



Annual Comprehensive Financial Report

Fiscal Year Ended
June 30, 2024



ARLINGTON COUNTY, VIRGINIA

Annual Comprehensive Financial Report

FISCAL YEAR 2024

(July 1, 2023 - June 30, 2024)



DEPARTMENT OF MANAGEMENT AND FINANCE

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

The FY 2024 Annual Comprehensive Financial Report is printed on paper consisting of 100% recycled content (post-consumer fiber).



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, 2024**

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	20
MANAGEMENT’S DISCUSSION AND ANALYSIS	25
BASIC FINANCIAL STATEMENTS	42

Government-Wide Financial Statements

Exhibit

1	Statement of Net Position	43
2	Statement of Activities.....	44

Governmental Fund Financial Statements

3	Balance Sheet - Governmental Funds	46
3(A)	Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position ...	47
4	Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	48
4(A)	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	49

Proprietary Fund Financial Statements

5	Statement of Net Position - Proprietary Funds	50
6	Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	51
7	Statement of Cash Flows - Proprietary Funds	52

Fiduciary Funds Financial Statements

8	Statement of Fiduciary Net Position - Fiduciary Funds.....	53
9	Statement of Changes in Fiduciary Net Position - Fiduciary Funds.....	54

Notes to the Financial Statements

10	Notes to the Financial Statements.....	55
	REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)	160
11-A	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	161
11-B	Notes to the Schedule of Revenues, Expenditures, and Changes in Fund Balance	163
11-C	Arlington County Retirement System - Schedule of Changes in the County's Net Pension Liability (Asset) and Related Ratios	164
11-D	Schedule of Employer Contributions – County Pension	164
11-E	Notes to Schedule - Arlington County Retirement System Pension - Key Assumptions	165
11-F	Schedule of Employer Share of Net Pension Liability - VRS Teacher Retirement Plan.....	166
11-G	Schedule of Employer Contributions - VRS Teachers Retirement Plan.....	167
11-H	Notes to Schedule - VRS Teachers Retirement Plan	167
11-I	Schedule of Changes in APS-VRS Political Subdivision's Net Pension Liability	168
11-J	Schedule of Employer Contributions – APS-VRS Political Subdivisions.....	169
11-K	Notes to Schedule - APS-VRS Political Subdivisions	169
11-L	Schedule of Changes in Net OPEB Liability and Related Ratios - County OPEB Plan.....	170
11-M	Schedule of Employer Contributions - County OPEB Plan.....	171
11-N	Notes to Schedule - County OPEB	171
11-O	Schedule of Investment Returns - County OPEB Plan	172
11-P	Schedule of Employer Share of Net OPEB Liability - Line of Duty Act Program (LODA)	173
11-Q	Schedule of Employer Contributions - Line of Duty Act Program (LODA).....	174
11-R	Notes to Required Supplementary Information - Line of Duty Act Program (LODA)	174
11-S	Schedule of Changes in Net OPEB Liability and Related Ratios - Arlington Public Schools	175
11-T	Schedule of Employer Contributions - Arlington Public Schools	176
11-U	Notes to Schedules - Arlington Public Schools	176
11-V	Schedule of Investment Returns-Arlington Public Schools OPEB Plan	177
11-W	Schedule of Employer Share of Net OPEB Liability - Arlington Public Schools - Teachers Plan-Health Insurance Credit Program (HIC).....	178
11-X	Schedule of Employer Contributions - Arlington Public Schools - Teachers Plan - Health Insurance Credit (HIC) Program.....	179
11-Y	Notes to Schedules - Arlington Public Schools - HIC Teachers Plan.....	179
11-Z	Schedule of Employer Share of Net OPEB Liability - Arlington Public Schools – Political Subdivision-Health Insurance Credit.....	180
11-AA	Schedule of Employer Contributions - Arlington Public Schools – Political Subdivision (HIC) Program.....	181
11-AB	Notes to Schedule - Arlington Public Schools – Political Subdivision HIC Program.....	181
11-AC	Schedule of Employer Share of Net OPEB Liability - Arlington Public Schools - Teachers Plan - Group Life Insurance Program	182
11-AD	Schedule of Employer Contributions - Arlington Public Schools - Teachers Plan - Group Life Insurance (GLI) Plan	183
11-AE	Notes to Schedules - Arlington Public Schools - Teachers GLI Program	183
11-AF	Schedule of Employer Share of Net OPEB Liability - Arlington Public Schools Political Subdivision - Group Life Insurance Program.....	184
11-AG	Schedule of Employer Contributions - Arlington Public Schools – Political Subdivision-Group Life Insurance (GLI) Program	185
11-AH	Notes to Schedule - Arlington Public Schools – Political Subdivision GLI Program	185

OTHER SUPPLEMENTARY INFORMATION

Non-Major Governmental Funds

X	Combining Balance Sheet - Non-Major Governmental Funds	188
Y	Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Governmental Funds	190

General Fund

A-1	Balance Sheet	193
A-2	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual	194

Special Revenue Funds

B-1	Combining Balance Sheet	196
B-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	197
B-3	Ballston Quarter Community Development Authority - Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget (GAAP Basis) and Actual	198
B-4	Travel and Tourism Promotion - Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget (GAAP Basis) and Actual	199
B-5	Ballston Business Improvement District - Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget (GAAP Basis) and Actual	200
B-6	Rosslyn Business Improvement District - Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget (GAAP Basis) and Actual	201
B-7	National Landing Business Improvement District - Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget (GAAP Basis) and Actual	202
B-8	Community Development Grants Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget (GAAP Basis) and Actual	203
B-9	Section 8 Housing Program - Schedule of Revenues, Expenditures, and Changes in Fund Balances, Budget (GAAP Basis) and Actual	204

Capital Projects Funds

C-1	Combining Balance Sheet	206
C-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balance	208
C-3	Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual	210

Enterprise Funds

D-1	Combining Balance Sheet	216
D-2	Combining Statement of Revenues, Expenses and Changes in Net Position	218
D-3	Combining Statement of Cash Flows	219

Internal Service Funds

E-1	Combining Balance Sheet	222
E-2	Combining Statement of Revenues, Expenses and Changes in Net Position	223
E-3	Combining Statement of Cash Flows	224

Fiduciary Funds

F-1	Combining Statement of Fiduciary Net Position - Trust Funds	226
F-2	Combining Statement of Changes in Fiduciary Net Position - Private Purpose Trust Funds	227
F-3	Combining Statement of Changes in Fiduciary Net Position - Pension and OPEB Trust Funds	228
F-4	Combining Statements of Fiduciary Net Position – Custodial Funds	229
F-5	Combining Statement of Change in Fiduciary Net Position - Custodial Funds	230

Discretely Presented Component Unit – Schools

G-1	Combining Balance Sheet	232
G1(A)	Reconciliation of the Fund Balances of Component Unit - Schools to Net Position of Component Unit - Schools	233
G-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balance	234
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	235
G-3	Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual	236
G-4	OPEB Trust Fund - Schools, Statement of Plan Net Position	239
G-5	OPEB Trust Fund - Schools, Statement of Changes in Plan Net Position	240

Supplemental Schedules

S-1	Schedule of Cash Receipts and Disbursements - All Funds	242
S-2	Combined Schedule of Investments - All Funds	245
S-3	Combined Schedule of Long-Term Obligations	249
S-4	Schedule of Delinquent Property Taxes Receivable	258
S-5	Real Estate and Personal Property Tax Levies and Collections	259
S-6	Net Book Value of Capital Assets Used in the Operation of Governmental Funds Schedule by Source	260
S-7	Schedule of Changes in General Capital Assets - By Function and Activity	261
S-8	Schedule of General Capital Assets - By Function and Activity	262
S-9	Detail Schedule of Revenues - Budget (GAAP Basis) and Actual - General and Special Revenue Funds	263
S-10	Detail Schedule of Expenditures - Budget (GAAP Basis) and Actual - General and Special Revenue Funds	265
S-11	Schedule of Capital Outlays and Capital Projects - Governmental Fund Type	267

STATISTICAL SECTION (Unaudited)

Financial Trend Tables

Table

A	Net Position by Component	270
B	Changes in Net Position	271
C	Fund Balances, Governmental Funds and Component Units	273
D	Changes in Fund Balances of Governmental Funds	274
D-1	General Governmental Expenditures by Functions	275
D-2	General Governmental Revenues by Source	276

Revenue Capacity Tables

E	General Governmental Tax Revenues by Source	277
---	---	-----

F	Assessed and Actual Value of Taxable Property	278
G	Principal Taxpayers	279
H	Property Tax Levies and Collections	280

Debt Capacity Tables

I	Ratios of Outstanding Debt by Type	281
I-1	Primary Government Ratios of General Bonded Debt Outstanding	282
J	Pledged-Revenue Coverage, Utilities Bond Coverage.....	283

Demographic and Economic Information Tables

K	Demographic Statistics.....	284
L	Principal Employers	285

Operating Indicator Tables

M	Full-time Equivalent Government Employees by Function	286
N	Operating Indicators by Function - Program.....	287
O	Capital Assets Statistics by Function/Program.....	288
P	Percentage of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Governmental Expenditures	289

Other Tables

Q	Schedule of Insurance	290
R	Construction Activity and Real Property Value.....	293
S	Business and Professional License Tax Revenues	294
T	Certificate of No Default.....	295
U	Largest Users of the Water & Sewer System	296
V	Description of Wastewater & Water System & Wastewater & Water Rates	297
W	Certificate of Consulting Engineer.....	301

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 <i>Governmental Auditing Standards</i>	303
2)	On Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	305
	Schedule of Expenditures of Federal Awards	308
	Notes to Schedule of Expenditures of Federal Awards	314
	Schedule of Findings and Questioned Costs	315



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.

This page has intentionally been left blank.



DEPARTMENT OF MANAGEMENT AND FINANCE

2100 Clarendon Blvd., Suite 501, Arlington, VA 22201
TEL: 703.228.3415; EMAIL: dmf@arlingtonva.us

November 20, 2024

To Libby Garvey, 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, 2024. 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, 2024, 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, 2024, 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



Photo Credit David Hills

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 approximately 22 million gallons of wastewater each day from residences and businesses, with nearly 20 percent of the plant’s flow coming from neighboring localities including Alexandria, Fairfax County 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 1,050 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, 2024, was \$91.4 billion. The County government's adopted budget for all funds for Fiscal Year 2024 totaled \$2.1 billion, which included \$804.4 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 long-term changes in key economic metrics related to office vacancy rates. Real estate tax revenues make up 56 percent of all general fund revenues. In Calendar Year (CY) 2024 the County experienced modest revenue growth from real estate taxes, driven by a 2.5 percent increase in Arlington's property values and a CY 2024 tax rate increase of 2-cents per \$100 of assessed value. Arlington's residential property tax base grew 3.2 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 3.9 percent while the condominium tax base increased by 1.1 percent. Commercial property assessments increased by 1.6 percent over the previous year primarily due to new construction. The assessed value for office properties were down, as expected, by 8.5 percent over last year; offset by the increase of the apartment property tax base by 9.5 percent. Almost half of the apartment property value increase was due to significant new construction. Hotel assessments increased 1.7 percent and general commercial (malls, retail stores, gas stations, commercial condos, etc.) assessments decreased 2.4 percent over CY 2023 values. Arlington's 2024 real property tax base is approximately 45% commercial and 55% 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 3.3 percent; from \$798,500 in CY 2023 to \$824,700 in CY 2024. 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 2024 includes a base rate of \$1.033 per \$100 of assessed value. The previous sanitary tax rate of \$0.017 per \$100 of assessed value was replaced with a Sanitary Utility fee. Effective January 1, 2024, the County Board repealed Section 26-13 of the Arlington County Code to eliminate the Sanitary District Tax and adopted an amendment to Chapter 26 to create a new Stormwater Utility, setting the rate at \$258 per equivalent residential unit (ERU). Arlington continues to remain competitive in the Northern Virginia region, maintaining its history of providing excellent value.

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. Arlington has over 44 million square feet of rentable space and according to CoStar, for the first quarter of 2024, has an office vacancy rate of 22.8%, a 1.4% increase from the previous year. Although the post pandemic environment has driven companies to rethink need for office space and shrink their footprint, Arlington County has taken a proactive approach to commercial revitalization. Arlington is attracting new business ventures by modernizing zoning regulations to expand the types of industries allowable in office buildings and streamlining the process to amend zoning ordinances and introduce future policy recommendations to support building repositioning. This is in addition to re-invigorated and focused business attraction and retention efforts. In addition to attracting Amazon HQ2 in 2018, in the first three quarters of fiscal year 2024, Arlington Economic Development assisted 17 businesses who either expanded, relocated to, or have been retained in Arlington. 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 240,900 people in 2024, an increase of 0.9% since the 2020 decennial census count of 238,643. Additionally, Arlington is home to an estimated 221,400 jobs, as of January 1, 2024. The service sector comprises a significant share of jobs in Arlington. About 26.8 percent of all jobs are in the professional and technical services sector. Another 20.1 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 20.0 percent of the County's January 2024 employment is estimated to be in government. The unemployment rate for the Washington-Arlington-Alexandria Metropolitan Statistical Area as of June 30, 2024, was 3.3% per the Bureau of Labor Statistics. This falls in between Virginia's average unemployment rate of 2.7% and the national average rate of 4.1%. The County's per capita income remains among the highest in the state.

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 2024, the Arlington County Board adopted a \$1.65 billion balanced general fund budget for Fiscal Year 2025. The adopted budget increased the base real estate tax rate by 2 cents from \$1.013 to \$1.033 per \$100 of assessed value, which is partially offset by the move to a stormwater utility fee that reduced the tax rate by 1.7 cents. The real estate tax increase—the first since FY 2020—will fund priority needs that face the community, including affordable housing, eviction prevention, investments in the environment, and support for teens and youth, such as programs for teen mental health and substance use prevention. The adopted budget focuses on foundational services for the community, including public safety, housing, behavioral health, environmental sustainability, transportation, and schools. The balanced budget also reflects Arlington's ongoing challenges with increased office market vacancies and stresses on the social services network. Addressing this challenge are nearly \$9.7 million in reductions and operational efficiencies. The reductions fall mainly into two categories: those that will limit services in less critical areas and those that reflect changing demands. There are significant investments in the County's economic stabilization reserve, and support for Arlington Economic Development's small business program, food security grants, and the Department of Human Services' (DHS).

The Fiscal Year 2025 Budget includes over \$113 million dedicated to housing programs, with an emphasis on stabilizing housing for households in need and improving housing conditions. The focus on teens provides \$4.3 million for intervention, prevention, and education efforts to address teen mental health and substance use. Investments include funds for dedicated case management for teens experiencing mental health and substance use challenges, expansion of out-of-school teen programming, and new digital and in-person outreach strategies to share programming and resources with teens and families. An environmental focus includes \$3.5 million for the Climate Fund, an additional \$1.0 million for tree maintenance, \$300,000 to proactively address emerging invasive threats to

Arlington County natural lands, and \$240,000 for the Tree Canopy Fund. Workforce investments in the adopted budget include salary increases and an increase in family leave benefits for current County staff. To assist with recruitment efforts, the budget includes a student loan supplement bonus for general employees hired after January 1, 2025. The Fiscal Year 2025 transfer to Arlington Public Schools from the County is \$639.7 million, 46.8 percent of local tax revenues. This funding level is a 5.2 percent increase over Fiscal Year 2024.

In June of 2024 the County issued \$138.9 million in new debt, including bond premiums, with its Series 2023B Revenue Bonds and Series 2024 General Obligation bonds for various County, Schools, Utilities, and Stormwater projects. The General Obligation bonds were rated triple-Aaa by Moody's, Fitch, and Standard & Poor's, while the Series 2023B Revenue Bonds were rated AA+ by Standard & Poor's and Fitch. This is the 24th consecutive year that the County has maintained the triple-Aaa rating on its General Obligation bonds, maintaining its place among just 55 counties in the United States, and 10 in Virginia, to receive the valuation.

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 with Collective Bargaining Agreements in place. Funding for any agreement or arbitration award is subject to County Board appropriation.

