%
2016	838,491,782	835,542,405	99.65%	2,947,526	838,489,931	100.00%
2017	870,572,823	867,494,501	99.65%	3,078,276	870,572,777	100.00%
2018	901,328,443	898,402,475	99.68%	2,925,968	901,328,443	100.00%
2019	932,716,562	929,826,270	99.69%	2,671,772	932,498,042	99.98%
2020	973,867,187	968,914,354	99.49%	4,732,554	973,646,908	99.98%
2021	997,792,580	994,296,343	99.65%	3,235,547	997,531,890	99.97%
2022	1,020,339,220	1,017,699,592	99.74%	2,353,330	1,020,052,922	99.97%
2023	\$1,067,108,899	\$1,065,322,612	99.83%	\$0	\$1,065,322,612	99.83%

Real Estate Taxes

	Total adjusted Tax Levy*	Collected in Fiscal Year of Levy		Collected in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	676,543,610	674,587,922	99.71%	1,955,689	676,543,611	100.00%
2015	701,725,882	699,630,645	99.70%	2,091,566	701,722,211	100.00%
2016	724,866,421	723,726,055	99.84%	1,138,515	724,864,570	100.00%
2017	753,074,852	751,657,270	99.81%	1,417,536	753,074,806	100.00%
2018	780,023,134	779,012,815	99.87%	1,010,319	780,023,134	100.00%
2019	808,134,190	807,017,246	99.86%	1,116,811	808,134,057	100.00%
2020	844,819,871	841,600,625	99.62%	3,217,799	844,818,424	100.00%
2021	873,406,926	871,432,100	99.77%	1,955,636	873,387,736	100.00%
2022	890,064,678	888,513,667	99.83%	1,520,079	890,033,746	100.00%
2023	920,020,070	918,868,904	99.87%	-	918,868,904	99.87%

NOTE: FY2021 Adjusted Tax Levy lower due to assessments reversed from properties sold or transferred in FY21 and reassessed in FY22

Personal Property Taxes

	Total adjusted Tax Levy*	Collected in Fiscal Year of Levy		Collected in Subsequent Years	Total Collections to date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	111,673,443	109,895,266	98.41%	1,778,177	111,673,443	100.00%
2015	111,186,332	109,638,560	98.61%	1,547,773	111,186,333	100.00%
2016	113,625,360	111,816,350	98.41%	1,809,010	113,625,360	100.00%
2017	117,497,971	115,837,231	98.59%	1,660,739	117,497,970	100.00%
2018	121,305,309	119,389,660	98.42%	1,915,649	121,305,309	100.00%
2019	124,582,373	122,809,024	98.58%	1,554,961	124,363,985	99.82%
2020	129,047,316	127,313,729	98.66%	1,514,755	128,828,484	99.83%
2021	124,385,654	122,864,243	98.78%	1,279,912	124,144,155	99.81%
2022	130,274,542	129,185,925	99.16%	833,252	130,019,177	99.80%
2023	147,088,829	146,453,708	99.57%	-	146,453,708	99.57%

* Levy adjusted to reflect supplemental assessments included in the applicable tax year less taxes deferred, not due.

Source: Arlington County Treasurer's Office

TABLE I

ARLINGTON COUNTY, VIRGINIA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Governmental Activities					Business-type activities									Pct. Of Personal Income (1)	Debt Per Capita (1)
Fiscal Year	General Obligation Bonds (2)	Bond Premiums	IDA Revenue Bonds (3)	Capital Leases	Utilities General Obligation Bonds (4)	Bond Premiums	BPPG Revenue Bonds (4)	BPPG Note Payable	VRA Bonds (4)	Capital Leases	Total Primary Government				
2014	779,454,489	59,689,141	116,500,000	19,983,772	112,630,511	4,830,753	8,900,000	3,429,679	233,282,935	144,301	1,274,325,637	6.99%	5,765		
2015	791,622,939	61,649,694	106,855,000	20,463,505	107,467,060	4,747,140	7,000,000	3,429,679	219,832,909	113,814	1,256,784,906	6.89%	5,686		
2016	780,605,263	69,752,807	101,925,000	21,467,996	97,974,737	4,429,224	5,800,000	3,429,679	205,816,282	82,446	1,217,101,402	6.67%	5,506		
2017	893,276,266	94,741,666	96,980,000	24,807,058	89,873,734	4,111,309	4,600,000	3,429,679	191,314,640	50,170	1,403,184,522	6.56%	5,854		
2018	972,959,914	121,130,730	110,930,000	17,863,828	82,170,086	3,793,394	-	3,429,679	174,046,269	16,962	1,486,340,862	6.87%	6,045		
2019	1,061,136,528	142,725,170	106,305,000	13,899,427	74,498,472	3,477,274	-	3,429,679	158,905,982	-	1,568,358,895	7.02%	6,282		
2020	981,566,629	133,652,705	101,835,000	12,828,440	67,008,371	3,162,293	-	3,429,679	143,345,827	-	1,446,828,944	5.94%	5,651		
2021	1,188,196,500	197,342,823	124,110,000	8,741,678	59,915,000	2,847,312	-	3,429,679	127,354,028	-	1,711,937,020	6.65%	6,335		
2022	1,109,835,000	184,625,107	107,975,000	10,536,744	52,765,000	2,532,332	-	3,429,679	110,665,859	-	1,582,366,721	6.14%	5,846		
2023	1,217,005,000	192,864,849	95,745,000	22,044,776	45,315,000	2,217,350	-	3,429,679	93,642,628	-	1,672,264,282	6.50%	6,190		

NOTES:

- (1) Population and personal Income estimates are from Arlington County Planning Division presented in Table K.
(2) Amounts for bonds are reported gross, excluding premiums and/or discounts and deferred amounts on refundings.
(3) These amounts are IDA Revenue notes and bonds issued as subject to appropriation obligations of the County.
(4) Business type amounts are self supporting debt obligations that are repaid by user fees or tenant income, not by General Fund Revenues.

TABLE I-1

ARLINGTON COUNTY, VIRGINIA
PRIMARY GOVERNMENT RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Assessed Value (2)	General Bonded Debt			Total Primary Government	Pct. Of Actual Taxable Value of Real Property	Debt Per Capita
			General Obligation Bonds Debt (3)	Utilities General Obligation Bonds (3)	IDA Revenue Bonds (4)			
2014	215,000	69,423,299,231	779,454,489	112,630,511	116,500,000	1,008,585,000	1.45%	4,691
2015	216,700	72,244,948,335	791,622,939	107,467,060	106,855,000	898,477,939	1.24%	4,146
2016	220,400	74,378,403,498	780,605,263	97,974,737	101,925,000	980,505,000	1.36%	4,449
2017	222,800	76,570,811,625	893,276,266	89,873,734	96,980,000	1,080,130,000	1.45%	4,848
2018	225,200	77,994,475,377	972,959,914	82,170,086	110,930,000	1,166,060,000	1.57%	5,178
2019	226,400	80,852,761,690	1,061,136,528	74,498,472	106,305,000	1,241,940,000	1.67%	5,486
2020	238,643	84,464,076,903	981,566,629	67,008,371	101,835,000	1,150,410,000	1.55%	4,821
2021	240,200	86,351,255,848	1,188,196,500	59,915,000	124,110,000	1,372,221,500	1.84%	5,713
2022	235,500	89,427,906,442	1,109,835,000	52,765,000	107,975,000	1,270,575,000	1.71%	5,395
2023	237,300	93,115,545,701	1,217,005,000	45,315,000	95,745,000	1,358,065,000	1.83%	5,723

NOTES:

- (1) Population estimates are from Arlington County Planning Division.
 (2) The assessed value figures are based on County tax years, which end December 31st.
 (3) Amounts for bonds are reported gross, excluding premiums and/or discounts and deferred amounts on refundings. Amounts do not include revenue bonds.
 (4) These amounts are IDA Revenue notes and bonds issued as subject to appropriation obligations of the County.

TABLE J

ARLINGTON COUNTY, VIRGINIA
 PLEDGED - REVENUE COVERAGE
 UTILITIES BOND COVERAGE
 LAST TEN FISCAL YEARS

Fiscal Year	Gross Revenue (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirement			
				Principal	Interest	Total	Coverage (3)
2014	105,668,151	58,743,860	46,924,291	8,741,975	12,863,094	21,605,069	2.17
2015	110,141,975	59,505,522	50,636,453	8,163,452	11,679,095	19,842,547	2.55
2016	106,693,535	57,993,775	48,699,760	8,423,257	10,595,245	19,018,502	2.56
2017	109,908,071	59,263,440	50,644,631	8,101,003	9,409,421	17,510,424	2.89
2018	112,331,598	64,510,288	47,821,310	7,703,648	9,170,354	16,874,002	2.83
2019	109,693,016	65,056,021	44,636,995	7,671,614	7,948,419	15,620,033	2.86
2020	112,915,415	61,360,929	51,554,486	7,490,101	7,155,828	14,645,929	3.52
2021	106,356,995	64,372,463	41,984,532	7,750,216	5,966,824	13,717,040	3.06
2022	115,280,815	66,205,257	49,075,558	7,150,000	4,256,848	11,406,848	4.30
2023	118,754,833	73,503,696	45,251,136	7,450,000	3,542,375	10,992,375	4.12

NOTES:

- (1) The bonds issued to finance construction of the County's water and sewer system are recorded as a liability of the County's Utilities Fund (Exhibit D-1). The debt service on these bonds is financed by the operation of the Utilities Fund while these bonds are also classified as a general obligation of the County.
- (2) Excludes depreciation.
- (3) The Utilities Fund will maintain debt service coverage of at least 1.25 times on all debt service obligations.