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 \$1.033 per \$100 of assessed value, which is the base rate the real estate tax bill for the average residential home increased \$430, or 5.3 percent, in CY 2024.

Arlington's real property tax base for CY 2024 is approximately divided between 45.4% commercial and 54.6% residential properties. This balance of tax burden is a fiscal benefit of "smart growth". The 2 cent increase to the real estate tax rate brings it to \$1.033 per \$100 value. The FY 2025 budget includes no increases to the tax rates of personal property and business tangible property, or business and professional occupational licenses. In DES, the household solid waste rate increased from \$406.14 to \$415.75 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. Ambulance service fee revenue is expected to increase three percent in FY 2025 due to the fees for Treat No Transport services and qualified healthcare practitioner fee increases. Arlington Transit / Commuter Store revenue includes ART bus fares and business contributions for transportation demand management (TDM) programs. FY 2025 revenues are projected to increase 13 percent over FY 2024 adopted levels primarily due to a fee increase of 15 percent. 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. This tax ranged from \$0.01 per \$100 of assessed value in FY 2009 to \$0.017 in FY 2023 in order to fund stormwater management initiatives. Effective January 1, 2024, the County Board repealed Section 26-13 of the Arlington County Code to eliminate the Sanitary District Tax and adopted an amendment to Chapter 26 to create a new Stormwater Utility, setting the rate at \$258 per equivalent residential unit (ERU). In the Department of Parks and Recreation (DPR), recreation fees are expected to increase 19 percent in FY 2025. The FY 2025 adopted budget includes an overall increase of 4.9 percent to the restructured water/sewer rates across all customer classes for the entire fiscal year. At the new rates, the average single-family house will pay \$38 more per year for water and sewer service based on an estimated household consumption of 48,000 gallons of water per year and assumed winter water usage of 11 TG per quarter.

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 2025 – FY 2034 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 2025–2034 Capital Improvement Plan (CIP) in July 2024. 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 voter-approved 2024 Bond Referenda included \$76.2 million for community infrastructure, \$25.8 million for local parks and recreation, \$72.4 million for metro and transportation, \$14.2 million for utilities, and \$84.0 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 1.3% 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 2025 adopted general fund transfer for WMATA nets \$49.8 million, an increase of 5 percent over FY 2024. An increase to the County's available state transit aid and regional gas tax is being utilized to meet the overall twenty-one percent increase to the County's FY 2025 WMATA operating subsidy. The major drivers of the increase are the continued period of lower ridership resulting in lower fare revenues on Metrobus and Metrorail, and the loss of 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 2025, it is projected that fare revenues will remain substantially below pre-pandemic levels and only cover approximately 21 percent of operating expenditures. Going forward, it is projected that WMATA will continue to face significant budget pressures and will seek large annual increases to local jurisdictional subsidies that exceed the historical three-percent growth cap. This will put continued pressure on the County's general fund revenues used to support WMATA to the extent that state transit aid and other revenues do not increase at proportional levels. The region is currently working to address the fiscal and operational challenges at WMATA, with one of the goals being to identify a new, regional dedicated funding source. Any new source that

is approved would relieve some of the pressure on the general fund, however it is too soon to determine the scale and impact of any future new revenues.

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 student populations. Its more than 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.

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 revenue sharing percentage remains at 46.8 percent of ongoing local tax revenues. The average expenditure per pupil was expected to be \$23,521 in the 2024 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 2024 ranked Arlington Public Schools the #2 best school district in Virginia of 131 school districts and is third in the DC Area. APS is the best place to teach in the Commonwealth of Virginia and the DC area. Fifteen schools ranked among the top schools in the Niche ranking, including Dorothy Hamm Middle School, named #1 best middle school in Virginia.
- Arlington Public Schools is fully accredited by the Virginia Department of Education (VDOE) for the 2023-24 school year.
- 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.
- U.S. News and World Report released its list of top high schools, including Yorktown, which ranked #12 in Virginia, and Washington-Liberty, which ranked #20.
- 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
- 80% of APS teachers have master's degrees
- 86% of the Class of 2023 plan to continue Post-Secondary Education
- The APS Class of 2023 earned \$85.5 million in scholarships
- 62% of APS graduates earned an advance diploma
- 97.7% On-Time Graduation Rate

Debt Service

In June 2024, the County issued General Obligation bonds in the amount of \$93.2 million. These monies are allocated for transportation projects, \$10.5 million; community infrastructure and government facilities, \$7.5 million; parks &

recreation projects, \$4.6 million; metro projects, \$21.5 million; Utilities fund projects, \$15.0 million; Stormwater projects, \$2.6 million, and Arlington Public School projects, \$31.4 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 2025 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 \$84.6 million. The next issuance of GO bonds for new County projects is planned for spring 2025.

In December 2021, the County entered into a new line of credit with PNC Bank for \$150 million and a term of five years. \$30 million was paid down on the PNC Bank line of credit to end the year with a \$120 million balance. 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 5.33% through October 2024. 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. The County-wide sanitary district rate of \$0.017 for stormwater management was repealed in December 2023 and replaced by a Stormwater Utility with a rate of \$258 per Equivalent Residential Unit (ERU), effective January 1, 2024.

The anticipated \$26 million in FY 2025 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. The CIP seeks to strike the right investment balance between water quality, improved maintenance of assets, and capacity improvements.

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.

In July 2024, the County Board adopted a FY 2025 – FY 2034 Capital Improvement Plan which provides for investments over the 10-year planning period to include both County government and Schools capital assets and focus on community priorities, county planning processes, and private sector development. The Adopted 2024 Bond Referenda totaled \$272.5 million of County general government, utility, and school's 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, 2023. This was the 38th 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 2024 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 fifteenth 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

1A7FC8CAB6FA4BF...

Maria R. Meredith, Director

Department of Management and Finance

DocuSigned by:

Karen Spence

122F4ECE872941B...

Karen Spence, Comptroller

Department of Management and Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Arlington County
Virginia**

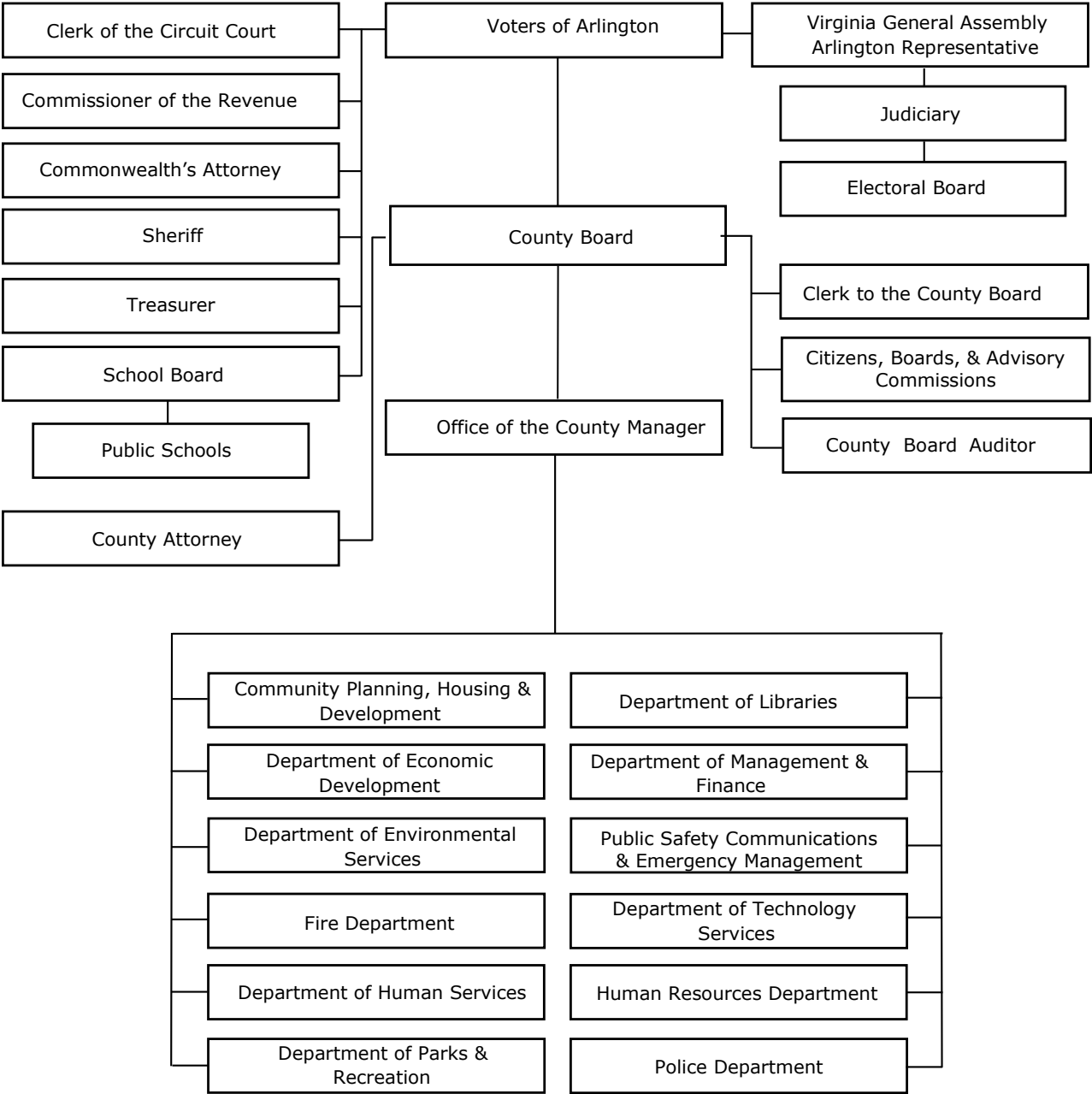
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

ORGANIZATION OF ARLINGTON COUNTY GOVERNMENT



**ARLINGTON COUNTY, VIRGINIA
DIRECTORY OF OFFICIALS
June 30, 2024**

COUNTY BOARD

Libby Garvey, Chair

Takis P. Karantonis, Vice Chair

Matt de Ferranti
Maureen Coffey
Susan Cunningham

COUNTY SCHOOL BOARD

Mary Kadera, Chair

Bethany Zecher Sutton, Vice Chair

Cristina Diaz-Torres
David Priddy
Miranda Turner

FINANCE BOARD

Libby Garvey, Chair

Carla de la Pava
Parisa Dehghani-Tafti
Citizen Member-vacant

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
Kim Klingler
Jose Quiroz
Carla de la Pava

Administrative – General County

County Manager
Deputy County Manager
Deputy County Manager
Deputy County Manager
Acting Chief Race and Equity Officer
Assistant County Manager
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
Cynthia Liccese-Torres
Gurjit Chima
Erika Moore
Jennifer Fioretti
MinChau Corr
Mason Kushnir
Vacant
Samia Byrd
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
Corey Dotson
Andy Hawkins
Rajesh Adusumilli
Catherine Ashby
Renee Harber
Dr. Gerald Mann, Jr.
Dr. Julie Crawford
Brian Stockton

This page has intentionally been left blank.



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.



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, 2024, 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, 2024, 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 4.4%, 2.6%, and 3.9%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2024, 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 1. S to the financial statements, Arlington County, early adopted Governmental Accounting Standards Board (GASB) issued GASB Statement No. 101, Compensated Absences. The standard defines liabilities for certain types of compensating absences. Our opinion is not modified with respect to this matter.

Emphasis of Matter – Change in Reporting Entity

As discussed in Note 1. T to the financial statements, Arlington County changed the stormwater fund to a business-type and proprietary fund. The fund was reported as a governmental activities and special revenue fund in the prior year. 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.

To the Honorable Members of the County Board
Arlington, Virginia

- 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.
- 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 for the year ended June 30, 2024, 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, discretely presented component unit - Schools and supplemental schedules, and the 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*, is listed in the table of contents, , 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, is fairly stated, in all material respects, in relation to the basic financial statements as a whole of the year ended June 30, 2024.

To the Honorable Members of the County Board
Arlington, Virginia

We also have previously audited, in accordance with GAAS, the basic financial statements for the County as of and for the year ended June 30, 2023, (not presented herein) and have issued our report thereon dated December 15, 2023, which contained unmodified opinions on the respective 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. The supplementary information presented in Exhibits A-1, A-2, B-1, B-2, C-1, C-2, D-1, D-2, D-3, E-1, E-2, E-3, F-3, G-1, G-2, G-4, G-5, S-9 and S-10 for the year ended June 30, 2023, 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 related directly to the underlying accounting and other records used to prepare the 2023 basic financial statements. The information was subjected to the audit procedures applied in the audit of the 2023 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information presented for June 30, 2023, as listed above, is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2023.

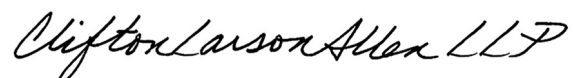
Other Information

Management is responsible for the other information included in the annual report. The other information comprises 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 , 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.



CliftonLarsonAllen LLP

Arlington, Virginia
November 20, 2024



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, 2024.

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 \$2,821.8 million at June 30, 2024 (Table A-1). The net position includes increases of \$134.1 million in governmental activities mostly from a \$151.9 million beginning balance restatement, \$58.4 million overall increase to Business-type majorly due to compensated absences implementation offset by Stormwater change in entity accounting from governmental activities to Business-type utilities fund, and a \$66.4 million impact to School's component unit, due to an increase in GASB 96 subscription leases for the Schools and bond issuance.
- For FY 2024, taxes and other revenues of the County's governmental activities amounted to \$1,910.5 million. Expenses amounted to \$1,749.2 million. (Table A-2)
- For FY 2024, revenues of the County's business-type activities were \$158.3 million, and expenses were \$159.9 million. Stormwater funds underwent a change in accounting entity from governmental activities to Business-type utilities funds in FY 2024. Restatement increases of \$67.2 million of beginning fund balances and (\$7.3 million) decrease for compensated absences impact the beginning balances of governmental and enterprise funds. shown on Exhibit 2. (Table A-2).
- GASB Statement No. 101 (GASB 101) Compensated Absences, issued by the Governmental Accounting Standards Board (GASB) covers the valuation of compensated absences such as sick leave, vacation leave and compensated time and was implemented for the County and Schools in FY 2024. The valuation included measurement assumptions that the compensated time was earned based upon services already rendered and whether time was used for time off. This clarification increased the County's measurement and valuation of sick leave by \$92.0 million including FICA benefits. Other compensated time valuation modulated immaterially.

Fund Level

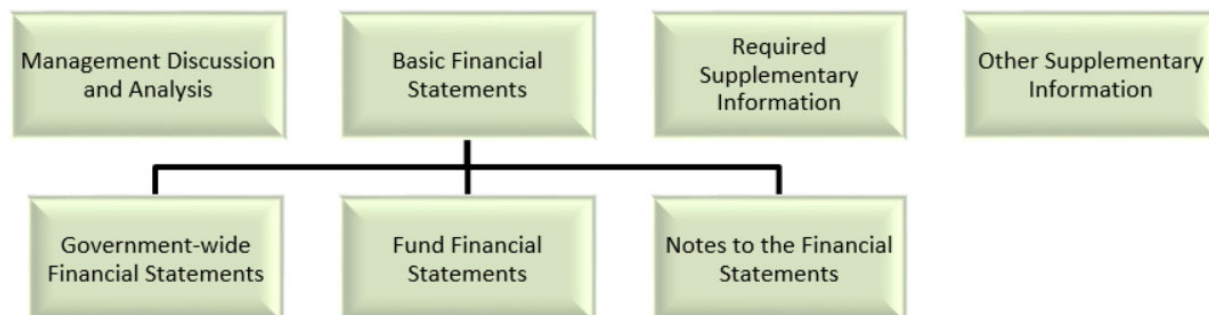
- As of June 30, 2024, the County's governmental funds reported combined fund balances of \$737.9 million, a decrease of \$52.2 million from FY 2023. (Exh. 3) The fund balance for stormwater of \$16.7 million and assets of \$50.5 million moved to enterprise utility fund represents a change in entity from governmental funds to enterprise funds. There is an increase in the General fund of \$9.0 million and decreases in Transportation Capital fund and General Capital Projects fund in the amounts of \$7.3 million and \$45.7 million, respectively, as planned bond funds were spent. The General Fund represents a \$0.4 million or less than 1 percent increase from FY 2023. The resulting ending combined governmental fund balance of \$737.9 million displays on Exh. 3 & Exh. 4.

- The County’s general fund reported a fund balance of \$372.3 million, an increase of \$9.0 million from June 30, 2023. The general fund operating revenue and operating expenditures were almost equal. The other financing sources represent the majority of the increase of \$8.6 million from a bond issuance, sale of land and transfers.
- Debt service (principal and interest) payments in FY 2024 totaled \$110.4 million, an increase of \$78.0 million over FY 2023. Debt service covers capital projects for County government activities and component units, namely Schools. (Exh. 4.)
- In FY 2024 a change in entity occurred to the Stormwater program. Previously categorized as a governmental fund, the transition to enterprise fund was based upon a rate study implementation with program charges designed to cover its operational and capital costs.

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.
- The County strategically issues General Obligation (GO) bonds based upon capital project spend rates and community needs. The FY 2024 bond issuance of \$138.5 million benefited the County by \$84.7 million, Utilities & Stormwater by \$19.4 and the Schools by \$34.4 million.
- The County has used \$30 million of one-time funding over the past year to pay down its outstanding line of credit with PNC bank. The facility was used to provide an acquisition loan for the Barcroft Apartments affordable housing project. The line has been reduced to \$120.0 million as of FY 2025.
- 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. Three unions have been recognized with Collective Bargaining Agreements in place Police, Fire, and Service, Labor and Trades. 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, the Community Planning and Housing Development (CPHD) Fund and Stormwater. Stormwater fund underwent a change to entity from governmental to enterprise beginning in FY 2024 and is now included with Utilities 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, 2024, net position for the total reporting entity was \$2,821.8 million. The following table (Table A-1) reflects the condensed Statement of Net Position for FY 2024 and FY 2023:

Table A-1
Condensed Statement of Net Position
June 30, 2024
With Comparative Totals for June 30, 2023
(in millions of dollars)

	Primary Government						Component Units					
	Governmental Activities		Business-type Activities		Total		Schools		Gates Partnership		Total Reporting Entity	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Current and other assets	\$1,895.1	\$1,893.0	\$75.9	\$71.2	\$1,971.0	\$1,964.2	\$362.1	\$382.6	\$2.9	\$1.7	\$2,335.9	\$2,348.5
Capital assets	1,927.6	1,896.5	1,193.7	1,110.6	3,121.3	3,007.1	1,018.6	981.2	60.2	62.1	4,200.1	4,050.4
Total assets	3,822.7	3,789.5	1,269.6	1,181.8	5,092.3	4,971.3	1,380.7	1,363.8	63.1	63.8	6,536.1	6,398.9
Deferred outflows of resources	208.4	232.0	-	-	208.4	232.0	164.8	130.9	-	-	373.2	362.9
Long-term debt outstanding	1,908.4	1,913.8	233.2	216.1	2,141.6	2,129.9	577.0	561.3	48.7	50.1	2,767.3	2,741.3
Other liabilities	255.3	230.6	45.3	32.6	300.6	263.3	103.3	94.0	2.5	1.8	406.4	359.0
Total liabilities	2,163.7	2,144.4	278.5	248.7	2,442.2	2,393.2	680.3	655.3	51.2	51.9	3,173.7	3,100.3
Deferred inflows of resources	776.5	795.4	0.8	1.1	777.3	796.5	144.2	185.0	-	-	921.5	981.5
Net Position:												
Investment in capital assets	770.0	709.6	998.4	921.7	1,768.4	1,631.3	962.2	907.0	11.9	11.9	2,208.9	2,059.6
Restricted for:												
Capital projects	98.5	118.5	-	-	98.5	118.5	148.4	158.8	-	-	246.9	277.3
Seized assets	2.0	5.6	-	-	2.0	5.6	-	-	-	-	2.0	5.6
Grants/Donations	21.4	20.5	-	-	21.4	20.5	9.5	7.1	-	-	30.9	27.6
Pension Asset	175.2	141.2	-	-	175.2	141.2	-	-	-	-	175.2	141.2
Unrestricted	23.9	86.2	(8.1)	10.3	15.8	96.5	(399.2)	(418.4)	7.7	7.7	157.9	176.4
Total Net Position	\$1,091.0	\$1,081.6	\$990.3	\$932.0	\$2,081.3	\$2,013.6	\$720.9	\$654.5	\$19.6	\$19.6	\$2,821.8	\$2,687.7

Note: 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 \$1,091.0 million.

For business-type activities, assets exceeded liabilities and deferred inflows of resources by \$990.3 million. For primary government, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by a total of \$2,081.3 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 \$720.9 million, and in the case of the Gates Partnership, assets exceeded liabilities by \$19.6 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 78.3% 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 16.0 % of the net position of the total reporting entity as of June 30, 2024. 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, 2024, increased net position from FY 2023 as follows:

Total Reporting Entity	Increase/Decrease in Net Position			
	2024	2023	(\$ In millions)	Percentage
Governmental	\$1,091.0	\$1,081.6	\$9.4	0.9%
Business-type	990.3	932.0	58.4	6.3%
Component unit - Schools	720.9	654.5	66.4	10.1%
Component unit - Gates Partnership	19.6	19.6	0.0	0.0%
Change in Net Position	\$2,821.8	\$2,687.7	\$134.1	

FY24 restated beginning balances in governmental & business-type

The FY 2024 Net Position of Governmental increased by \$9.4 million over FY 2023 after restatement and Business-Type increased the Net Position by \$58.4 million after restatement. The Net Positions beginning was restated by \$151.9 million decrease for governmental and \$59.9 million increase for enterprise. The restatements were due to the implementation of GASB 101, compensated absences, and a change in entity by Stormwater from governmental to business-type. The FY 2024 Net Position of the Component unit – Schools increased by \$66.4 million over FY 2023.

The Net Position of Governmental increased \$8.6 million due to other financing sources such as sale of land, bond issuance and transfers. The operating revenue and operating expenditures show an increase of \$0.8 million. A change in entity reduced the fund balance by \$67.2 million as stormwater was reclassified from governmental to enterprise funds and \$84.8 million decreased due to GASB 101 compensated absences implementation. Steady management of expenditures over the course of the fiscal year and the increase of the real estate tax revenue due to the increased value of real estate properties and the increase of the CY 2024 tax rate from \$1.013 to \$1.033. Other local taxes such as restaurant meals tax, car rental tax, hotel tax and business tax increased in comparison to prior year as the majority of the economically sensitive taxes are above pre-pandemic levels. The operating revenue less operating expenditures were within \$0.8 million or less than 1 percent.

The Net Position of Business-Type increased by \$58.4 million over previous year. The increase is primarily due to a restatement impact mostly offset by \$3.8 million increase in Utilities funds and \$3.1 million increase in Stormwater funds. Stormwater funds were a change in entity and added to enterprise funds. The beginning fund balance of \$67.2 million for Stormwater was formerly under governmental funds. GASB 101, compensated absences, implementation impacted the restatement of beginning with a decrease of \$7.3 million.

The Net Position of Component unit – Schools increased by \$66.4 million over previous year. The increase is largely due to the bond issuance of \$34.4 million.

The following table (Table A-2) displays the changes in net position for FY 2024 and FY 2023:

Table A-2
Statement of Changes in Net Position
Year Ended June 30, 2024
With Comparative Totals for June 30, 2023
(in millions of dollars)

	Primary Government						Component Units				Total Reporting Entity	
	Governmental Activities		Business-type Activities		Total		Schools		Gates Partnership			
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Revenues												
Program revenues												
Charges for services	\$92.6	\$81.2	\$152.9	\$139.1	\$245.5	\$220.3	24.2	25.3	\$8.3	\$8.2	\$278.0	\$253.8
Operating grants and contributions	170.5	194.5	-	-	170.5	194.5	107.3	95.4	-	-	277.8	289.9
Capital grants and contributions	-	-	-	1.8	-	1.8	-	-	-	-	-	1.8
General revenues												
Property taxes	1,082.6	1,049.0	-	-	1,082.6	1,049.0	-	-	-	-	1,082.6	1,049.0
Other local taxes	281.2	265.8	-	-	281.2	265.8	36.4	41.7	-	-	317.6	307.5
Revenue from general fund	-	-	-	-	-	-	614.4	603.0	-	-	614.4	602.9
Investment and interest earnings	60.0	37.3	3.2	1.0	63.2	38.3	7.4	2.2	-	-	70.6	40.4
Miscellaneous	219.8	70.5	2.2	0.4	222.0	70.9	33.2	118.9	0.1	0.1	255.3	189.9
Total revenues	1,906.6	1,698.2	158.3	142.3	2,064.9	1,840.6	822.9	886.4	8.4	8.3	2,896.3	2,735.4
Expenses												
General government	388.9	335.6	-	-	388.9	335.6	-	-	-	-	388.9	335.6
Public safety	191.4	169.2	-	-	191.4	169.2	-	-	-	-	191.4	169.2
Environmental services	153.2	136.5	-	-	153.2	136.5	-	-	-	-	153.2	136.5
Health and welfare	221.1	186.2	-	-	221.1	186.2	-	-	-	-	221.1	186.2
Libraries	19.4	15.8	-	-	19.4	15.8	-	-	-	-	19.4	15.8
Parks, culture and recreation	70.9	61.3	-	-	70.9	61.3	-	-	-	-	70.9	61.3
Planning and community development	68.5	61.4	-	-	68.5	61.4	-	-	-	-	68.5	61.4
Education	587.6	625.1	-	-	587.6	625.1	756.4	690.7	-	-	1,344.0	1,315.8
Debt service:												
Interest and other charges	44.4	27.9	-	-	44.4	27.9	-	-	-	-	44.4	27.9
Water and sewer	-	-	126.4	95.7	126.4	95.7	-	-	-	-	126.4	95.7
CPHD Development Fund	-	-	25.8	21.4	25.8	21.4	-	-	-	-	25.8	21.4
Parking garage	-	-	7.5	7.3	7.5	7.3	-	-	-	-	7.5	7.3
8th Level Ballston Public Parking Garage	-	-	0.2	0.2	0.2	0.2	-	-	-	-	0.2	0.2
Other	-	-	-	-	-	-	-	-	8.5	8.6	8.5	8.6
Total expenses	1,745.4	1,618.9	159.9	124.6	1,905.4	1,743.6	756.4	690.7	8.5	8.6	2,670.3	2,442.8
Increase/(Decrease) in Net Positions	161.2	79.3	(1.6)	17.8	159.6	97.1	66.5	195.7	(0.1)	(0.3)	226.1	292.6
Net Position-beginning originally stated	1,081.6	1,002.3	932.0	914.2	2,013.5	1,916.5	654.4	458.7	19.7	20.0	2,687.7	2,395.2
Restatement	(151.9)	-	59.9	-	(92.0)	-	-	-	-	-	(92.0)	-
Net Position-beginning restated	929.7	1,002.3	991.9	914.2	1,921.5	1,916.5	654.4	458.7	19.7	20.0	2,595.7	2,395.2
Net Position-end of year	\$1,090.9	\$1,081.6	\$990.3	\$932.0	\$2,081.2	\$2,013.6	\$720.9	\$654.4	\$19.6	\$19.7	\$2,821.7	\$2,687.7

Note: FY24 beginning balance restated from GASB 101 & stormwater change in entity impact. Totals may not add due to rounding.

Revenues

Overall, revenues for the County's primary government activities were \$2,064.9 million for fiscal year 2024 representing an increase of \$224.3 million from the prior year. Operating grants have decreased since the COVID-19 injection of grants but still exceed pre-COVID levels. FY 2024 displayed increases in program revenue and tax revenue and exceed pre-COVID levels. Taxes constitute the largest source of primary government revenues, amounting to \$1,363.8 million for FY 2024, an increase of \$49.0 million over FY 2023. Real estate taxes increased

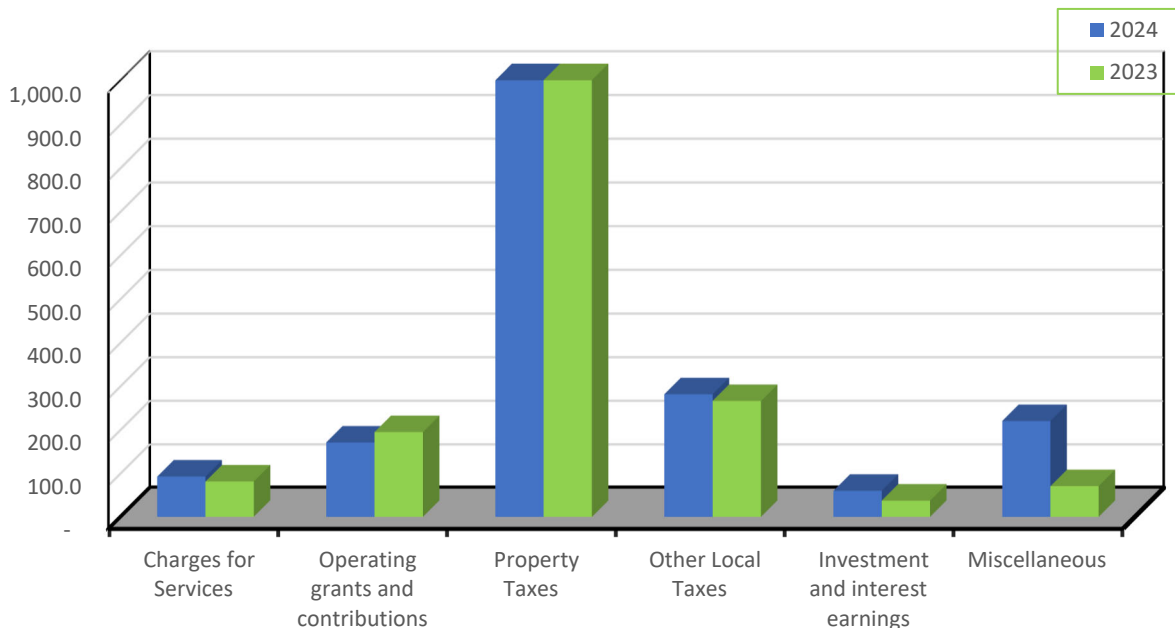
by \$26.5 million to \$933.9 million due to increased assessments and a tax rate increase in the County for CY 2024. Personal property and business tangible taxes increased by \$7.1 million to \$148.7 million (Exh 2). Other local tax revenue, including business license tax, taxes on general sales, hotel rooms, meals, and car rentals, among other things, increased by \$15.4 million to \$281.2 million for FY 2024. FY 2024 shows a continued strong rebound in the local retail sector and a steadily improving hospitality sector.

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 \$416.0 million. The total program revenue decreased by \$12.6 million as the main contributor, Operating grants, decreased significantly (\$24.0 million). Federal operating grants decreased as the need for COVID-19 federal assistance receded. Operating grants and contributions represent 41.0% of program revenues, totaling \$170.5 million. Charges for services totaled \$92.6 million.

Component unit activities generated combined revenues of \$831.3 million, aside from general fund revenue, primarily from grants totaling \$107.3 million. Total Reporting Entity revenues increased from FY 2023 by \$160.9 million mainly because of a \$92.1 million restatement of beginning balances from GASB 101, \$67.2 million which moved from governmental to enterprise stormwater change of entity, as well as charges for services increasing moderately. Additionally, real estate property tax revenue increased due to overall real estate assessment growth of 2.5% and a real estate tax rate increase for CY 2024 from \$1.013 to \$1.033.

Chart A-3 displays the sources of revenue within governmental activities with a comparison between fiscal year 2024 and fiscal year 2023. The only area to decrease in FY 2024 is in the operating grant revenue category by \$24.0 million due to fewer federal and state COVID-19 grants. All of the other governmental revenue categories increased in FY 2024.