TABLE K

ARLINGTON COUNTY, VIRGINIA
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Personal Income (thousands of dollars)	Per Capita Income (2)	School Enrollment (3)	Unemployment Rate (4)
2014	215,000	18,554,500	86,300	23,612	3.5%
2015	216,700	18,614,530	85,900	24,664	3.4%
2016	220,400	18,601,760	84,400	25,463	2.9%
2017	222,800	19,896,040	89,300	26,405	2.6%
2018	225,200	19,814,447	87,986	26,983	2.5%
2019	226,400	20,259,857	89,487	27,521	2.0%
2020	238,643	22,718,336	95,198	28,142	1.9%
2021	235,500	23,410,349	99,407	26,502	4.3%
2022	237,800	23,975,709	100,823	27,228	2.3%
2023	237,300	25,534,192	107,603	26,420	2.1%

NOTES:

- 1) The 2013 population figures are estimates from the US Census Bureau.
The 2014-2022 population figures are estimates from the Arlington County CPHD.
The 2020 population figure reflect Arlington County's 2020 Census results.
- (2) Source: 2018-2022 Bureau of Economic Analysis, 2014 -2017 estimates from the Arlington County CPHD, 2013 figure reported by U.S Dept of Commerce.
- (3) Source - Arlington County School Board, Office of Planning, Management and Budget. Data is for pre K-12 only.
All figures are as of June 30.
- (4) Source Figures for 2014-2022 U.S. Bureau of Labor Statistics, Figures 2013 Virginia Employment Commission.

TABLE L

ARLINGTON COUNTY, VIRGINIA
 PRINCIPAL EMPLOYERS-RANKED BY NUMBER OF EMPLOYEES
 CURRENT YEAR AND NINE YEARS AGO

2023		2014	
<u>Employers</u>	<u>Rank</u>	<u>Employers</u>	<u>Rank</u>
Federal Government	1	Department of Defense	1
Local Government & schools	2	Arlington County Government & Schools	2
Amazon	3	Department of Homeland Security	3
Deloitte	4	Deloitte	4
Accenture	5	Department of Justice	5
Virginia Hospital Center	6	State Department	6
Lidl	7	Accenture	7
BNA Bloomberg	8	FDIC	8
Nestle	9	Virginia Hospital Center	9
Booz Allen Hamilton	10	SAIC/Ledis	10
Metropolitan Washington Airports Authority	11	National Science Foundation	11
Politico	12	Lockheed Martin Corp	12
Public broadcasting service	13	Environmental Protection Agency	13
Marymount University	14	General Services Administration	14
C N A	15	Marriot International, Inc	15
Boeing	16	Booz Allen Hamilton	16
NRECA	17	Corporate Executive Board	17
Rand Corpoation	18	BNA Bloomberg	18
AECOM	19	CACI	19
Mastercard	20	Marymount University	20

Source: Arlington County Planning Division; Arlington Economic Development; Bureau of Labor Statistics (BLS), Quarterly Census of Employment and Wages (QCEW).

TABLE M

ARLINGTON COUNTY, VIRGINIA
FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

<u>Department</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
County Board	7.8	8.3	9.3	10.0	10.0	10.0	10.0	10.0	10.0	12.0
County Manager	35.9	35.9	37.4	33.4	36.0	33.0	31.0	31.0	31.0	35.0
Management and Finance	55.5	56.5	57.5	57.5	58.5	58.5	58.5	59.5	60.5	64.5
Technology Services	73.0	72.0	78.0	78.0	77.0	74.0	80.0	85.0	90.0	91.0
Human Resources	52.0	52.0	52.0	53.0	53.0	53.0	53.0	53.0	54.2	56.9
County Attorney	14.0	14.0	15.0	15.0	16.0	16.0	16.0	16.0	18.0	20.0
Circuit Court	32.3	33.8	36.8	36.8	37.3	37.3	38.3	39.3	43.9	44.9
General District Court	1.5	1.5	1.5	1.5	1.5	1.0	1.0	1.0	1.0	1.0
Juvenile and Domestic Relations Court	55.8	55.8	55.8	55.8	57.8	59.8	60.3	60.3	59.3	60.3
Commonwealth's Attorney	35.0	35.0	36.0	34.0	35.0	35.0	36.0	38.0	42.0	47.0
Sheriff	271.0	272.0	279.0	286.0	293.0	293.0	295.0	296.0	297.0	298.0
Commissioner of Revenue	52.0	52.0	52.0	52.0	53.0	53.0	53.0	53.0	53.0	53.0
Treasurer	61.8	61.8	62.4	62.7	62.7	62.7	62.7	62.7	62.7	62.7
Electoral Board	8.4	8.4	8.4	8.4	8.4	8.4	8.8	9.8	9.8	9.8
Office of Emergency Management	76.5	74.5	74.5	74.5	76.5	74.5	74.5	75.5	74.5	75.5
Police	466.0	470.0	472.0	478.0	478.0	477.0	479.0	481.0	490.0	492.0
Fire	321.0	321.0	319.0	332.0	332.0	340.0	349.0	359.0	374.0	374.0
Public Works/Environmental Services	730.2	765.0	774.5	783.5	793.5	799.0	799.5	809.5	809.5	840.7
Human Services	680.5	681.5	705.9	717.9	725.6	710.2	713.5	726.2	745.1	767.7
Libraries	133.9	133.9	133.9	133.9	134.9	133.9	130.7	130.7	130.7	140.2
Economic Development	61.6	63.6	56.7	60.0	63.2	59.9	58.9	57.9	58.9	59.1
Community Planning, Housing & Development	198.6	198.6	184.5	188.5	194.5	194.0	199.5	200.0	201.5	221.1
Parks, Recreation & Cultural Resources	365.9	371.2	370.9	379.0	379.1	368.1	359.9	368.7	404.2	414.4
Total County Positions	3,790.0	3,838.2	3,872.8	3,931.3	3,976.4	3,951.2	3,967.9	4,023.0	4,120.7	4,240.7
Total School Positions	4,109.0	4,159.3	4,371.7	4,544.9	4,674.5	4,788.5	4,897.4	4,988.6	5,046.7	5,119.6
TOTAL POSITIONS	7,898.9	7,997.5	8,244.5	8,476.2	8,650.9	8,739.7	8,865.3	9,011.6	9,167.4	9,360.3

Sources: Arlington County FY2023 Adopted Budget and Arlington County School Board's Adopted Budget FY 2023.

TABLE N

ARLINGTON COUNTY, VIRGINIA
OPERATING INDICATORS BY FUNCTION-PROGRAM
LAST TEN FISCAL YEARS

Form of Government - Professional County Manager Date of Adoption January 1, 1932	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Area (square miles)	26	26	26	26	26	26	26	26	26	26
Lane Miles	974	974	974	974	1,051	1,059	1,059	1,059	1,061	1,059
Number of Street Lights	18,708	19,642	18,349	18,493	18,500	18,625	18,655	19,297	18,141	19,321
<u>Fire Protection:</u>										
Number of Stations	10	10	10	10	10	10	9	9	9	9
Training Academy	1	1	1	1	1	1	1	1	1	1
<u>Education:</u>										
Attendance Centers	37	38	39	39	39	39	38	38	40	40
Number of Classrooms (1)	1,760	1,780	1,851	1,913	1,797	1,781	1,828	1,831	1,677	1,678
Number of Teachers	2,406	2,501	2,628	2,736	2,828	2,980	2,990	2,899	3,008	3,045
Number of Students	23,612	24,664	25,463	26,405	26,983	27,521	28,020	26,614	27,228	27,571
<u>County Water System:</u>										
Number of consumer service locations	37,343	37,464	37,658	37,577	37,487	37,479	37,739	37,847	37,807	37,348
Average daily consumption (gallons)	22,010,000	22,190,000	22,390,000	22,040,000	21,160,000	21,300,000	20,610,000	20,120,000	20,540,000	18,570,000
Miles of water mains	525	525	525	525	525	529	529	529	529	529
<u>County Sewer System:</u>										
Miles of sanitary sewers	470	470	470	470	470	466	466	466	466	466
Average gallons per day treated	23,139,205	23,019,096	23,320,000	21,590,000	21,970,000	25,600,000	21,330,000	21,780,000	21,110,000	22,104,000
<u>Building Permits:</u>										
Construction Permits	3,035	3,250	3,702	3,376	3,082	3,325	2,936	2,732	2,419	2,184
Plumbing, Electrical & Mechanical Permits	8,338	8,873	10,288	9,477	9,083	9,558	9,128	8,325	8,347	7,864
Fire Permits	997	1,064	1,214	1,192	942	1,170	1,004	746	740	762
Elevator Permits	95	115	106	110	89	98	117	100	154	106
<u>Recreation and Culture:</u>										
Number of Parks and Playgrounds (2)	236	210	213	214	220	220	220	222	222	225
Number of Libraries	8	8	8	8	8	8	8	8	8	8
Number of Items (e-materials) (3)	633,127	675,924	687,584	690,700	40,274	56,109	75,285	89,806	126,385	205,711
Number of Community Centers	14	14	14	13	13	13	13	14	15	15
Number of Nature Centers	2	2	2	2	2	2	2	2	2	2
Number of Historical Districts	34	36	38	40	40	40	40	41	41	41