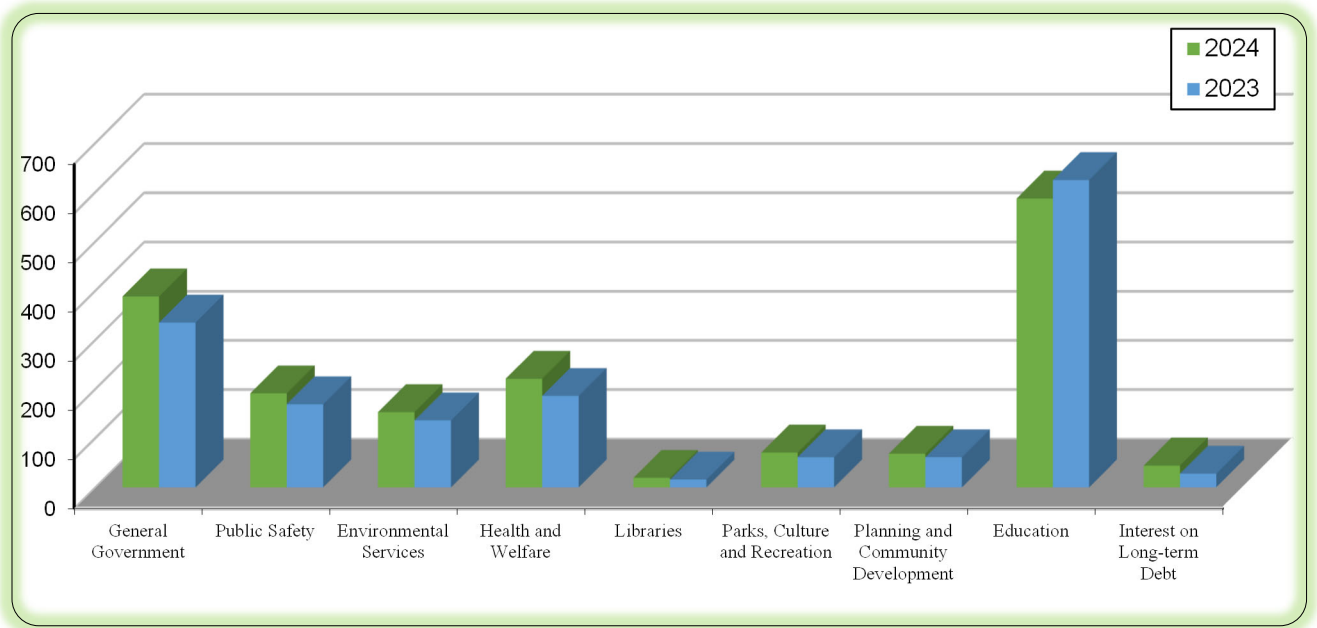
Chart A-3
Sources of Revenue from Governmental Activities
For Fiscal Years 2024 and 2023
(in millions)



Expenses. Total expenses of the County’s governmental activities for FY 2024 were \$1,745.4 million, representing an increase of \$126.5 million from FY 2023. This increase was due to increases across multiple areas, general

government (\$53.3 million), public safety (\$22.2 million), environmental services (\$16.7 million), and health and welfare (\$34.9 million). The County's transfers to Arlington Public Schools for FY 2024 were \$587.6 million, a decrease of \$37.5 million from the previous fiscal year due a decreased amount of bond issuance for school projects in FY 2024 as compared to 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 2024 and 2023
(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 2024, the County's governmental funds reported combined fund balances of \$737.9 million, a decrease of \$52.2 million in comparison with the prior year. The decrease is resulting from the \$67.2 million fund balance reduction due to the Stormwater change in entity to an Enterprise fund, the usage of bond funds in General Capital fund and Transportation Capital fund reduction of \$7.3 million and \$45.7 million, respectively, and offset modestly with the governmental combined fund balance decrease of \$8.2 million. (Exh. 3)

Non-spendable and restricted fund balance equates to 17.8% or \$131.5 million of the total governmental funds' balance and is comprised primarily of capital projects and grants that cannot be used for other purposes. FY 2024 continued with an 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, 2024, 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. Each month this evaluation is determined and included in the financial statements.

Committed fund balance constitutes 67.3% or \$496.7 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. \$233.6 million or 47.0% of the total committed fund balance is from the general fund. Included within the committed designation is an amount of \$31.7 million set aside for School's subsequent year budget and \$90.8 million is committed to County operating reserve. The assigned fund balance of \$101.2 million or 13.7% 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 Board as a part of the County's year-end close out process. \$74.6 million, or about 73.6% of the assigned fund balance is for the Affordable Housing Investment Fund. The remaining fund balance of \$8.4 million or 1.1% 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 2024, the general fund's fund balance was \$372.3 million or 50.5% of the total governmental funds' fund balance. \$119.4 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 \$90.8 million, which is set at 5.5% of general fund revenue, a Stabilization Reserve adopted at 1.3% of the general fund of \$21.5 million, and a Self-insurance Reserve of \$7.1 million. Total reserves represent 49.2% of the total general fund's committed fund balance and equate to 32.1% of the general fund's total fund balance.

At the end of FY 2024, committed and assigned fund balance for the general fund was \$334.8 million or 89.9% of the total general fund balance. \$106.9 million or 28.7% 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 2024, committed and assigned fund balance equated to 20.9% of general fund expenditures. The total general fund's fund balance represents 23.3% of total general fund expenditures.

As of June 30, 2024, the general fund's fund balance increased from the prior year by 2.5% to \$372.3 million. The \$9.0 million increase in the general fund balance was driven by modest increases across the board. Real estate tax revenue increased by \$39.8 million due to the rise in real estate values and the increase in the real estate tax rate. Year over year increases were represented by examples such as business, professional and occupancy license tax increased \$6.2 million, charges for service increased \$9.9 million, interest rates rose resulting in an increase of \$19.6 million. The revenue increases were offset by modest increases in expenditures resulting in operating revenues less operating expenditures difference of \$0.4 million. Other financing sources provided an \$8.6 million increase from sale of land and issuance of bonds. (Exh. 4.)

In addition to general fund core reserves, the County has reserves in other funds which are available to allow the County to respond to unforeseen events or for deeper impact.

	(\$ in millions)
General fund core reserves:	
Operating reserve ¹	\$90.7
Stabilization reserve ¹	21.5
Self-insurance reserve ¹	7.1
Other committed	114.2
Other assigned	101.3
General fund unassigned	8.4
Total general fund core reserves²	343.2
Automotive equipment fund:	20.6
General Capital Projects funds:	104.7
Total reserves available	\$468.5

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

² November 2024 Board action to approve & 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 \$42.7 million. Additionally, the fund balance total above includes \$40.8 million for subsequent years' school budget.

Special Revenue and Capital Project Funds. Total special revenue funds' and capital projects funds' fund balance were \$365.6 million (Exh. 3) and represents 49.5% of the total governmental funds' fund balance. The transportation capital fund is a major fund of the County and contributes 18.3% of the total governmental fund balance. At the end of the current fiscal year, total fund balance of the transportation capital fund was \$135.0 million, and the general capital projects fund was \$94.8 million. All non-major special revenue and capital projects funds combined were \$135.8 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 136.8% of total capital project funds' FY 2024 expenditures (C schedules).

The fund balance of the County's general capital projects fund decreased by \$7.3 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. A change in entity for the Stormwater fund occurred in FY 2024. The Stormwater fund changed from governmental fund to proprietary-type, enterprise fund.

Net position of the Utilities Fund at the end of the fiscal year amounted to \$1,037.3 million, the Ballston Public Parking Garage Funds amounted to a deficit of (\$62.1 million) and the CPHD Development Fund amounted to \$10.4 million. The total change in net position for the Utilities Fund included a surplus of \$11.5 million, the Ballston Public Parking Garage Funds had a deficit of \$4.3 million, and the CPHD Development Fund had a deficit of \$11.6 million. Stormwater change in entity of \$62.6 million, is included in the Utilities' fund. The CPHD Development Fund experienced a decrease of \$2.5 million in revenue and an increase of \$7.0 million in expenditures. 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	\$1,497.3	\$1,736.0	\$1,592.7
Transfers In	\$0.3	\$5.0	\$11.3
Bond Issuance	\$-	\$-	\$9.3
Sale of Land	\$-	\$-	\$8.3
Expenditures	\$1,551.9	\$1,716.6	\$1,589.1
Transfers Out	\$12.1	\$25.7	\$23.6
Net Change in Fund Balance	(\$66.4)	(\$1.3)	\$9.0

- Actual revenues show a final unfavorable budget variance of 8.3% or \$143.3 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 increased revenues exceeded actual expenditures and so no fund balance was ultimately used.
- Total taxes had a favorable budget variance, \$43.3 million. The real estate tax rate increased by 2-cents along with rising assessments contributed to the overall increase in tax revenue. In a positive sign for the County, most local tax revenue streams exceed pre-Covid levels.
- Actual expenditures of \$1,589.1 million are less than final budget of \$1,716.6 million with a favorable variance of \$127.5 million or 7.4%. Major contributing factors to this favorable variance include County-wide savings on operations, 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, 2024, amounted to \$4,200.0 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 2024, major capital asset acquisitions placed into service and their corresponding cost included the following:

- ART Bus Operations and Maintenance Facility, \$38.0M
- Washington Aqueduct Capital Payment \$15.5M
- Paving of multiple County-wide streets \$11.2M
- Spout Run Sanitary Sewer Expansion Project \$7.6M
- Fire Station 8 Rebuild \$6.8M

Net capital assets increased by \$135.1 million for the total reporting entity driven by an increase of \$31.2 million for the governmental activities, an increase of \$83.1 million for business-type activities and an increase of \$37.4 million for Schools. The top six projects listed above represent \$86.1 million or 63.5% of the increase in FY 2024. 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, 2024
With Comparative Totals for June 30, 2023
(in millions of dollars)

	Primary Government						Component Units					
	Governmental Activities		Business-type Activities*		Total		Schools		Gates Partnership		Total Reporting Entity	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Land	\$270.4	\$262.8	\$12.5	\$6.2	\$282.9	\$269.0	\$4.7	\$4.7	\$13.6	\$13.0	\$301.2	\$286.7
Buildings	466.5	448.3	15.7	16.5	482.2	464.8	870.3	841.4	46.6	63.8	1,399.1	1,370.0
Equipment	112.9	114.3	4.3	2.2	117.2	116.5	69.3	67.1	-	-	186.5	183.6
Infrastructure	695.2	709.3	63.2	-	758.4	709.3	-	-	-	-	758.4	709.3
Intangible assets	3.4	3.5	22.7	1.7	26.1	5.2	-	-	-	-	26.1	5.2
Plant -sewer system	-	-	345.1	334.5	345.1	334.5	-	-	-	-	345.1	334.5
Plant - water system	-	-	686.6	694.1	686.6	694.1	-	-	-	-	686.6	694.1
Construction in progress	235.1	199.9	25.3	34.5	260.4	234.4	21.3	6.7	-	-	281.7	241.1
Internal service funds	35.8	36.2	-	-	35.8	36.2	-	-	-	-	35.8	36.2
Right to use Assets	108.3	122.1	18.3	20.9	126.6	143.0	53.0	61.3	-	-	179.6	204.3
Total	<u>\$1,927.6</u>	<u>\$1,896.4</u>	<u>\$1,193.7</u>	<u>\$1,110.6</u>	<u>\$3,121.3</u>	<u>\$3,006.9</u>	<u>\$1,018.6</u>	<u>\$981.2</u>	<u>\$60.2</u>	<u>\$76.8</u>	<u>\$4,200.0</u>	<u>\$4,064.9</u>

Note: In FY24 Stormwater Changed Entity from Governmental to Business-Type. 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 2024, for the 24th consecutive year, Arlington continues to maintain a Aaa/AAA/AAA bond rating, the highest credit ratings attainable by jurisdictions. As of June 30, 2024, Arlington is one of 55 counties in the United States with top bond ratings from all three-major bond-rating agencies.

The ratings validate that Arlington's financial position is strong, reflecting conservative budgeting and close monitoring of expenditures, a sizable and diversified tax base with institutional presence, and strong and balanced historical financial results.

At the end of the current fiscal year, the total reporting entity had total long-term liabilities outstanding of \$2,769.9 million, the majority of which is \$1,462.9 million in general obligation bonds, \$138.1 million in IDA Revenue bonds, combined net OPEB liability of \$89.6 million, and \$375.6 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 Schools which includes \$189.2 million of debt. Accrued compensated absences totals \$203.8 million which is approximately \$93.1 million additional for the County in FY 2024, due to the implementation of GASB 101 this year. The remaining \$310.4 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, 2024
With Comparative Totals for June 30, 2023
(in millions of dollars)

	Primary Government						Component Units					
	Governmental Activities		Business-type Activities		Total		Schools		Gates Partnership		Total Reporting Entity	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
General obligation bonds*	\$1,388.5	\$1,409.9	\$74.4	\$47.5	\$1,462.9	\$1,457.4	\$-	\$-	\$-	\$-	\$1,462.9	\$1,457.4
IDA Revenue Bonds	138.1	115.4	-	-	138.1	115.4	-	-	-	-	138.1	115.4
Mortgage payable	-	-	3.4	3.4	3.4	3.4	-	-	1.1	50.1	4.5	53.5
Note payable	-	-	77.2	93.6	77.2	93.6	5.7	-	1.4	1.8	84.3	95.4
Credit line for capital	0.4	22.0	-	-	0.4	22.0	-	-	-	-	0.4	22.0
Workers' compensation claims	4.5	4.3	-	-	4.5	4.3	-	-	-	-	4.5	4.3
Accrued compensated absences	129.9	39.8	11.0	3.1	140.9	42.8	62.9	52.5	-	-	203.8	95.4
Mortgage interest payable	-	-	48.0	46.8	48.0	46.8	-	-	-	-	48.0	46.8
Line of credit	120.0	150.0	-	-	120.0	150.0	-	10.5	48.7	-	168.7	160.5
Leases	114.1	125.2	19.1	21.5	133.2	146.7	56.0	63.3	-	-	189.2	210.0
Net pension liability	-	-	-	-	-	-	375.6	334.6	-	-	375.6	334.6
Net OPEB liability	12.9	47.0	-	-	12.9	47.0	76.7	96.0	-	-	89.6	143.0
Total	\$1,908.4	\$1,913.6	\$233.1	\$215.9	\$2,141.5	\$2,129.5	\$576.9	\$556.9	\$51.2	\$51.9	\$2,769.6	\$2,738.3

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 \$31.3 million during the current fiscal year. Year over year the general obligation bonds increased by \$5.5 million, IDA Revenue bonds increased by \$22.7 million and there was a decrease of \$13.3 million in the line of credit and credit line for capital secured by the County. The decrease in the line of credit was primarily due to the County's \$30.0 million pay down in FY 2024. Gates Partnership component unit exchanged the mortgage payable for an independent line of credit.

School's Virginia Retirement system report describes differences between actual and expected experience which led to increases in the overall Teachers Net Pension liability of \$41.0 million. For example, actual pay increases were larger than the assumed pay increases and the COLA or temporary supplement increases were also greater than assumed. Additionally, specific to APS, the Schools Proportionate share of the Net Pension liability as determined by the actuarial valuation increased from 3.5% to 3.65%. A \$53.4 million decrease in OPEB liability for the Total Reporting Entity was realized. Lease liability overall netted a decrease of \$20.8 million, which included a decrease in Primary Government of \$13.5 million and an \$7.3 million decrease for Schools as leases were paid down another year in the contracts. It should be noted that the County's pension fund is fully funded and is a net pension asset of \$175.2 million at the end of fiscal year 2024.