- (1) Beginning in FY 2019, Arlington Public Schools revised how classrooms are counted per grade level. The following methodology was utilized for FY 2019:
- (a) Elementary classroom counts shall include pre-kindergarten through grade five, special education, small and large group instruction, art, music, and relocatable classrooms.
 - (b) Middle, High School, and Program classroom counts shall include grade six through twelve, special education, small and large group instruction, lab, art, music, theater, technical, gymnasium, physical education stations, and relocatable classrooms.
- (2) Prior to FY 2015, the parks and playground count included 26 areas not under the Department of Parks and Recreation maintenance responsibilities such as playgrounds owned and maintained by Arlington Public Schools. In FY 2015, the count was updated to include only parks and playgrounds maintained by the Department of Parks and Recreation.
- (3) Beginning in FY 2018, Libraries will report number of items in terms of e-materials instead of print and audiovisual materials as e-materials is a more relevant measure.

ARLINGTON COUNTY, VIRGINIA
CAPITAL ASSET STATISTICS BY FUNCTION/ PROGRAM
LAST TEN FISCAL YEARS

TABLE O

Primary Government

FUNCTION AND ACTIVITY:	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government:											
Control-											
Legislative	\$114,522	\$114,522	\$694,222	\$694,222	\$1,190,662	\$1,190,662	\$1,190,662	\$1,190,662	\$1,313,232	\$1,313,232	\$1,313,232
Executive	480,663	492,215	497,308	532,598	532,598	532,598	532,598	532,598	532,598	532,598	532,598
Judicial	4,700,614	5,334,523	5,622,649	5,738,322	5,822,409	6,600,515	7,327,958	7,750,928	7,833,212	8,126,083	8,623,147
Total Control	5,295,799	5,941,260	6,814,179	6,965,142	7,545,669	8,323,775	9,051,218	9,474,188	9,679,042	9,971,913	10,468,977
Staff Agencies-											
Elections	270,396	1,129,595	1,129,595	1,129,595	1,129,595	1,129,595	1,129,595	1,129,595	1,129,595	1,129,595	1,129,595
Management and Finance	1,588,298	1,610,532	1,610,532	1,610,532	1,610,532	1,610,532	1,610,532	1,610,532	1,610,532	1,610,532	1,610,532
Human Resources	414,403	414,403	414,403	414,403	414,403	414,403	414,403	414,403	414,403	414,403	414,403
Office of County Attorney	953,687	966,128	1,092,069	1,092,069	1,092,069	1,092,069	1,092,069	1,092,069	1,092,069	1,092,069	1,092,069
Commissioner of the Revenue	595,054	595,054	595,054	607,454	607,454	607,454	629,149	629,149	629,149	629,149	629,149
Treasurer	65,114	65,114	65,114	283,967	349,169	349,169	349,169	349,169	349,169	349,169	349,169
Department of Technology Service	18,195,395	29,114,164	36,702,653	45,702,921	50,630,621	59,877,714	66,026,395	75,878,425	79,063,733	81,004,021	83,781,732
General government buildings	327,604,012	263,901,049	265,310,754	267,110,754	267,127,519	267,127,519	267,127,519	275,485,130	286,630,154	327,598,210	332,224,735
Total Staff Agencies	349,686,359	297,796,039	306,920,174	317,951,695	322,961,362	332,208,455	338,378,831	356,588,472	370,918,804	413,827,148	421,231,384
Total General Government	354,982,158	303,737,299	313,734,353	324,916,837	330,507,031	340,532,230	347,430,049	366,062,660	380,597,846	423,799,061	431,700,361
Public Safety:											
Police	15,073,584	15,273,434	16,965,207	18,117,833	18,892,893	21,735,178	22,535,937	22,880,851	24,413,028	25,527,028	26,066,505
Fire	85,829,937	79,368,941	79,413,215	79,644,908	81,537,998	81,664,498	81,801,467	82,809,006	83,390,736	84,759,221	88,567,578
Emergency management	5,681,058	5,864,294	9,088,294	9,876,843	13,975,990	16,476,814	17,628,556	21,114,978	23,240,205	23,922,155	24,664,969
Total Public Safety	106,584,579	100,506,669	105,466,716	107,639,584	114,406,881	119,876,490	121,965,960	126,804,835	131,043,969	134,208,404	139,299,052
Environmental Services	632,215,203	732,287,767	793,284,160	863,240,831	939,856,784	1,043,027,591	1,151,821,116	1,249,846,227	1,317,765,654	1,441,208,057	1,576,276,025
Health and Public Welfare	33,322,630	33,767,799	33,916,913	33,990,233	34,260,585	34,456,402	34,700,657	34,989,070	36,102,296	36,732,101	37,326,140
Libraries	30,442,689	30,420,141	30,420,141	30,432,892	30,465,610	30,500,606	30,589,131	30,664,131	30,664,131	30,677,267	30,693,770
Recreation	168,516,013	199,547,391	207,560,864	215,364,983	223,208,995	235,353,595	258,351,682	299,775,494	327,132,149	348,926,931	359,879,121
Community Development	42,891,236	45,798,988	47,900,040	53,843,517	59,303,754	66,069,472	69,129,842	77,054,837	90,603,743	95,035,595	96,833,051
Total General Capital Assets	\$1,368,954,508	\$1,446,066,054	\$1,532,283,187	\$1,629,338,877	\$1,732,009,640	\$1,869,816,386	\$2,013,988,428	\$2,185,197,254	\$2,313,909,788	\$2,510,587,416	\$2,672,007,520
Internal Services Fund											
Auto Equipment Fund	\$64,955,970	\$71,496,453	\$72,843,569	\$76,415,982	\$77,930,688	\$81,578,335	\$83,740,184	\$87,237,563	\$89,333,117	\$90,344,823	\$95,294,408
Total Internal Services Fund	\$64,955,970	\$71,496,453	\$72,843,569	\$76,415,982	\$77,930,688	\$81,578,335	\$83,740,184	\$87,237,563	\$89,333,117	\$90,344,823	\$95,294,408
Component Unit: School Board											
Schools	\$736,920,550	\$771,819,038	\$816,594,534	\$864,063,643	\$916,017,125	\$1,003,537,262	\$1,129,110,122	\$1,201,911,106	\$1,271,250,304	\$1,328,445,305	\$1,409,864,770
GRAND TOTAL	\$2,170,831,028	\$2,289,381,545	\$2,421,721,290	\$2,569,818,502	\$2,725,957,453	\$2,954,931,983	\$3,226,838,734	\$3,474,345,923	\$3,674,493,209	\$3,929,377,544	\$4,177,166,698

TABLE P

ARLINGTON COUNTY, VIRGINIA
 PERCENTAGE OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL
 GENERAL GOVERNMENTAL EXPENDITURES
 LAST TEN FISCAL YEARS

Fiscal Year	Principal	Interest	Total Debt Service (1)	Total General Expenditures (2)	Debt Service to Total General Expenditures
2014	67,578,026	31,926,550	99,504,576	1,185,961,381	8.39%
2015	71,181,548	32,440,408	103,621,956	1,216,073,842	8.52%
2016	69,034,806	34,372,229	103,407,035	1,262,260,429	8.19%
2017	76,623,997	30,463,497	107,087,494	1,318,924,936	8.12%
2018	87,251,352	34,206,183	121,457,535	1,375,495,727	8.83%
2019	85,168,385	40,780,952	125,949,337	1,416,428,904	8.89%
2020	83,269,899	47,932,739	131,202,638	1,446,764,988	9.07%
2021	78,420,929	42,860,689	121,281,618	1,469,839,581	8.25%
2022	89,236,380	49,585,268	138,821,648	1,950,859,766	7.12%
2023	88,060,000	45,548,643	133,608,643	1,720,582,344	7.77%

NOTES:

(1) Excludes debt service on general obligation bonds payable from the Enterprises Funds and all paying agent charges.

(2) Includes all categories of expenditures as presented in Table D-1.