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, 2024, is 3.3% per the Bureau of Labor Statistics, which increased from 2.1% a year ago. This is similar to Virginia's average unemployment rate of 3.3% and below the national average rate of 4.1%. 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 22.8% in CY 2024. Post pandemic, uncertainty around future space utilization has driven many companies to rethink the need for office space given the increasing trend of remote work and whether to place portions, or even the entirety, of their offices on the sublease market or renew expiring leases for less square footage. The Federal government's leased office footprint continues to shrink, while private sector leasing activity remains well short of historical averages. Arlington County

has taken a proactive approach to combatting historically high office vacancies and attracting new business ventures by modernizing zoning regulations to expand the types of industries allowable in office buildings and streamlining the process to amend zoning ordinances and introduce future policy recommendations to support building repositioning. This is in addition to re-invigorating and focused business attraction and retention efforts. In Calendar Year (CY) 2024, the County expects continued revenue growth from real estate taxes, driven by a 2.5 percent increase in Arlington's property values and 2.0 cent increase in the real estate tax rate. The average value of existing residential properties, including condominiums, townhouses, and detached homes, increased from \$798,500 in CY 2023 to \$824,700 in CY 2024, an increase of 3.3 percent. New construction represented 0.3 percentage points of the overall residential growth. The detached home and townhome tax base increased by 3.6 percent while the condominium tax base increased by 1.1 percent. Commercial property assessments increased by 1.6 percent over the previous year due to new construction, largely in apartments and offices, which contributed 3.3 percentage points to the change in commercial property values. Apartment assessments remained strong with base property values growing 5.3 percent over the previous year. General commercial and office assessments decreased over the previous year by 2.4 and 11.0 percent, respectively, although office values were slightly offset by new construction. Hotel property values decreased 6.5 percent but were offset by new construction, resulting in an overall increase of 1.7 percent.

Prior to the COVID-19 pandemic, tourism broke records with Arlington visitors spending \$3.6 billion in 2019 -- a 4.4% increase over 2018. FY 2023 tourism economic impact from visitor and travel related spending broke the pre-COVID records. In FY 2023, tourism realized \$4.5 billion with an associated impact to sales tax and over 27,500 local jobs supported. The hotel occupancy rate rose from 30% in CY 2020 to 71% in CY 2024 returning to near pre-pandemic rates of 75% in CY 2019.

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.

This page has intentionally been left blank.



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.

ARLINGTON COUNTY, VIRGINIA
STATEMENT OF NET POSITION
JUNE 30, 2024

	Primary Government			Component Units		Total Reporting Entity
	Governmental Activities	Business-type Activities	Total	Schools	Gates Partnership	
ASSETS:						
Cash and investments	\$905,711,857	\$46,210,818	\$951,922,674	\$228,167,494	\$2,329,270	\$1,182,419,438
Petty cash	1,657	-	1,657	5,015	-	6,672
Cash with fiscal agents	270,456	25,221	295,677	-	-	295,677
Receivables, net	542,503,428	21,531,048	564,034,476	7,528,783	109,077	571,672,336
Lease receivable	226,668,250	332,738	227,000,988	-	-	227,000,988
Receivable from primary government	-	-	-	126,207,891	-	126,207,891
Receivable from other governments	35,396,567	-	35,396,567	-	-	35,396,567
Inventory	-	3,502,288	3,502,288	194,867	-	3,697,155
Other assets	9,304,412	4,291,931	13,596,343	-	441,958	14,038,301
Net pension asset	175,200,000	-	175,200,000	-	-	175,200,000
Capital assets:						
Right to use assets, net	108,290,096	18,252,686	126,542,781	52,965,106	-	179,507,887
Land	270,419,255	12,514,815	282,934,070	4,697,946	13,572,204	301,204,220
Intangible assets, net	3,372,507	22,662,857	26,035,364	-	-	26,035,364
Depreciable assets, net	1,310,515,235	1,114,975,400	2,425,490,635	939,708,847	46,625,486	3,411,824,968
Construction in progress	235,048,289	25,318,057	260,366,346	21,266,552	-	281,632,898
Total capital assets, net	1,927,645,382	1,193,723,815	3,121,369,197	1,018,638,451	60,197,690	4,200,205,337
Total assets	3,822,702,008	1,269,617,859	5,092,319,867	1,380,742,501	63,077,995	6,536,140,363
DEFERRED OUTFLOWS OF RESOURCES:						
Deferred outflows related to refunding loss	14,816,534	-	14,816,534	-	-	14,816,534
Deferred outflows related to pensions	175,000,000	-	175,000,000	133,034,948	-	308,034,948
Deferred outflows related to OPEB	18,613,612	-	18,613,612	31,721,792	-	50,335,404
Total deferred outflows of resources	208,430,146	-	208,430,146	164,756,740	-	373,186,886
LIABILITIES:						
Accounts payable	58,851,607	13,183,727	72,035,334	12,228,557	131,093	84,394,984
Unearned revenues	29,600,444	-	29,600,444	2,134,580	-	31,735,024
Due to other funds	-	-	-	-	-	-
Due to component unit	126,207,891	-	126,207,891	-	-	126,207,891
Accrued liabilities	29,161,477	31,466,064	60,627,541	80,385,269	1,729,471	142,742,281
Contracts payable - retainage	7,617,891	648,331	8,266,222	406,976	-	8,673,198
Other liabilities	3,815,711	-	3,815,711	8,235,987	602,442	12,654,140
Non-current liabilities:						
Due within one year	272,973,244	81,418,556	354,391,800	11,984,782	-	366,376,582
Due within one year - leases	13,169,507	1,822,767	14,992,275	8,995,132	-	23,987,407
Due within one year - SBITAs	2,280,736	705,571	2,986,307	-	-	2,986,307
Due in more than one year	1,521,311,549	132,622,223	1,653,933,772	508,964,183	48,750,067	2,211,648,022
Due in more than one year - leases	94,336,692	15,120,794	109,457,486	47,010,709	-	156,468,195
Due in more than one year - SBITAs	4,365,867	1,496,053	5,861,921	-	-	5,861,921
Total liabilities	2,163,692,616	278,484,087	2,442,176,704	680,346,175	51,213,073	3,173,735,951
DEFERRED INFLOWS OF RESOURCES:						
Deferred revenue - taxes	490,418,058	-	490,418,058	-	-	490,418,058
Deferred gain on refunding	-	500,946	500,946	-	-	500,946
Deferred inflows related to pensions	7,200,000	-	7,200,000	51,084,058	-	58,284,058
Deferred inflows related to OPEB	65,226,709	-	65,226,709	93,141,274	-	158,367,983
Deferred inflows leases	213,625,168	319,407	213,944,575	-	-	213,944,575
Total deferred inflows of resources	776,469,935	820,353	777,290,288	144,225,332	-	921,515,620
NET POSITION:						
Net investment in capital assets	770,022,778	998,381,996	1,768,404,774	962,225,634	11,864,922	2,208,895,559 **
Restricted for:						
Capital projects	98,491,041	-	98,491,041	148,410,454	-	246,901,495
Seized assets	2,028,721	-	2,028,721	-	-	2,028,721
Grants/Donations	21,353,975	-	21,353,975	9,493,289	-	30,847,264
Pension Asset	175,200,000	-	175,200,000	-	-	175,200,000
Unrestricted	23,873,088	(8,068,577)	15,804,510	(399,201,643)	7,715,276	157,917,913 **
Net position	\$1,090,969,602	\$990,313,419	\$2,081,283,021	\$720,927,734	\$19,580,198	\$2,821,790,953 **

** 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 (\$533,599,771) 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 \$533,599,771 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.

ARLINGTON COUNTY, VIRGINIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	
Primary Government:					
Governmental Activities:					
General government	\$388,851,122	\$16,309,602	\$45,889,898	\$-	(\$326,651,622)
Public safety	191,446,922	12,691,079	14,403,771	-	(164,352,072)
Environmental services	153,254,220	35,067,866	13,321,091	-	(104,865,263)
Health & welfare	221,075,644	4,313,455	48,308,262	-	(168,453,927)
Libraries	19,415,906	72,765	281,387	-	(19,061,754)
Parks, recreation & culture	70,881,749	13,524,295	141,447	-	(57,216,007)
Planning & community development	68,570,743	10,664,366	48,135,225	-	(9,771,152)
Education	587,605,718	-	-	-	(587,605,718)
Interest and other charges	44,336,497	-	-	-	(44,336,497)
Total governmental activities	1,745,438,520	92,643,428	170,481,081	-	(1,482,314,011)
Business-type activities:					
Utilities	126,454,115	134,651,376	-	57,775	-
Ballston Public Parking Garage	7,453,820	3,117,875	-	-	-
8th level Ballston Public Parking Garage	222,765	376,067	-	-	-
CPHD Development Fund	25,766,448	14,809,775	-	-	-
Total business-type activities	159,897,148	152,955,093	-	57,775	-
Total primary government	\$1,905,335,668	\$245,598,521	\$170,481,081	\$57,775	(1,482,314,011)
Component unit:					
Schools	\$756,438,477	\$24,234,822	\$107,250,633	\$-	-
Gates Partnership	8,489,455	8,326,611	-	-	-
Total component units	\$764,927,932	\$32,561,433	\$ 107,250,633	\$-	-
General Revenues:					
Property Taxes:					
Real estate property taxes					933,888,711
Personal property taxes					148,702,988
Other Local Taxes:					
Business, professional occupancy license taxes					89,353,840
Sales tax					54,742,592
Meals tax					48,865,266
Transient tax					24,727,852
Utility tax					17,026,563
Recordation, car rental and other local taxes					46,513,321
Revenue from primary government					-
Investment and interest earnings					59,959,608
Miscellaneous					219,805,385
Total general revenues					1,643,586,126
Change in net position					161,272,115
Net position, beginning as originally reported					1,081,635,495
Restatement					(151,938,007)
Net position - beginning as restated					929,697,488
Net position, end of year					\$1,090,969,602

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:
\$-	(\$326,651,622)	\$-	\$-	(\$326,651,622)	General government
-	(164,352,072)	-	-	(164,352,072)	Public safety
-	(104,865,263)	-	-	(104,865,263)	Environmental services
-	(168,453,927)	-	-	(168,453,927)	Health & welfare
-	(19,061,754)	-	-	(19,061,754)	Libraries
-	(57,216,007)	-	-	(57,216,007)	Parks, recreation & culture
-	(9,771,152)	-	-	(9,771,152)	Planning & community development
-	(587,605,718)	-	-	(587,605,718)	Education
-	(44,336,497)	-	-	(44,336,497)	Interest and other charges
-	(1,482,314,011)	-	-	(1,482,314,011)	Total governmental activities
					Business-type activities:
8,255,036	8,255,036	-	-	8,255,036	Utilities
(4,335,945)	(4,335,945)	-	-	(4,335,945)	Ballston Public Parking Garage
153,302	153,302	-	-	153,302	8th level Ballston Public Parking Garage
(10,956,673)	(10,956,673)	-	-	(10,956,673)	CPHD Development Fund
(6,884,280)	(6,884,280)	-	-	(6,884,280)	Total business-type activities
(6,884,280)	(1,489,198,291)	-	-	(1,489,198,291)	Total primary government
					Component unit:
-	-	(624,953,022)	-	(624,953,022)	Schools
-	-	-	(162,844)	(162,844)	Gates Partnership
-	-	(624,953,022)	(162,844)	(625,115,866)	Total component units
					General Revenues:
					Property Taxes:
-	933,888,711	-	-	933,888,711	Real estate property taxes
-	148,702,988	-	-	148,702,988	Personal property taxes
					Other Local Taxes:
-	89,353,840	-	-	89,353,840	Business, professional occupancy license taxes
-	54,742,592	36,409,103	-	91,151,695	Sales tax
-	48,865,266	-	-	48,865,266	Meals tax
-	24,727,852	-	-	24,727,852	Transient tax
-	17,026,563	-	-	17,026,563	Utility tax
-	46,513,321	-	-	46,513,321	Recordation, car rental and other local taxes
-	-	614,389,719	-	614,389,719	Revenue from primary government
3,156,410	63,116,018	7,429,041	-	70,545,059	Investment and interest earnings
2,210,511	222,015,894	33,201,563	116,134	222,132,028	Miscellaneous
5,366,921	1,648,953,045	691,429,426	116,134	2,340,498,605	Total general revenues
(1,517,359)	159,754,755	66,476,403	(46,710)	226,184,448	Change in net position
931,977,188	2,013,612,683	654,451,331	19,626,908	2,687,690,922	Net position, beginning as originally reported
59,853,590	(92,084,417)	-	-	(92,084,417)	Restatement
991,830,778	1,921,528,266	654,451,331	19,626,908	2,595,606,505	Net position - beginning as restated
990,313,419	2,081,283,021	\$720,927,734	\$19,580,198	\$2,821,790,953	Net position, end of year

ARLINGTON COUNTY, VIRGINIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	General Capital Projects Fund	Transportation Capital Funds	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Equity in pooled cash and investments	\$502,224,614	\$103,239,270	\$129,644,121	\$149,464,338	\$884,572,343
Petty cash	1,657	-	-	-	1,657
Cash with fiscal agents	270,456	-	-	-	270,456
Receivables, net	526,999,884	757,643	8,406,335	6,332,130	542,495,992
Due from other funds	3,305,099	-	-	-	3,305,099
Receivables from other governments	13,481,069	641,794	19,518,556	1,755,148	35,396,567
Lease Receivable	209,895,521	-	-	16,772,729	226,668,250
Prepaid items and other assets	4,113,082	104,475	1,391,890	2,670,066	8,279,513
Totals assets	<u>1,260,291,382</u>	<u>104,743,182</u>	<u>158,960,902</u>	<u>176,994,411</u>	<u>1,700,989,877</u>
LIABILITIES					
Vouchers payable	23,672,449	7,230,661	17,598,250	9,818,438	58,319,798
Unearned revenues	18,303,944	-	-	11,296,500	29,600,444
Due to component unit	126,207,892	-	-	-	126,207,892
Accrued payroll liabilities	29,161,477	-	-	-	29,161,477
Contracts payable - retainage	-	106,689	6,371,703	1,139,499	7,617,891
Other liabilities	2,272,923	2,649,787	-	3,187,641	8,110,351
Total liabilities	<u>199,618,685</u>	<u>9,987,137</u>	<u>23,969,953</u>	<u>25,442,078</u>	<u>259,017,853</u>
DEFERRED INFLOWS OF RESOURCES					
Leases	197,919,475	-	-	15,705,693	213,625,168
Deferred revenue - taxes	490,418,058	-	-	-	490,418,058
Total deferred inflows of resources	<u>688,337,533</u>	<u>-</u>	<u>-</u>	<u>15,705,693</u>	<u>704,043,226</u>
FUND BALANCES					
<u>Non spendable:</u>					
Prepaid items	3,929,428	104,475	1,391,890	4,275	5,430,068
Leases	3,915,778	-	-	322,337	4,238,115
<u>Restricted for:</u>					
Seized assets	2,028,721	-	-	-	2,028,721
Grant funded programs	19,176,413	-	-	2,177,562	21,353,975
Capital projects	-	-	-	98,491,041	98,491,041
<u>Committed to:</u>					
Self-insurance reserve	7,139,000	-	-	-	7,139,000
Stabilization contingent	21,453,061	-	-	-	21,453,061
Operating reserve	90,762,949	-	-	-	90,762,949
Subsequent years' county budget	33,563,543	-	-	-	33,563,543
Subsequent years' capital projects	16,378,000	94,651,570	133,599,059	34,851,424	279,480,053
Committed for projects	241,458	-	-	-	241,458
Affordable housing investment fund - allocated	32,309,741	-	-	-	32,309,741
Subsequent years' school budget	31,733,285	-	-	-	31,733,285
<u>Assigned to:</u>					
Subsequent years' county budget	10,293,334	-	-	-	10,293,334
Subsequent years' capital projects	12,573,730	-	-	-	12,573,730
Stabilization reserve	-	-	-	-	-
Assigned to projects	3,833,518	-	-	-	3,833,518
Affordable housing investment fund - unallocated	74,560,482	-	-	-	74,560,482
<u>Unassigned:</u>	8,442,724	-	-	-	8,442,724
Total fund balances	<u>372,335,165</u>	<u>94,756,045</u>	<u>134,990,949</u>	<u>135,846,639</u>	<u>737,928,798</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$1,260,291,383</u>	<u>\$104,743,182</u>	<u>\$158,960,902</u>	<u>\$176,994,410</u>	<u>\$1,700,989,877</u>