ARLINGTON COUNTY, VIRGINIA SCHEDULE OF INSURANCE JULY 1, 2022 - JUNE 30, 2023					
Type of Coverage & Insurance Company	Policy Number	Period From	Period To	Summary of Coverage & Liability Limits	Premium Costs
<u>Property</u> VACORP 1	VA-AR-006-23	07/01/22	07/01/23	All Risk Package Policy coverage on real and personal property, valuable papers and records, Inland Marine equipment, extra expense and business interruptions, Theatrical Equipment Floater, Fine Arts, Property Floater, EDP, Voting Machines and off premises power failures & boiler & machinery. \$50,000 deductible. \$1,239,155,879 TIV subject program limits of \$500 million. Incl. earthquake, flood, boiler & mach. Garagekeeper's Liab., Physical Damage on County vehicles while garaged	\$612,268 Includes TRIA
<u>Crime Policy</u> VACORP 2	VA-AR-006-23	07/01/22	07/01/23	Public Employee Dishonesty, Forgery or Alteration, Theft, Disappearance and Destruction and computer Fraud. Faithful performance of duty a covered cause of loss. Volunteer workers included as employees Social Engineering Limit \$150,000 ;\$250 Deductible Limit: \$1 million, Deductible: \$250	\$16,350 Excludes TRIA
<u>Fine Arts Policy</u> VACORP 3	VA-AR-006-23	07/01/22	07/01/23	Museum Collection and Temporary Loans Policy-- Limits of \$ 1,000,000 on AC premises \$ 250,000 any other location \$ 1,000 Deductible/ \$ 2,500 per outdoor sculpture Legal Liability -- \$ 250,000 any one loss	Included in Property
<u>General Liability, Public Officials Liab. Law Enforcement Liab, Auto Liability</u> Covers Arlington County employees and Officials conducting County business 4	County Board Resolution	Continuous	Continuous	Self Insured for Liability Exposures. AL, POL, LEL, GL - Primary \$1,000,000	
<u>Umbrella Excess Liability Policy</u> VACORP 5	VA-AR-006-23	07/01/22	07/01/23	Excess Public Entity Liability Policy Excess of \$ 1,000,000 self-insured retention \$ 10 million limits excess of SIR	\$443,498
<u>Constitutional Officers Package Policy</u> VACORP 6	VA-AR-006S-23	07/01/22	07/01/23	Covers Owned, Hired and Non-owned Liability, Uninsured Motorists & Medical Payments. \$2,000,000 each occurrence for Liability Liability, \$5,000 for medical payments. Const. Officers and Volunteer General Liability \$2 million per occurrence	\$30,219

ARLINGTON COUNTY, VIRGINIA SCHEDULE OF INSURANCE JULY 1, 2022 - JUNE 30, 2023					
Type of Coverage & Insurance Company	Policy Number	Period From	Period To	Summary of Coverage & Liability Limits	Premium Costs
<u>Medical Prof. Liability</u> Arch Speciality Insurance 7	FLP0022336-15	07/01/22	07/01/23	Professional Liability Insurance Employed and Contracted Physicians Clinic Staf and EMS Limits: \$2,500,000 Each Incident/\$7,650,000 Aggregate \$12,000,000 Policy Aggregate \$25,000 DED. Each claim	\$ 298,493.74
<u>Group Accident Coverage</u> VACORP VACORP VACORP VACORP VACORP 8	VA-AR-006-23 VA-AR-006-23 VA-AR-006-23 VA-AR-006-23 VA-AR-006-23	07/01/22 07/01/22 07/01/22 07/01/22 07/01/22	07/01/23 07/01/23 07/01/23 07/01/23 07/01/23	Coverage coordinated with pers. Coverage AD&D for volunteers AD&D for Campers AD& D for Recreational Sports AD&D for Community Service Program AD&D for Auxiliary Police	\$6,960 6,960 12,305 610 610
TOTAL PREMIUM					\$27,445
<u>VDOT Permit Bond</u> Travelers 9	53 S 101062299	Continuous		Virginia highways permit bond for facilities located on the VDOT right-of-way Limit \$ 100,000	\$0
<u>Excess Liability Ballston Garage</u> (1) Crum & Forster (2) Endurance (3) Markel (4) Travelers 10	SEO-119372 ELD30001833802 MKLV3EUE101132 EX-6T117091-22-NF	07/01/22 07/01/22 07/01/22 07/01/22	07/01/23 07/01/23 07/01/23 07/01/23	Excess liability coverage required by May Co. regarding ice rink at Ballston Garage.	\$112,350
<u>Fiduciary Liability Policy</u> Employee's Suppl. Retirement Sys 2 National Union/Alton Agency 11	PLS 2672194			Fiduciary Liab. To \$ 10million ERISA Fidelity bond D&O, Trustees liab. To \$ 3million These policies handled by the Retirement Board <u>Risk Management is not involved in the purchase of these policies</u>	Premium not incl. in total
<u>Constitutional Officers' Liability Plan</u> <u>Risk Coverage</u> Commonwealth of Virginia (SIR)				Combined Program for CGL/POL & LEL covers Public Officials & Employees by reason of any wrongful Act, rendered in the discharge of the duties of the Public	
Clerk of Court	Virginia Risk	Continuous		Limits: \$1 million per loss	
Sheriff	Virginia Risk	Continuous		Limits: \$1.5 million per loss	
Commissioner of Revenue	Virginia Risk	Continuous		Limits: \$1 million per loss	
Commonwealth's Attorney	Virginia Risk	Continuous		Limits: \$1 million per loss	
Registrar of Voters	Virginia Risk	Continuous		Limits: \$1 million per loss	
Arlington County Treasurer	Virginia Risk	Continuous		Limits: \$1 million per loss	
12					

ARLINGTON COUNTY, VIRGINIA SCHEDULE OF INSURANCE JULY 1, 2022 - JUNE 30, 2023					
Type of Coverage & Insurance Company	Policy Number	Period From	Period To	Summary of Coverage & Liability Limits	Premium Costs
<u>Fire and Rescue Auto Physical Damage</u> VACORP 13	VA-AR-006-23	07/01/22	07/01/23	Provides comprehensive and collision coverage on vehicles owned or operated by ACFD \$ 1,000 Ded. Per unit	\$36,501 Incl. TRIA
<u>Police Command Vehicle</u> Hartford Fire Insurance Company 14		07/01/17	07/01/18	Inland Marine policy covering portable Police equipment and Command Vehicle	Incl Incl. TRIA
<u>Portable Equipment-Fire Command Vehicle</u> VFIS American Alternative Insurance 15		07/01/17	07/01/18	Inland Marine policy covering ACFD equipment & Command Veh.	Premium not incl. in total
<u>Blanket Volunteer Liability</u> VACORP 16	VA-AR-006-23	07/01/22	07/01/23	Covers Liability of Volunteers Special Event Coverage added effective 9/1/2020	Incl under GL
<u>Cyber Liability</u> VACORP 17	VA-AR-006-23	07/01/22	07/01/23	\$5,000,000 Limit / \$150,000 Deductible provides coverage for hacking and other technology related liabilities	\$47,500
<u>Excess Workers' Compensation</u> VACORP 18	VA-AR-006-22	07/01/21	07/01/22	\$5,000,000 Deductible	\$79,895
TOTAL					\$1,704,520

TABLE R

ARLINGTON COUNTY, VIRGINIA
CONSTRUCTION ACTIVITY AND REAL PROPERTY VALUE
LAST TEN FISCAL YEARS

Fiscal Year	Residential Construction (1)		Commercial Construction (1)		Miscellaneous Construction (1)		Real Property Value (2)		
	Permits	Valuation	Permits	Valuation	Permits	Valuation	Residential	Commercial	Non-Taxable
2014	188	93,344,705	83	179,141,259	15,338	466,745,648	39,564,853,200	26,835,092,400	7,936,267,300
2015	188	86,410,180	156	380,466,809	16,202	190,079,034	35,479,510,900	33,789,627,500	7,840,094,400
2016	242	146,050,201	79	456,210,899	18,451	626,573,460	36,472,113,000	34,803,050,300	8,089,795,900
2017	209	89,329,019	134	411,319,170	17,051	618,650,872	37,377,857,200	36,010,433,100	8,413,261,200
2018	210	86,974,365	90	867,372,358	16,176	658,484,898	38,833,059,600	36,150,575,500	8,261,279,200
2019	180	82,922,103	71	510,837,965	14,096	1,314,069,961	39,991,805,000	37,598,333,200	8,820,723,100
2020	175	103,291,660	101	398,426,554	16,273	508,916,995	41,712,776,300	39,424,377,600	9,122,342,600
2021	219	86,423,866	70	995,524,859	14,798	811,962,188	44,032,992,300	39,016,162,500	9,312,720,400
2022	222	97,352,089	88	1,063,476,589	14,727	1,228,400,536	46,583,481,500	39,391,878,600	9,634,428,400
2023	244	*N/A	51	*N/A	11,424	*N/A	48,706,624,000	40,491,317,100	10,155,792,300

NOTES:

(1) Department of Community Planning, Housing and Development, Planning Division--Inspection Services

(2) Estimated actual value. Excludes public service corporations.

* Valuation numbers are not available for FY23

TABLE S

ARLINGTON COUNTY, VIRGINIA
BUSINESS AND PROFESSIONAL LICENSE TAX REVENUES
LAST TEN FISCAL YEARS

Fiscal Year	Revenues	Year over Year Change
2014	62,752,491	2.30%
2015	58,970,752	-6.03%
2016	60,181,386	2.05%
2017	63,837,926	6.08%
2018	62,986,320	-1.33%
2019	69,913,867	11.00%
2020	71,999,176	2.98%
2021	75,582,278	4.98%
2022	77,913,433	3.08%
2023	83,191,768	6.77%

Table T

ARLINGTON COUNTY, VIRGINIA
CERTIFICATE OF NO DEFAULT
June 30, 2023

Pursuant to Section 10.3 of the Financing Agreements between Virginia Resources Authority and Arlington County, I hereby certify that during the fiscal year ended June 30, 2022, and through the date of this certificate, no event or condition has happened or existed, or is happening or existing, which constitutes or which would constitute an event of default as defined in Section 11.1 of the Financing Agreements for Loan Number C-515319-02, Loan Number C-515378-02b, Loan Number C-515396-01, Loan Number C-515396-02, Loan Number C-515413-01, Loan Number C-515413-02, and Loan Number C-515413-02b.

Maria Meredith

10/6/2023

Maria Meredith
Director
Department of Management & Finance

Date

TABLE U

ARLINGTON COUNTY, VIRGINIA
LARGEST USERS OF THE WATER & SEWER SYSTEM
For the twelve months ending June 30, 2023

WATER Customer / Type of Business	Monthly Average Consumption In Thousands of Gallons	SEWER Customer / Type of Business	Monthly Average Consumption In Thousands of Gallons
Joint Base Myer-Henderson Hall Military	8,270	Ronald Reagan Washington National Airport Aviation	11,060
Gates Hudson - 1600 S. Eads Street Residential	3,740	Joint Base Myer-Henderson Hall Military	7,615
Avalon Ballston Square - 850 N. Randolph Apartments	3,658	Pentagon Military	7,110
VNO Ashley House LLC- 1600 S. Joyce Street Apartments	3,330	Gates Hudson - 1600 S. Eads Street Residential	3,740
Dorchester Towers - 2001 Columbia Pike Apartments	2,582	Avalon Ballston Square - 850 N. Randolph Apartments	3,658
Harris Teeter - 900 S Army Navy Dr. Retail	2,509	VNO Ashley House LLC- 1600 S. Joyce Street Apartments	3,330
Pentagon City Mall Associates - 1100 S. Hayes Retail	2,478	Dorchester Towers - 2001 Columbia Pike Apartments	2,582
AHC Serrano LLC - 5535 Columbia Pike Apartments	2,404	Harris Teeter - 900 S Army Navy Dr. Retail	2,509
1200 Eads Street Sub LLC Apartments	2,270	Pentagon City Mall Associates - 1100 S. Hayes Retail	2,478
Carlton Condos -4600 S Four Mile Run Residential	2,266	AHC Serrano LLC - 5535 Columbia Pike Apartments	2,404

NOTE:

(1) Source - County Department of Environmental Services - Utilities Services Office

ARLINGTON COUNTY, VIRGINIA
DESCRIPTION OF THE WASTEWATER & WATER SYSTEM
& WASTEWATER & WATER RATES
JUNE 30, 2023

Wastewater System

Description of System

The County began its pollution abatement program in 1933 with the approval of a bond referendum for a county-wide sewage system to include 100 miles of sanitary sewers and a water pollution control plant (the "Plant") providing primary treatment. The Plant was placed in service in 1937. In response to continued growth, the Plant has been repeatedly expanded, with upgrades providing for advanced treatment, new preliminary treatment, a new dewatering building, and a new equalization tank to minimize fluctuation of flow to the Plant.

The County's system presently consists of approximately 470 miles of gravity sewer lines, eleven pumping stations, three ejector stations, two meter stations and the Plant. The Plant has a rated capacity of 40 million gallons per day (MGD). Current flows average 22.104 MGD.

Plant Upgrade & Expansion

In April 2001, County staff and an external engineering team were assembled to update the 1988 Master Plan to address wet weather external bypasses, new and foreseen regulations, aging infrastructure and capacity requirements with respect to the Wastewater System. The result of this effort is the Master Plan Update 2001 ("MP01"). The MP01 provides for the goal of minimization of wet weather external bypasses, increased redundancy, expansion of capacity to handle flows to approximately 2040 + and a positive environmental impact for Four Mile Run, the Potomac River, and the Chesapeake Bay. The MP01 featured a two-phase design process and three construction contracts as well as program management and engineering services. Major facilities included in the MP01 include two new aeration tanks, two new equalization tanks, a new biofilter facility, and three new secondary clarifiers.

The total cost of all phases of the MP01 was \$566.3 million. County ratepayer's share was 82 percent; Inter-Jurisdictional Partners' share was 18 percent. Financing for the County's share was provided by several sources. There were eight Wastewater System & Water System Revenue bonds totaling \$300 million issued to the Virginia Water Facilities Revolving Loan Fund Program (the "VWFRF") which is administered by the Virginia Resources Authority ("VRA"). General Obligation bonds of the County were issued in 2007 for \$48.5 million, 2008 for \$27.4 million, and 2009 for \$11.7 million. Grant funds from the Water Quality Improvement Fund under the Department of Environmental Quality Chesapeake Bay Program for approximately \$96 million were authorized in February 2007.

Major Customers

The County's wastewater system serves residents and businesses in the County. A list of the top ten retail wastewater customers is included in Table U of the Statistical Section. On a wholesale basis, the County's wastewater system serves Alexandria Sanitation Authority; the City of Alexandria, Virginia; the City of Falls Church, Virginia; and Fairfax County, Virginia (together, the "Inter-Jurisdictional Partners" or "IJ Partners"). Arlington has contractual agreements for wastewater conveyance and treatment with the IJ Partners that set forth the terms of these relationships, including the calculation of both operating and capital charges. A summary of each IJ Partner contract is included in the table below; additional information on the contracts can be requested from the County's Department of Environmental Services, Budget & Finance Division at (703)228-3601.

IJ Partner	Share of Plant Capacity	Agreement Expiration Date
Fairfax County	3.0 MGD Peak flow capacity reservation of 6.6 MGD	June 30, 2004 Fairfax provided written notification that contract will be honored until new agreement is negotiated
City of Alexandria & Alexandria Sanitation Authority (ASA)	3.0 MGD Maximum daily flow capacity reservation of 7.5 MGD	June 30, 1987 Agreement provides that it is binding until Arlington system is not in existence and as long as either party is not in default. ASA provided written notification that contract will be honored until new agreement is negotiated
City of Falls Church	0.8 MGD Peak flow capacity of 2.0 MGD	September 9, 2012

Water Distribution System

Description of System

Arlington County purchases water on a wholesale basis from the Washington Aqueduct, a branch of the U.S. Army Corps of Engineers. The water system was established in 1927 after an Act of Congress, approved April 14, 1926, authorized Arlington County to receive water from a water supply pumping station at the Dalecarlia Reservoir Water Treatment Plant in northwest Washington, D.C. Average daily production for the entire Washington Aqueduct system, which includes two water treatment plants in the District of Columbia, Dalecarlia and McMillan, is 140 MGD.

The County's water distribution system presently consists of approximately 530 miles of pipes with diameters of up to 48 inches, five pumping stations, and 32 million gallons of finished storage. Current daily average flow is 18.5 MGD to approximately 37,700 service accounts. The system serves residents and businesses in the County but does not provide water to the Pentagon or Reagan National Airport except under emergency situations, during construction, or other unusual circumstances.

Washington Aqueduct Agreement

The County entered into an agreement dated as of July 17, 1997 (the "Water Sales Agreement") with the United States of America acting through the Secretary of the Army providing for the sale and furnishing of water to the County from the Washington Aqueduct. The County has pledged the revenues derived from the ownership and operation of its water system to secure its pro rata share of Aqueduct operating costs, including operations and maintenance, the cost of any water purchases for resale, and debt service on certain loans made by the Secretary of the Treasury to the District of Columbia and the Secretary of the Army and debt service on certain bonds previously issued by the District of Columbia., all of which were incurred to finance improvements to the Secretary of the Army's water system. Additional information on the Water Sales Agreement can be requested from the County's Department of Environmental Services, Budget & Finance Division at (703)228-3601.

Wastewater & Water Rates

Retail rates for fiscal years 2019 through 2024 are shown in the table on the following page. The typical residential customer pays \$67.22 per month (or \$201.67 billed quarterly), assuming median household consumption of 48,000 gallons annually. Historically, rate increases have been effective on May 1 prior to the start of the fiscal year; however, beginning in FY 2019, the effective date matches to the fiscal year start of July 1.