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, 2024

Total governmental fund balances		\$737,928,798
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)		1,783,762,263
Right to use lease assets used in governmental activities are not financial resources and not reported in the funds. (Note 7)		108,290,096
Assets which are not available as financial resources		
Pension asset not financial resources for expenditures		175,200,000
Group Settlement recognized over time in installments		1,839,192
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	(11,708,021)	
Bonds payable	(813,532,848)	
School bonds/nonbond debt payable	(529,400,000)	
Credit line for capital	(356,563)	
Line of credit	(120,000,000)	
Right to use assets	(112,649,388)	
Compensated absences	(128,663,166)	
Workers' compensation	(4,482,726)	
Premium on bonds issued	<u>(183,705,275)</u>	(1,904,497,987)
Deferred outflows of resources are not available to pay for current period expenditures and are not reported in the funds:		
Advance refunding	14,816,534	
Pension (Note 16.A)	175,000,000	
OPEB (Note 17.A and 17.B)	<u>18,613,612</u>	208,430,146
Deferred inflows of resources are not due and payable in the current period and are not reported in the funds:		
Pension (Note 16.A)	(7,200,000)	
OPEB (Note 17.A and 17.B)	<u>(65,226,709)</u>	(72,426,709)
Internal service funds' net position (Exhibit 6)		<u>52,443,803</u>
Net position of governmental activities		<u><u>\$1,090,969,602</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, 2024

	General Fund	General Capital Projects Fund	Transportation Capital Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:					
General property taxes:					
Real estate property taxes	\$902,400,336	\$-	\$24,039,334	\$7,449,041	\$933,888,711
Personal property taxes	148,702,988	-	-	-	148,702,988
Other local taxes:					
Business, professional and occupancy license tax	89,353,840	-	-	-	89,353,840
Sales tax	54,742,592	-	-	-	54,742,592
Meals tax	48,865,266	-	-	-	48,865,266
Transient tax	24,727,852	-	-	-	24,727,852
Utility tax	17,026,563	-	-	-	17,026,563
Recordation, car rental and other local taxes	28,694,144	-	-	17,819,177	46,513,321
Fines and forfeitures	6,084,153	-	-	-	6,084,153
Licenses, permits and fees	8,000,118	-	-	-	8,000,118
Intergovernmental	122,629,906	2,171,011	14,731,868	30,948,296	170,481,081
Charges for services	68,934,696	7,499,592	34,523	2,090,346	78,559,157
Interest and rent	52,642,380	-	75,569	7,241,659	59,959,608
Miscellaneous revenues	25,107,493	4,882,965	39,791,942	3,262,290	73,044,689
Total revenues	<u>1,597,912,327</u>	<u>14,553,568</u>	<u>78,673,236</u>	<u>68,810,809</u>	<u>1,759,949,939</u>
EXPENDITURES:					
Current operating:					
General government	308,626,827	12,161,350	31,954,819	5,657,286	358,400,282
Public safety	177,754,406	752,481	-	-	178,506,887
Environmental services	116,683,147	-	-	-	116,683,147
Health and welfare	186,509,276	-	-	23,962,836	210,472,112
Libraries	18,343,891	-	-	-	18,343,891
Parks, recreation and culture	56,646,385	310,955	-	69,588	57,026,928
Planning and community development	22,469,450	529,024	-	19,897,944	42,896,418
Debt service:					
Principal	53,035,000	11,276,136	-	1,765,000	66,076,136
Interest and other charges	37,892,898	95,165	-	6,348,434	44,336,497
Intergovernmental:					
Community development	-	-	-	21,100,000	21,100,000
Education - Schools	616,076,021	-	-	-	616,076,021
Capital outlay	<u>3,475,774</u>	<u>46,742,319</u>	<u>87,950,149</u>	<u>38,668,186</u>	<u>176,836,428</u>
Total expenditures	<u>1,597,513,075</u>	<u>71,867,430</u>	<u>119,904,968</u>	<u>117,469,274</u>	<u>1,906,754,747</u>
Excess/(deficiency) revenues over/(under) expenditures	<u>399,252</u>	<u>(57,313,862)</u>	<u>(41,231,732)</u>	<u>(48,658,465)</u>	<u>(146,804,807)</u>
OTHER FINANCING SOURCES(USES):					
Transfers in	11,366,971	20,577,320	-	68,834	32,013,125
Transfers out	(23,713,719)	-	(4,465,845)	(41,822,902)	(70,002,466)
Sale of land and buildings	8,301,043	-	-	-	8,301,043
Bond premium	2,949,697	5,318,983	-	-	8,268,680
Right to use assets	385,976	2,003,517	16,558	2,785,113	5,191,165
Issuance of general obligation debt	<u>9,308,992</u>	<u>22,111,008</u>	<u>-</u>	<u>79,385,000</u>	<u>110,805,000</u>
Total other financing sources and (uses), net	<u>8,598,960</u>	<u>50,010,828</u>	<u>(4,449,287)</u>	<u>40,416,045</u>	<u>94,576,547</u>
Net change in fund balances	8,998,212	(7,303,034)	(45,681,019)	(8,242,420)	(52,228,261)
Fund balances, beginning originally reported	363,336,953	102,059,079	180,671,968	160,792,352	806,860,352
Restatement	-	-	-	(16,703,293)	(16,703,293)
Fund balances, beginning restated	<u>363,336,953</u>	<u>102,059,079</u>	<u>180,671,968</u>	<u>144,089,059</u>	<u>790,157,059</u>
Fund balances, ending	<u>\$372,335,165</u>	<u>\$94,756,045</u>	<u>\$134,990,949</u>	<u>\$135,846,639</u>	<u>\$737,928,798</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, 2024

Net change in fund balances - total governmental funds (\$52,228,261)

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	165,645,179	
Less: Depreciation expense	<u>(62,508,288)</u>	103,136,891

Leases & SBITAs assets used in governmental activities are not
financial resources and not reported in funds, net of amortization

Add: Leases & SBITAs assets	(20,486,416)	
Less: Amortization	<u>\$19,001,187</u>	(1,485,229)

Lease amortization difference		4,188,240
-------------------------------	--	-----------

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.

(852,609)

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	163,287,397	
Deferred cost of refunding	377,145	
Less: Debt proceeds	(132,557,187)	
Less: Bond premiums	<u>(8,376,916)</u>	22,730,439

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	874,623
Amortization of bond premiums	<u>13,594,184</u>	

Compensated absences and workers' compensation including restatement. (Note 9)		4,670,116
---	--	-----------

Group Settlement recognized over time in installments		1,839,192
---	--	-----------

OPEB expenses (Note 17.B):

Add: FY 2024 OPEB contributions deferred	18,613,612	
Less: OPEB expense	<u>(34,017,133)</u>	(15,403,521)

Pension expenses Note 16.A):

Add: FY 2024 pension contributions deferred	175,000,000	
Less: Pension expense	<u>(83,400,000)</u>	91,600,000

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	882,605	
Net operating income/(loss) internal service funds	<u>3,110,405</u>	3,993,010

Change in net position of governmental activities		<u><u>\$161,272,114</u></u>
---	--	-----------------------------

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

ARLINGTON COUNTY, VIRGINIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	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	\$42,419,157	\$1,739,903	\$2,051,758	\$-	\$46,210,818	\$21,139,514
Cash with fiscal agents	25,221	-	-	-	25,221	-
Accounts receivables, net	21,304,306	226,742	-	-	21,531,048	7,436
Lease receivable	332,738	-	-	-	332,738	-
Inventories	3,502,288	-	-	-	3,502,288	1,024,899
Prepaid expenses	4,262,416	-	-	-	4,291,931	-
Total current assets	71,846,126	1,966,645	2,081,273	-	75,894,044	22,171,849
Non-current assets:						
Right to use assets, net	174,672	8,788,356	-	9,289,658	18,252,686	1,467,395
Capital assets:						
Land	12,514,815	-	-	-	12,514,815	-
Depreciable, net	1,098,679,570	13,715,750	2,580,080	-	1,114,975,400	35,593,023
Intangible assets, net	1,796,981	-	-	20,865,877	22,662,857	-
Construction in progress	25,291,894	-	-	-	25,318,057	-
Total capital assets, net	1,138,283,260	13,741,913	2,580,080	20,865,877	1,175,471,129	35,593,023
Total non current assets	1,138,457,932	22,530,269	2,580,080	30,155,534	1,193,723,815	37,060,418
Total assets	1,210,304,058	24,496,914	4,661,353	30,155,534	1,269,617,859	59,232,267
LIABILITIES:						
Current liabilities:						
Vouchers payable	12,597,271	290,169	13,742	282,545	13,183,727	531,809
Contracts payable - retainage	648,331	-	-	-	648,331	-
Accrued liabilities	606,260	25,795,559	-	5,064,245	31,466,064	250,426
Due to other funds	-	-	-	-	-	3,305,099
Due within one year - leases	62,913	1,130,267	-	1,335,158	2,528,338	1,077,759
Due within one year	29,509,873	51,459,117	-	449,566	81,418,556	119,772
Total current liabilities	43,424,648	78,675,112	13,742	7,131,514	129,245,017	5,284,865
Non-current liabilities:						
Due in more than one year - leases	136,207	7,909,394	-	8,571,246	16,616,847	425,654
Due in more than one year	128,576,131	-	-	4,046,092	132,622,223	1,077,945
Total non-current liabilities	128,712,338	7,909,394	-	12,617,338	149,239,070	1,503,599
Total liabilities	172,136,986	86,584,506	13,742	19,748,852	278,484,087	6,788,464
DEFERRED INFLOWS OF RESOURCES:						
Right to use assets	500,946	-	-	-	500,946	-
Deferred cost of refunding	319,407	-	-	-	319,407	-
Total deferred inflows of resources	820,353	-	-	-	820,353	-
NET POSITION:						
Net investment in capital assets	986,152,125	13,490,608	2,580,080	20,249,130	1,022,471,944	37,060,418
Unrestricted (deficit)	51,194,593	(75,578,201)	2,067,531	(9,842,448)	(32,158,525)	15,383,385
Total net position (deficit)	\$1,037,346,718	(\$62,087,593)	\$4,647,611	\$10,406,682	\$990,313,419	\$52,443,803

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, 2024

	Business-type Activities-Enterprise Funds				Governmental Activities
	Utilities	Ballston Public Parking Garage	8th Level Ballston Public Parking Garage	CPHD Development Fund	Internal Service Funds
OPERATING REVENUES:					
Water-sewer service charges	\$111,367,904	\$-	\$-	\$-	\$111,367,904
Water-service hook-up charges	3,063,935	-	-	-	3,063,935
Water-service connection charges	1,022,570	-	-	-	1,022,570
Sewage treatment service charges	5,636,883	-	-	-	5,636,883
Permits and fees	-	-	-	14,809,775	14,809,775
Other charges for services	13,560,084	-	-	-	13,560,084
Parking charges	-	3,117,875	376,067	-	3,493,942
Total operating revenues	134,651,376	3,117,875	376,067	14,809,775	152,955,093
OPERATING EXPENSES:					
Personnel services	25,533,053	-	-	13,210,067	38,743,120
Fringe benefits	9,115,889	-	-	4,537,295	13,653,184
Cost of store issuances	-	-	-	-	-
Contractual services	14,316,280	835,888	92,189	122,581	20,505,841
Purchases of water	9,419,865	-	-	-	9,419,865
Materials and supplies	13,434,990	25,376	13,117	31,840	13,505,323
Utilities	-	-	-	-	-
Operating equipment	-	-	-	-	-
Outside services	-	-	-	-	-
Depreciation and amortization	20,795,171	2,098,550	87,245	3,744,486	26,725,452
Rent	-	1,279,992	-	-	1,279,992
Equipment (Construction Contracts)	16,826,234	-	-	-	14,047,594
Internal services	2,280,978	-	-	3,922,431	15,585,052
Miscellaneous	9,381,643	420,369	30,214	-	450,583
Total operating expenses	123,464,366	4,660,175	222,765	25,568,700	153,916,006
Operating income (loss)	11,187,010	(1,542,300)	153,302	(10,758,925)	(960,913)
NON-OPERATING REVENUES(EXPENSES):					
Interest income and other income	3,061,062	-	-	95,348	3,156,410
Interest expense and fiscal charges	(2,989,749)	(2,793,645)	-	(197,748)	(5,981,142)
Interest expense on credit line for capital	-	-	-	-	-
Gain on disposal of assets	-	-	-	-	-
Total non-operating revenues (expenses)	71,313	(2,793,645)	-	(102,400)	(2,824,732)
Net Income(loss) before contributions and net transfers	11,258,323	(4,335,945)	153,302	(10,861,325)	(3,785,645)
CONTRIBUTIONS AND TRANSFERS:					
Contributions from developers and other sources	57,775	-	-	-	57,775
Transfers in	210,509	-	-	2,000,000	2,210,509
Transfers out	-	-	-	-	-
Total contributions and transfers	268,284	-	-	2,000,000	2,268,284
Change in net position	11,526,607	(4,335,945)	153,302	(8,861,325)	(1,517,361)
Net position (deficit) - beginning of year	963,256,020	(57,751,648)	4,494,309	21,978,508	931,977,189
Restatement	62,564,092	-	-	(2,710,501)	59,853,591
Net position (deficit) - beginning restated	1,025,820,112	(57,751,648)	4,494,309	19,268,007	991,830,780
Net position (deficit) - end of year	\$1,037,346,719	(\$62,087,593)	\$4,647,611	\$10,406,682	\$990,313,419

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, 2024

	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	\$133,953,615	\$3,004,106	\$346,552	\$14,809,775	\$152,114,048	\$-
Receipts from interfund charges for fleet management services	-	-	-	-	-	25,635,283
Receipts from interfund charges for print services	-	-	-	-	-	1,850,479
Cash paid to suppliers	(59,186,984)	(2,361,446)	(133,846)	1,046,325	(60,635,952)	(7,737,699)
Cash paid to employees	(34,495,253)	-	-	(17,290,427)	(51,785,680)	(6,657,819)
Net cash provided by operating activities	40,271,378	642,660	212,706	(1,434,328)	39,692,417	13,090,244
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest income	2,207,886	-	-	95,348	2,303,234	-
Net cash used for investing activities	2,207,886	-	-	95,348	2,303,234	-
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:						
Transfer (net) to other funds	210,509	-	-	2,000,000	2,210,509	647,258
Repayment of prior year temp loan	-	-	-	-	-	(3,433,959)
Temporary loan from general fund	-	-	-	-	-	3,305,099
Contributions from Developers and othersources	853,177	-	-	-	853,177	-
Net cash provided by non-capital financing activities	1,063,686	-	-	2,000,000	3,063,686	518,398
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Principal payments - bonds	(8,600,000)	-	-	-	(8,600,000)	-
Proceeds from sale of general obligation bonds	17,600,000	-	-	-	17,600,000	-
Bond premiums	1,753,125	-	-	-	1,753,125	-
Payment of interest on credit line for capital	(7,325)	-	-	-	(7,325)	(557,015)
Proceeds of VRA loan payable	-	-	-	-	-	-
Payment of VRA loan	(17,366,021)	-	-	-	(17,366,021)	-
Interest and other loan expenses paid	(3,633,695)	-	-	(197,748)	(3,831,443)	-
Purchase of property	(40,213,793)	-	-	(2,778,640)	(43,371,932)	(6,055,447)
Right to use assets	(55,575)	-	-	(1,276,564)	(1,332,139)	(1,379,429)
Proceeds from sale of equipment	-	-	-	-	-	703,293
Net cash used for capital and related financing activities	(50,523,284)	-	-	(4,252,952)	(55,155,735)	(7,288,598)
Net increase (decrease) in cash and cash equivalents	(6,980,334)	263,161	212,706	(3,591,932)	(10,096,399)	6,320,044
Cash and cash equivalents at beginning of year	49,399,490	1,476,742	1,839,052	3,591,930	56,307,214	14,819,470
Cash and cash equivalents at end of year	\$ 42,419,156	\$ 1,739,903	\$ 2,051,758	\$ (1)	\$ 46,210,816	\$ 21,139,514
Reconciliation of operating income (loss) to net cash provided by operations:						
Operating Income (loss)	11,187,010	(1,542,300)	153,302	(10,758,925)	(960,913)	3,110,405
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation and amortization expense	20,795,171	2,098,550	87,245	3,744,486	26,725,452	8,153,307
Effect of changes in operating assets and liabilities:						
Accounts receivable	(921,088)	(113,768)	(29,515)	5,064,245	3,999,874	792,534
Inventories	278,368	-	-	-	278,368	5,852
Increase (Decrease) in prepaid expenses	3,888,494	-	-	-	-	-
Vouchers payable	4,729,247	29,057	1,674	58,932	4,818,910	275,523
Compensated absences	153,687	-	-	456,935	610,622	752,623
Contract retainage	(62,838)	-	-	-	(62,838)	-
Prepaid item	3,888,494	-	-	-	3,888,494	-
Accrued rent liability	-	171,121	-	-	171,121	-
Unearned revenue	223,327	-	-	-	223,327	-
Net cash provided by operations	\$40,271,378	\$642,660	\$212,706	(\$1,434,328)	\$39,692,418	\$13,090,244
Schedule of non-cash capital and related financing activities:						
Contributions from developers and other sources	\$57,775	\$-	\$-	\$-	\$57,775	\$-