The County recently underwent a water and wastewater rate study and determined a new rate structure should be implemented for the sustainability of the Utilities Fund. The new rate structure went into effect January 1, 2022; the new rate structure was designed to more appropriately recover revenue based on how each customer class places demand on and uses the water and sewer systems. Within the residential customer class, the water volumetric charges will now be based on a tiered system, with two usage tiers. Another change for residential class customers is Average Winter Quarter Billing, a common methodology for estimating actual wastewater flow from residential customers. Average Winter Quarter Billing presumes that the amount of water consumption in the winter months, when there are few exterior/ outdoor uses, best reflects actual wastewater usage year-round.

**FY 2019 – FY 2024 Wastewater & Water Rates
Based on Metered Water Usage**

	FY 2019 Adopted: July 1, 2018 – June 30, 2019	FY 2020 Adopted: July 1, 2019 – June 30, 2020	FY 2021 Adopted: July 1, 2020 – June 30, 2021	FY 2022 Adopted: July 1 – December 31, 2021	FY 2022 Adopted: January 1 – June 30, 2022	FY 2023 Adopted: July 1, 2022 – June 30, 2023	FY 2024 Adopted: July 1, 2023
Water (\$/Thousand Gallons (TG))	\$4.53	\$4.70	\$4.91	\$4.91			
Sewer (\$/TG)	9.09	9.10	9.29	9.44			
Total	13.62	13.80	14.20	14.35			
<i>Percent Change from Prior Year</i>	<i>0%</i>	<i>1%</i>	<i>3%</i>	<i>1%</i>	<i>1%</i>	<i>2%</i>	<i>3%</i>
Residential:							
Water Base (\$/Quarter)					\$13.26	\$13.76	16.37
Water - Volumetric:							
Tier 1: 0-9 TG (\$/TG)					3.71	3.98	4.09
Tier 2: >9 TG (\$/TG)					5.94	6.38	6.55
Sewer Base (\$/Quarter)					10.76	11.09	13.52
Sewer – Volumetric – Average Winter Quarter basis (\$/TG)					9.61	9.61	9.61
Multi-Family:							
Water Base (\$/Month)					9.10	9.42	11.43
Water – Volumetric (\$/TG)					4.42	4.73	4.86
Sewer Base (\$/Month)					7.42	7.62	9.35
Sewer – Volumetric (\$/TG)					9.61	9.61	9.61
Commercial:							
Water Base (\$/Month)					9.10	9.42	11.43
Water – Volumetric (\$/TG)					4.79	5.13	5.27
Sewer Base (\$/Month)					7.42	7.62	9.35
Sewer – Volumetric (\$/TG)					9.61	9.61	9.61

The County also charges a variety of other water and wastewater fees to its retail customers, including infrastructure availability fees, connection fees, pretreatment fees, late charges, and new account fees, among others.

Outstanding Debt

As of June 30, 2023, general obligation debt outstanding attributable to the Utilities Fund totaled \$45,315,000. As of June 30, 2023, outstanding debt for Wastewater System and Water System Revenue Bonds issued through the VWFRF to the VRA totaled \$93,642,628. The following table shows future debt service on these obligations.

Fiscal Year Ended June 30	TOTAL EXISTING GO DEBT SERVICE			VRA BONDS			TOTAL		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2024	8,295,000	915,662	9,210,662	17,366,021	2,025,475	19,391,496	25,661,021	2,941,137	28,602,158
2025	8,505,000	773,860	9,278,860	17,716,730	1,674,766	19,391,496	26,221,730	2,448,626	28,670,356
2026	8,330,000	621,665	8,951,665	18,075,555	1,315,941	19,391,496	26,405,555	1,937,606	28,343,161
2027	6,345,000	470,961	6,815,961	12,049,444	964,742	13,014,186	18,394,444	1,435,703	19,830,147
2028	4,430,000	339,160	4,769,160	12,361,018	653,167	13,014,186	16,791,018	992,327	17,783,346
2029	2,305,000	246,025	2,551,025	7,636,635	365,078	8,001,713	9,941,635	611,102	10,552,737
2030	2,300,000	170,444	2,470,444	6,150,916	165,016	6,315,932	8,450,916	335,460	8,786,376
2031	2,280,000	94,669	2,374,669	2,286,309	28,767	2,315,076	4,566,309	123,436	4,689,744
2032	1,375,000	40,327	1,415,327				1,375,000	40,327	1,415,327
2033	755,000	15,635	770,635				755,000	15,635	770,635
2034	240,000	5,173	245,173				240,000	5,173	245,173
2035	155,000	1,475	156,475				155,000	1,475	156,475
	45,315,000	3,695,057	49,010,057	93,642,628	7,192,952	100,835,580	138,957,628	10,888,009	149,845,636

Historical debt service coverage can be found in Table J-2 of the Statistical Section, and additional information on debt attributable to the Utilities Fund can be found in Exhibit S-3, the Combined Schedule of Long-Term Obligations.

Other Financial & Legal Information

Additional financial information on the Utilities Fund can be found in Exhibits D-1, D-2, and D-3 and the accompanying Notes to the Financial Statements, including a statement regarding significant litigation, if any. Information on insurance coverage can be found in Table Q of the Statistical Section. Required certificates from the County and its independent engineer can be found in Tables T and W of the Statistical Section. Information on management of the County and the Department of Environmental Services and the Department of Management and Finance can be found in the Introductory Section.



April 24, 2023

To whom it may concern:

Pursuant to Section 5.3 of the Financing Agreement dated as of June 28, 2005 (the “Financing Agreement”) between the Virginia Resources Authority as administrator of the Virginia Revolving Loan Fund, and Arlington County (“the County”), the undersigned states the following based on my inquiry of the person or persons who manage the system and whose persons directly responsible for gathering the information:

1. I am a Professional Rate Consultant employed by Arlington County for the water and sewer utility, including the Water Pollution Control Plan (WPCP).
2. For the fiscal year that will end on June 30, 2024, the County has prepared a budget that
 - a. contains an appropriate estimation of costs for maintenance, repair, replacement and operations, and,
 - b. establishes the proper rates in order to satisfy the rate covenant in Section 5.2 of the Financing Agreement.

Dated: 4/24/23

By: 
Rate Consultant
Raftelis, Inc.

cc: Krista Abele, Funds Manager, Department of Environmental Services (DES)
Wilburn Brown, Acting Chief of the WPCP, DES
Bobby Hopkins, Finance & Administrative Manager, WPCP, DES

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FEDERALLY ASSISTED PROGRAMS

Information on Federally Assisted Programs is presented for purposes of additional analysis and required by Title 2 U.S. Code of Federal Regulations Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. This regulation provides audit requirements for state, local government, and non-profit organizations that receive federal awards.

Contained in this section are the following:

- Report of Independent Auditors on Internal Control over Financial Reporting and on Compliance and Other Matters
- Independent Auditors' Report on Compliance for each Major Federal Program, Report on Internal Control over Compliance, and Report on the Schedule of Expenditures of Federal Awards required by the Uniform Guidance
- The Schedule of Expenditures of Federal Awards
- Notes to Schedule of Expenditures of Federal Awards
- Schedule of Findings and questioned costs



**INDEPENDENT AUDITORS' REPORT 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 Honorable Members of the County Board
Arlington, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the County's contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 14, 2023.

The financial statements of the Gates Partnership were not audited in accordance with Government Auditing Standards, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Gates Partnership.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County'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 County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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

To the Honorable Members of the County Board
Arlington, Virginia

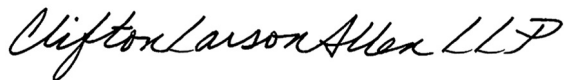
deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County'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 did not disclose 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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Arlington, Virginia
December 14, 2023



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Members of the County Board
of Arlington County, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the County of Arlington's (the County) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2023. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

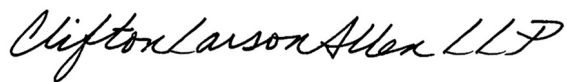
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

Members of the County Board
of Arlington County, Virginia

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Arlington, Virginia
December 14, 2023

ARLINGTON COUNTY, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE PERIOD ENDED JUNE 30, 2023

Federal Granting Agency / Pass-Through Entity / Program / Cluster	Award Identification	Federal Assistance Listing Number (ALN)	Cluster Name	Pass-Through Entity Identifying Number	Federal Expenditures	Pass-through to sub-recipients
U.S. DEPARTMENT OF AGRICULTURE						
Passed Through the Commonwealth of Virginia:						
Department of Education:						
National School Breakfast Program		10.553	Child Nutrition Cluster (1)	none	\$ 695,757	\$ -
National School Lunch Program		10.555	Child Nutrition Cluster (1)	none	6,874,343	-
Child and Adult Care Food Program		10.558		20CSAC123	12,700	-
Department of Agriculture and Consumer Services:						
Special Supplemental Nutrition Program for Women, Infant, and Children		10.557		201919W100641, 201818W500341	691,875	-
State Administrative Matching Grants for Supplemental Nutrition Assistance Program (SNAP)		10.561	SNAP Cluster (2)	LASER Report	4,693,878	-
Total Passed Through the Commonwealth of Virginia:					\$ 12,968,553	\$ -
TOTAL U.S. DEPARTMENT OF AGRICULTURE					\$ 12,968,553	\$ -
(1) Total Child Nutrition Cluster (ALN #10.553, #10.555)					\$ 7,570,100	
(2) Total SNAP Cluster (ALN #10.561)					\$ 4,693,878	
U.S. DEPARTMENT OF COMMERCE						
Direct Awards:						
Chesapeake Bay Studies		11.457			\$ 1,693	\$ -
Total Direct Awards					\$ 1,693	\$ -
TOTAL U.S. DEPARTMENT OF COMMERCE					\$ 1,693	\$ -
U.S. DEPARTMENT OF DEFENSE						
Direct Awards:						
Junior Reserve Officer Training		12.000			\$ 63,865	-
Total Direct Awards					\$ 63,865	\$ -
TOTAL U.S. DEPARTMENT OF DEFENSE					\$ 63,865	\$ -

Federal Granting Agency / Pass-Through Entity / Program / Cluster	Award Identification	Federal Assistance Listing Number (ALN)	Cluster Name	Pass-Through Entity Identifying Number	Federal Expenditures	Pass-through to sub-recipients
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
Direct Awards:						
Community Development Block Grants (CDBG) - Entitlement Grants		14.218	CDBG - Entitlement Grants Cluster (3)		\$ 1,995,175	\$ 520,764
Mainstream Vouchers		14.879	Housing Voucher Cluster (4)		629,217	-
Home Investment Partnerships Program		14.239			122,237	-
Housing Opportunities for Persons with AIDS		14.241			97,155	-
Continuum of Care Program		14.267			59,774	-
Section 8 Housing Choice Vouchers		14.871	Housing Voucher Cluster (4)		21,088,528	-
Emergency Housing Vouchers		14.999			576,937	-
Total Direct Awards					\$ 24,569,023	\$ 520,764
Passed Through the Commonwealth of Virginia:						
Emergency Solutions Grant Program						
COVID-19 Homelessness Emergency Response Program (CHERP)	COVID	14.231		E-20-DW-51-0001	\$ 271,916	-
Total Passed Through the Commonwealth of Virginia Housing Urban Development					\$ 271,916	-
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					\$ 24,840,939	\$ 520,764
(3) Total CDBG - Entitlement Cluster (ALN #14.218)					\$ 1,995,175	
(4) Total Housing Voucher Cluster (ALN #14.871)					\$ 21,717,745	
U.S. DEPARTMENT OF JUSTICE						
Direct Awards:						
Comprehensive Opioid, Stimulant, and Substance Abuse Program		16.838			\$ 316,736	\$ -
Joint Terrorism Task Force		16.614			56,346	-
Electronic Crimes Task Force		16.579			11,322	-
Justice Systems Response to Families		16.021			144,280	38,999
Justice Assistance Grant Program/DCJS Bryne/JAG Grant		16.738			39,042	-
Federal Bureau Investigations		16.834			21,943	
Equitable Sharing Program		16.922			-	-
Public Safety Partnership and Community Policing Grants		16.710			121,785	-
Smart Prosecution – Innovative Prosecution Solutions		16.825			36,406	-
Total Direct Awards					\$ 747,860	\$ 38,999
Passed Through the Commonwealth of Virginia:						
Department of Criminal Justice Services:						
Crime Victim Assistance		16.575		20-V3031VW18	\$ 393,929	-
Total Passed Through the Commonwealth of Virginia					\$ 393,929	\$ -
TOTAL U.S. DEPARTMENT OF JUSTICE					\$ 1,141,789	\$ 38,999
Executive Office of the President						
Passed Through Mercyhurst University:						
High Intensity Drug Trafficking Area (HIDTA)		95.007		G19WB0004A	\$ 162,310	\$ -
TOTAL EXECUTIVE OFFICE OF THE PRESIDENT					\$ 162,310	\$ -

Federal Granting Agency / Pass-Through Entity / Program / Cluster	Award Identification	Federal Assistance Listing Number (ALN)	Cluster Name	Pass-Through Entity Identifying Number	Federal Expenditures	Pass-through to sub-recipients
U.S. DEPARTMENT OF LABOR						
Passed Through the Commonwealth of Virginia:						
Virginia Community College System:						
Workforce Innovation and Opportunity Act (WIOA) Adult Program		17.258	WIOA Cluster (6)	AA-36350-21-55-A-51 AA-38561-22-55-A-51	435,033	266,900
WIOA Youth Activities		17.259	WIOA Cluster (6)	AA-36350-21-55-A-51 AA-38561-22-55-A-51	132,325	132,325
WIOA Dislocated Worker Formula Grants		17.278	WIOA Cluster (6)	AA-36350-21-55-A-51 AA-38561-22-55-A-51	270,530	132,004
Total Passed Through the Commonwealth of Virginia					\$ 837,888	\$ 531,229
TOTAL U.S. DEPARTMENT OF LABOR					\$ 837,888	\$ 531,229
<i>(6) Total WIOA Cluster (ALN #17.258, #17.259, #17.278)</i>					<i>\$ 837,888</i>	
U.S. DEPARTMENT OF TRANSPORTATION						
Direct Award:						
Federal Transit - Capital Investment Grants		20.500	Federal Transit Cluster (7)		770,863	-
Federal Transit - Formula Grants		20.507	Federal Transit Cluster (7)		910,158	-
Total Direct Awards					\$ 1,681,021	\$ -
Passed Through the Commonwealth of Virginia:						
Department of Transportation:						
Highway Planning and Construction		20.205		120576, 117708, 115562, 106958, 113868, 106474, 117310	2,007,945	-
Department of Motor Vehicle Administration:						
State and Community Highway Safety		20.600	Highway Safety Cluster (8)	FOP-2022-52195-22195 (Occ.Prot.) FPS-2022-52208-22208 (Ped/Bike, FSC-2022-52200-22200 (Speed) FOP-2021-51034-21034 (Occ.Prot.) FHLE-2021-51036-21036 (Ped/Bike) FSC-2021-51032-21032 (Speed)	32,945	-
Alcohol Open Container Requirements		20.607		154AL-2022-52082-22082 (Alcohol) 154AL-2021-51028-21028 (Alcohol)	17,649	-
Total Passed Through the Commonwealth of Virginia					\$ 2,058,539	\$ -
TOTAL U.S. DEPARTMENT OF TRANSPORTATION					\$ 3,739,560	\$ -
<i>(7) Total Federal Transit Cluster (ALN #20.500, #20.507)</i>					<i>\$ 1,681,021</i>	
<i>(8) Total Highway Safety Cluster (ALN #20.616, #20.600)</i>					<i>\$ 32,945</i>	

Federal Granting Agency / Pass-Through Entity / Program / Cluster	Award Identification	Federal Assistance Listing Number (ALN)	Cluster Name	Pass-Through Entity Identifying Number	Federal Expenditures	Pass-through to sub-recipients
U.S. DEPARTMENT OF THE TREASURY						
Direct Awards:						
Equitable Sharing		21.016			236	\$ -
Cornavirus State and Local Relief Funds (CSLFRF)						
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)	COVID	21.027			23,001,891	\$ -
Passed Through the Commonwealth of Virginia:						
Department of Education:						
COVID 19 Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)	COVID	21.027		none	2,919,199	-
Passed Through the Commonwealth of Virginia:						
Virginia Tourism Corporation:						
COVID 19 Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)	COVID	21.027		none	396,336	\$ -
Total Coronavirus State and Local Relief Funds (CSLFRF)					\$ 26,317,426	\$ -
COVID 19 Local Assistance and Tribal Consistency Fund (LATCF)	COVID	21.032		V9LLM9AGRPB7 (UEI No.)	50,000	-
TOTAL U.S. DEPARTMENT OF THE TREASURY					\$ 26,367,426	\$ -
NATIONAL ENDOWMENT FOR THE ARTS (NEA)						
Direct Awards:						
Arts Residency Grant		45.024			\$ 55,000	\$ -
Total Direct Awards					\$ 55,000	\$ -
TOTAL NATIONAL ENDOWMENT FOR THE ARTS (NEA)					\$ 55,000	\$ -
U.S. DEPARTMENT OF EDUCATION						
Passed Through the Commonwealth of Virginia:						
Department of Behavioral Health and Developmental Services:						
Early Intervention Funds		84.181		H181A210017	\$ 323,484	\$ -
Department of Education:						
Title I Grants to Local Educational Agencies		84.010		S010A180046	4,027,672	-
Special Education Grants to States		84.027	Special Education Cluster (IDEA) (9)	H027A190107	5,405,382	-
Career and Technical Education - Basic Grants to States		84.048		V048A190046	368,945	-
Special Education Preschool Grants		84.173	Special Education Cluster (IDEA) (9)	H173A190112	130,725	-
Education for Homeless Children and Youth		84.196		G00720	59,741	-
Twenty-First Century Community Learning Centers		84.287		S287C140047-60565/540-707	37,639	-
English Language Acquisition State Grants		84.365		S365A190046/5365A180046	906,687	-
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)		84.367		S367A180044	949,239	-
Student Support and Academic Enrichment Program		84.424		S424A180048/S424A180048	267,510	-
COVID 19 Elementary and Secondary School Emergency Relief Fund	COVID	84.425U		S425U210008	965,502	-
COVID-19 Elementary and Secondary School Emergency Relief Fund	COVID	84.425D/84.425W		S425D200008	3,817,414	-
Total Passed Through the Commonwealth of Virginia					\$ 17,259,940	\$ -
Passed Through the County of Fairfax, Virginia:						
Fairfax County Public Schools:						
Adult Education - Basic Grants to States		84.002		V002A190047/V002A180047	\$ 376,140	\$ -
Total Passed Through the County of Fairfax, Virginia					\$ 376,140	\$ -
TOTAL U.S. DEPARTMENT OF EDUCATION					\$ 17,636,080	\$ -
<i>(9) Total Special Education Cluster (IDEA) (ALN #84.027, #84.173)</i>					<i>\$ 5,536,107</i>	