ARLINGTON COUNTY, VIRGINIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024

	Pension and OPEB Trust Funds	Private Purpose Trust Fund	Custodial Funds
ASSETS:			
Equity in pooled cash and investments	\$119,775,202	\$277,572	\$141,242
Contributions receivable:			
Employer	2,778,894	-	-
Employee	637,180	-	-
Accrued interest and other receivables	9,678,838	-	-
Receivable from other governments	-	-	4,051.00
Investments, at fair value:			
Foreign, Municipal and U.S. Government			
Instruments in pooled funds	313,954,418	-	-
Corporate fixed income obligations	70,523,458	-	-
Domestic and foreign equities, including			
Equities in pooled funds	1,107,426,353	-	-
Other investments	371,345,309	-	-
Real estate funds	14,616,032	-	-
Pooled equity	888,126,930	-	-
Pooled fixed Income	661,914,727	-	-
Total assets	<u>3,560,777,341</u>	<u>277,572</u>	<u>145,293</u>
LIABILITIES:			
Accounts payable and accrued liabilities	<u>10,209,910</u>	<u>25,730</u>	<u>145,293</u>
Total liabilities	<u>10,209,910</u>	<u>25,730</u>	<u>\$145,293</u>
Net Position Restricted for Pension	3,280,579,903	-	-
Net Position Restricted for OPEB	<u>269,987,528</u>	<u>-</u>	<u>-</u>
NET POSITION RESTRICTED FOR PLAN BENEFITS AND OTHER PURPOSES	<u>\$3,550,567,431</u>	<u>\$251,842</u>	<u>\$0</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, 2024

	Pension and OPEB Trust Funds	Private Purpose Trust Fund	Custodial Funds
ADDITIONS:			
Contributions and revenues:			
Employer contributions	\$87,163,830	\$-	\$-
Employee contributions	16,542,402	-	-
Other contributions	79,798	-	-
Shared revenues	-	118,000	-
Tax collections for other governments	-	-	14,924,547
Collections for other organizations	-	-	144,583
Private donations	-	-	-
Total contributions	103,786,030	118,000	15,069,130
Investment earnings:			
Interest and other	57,147,495	1,522	-
Gross income from securities lending	162,484	-	-
Bank fees and expenses from securities lending	(40,618)	-	-
Net change in fair value of investments	347,195,501	-	-
Total investment earnings (loss)	404,464,862	1,522	-
Less investment expenses	11,600,275	-	-
Net investment earnings (loss)	392,864,587	1,522	-
Total additions	496,650,617	119,522	15,069,130
DEDUCTIONS:			
Administrative expenses	2,178,638	113,330	-
Tax payments to other governments	-	-	14,924,547
Payments to other organizations	-	-	144,583
Retirees pension expense	148,026,761	-	-
Total deductions	150,205,399	113,330	15,069,130
Change in net position	346,445,218	6,192	-
Net position restricted for plan benefits - begin year	3,204,122,213	245,650	-
Net position restricted for plan benefits - year end	\$3,550,567,431	\$251,842	\$-

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.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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, 2024.

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 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.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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 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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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.

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.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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.

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, and the Neighborhood Conservation (NC) Program. 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 Increment 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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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 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.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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 2014 – FY 2024, 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, 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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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.

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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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 FY24 and will be adjusted annually. Additional disclosure under Note 7.

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. In FY24, GASB 101, *Compensated Absences* was early-implemented. See Note 1.S for details.

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, 2024, the County had no arbitrage rebate liability.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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 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 2024, this reserve is currently set at \$7.1 million. In accordance with the County's Financial and Debt Management policies, the operating reserve is currently set at 5.5% of the FY 2024 general fund revenue budget. The Stabilization Reserve and proposed Stabilization Reserve replenishment sum to \$21.5 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.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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 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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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:

Governmental Accounting Standards Board (GASB) 100 statement, *Accounting Changes and Error Corrections*, was implemented in FY 2024. The objective is to provide more understandable, reliable, relevant, consistent and comparable information. The Stormwater fund was a change in entity to move from governmental funds to the proprietorship type fund of enterprise fund or business-type fund, Utility funds. GASB 100 requires that, a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. As a change in entity, the change in accounting principles requirements were followed. The prior periods were restated for the governmental funds and the business-type funds. The original beginning balance is kept following the flow from the prior year, a restatement for the change in entity is displayed in its own row, and finally, the restated beginning balance is clearly shown net of the restatement(s). This is shown in any financial schedule, which includes net position, fund balance or fund net position, impacted by the change in entity. The Notes to the financial statements also include the GASB 100 treatment as applicable.

In fiscal year 2024, the County and Schools adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, which replaces the previous guidance under GASB Statement No. 16. This new standard updates the recognition, measurement, and disclosure requirements for compensated absences, including categories such as vacation and sick leave, paid time off, holidays, parental leave, and certain sabbatical leave.

Following the adoption of GASB 101, the County's total liability for compensated absences increased by \$92.1 million to \$131 million under the new standard. The Schools liability increased by \$4 million which was determined immaterial to their financial statements. These increases reflect the net change in liabilities now required, offering enhanced transparency in financial reporting. The recognized liabilities include compensatory leave, vacation, and sick leave obligations. See note 1.U.

T. Change in Reporting Entity

The County had a change in Reporting Entity in FY24 due to a change in the way the Stormwater Management program is funded. This program addresses regulatory compliance, severe flooding and enhances the resilience of the County's stormwater infrastructure. Since 2008, property owners have contributed to stormwater management through a sanitary district tax, which was part of their real estate tax. Beginning in 2024, the County replaced the sanitary district tax with a Stormwater Utility fee. The Stormwater Utility fee is designed to fully support the operating and capital expenditures through the program revenue from the fee. Like the sanitary district tax, this fee will also show up on property owners' real estate tax bills. Implemented on January 1, 2024, the new fee is determined based upon the amount of impervious area (IA) on each property. The Stormwater Utility will enable the County to maintain, upgrade, and expand its stormwater infrastructure, fortifying Arlington against the challenges of future storms.

Due to the change in the program funding method, the County previously reported the Stormwater Fund with the Governmental funds and has now moved the Stormwater Fund to a Utility Enterprise Fund. In compliance with GASB 100, this change is considered a Change in Reporting Entity; and therefore, the County has restated beginning net position/fund balance of the affected funds. See note 1.U for additional details.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

U. Restatement for Accounting Changes

During fiscal year 2024 and as discussed above in 1.S and 1.T, changes to or within the financial reporting entity and the change in accounting principle for the implementation of GASB Statement No. 101 resulted in adjustments to and restatements of beginning net position and fund net positions, as follows:

	Funds				Government-Wide		
	Governmental Funds Non-Major Funds	Enterprise Funds Utilities Funds	Enterprise Funds CPHD Development Fund	Enterprise Funds Total	Total Governmental Activities	Total Business-Type Activities	Total Reporting Entity
June 30, 2023 as previously reported	\$16,703,293	\$963,256,020	\$21,970,508	\$931,977,188	\$1,081,635,495	\$931,977,188	\$2,687,690,922
Change in Reporting Entity-Governmental Fund to Enterprise Fund	(16,703,293)	67,180,012	-	67,180,012	(67,180,012)	67,180,012	-
Change in Accounting Principle Implementation of GASB 101	-	(4,615,920)	(2,710,501)	(7,326,422)	(84,757,994)	(7,326,422)	(92,084,416)
June 30, 2023 as Adjusted or Restated	\$-	\$1,025,820,112	\$19,260,007	\$991,830,778	\$929,697,488	\$991,830,778	\$2,595,606,505

V. Subsequent Events

None.

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 FY2024, such appropriation amendments totaled \$192,151,746 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 \$62,087,593 at June 30, 2024. 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 (\$385,470) in FY2024, resulting in an ending net deficit of (\$3,776,368).

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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 some Constitutional Offices and 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 \$43,754,043 and the bank balance was \$55,948,020. Of the bank balance, \$34,681,231 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"). However, at June 30, 2024, the County had \$446,710 in an APS Health Insurance deposit account which was uncollateralized.

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.

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, 2024.

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, 2024, the County had the following investments and maturities:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

	Investment Maturity			
	Fair Value	Less than 1 Year	1-3 Year	3-5 Year
Corporate Notes	\$ 117,103,725	\$ 62,752,306	\$ 50,188,394	\$ 4,163,025
Government Agency Notes	320,472,377	117,619,668	187,611,496	15,241,213
Municipal Obligations	25,229,504	12,549,310	6,902,917	5,777,277
US Treasury Note	9,554,150	4,805,900	4,748,250	-
TOTAL	\$ 472,359,756	\$ 197,727,184	\$ 249,451,057	\$ 25,181,515

Investment measured at Net Asset Value (NAV)

Virginia State LGIP - Liquidity	\$ 100,456,444
VIP Daily Liquidity Pool	210,230,275
Virginia State SNAP	332,388,092
\$	643,074,811

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.

As of June 30, 2024, the County's fair value measurements were as follows:

	Fair Value	Level 1	Level 2	Level 3
LGIP	\$ 100,456,444	\$ 100,456,444	-	-
VIP	210,230,275	210,230,275	-	-
SNAP	332,388,092	332,388,092	-	-
Corporate Notes	117,103,725	117,103,725	-	-
Government Agency Notes	320,472,377	320,472,377	-	-
Municipal Obligations	25,229,504	25,229,504	-	-
US Treasury Notes	9,554,150	9,554,150	-	-
TOTAL	\$ 1,115,434,567	\$ 1,115,434,567	\$ -	\$ -

As of June 30, 2024, 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, 2024, the balance of these funds totaled \$21,439,686, 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 \$277,572 at fair value, were held by First Virginia Community Bank at June 30, 2024.

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, 2024, the County has \$332,388,092

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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, 2024, the County has \$100,456,444 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:

- 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, 2024, the County had \$210,230,275 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.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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:

<u>Asset Class</u>	<u>Current Allocation</u>
Domestic Equity	39%
International Equity	17%
Fixed Income	29%
Cash/Short Term	3%
Non-Traditional	12%
	<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, 2024 (see the discussion of the system investment policy) are summarized in the following table:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	5.8%
International Equity	7.7%
Fixed Income	5.3%
Cash/Short Term	3.9%
Non-Traditional	9.7%

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.

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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

-
- 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, 2024, the System had \$5,705 in open net forward currency contracts.

D. Cash and Cash Equivalents

At June 30, 2024, the System had cash and cash equivalents of \$119,775,202. Cash deposits in bank accounts totaled \$638,627. This amount was insured by the Federal Deposit Insurance Corporation up to \$250,000 for each System participant. Cash totaling \$119,136,575 is invested in the custodian's Short-Term Investment Fund. This account is uninsured and uncollateralized.

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, 2024:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

System Investments

Investment Type	Investment Value in (\$000s)
Foreign, Municipal and U.S. Governments:	
Government and Government Agency Debt	\$95,260
Government Pooled Fund	124,199
Total Foreign, Municipal, and U.S. Governments	<u>219,459</u>
Corporate Fixed Income Obligations:	
Commercial Mortgaged Backed	15,788
Collateralized Mortgaged Obligations	26,051
Asset Backed Securities	28,685
Total Corporate Fixed Income Obligations	<u>70,524</u>
Domestic and Foreign Equities:	
Common Stock	930,827
Preferred Stock	1,107
Total Domestic and Foreign Equities	<u>931,934</u>
Private Equity:	
Private Equity	371,345
Real Estate Funds:	
Real Estate	14,616
Pooled Equity:	
Pooled Equity Funds	888,127
Pooled Fixed Income:	
Pooled Bonds Funds	661,915
Total ⁽¹⁾	<u>\$3,157,920</u>

(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 highly sensitive to interest rate changes. The System has interest rate exposure on \$165.8 million of directly owned fixed income securities and on \$786.1 million invested in three pooled US fixed income funds.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

Investment Type:	<u>Investment Maturities</u>				
	<u>Fair Value</u> ((\$000s))	<u>Investment Maturities (years)</u>			
		<u>Under 1</u>	<u>1-5</u>	<u>6-10</u>	<u>Over-10</u>
Asset Backed Securities	\$28,685	\$-	\$2,501	\$2,608	\$23,576
Commercial Mortgage-Backed	15,789	-	-	159	15,630
Government and Government Agencies	32,004	-	4,383	11,630	15,991
Residential Mortgage Backed	63,256	-	-	8,828	54,428
Collateralized Mortgage Obligations	26,050	-	2,215	-	23,835
Bond Index Funds	786,113	N/A	N/A	N/A	N/A
Total	<u>\$951,897</u>	<u>\$-</u>	<u>\$9,099</u>	<u>\$23,225</u>	<u>\$133,460</u>

The System's directly owned fixed income investments and maturities at June 30, 2024 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, 2024 is shown below:

<u>Investment Durations</u>		
<u>Investment Type</u> <i>(in \$ 000s)</i>	<u>Fair Value</u>	<u>Effective</u> <u>Duration (Yrs)</u>
Asset Backed Securities	\$28,685	2.97
Commercial Mortgage-Backed	15,789	2.20
Government & Government Agencies	32,004	9.26
Residential Mortgage Backed	63,256	8.20
Collateralized Mortgage Obligations	26,050	4.13
Total	<u>\$165,784</u>	<u>6.19</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.