Federal Granting Agency / Pass-Through Entity / Program / Cluster	Award Identification	Federal Assistance Listing Number (ALN)	Cluster Name	Pass-Through Entity Identifying Number	Federal Expenditures	Pass-through to sub-recipients
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Passed Through the Commonwealth of Virginia:						
Department for the Aging:						
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation		93.041		none	\$ 1,744	\$ -
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Care		93.044	Aging Cluster (10)	none	317,271	-
Special Programs for the Aging, Title III, Part C, Nutrition Services		93.045	Aging Cluster (10)	none	577,067	-
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects		93.046		none	16,878	-
Senior Medicare Patrol Project		93.048		none	11,663	-
National Family Caregiver Support, Title III, Part E		93.052		none	78,582	-
COVID -19 National Family Caregiver Support, Title III, Part E	COVID	93.052		none	29,000	-
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations		93.779		none	26,843	-
Medical Assistance Program-Medicaid; Title XIX		93.778		none	1,035,091	-
Department of Social Services:						
Promoting Safe Stable Families		93.556		LASER Report	\$ 69,345	-
Temporary Assistance for Needy Families		93.558		CVS-22-063-03 (CSBG), CVS-23-063-03 (CSBG),	1,260,421	291,866
Refugee and Entrant Assistance State/Replacement Designee Administered Programs		93.566		LASER Report	131,083	-
Low-Income Home Energy Assistance		93.568		LASER Report	171,524	-
Community Service Block Grant		93.569		CVS-21-063-03 (CSBG/CARES)	42,000	42,000
Child Care Development Block Grant		93.575	CCDF Cluster (12)	LASER Report	19,081	-
Child Care Mandatory and Matching Funds of the Child Care Development Fund (CCDF)		93.596	CCDF Cluster (12)	LASER Report	214,822	-
Chafee Education and Training Vouchers Program		93.599		LASER Report	1,577	-
Adoption and Legal Guardianship Incentive Payments		93.603		LASER Report	9,833	-
Stephanie Tubbs Jones Child Welfare Services Program		93.645		LASER Report	580	-
Foster Care Title IV-E		93.658		LASER Report	1,338,980	-
Adoption Assistance		93.659		LASER Report	960,568	-
Social Services Block Grant		93.667		LASER Report	965,579	-
Chafee Foster Care Independence Program		93.674		LASER Report	16,512	-
Children's Health Insurance Program		93.767		LASER Report	20,662	-
Medical Assistance Program		93.778	Medicaid Cluster (11)	LASER Report	2,432,071	-
Guardianship Assistance		93.090		LASER Report	8,466	-
Title IV-E Prevention Program		93.472		LASER Report	34,865	-
Department of Health Services:						
Public Health Emergency Preparedness Grants		93.069		1 NU90TP922013-01	\$ 107,774	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs		93.116		U52PS004675	43,862	-
Family Planning Services		93.217		FHPA006376	172,003	-
Immunization Cooperative Agreement		93.268		NH23IP922610	69,682	-
Maternal and Child Health Services Block Grant to the States		93.994		B04MC32577	99,977	-
MaryLee Allen Promoting Safe and Stable Families Program		93.556		2102VAPKIN	63,775	-
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services		93.671		2101VAFVC6	22,408	-
Epidemiology and Laboratory Capacity for Infectious Disease (ELC)		93.323		6NU50CK00055-02-03	1,926,015	-
Public Health Workforce Development		93.354		6NU50CK00055-02-03	218,349	-
Medical Reserve Corps Small Grant Program		93.008		6NU50CK00055-02-03	75,000	-
Every Student Succeeds Act/Preschool Development Grant		93.434		4400011553	20,754	-

Federal Granting Agency / Pass-Through Entity / Program / Cluster	Award Identification	Federal Assistance Listing Number (ALN)	Cluster Name	Pass-Through Entity Identifying Number	Federal Expenditures	Pass-through to sub-recipients
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)						
Department of Behavioral Health and Developmental Services:						
Projects for Assistance in Transition from Homelessness		93.150		X06SM016047-18	\$ 85,502	-
COVID-19 Emergency Grants to Address Mental and Substance Use Disorders	COVID	93.665		H79FG00285-10 H79FG000712	5,449	-
SUD Federal OPT-R Treatment		93.788		H79TI081682	250,954	-
Block Grants for Community Mental Health Services		93.958		B09SM010053-19	1,279,165	-
Block Grants for Prevention and Treatment of Substance Abuse		93.959		B08TI010053-19	690,586	-
Health Administration Traineeships Program		93.962		B08TI010053-19	196,216	-
Coronavirus State and Local Fiscal Recovery Funds		21.027		22ARL 561000090 001.1	3,463	-
Total Passed Through the Commonwealth of Virginia					\$ 15,123,042	\$ 333,866
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					\$ 15,123,042	\$ 333,866
<i>(10) Total Aging Cluster (ALN #93.044, #93.045)</i>					894,338	-
<i>(11) Total Medicaid Cluster (ALN #93.778)</i>					2,432,071	-
<i>(12) Total CCDF Cluster (ALN #93.575, #93.596)</i>					233,903	-
U.S. DEPARTMENT OF HOMELAND SECURITY						
Direct Awards:						
COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)	COVID	97.036		DR-4512	5,599,623	-
Total Direct Awards					\$ 5,599,623	\$ -
Passed Through the Commonwealth of Virginia:						
Department of Emergency Management:						
Emergency Management Performance Grants		97.042		EMP-2018 EP-00007(7711)	\$ 45,035	\$ -
Department of Fire Programs:						
Homeland Security Grant Program (15)		97.044		EMW-2020-FG-19485	115,593	-
Total Passed Through the Commonwealth of Virginia					\$ 160,628	-
Passed Through the Government of the District of Columbia:						
Homeland Security and Emergency Management Agency:						
Homeland Security Grant Program (15)		97.067		18UASI879-01,18UASI879-02,17UASI879-05,19UASI879-01, EWW-2018-SS-00051	\$ 333,747	\$ -
Total Passed Through the Government of the District of Columbia					\$ 333,747	-
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY					\$ 6,093,998	\$ -
TOTAL FEDERAL EXPENDITURES					\$ 109,032,143	\$ 1,424,858

ARLINGTON COUNTY, VIRGINIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards (the Schedule) includes all federal grant activity of Arlington County, Virginia and its component units as of June 30, 2023. The County's reporting entity is defined in Note 1 of the County's basic financial statements. federal awards are received directly, as well as passed through other governmental agencies.

This Schedule has been prepared on the modified accrual basis of accounting. Expenditures are recorded when the liability is incurred. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

NOTE 2 INDIRECT COSTS

The County and the Arlington County Public Schools did not elect to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 FEDERAL COGNIZANT AGENCY

The Federal Cognizant Agency for the County is the United States Department of Health and Human Services.

NOTE 4 LOAN PROGRAMS

The outstanding loan balances and loan expenditures for the year ended June 30, 2023. Current year loan federal expenditures are reported on the Schedule of Expenditures of Federal Awards

14.218 Community Development Block Grants	\$5,578,289
14.239 Home Investment Partnerships Program	\$42,885,230

**ARLINGTON COUNTY, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2023**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
 - Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
 - Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

Assistance Listing Number(s)	Name of Federal Program or Cluster
10.561	Supplemental Nutrition Assistance Program
20.205	Highway Planning and Construction
21.027	COVID-19 Coronavirus State and Local Recovery Funds
84.010	Title I
84.425 D, U, W	COVID-19 Education Stabilization Funds (ESF)
93.778	Medicaid Cluster

Dollar threshold used to distinguish between Type A and Type B programs:

\$3,000,000

Auditee qualified as low-risk auditee? _____ yes x no

**ARLINGTON COUNTY, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2023**

Section II – Financial Statement Audit

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Major Federal Award Program Audit

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

ARLINGTON COUNTY VISION

Arlington will be a diverse and inclusive world-class urban community with secure, attractive residential and commercial neighborhoods where people unite to form a caring, learning, participating, sustainable community in which each person is important.



ARLINGTON
VIRGINIA

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