Credit Risk: The System's credit quality distribution for the System's directly held fixed income investments of \$165.8 million at June 30, 2024 is shown in the following table:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

Fixed Income Credit Quality Distribution

Investment Type (in \$ 000s)	Credit Quality								
	Fair Value	AAA	AA	A	BBB	BB	B	Below B	Unrated
Asset Backed Securities	\$28,685	\$6,982	\$1,506	\$1,323	\$2,191	\$-	\$-	\$11,939	\$4,744
Commercial Mortgage-Backed	15,788	6,803	1,263	588	839	186	-	-	6,109
Government & Government Agencies	32,005	32,005	-	-	-	-	-	-	-
Residential Mortgage Backed	63,255	63,255	-	-	-	-	-	-	-
Collateralized Mortgage Obligations	26,051	1,111	-	1,940	-	378	-	8,340	14,282
Bond Index Funds	786,113	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	<u>\$951,897</u>	<u>\$110,156</u>	<u>\$2,769</u>	<u>\$3,851</u>	<u>\$3,030</u>	<u>\$564</u>	<u>\$-</u>	<u>\$20,279</u>	<u>\$25,135</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, 2024 was as follows:

Foreign Currency Exposure In Dollars

Currency (in \$ 000s)	Equity	Fixed Income & Convertible	Cash	Total
Australian Dollar	\$708	\$-	\$-	\$708
Brazilian Real	744	-	-	744
British Pound Sterling	4,002	-	2	4,004
Canadian Dollar	2,185	-	-	2,185
Danish Krone	5,348	-	47	5,395
Euro	47,325	-	68	47,393
HK offshore Chinese Yuan Renmini	4,707	-	-	4,707
Hong Kong Dollar	14,963	-	-	14,963
Indonesian Rupiah	13,547	-	-	13,547
Japanese Yen	8,930	-	43	8,973
Norwegian Krone	-	-	1	1
Philippines Peso	4,993	-	17	5,010
South Africa Rand	159	-	-	159
South Korean Won	3,733	-	-	3,733
Swedish Krona	1,008	-	1	1,009
Swiss Franc	474	-	-	474
Total	<u>\$112,826</u>	<u>\$-</u>	<u>\$179</u>	<u>\$113,005</u>

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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 decreased \$33.9 million at the beginning of the year to \$11.7 million at June 30, 2024. The following table details the net income from securities lending for the fiscal year ended June 30, 2024:

Gross Income from Securities Lending	\$162,484
Less: Bank Management Fees	<u>(40,618)</u>
Net Income from Securities Lending	<u>\$121,866</u>

At June 30, 2024, the fair value of underlying securities lent was \$11,679,907 and the fair value of the non-cash collateral pledged was \$12,146,630. 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 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.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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, 2024

Investments and Derivative Instruments Measured at Fair Value

		Fair Value Measurements		
	6/30/2024	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	\$32,004,830	\$-	\$32,004,830	\$-
Corporate Fixed Income Obligations:				
Residential Mortgag Backed	63,255,355	-	63,255,355	-
Commercial Mortgage Backed	15,788,144	-	15,788,144	-
Asset Backed	28,684,762	-	28,475,287	209,475
Non-Government Backed C.M.O.s	26,050,553	-	25,567,021	483,532
Pooled Fixed Income				
Pooled Bond Funds	62,741,588	62,741,588	-	-
Total debt securities measured at fair value	228,525,232	62,741,588	165,090,637	693,007
Equity Securities:				
Domestic and Foreign Equities:				
Common stock	794,894,639	794,593,334	-	301,305
Preferred stock	1,107,142	1,107,142	-	-
Pooled Equity Funds	382,965,247	382,965,247	-	-
Total equity securities measured at fair value	1,178,967,028	1,178,665,723	-	301,305
Total investments by fair value level	1,407,492,260	\$1,241,407,311	\$165,090,637	\$994,312
Investments measured at the NAV				
Debt Securities				
Pooled Bond Funds	723,371,735			
Total Debt Securities measured at the NAV	723,371,735			
Equity Securities				
Domestic and Foreign Equities				
Pooled Global Equity Fund	535,626,715			
Pooled International Equity Fund	105,467,648			
Total equity securities measured at the NAV	641,094,363			
Alternative investments				
Private Equity				
Private Equity	371,345,309			
	371,345,309			
Real Estate Funds				
Real Estate	14,616,032			
Total alternative investments measured at the NAV	385,961,341			
Total investments measured at fair value	1,750,427,439			
Total investments	\$3,157,919,699			

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

Total Assets at Net Asset Value				
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Debt Securities				
Pooled Fixed Income	\$723,371,735	\$-	Daily	N/A
Total Debt Securities	723,371,735	-		
Equity Securities:				
Domestic and Foreign Equities	535,626,715	-	Monthly	15-45 days
International Pooled Equity	105,467,648	-	Monthly	15-45 days
Total equity securities	641,094,363	-		
Alternative Investments:				
Private Equity	371,345,309	176	N/A	N/A
Real Estate	14,616,032	30	N/A	N/A
Total alternative investments	385,961,341	206		
Total investments measured at the NAV	\$1,750,427,439	\$206		

- **Unfunded Commitments.** At June 30th, the System had committed to fund certain alternative investment partnerships in the amount of \$705.5 million. Funding of \$501.4 million has been provided leaving an unfunded commitment of \$231 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.

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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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, 2024:

County			Schools		
Description	Percentage	Fair Value	Description	Percentage	Fair Value
Stocks	65%	\$175,491,893	Stocks	65%	\$72,555,456
Bonds	35%	94,495,635	Bonds	35%	39,068,322
Total	100%	<u>\$269,987,528</u>	Total	100%	<u>\$111,623,778</u>

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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

Receivables at June 30, 2024 are summarized below:

	Governmental Activities	Business-type Activities
Real Estate	\$ 492,352,785	\$ -
Personal property taxes	4,145,953	
Business License taxes	2,919,697	
Meal taxes	681,829	
Accounts receivables	41,063,424	22,447,273
Interest	2,276,259	
Total	<u>\$ 543,439,947</u>	<u>\$ 22,447,273</u>
Less allowance for doubtful accounts	(936,519)	(916,225)
Net receivables	<u>\$ 542,503,428</u>	<u>\$ 21,531,048</u>
Lease Receivable	<u>\$ 226,668,250</u>	<u>\$ 332,738</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 \$490,418,058, 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, 2024, the components of unearned revenues reported were as follows:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

Unearned Revenue and Deferred Inflow of Resources

	General Fund	Special Revenue Funds	Total Governmental Activities
Taxes	\$ 8,231,295	\$ 5,368,624	\$ 13,599,919
Grants	9,085,948	5,927,876	15,013,824
Housing development loans	341,067		341,067
Household Credits	645,634		645,634
Total Unearned Revenue	<u>\$ 18,303,944</u>	<u>\$ 11,296,500</u>	<u>\$ 29,600,444</u>

	General Fund	Transportation Capital Projects *	Total Governmental Activities	Business - Type Activities	Total Primary Government
Deferred Inflows of Resources					
Real Estate Taxes	\$ 490,418,058	\$ -	\$ 490,418,058	\$ -	\$ 490,418,058
Lease	197,919,475	15,705,693	213,625,168	319,407	213,944,575
Refunding of debt				500,946	500,946
Pension			7,200,000	-	7,200,000
OPEB			65,226,709	-	65,226,709
Total Deferred Inflows of resources	<u>\$ 688,337,533</u>	<u>\$ 15,705,693</u>	<u>\$ 776,469,935</u>	<u>\$ 820,353</u>	<u>\$ 777,290,288</u>

* All transportation related funds

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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

Capital asset activity for the year ended June 30, 2024:

Primary Government

	Beginning Balance as Originally Stated	Restatement	Beginning Balance as Restated	Increases	Decreases	Ending Balance
Governmental and Internal Service activities:						
Capital assets, not being depreciated:						
Land	\$262,802,488	(1,769,506)	261,032,982	\$9,386,273	\$-	\$270,419,255
Construction in progress	199,936,922	(4,550,503)	195,386,419	40,288,363	626,493	235,048,289
Total capital assets, not being depreciated	462,739,410	(6,320,009)	456,419,401	49,674,636	626,493	505,467,544
Capital assets, being depreciated:						
Infrastructure	1,184,005,452	(67,555,967)	1,116,449,485	73,135,987	-	1,189,585,472
Buildings	672,590,205	-	672,590,205	34,799,385	-	707,389,590
Furniture, fixtures and equipment	434,169,731	(147,785)	434,021,946	21,741,000	3,621,629	452,141,317
Intangible	13,797,130	-	13,797,130	1,174,505	-	14,971,635
Total capital assets being depreciated	2,304,562,518	(67,703,752)	2,236,858,766	130,850,877	3,621,629	2,364,088,014
Less accumulated depreciation for:						
Infrastructure	474,754,768	(8,426,241)	466,328,527	27,670,071	-	493,998,598
Buildings	224,298,328	-	224,298,328	16,606,796	-	240,905,124
Furniture, fixtures and equipment	283,603,058	(100,097)	283,502,961	23,578,224	3,383,763	303,697,422
Intangible	10,307,100	-	10,307,100	1,292,028	-	11,599,128
Total accumulated depreciation	992,963,254	(8,526,338)	984,436,916	69,147,119	3,383,763	1,050,200,272
Total capital assets, being depreciated, net	1,311,599,264	(59,177,414)	1,252,421,850	61,703,758	237,866	1,313,887,742
capital assets, net	1,774,338,674	(65,497,423)	1,708,841,251	\$111,378,394	864,359	1,819,355,286

Right to use asset

	Beginning Balance as originally stated	Restatement	Beginning Balance as Restated	Increases	Decreases	Ending Balance
Buildings	\$139,302,190	-	139,302,190	\$-	\$-	\$139,302,190
Equipment	2,181,650	-	2,181,650	2,917,495	-	5,099,145
Subscription	24,935,600	(11,328)	24,924,272	2,273,670	-	27,197,942
Total right to use assets	166,419,440	(11,328)	166,408,112	5,191,165	-	171,599,277
Less accumulated amortization for:						
Buildings	26,752,796	-	26,752,796	13,349,682	-	40,102,478
Equipment	1,416,663	-	1,416,663	1,591,130	-	3,007,793
Subscription	16,138,534	(2,643)	16,135,891	4,063,018	2,642	20,198,910
Total accumulated amortization	\$44,307,993	(\$2,643)	44,305,350	\$19,003,830	\$2,642	\$63,309,181
Total right to use assets, net	\$122,111,447	(\$8,685)	\$122,102,762	(\$13,812,665)	(\$2,642)	\$108,290,096
Total of Primary government activities	\$1,896,450,121	(\$65,506,108)	\$1,830,944,013	\$97,565,729	\$864,359	\$1,927,645,382

Beginning balances restated-Stormwater Fund moved to Enterprise Funds

Governmental activities capital assets, net of accumulated depreciation, at June 30, 2024, are comprised of the following:

Governmental funds	\$1,890,584,964
Internal service funds	37,060,418
Total	<u>\$1,927,645,382</u>

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

Business-type Activities

	Beginning Balance as originally stated	Restatement	Beginning Balance as restated	Increases	Decreases	Ending Balance
Capital assets, not being depreciated						
Land	\$6,161,255	\$1,769,506	\$7,930,761	\$5,795,049	\$1,210,995	12,514,815
Construction in progress	34,520,880	4,550,503	39,071,383	-	13,753,325	25,318,058
Total capital assets, not being depreciated	40,682,135	6,320,009	47,002,144	5,795,049	14,964,320	37,832,873
Capital assets, being depreciated:						
Infrastructure	-	67,555,967	67,555,967	4,423,371	19,701	71,959,637
Sewer system	453,545,495		453,545,495	12,605,554	-	466,151,049
Water system	887,495,891		887,495,891	8,607,562	-	896,103,453
Building	36,244,072		36,244,072	28,490	-	36,272,562
Furniture, Equipments	9,298,509	147,785	9,446,294	2,447,953	8,333	11,885,914
Intangible	7,492,864		7,492,864	24,498,672	-	31,991,536
Total capital assets being depreciated	1,394,076,831	67,703,752	1,461,780,583	52,611,602	28,034	1,514,364,151
Less accumulated depreciation for:						
Infrastructure	-	8,426,241	8,426,241	179,042	-	8,605,283
Sewer system	119,086,855		119,086,855	2,000,917	-	121,087,772
Water system	193,383,205		193,383,205	16,164,365	-	209,547,570
Building	19,715,185		19,715,185	844,113	-	20,559,298
Furniture, fixtures and equipment	7,080,028	100,097	7,180,125	426,832	1,736	7,605,221
Intangible	5,762,119		5,762,119	3,566,560	-	9,328,679
Total accumulated depreciation	345,027,392	8,526,338	353,553,730	23,181,829	1,736	376,733,823
Total capital assets, being depreciated, net	1,049,049,439	59,177,414	1,108,226,853	29,429,773	26,298	1,137,630,328
Business-type activities capital assets, net	\$1,089,731,574	\$65,497,423	\$1,155,228,997	\$35,224,822	\$14,990,618	\$1,175,463,201
Right to use asset						
	Beginning Balance	Restatement	Beginning Balance as restated	Increases	Decreases	Ending Balance
Buildings	\$22,062,920	\$-	\$22,062,920	\$-	\$-	\$22,062,920
Equipment	25,578		25,578	-	-	25,578
Subscription	4,072,826	11,328	4,084,154	7,096	-	4,091,250
Total right to use assets	26,161,324	11,328	26,172,652	7,096	-	26,179,748
Less accumulated amortization for:						
Buildings	3,926,138	-	3,926,138	1,963,069	-	5,889,207
Equipment	5,220	-	5,220	3,768	-	8,988
Subscription	1,334,007	2,643	1,336,650	692,217	-	2,028,867
Total accumulated amortization	5,265,365	2,643	5,268,008	2,659,054	-	7,927,062
Total right to use assets, net	\$20,895,959	\$8,685	\$20,904,644	-\$2,651,958	\$-	\$18,252,686
Total of Business-type activities	\$1,110,627,533	\$65,506,108	\$1,176,133,641	\$32,572,864	\$14,990,618	\$1,193,715,887

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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	6,677,411	45,676,538	31,087,397	21,266,552
Total capital assets, not being depreciated	11,375,357	45,676,538	31,087,397	25,964,498
Capital assets, being depreciated:				
Buildings	1,215,362,580	57,499,488	-	1,272,862,068
Furniture, fixtures, and equipment	183,126,833	14,715,148	1,790,320	196,051,661
Total capital assets being depreciated	1,398,489,413	72,214,636	-	1,468,913,729
Less accumulated depreciation for:				
Buildings	373,919,538	28,665,323	-	402,584,861
Furniture, Equipments	116,031,862	10,588,159	-	126,620,021
Total accumulated depreciation	489,951,400	39,253,482	-	529,204,882
Total capital assets, being depreciated, net	908,538,013	32,961,154	-	939,708,847
Schools activities capital assets, net	\$919,913,370	\$78,637,692	\$31,087,397	\$965,673,345

Right to use asset

	Beginning Balance	Increases	Decreases	Ending Balance
Buildings	\$62,412,714	\$1,644,806	\$-	\$64,057,520
Equipment	227,002	-	-	227,002
Subscription	14,376,906	739,936	-	15,116,842
Total right to use assets	77,016,622	2,384,742	-	79,401,364
Less accumulated amortization for:				
Buildings	11,539,400	\$6,736,121	-	18,275,521
Equipment	194,573	32,429	-	227,002
Subscription	3,984,928	3,948,807	-	7,933,735
Total accumulated amortization	15,718,901	10,717,357	-	26,436,258
Total right to use assets, net	\$61,297,721	-\$8,332,615	-	\$52,965,106
Total of Schools activities	\$981,211,091	\$70,305,077	\$31,087,397	\$1,018,638,451

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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	\$13,099,306
Public Safety	4,297,831
Public works, including depreciation of infrastructure assets	30,921,994
Health and welfare	413,768
Libraries	183,916
Parks, recreation and culture	11,093,928
Planning and community development	<u>2,497,545</u>
Total Depreciation Expense - Government Activities	62,508,288
 Internal Services	 <u>6,638,831</u>
Total Depreciation Expense - Governmental & Internal Services	<u>\$69,147,119</u>
Total Lease Amortization Expense - Governmental & Internal Services	<u>\$19,003,830</u>
Business-type activities:	
*Utilities	\$19,138,166
Storm water	1,595,788
Ballston Public Parking Garage	926,768
8th level Ballston Public Parking Garage	87,246
CPHD Development Fund	<u>2,318,431</u>
Total Depreciation Expense - Business-type Activities	<u>\$24,066,399</u>
Total Lease Amortization Expense - Business-type Activities	<u>\$2,659,053</u>
 Total Depreciation Expense Component Unit- Schools	 <u>\$39,253,482</u>
Total Lease Amortization Expense Component Unit- Schools	<u>\$10,717,357</u>

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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, 2024, the current portion of these liabilities was \$8.62 million, which represents an estimate of health insurance claims that have been incurred but not reported of \$8.17 million and are included in the accrued payroll liabilities and the current portion of workers' compensation of \$.45 million. The non-current portion was \$4.03 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>
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
2023 – 2024				
Current	\$9,305,764	\$64,502,880	\$65,187,322	\$8,621,322
Long-term	\$3,882,972	\$3,904,943	\$3,753,461	\$4,034,453

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 \$7,139,000 as of June 30, 2024.

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 \$90,762,949 for FY 2024. 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 FY24, the County has committed a Stabilization Reserve of \$21,453,061.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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.⁴

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, 2024; 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, 2024, Arlington County made variable non GASB 87&96 Common Area Maintenance(CAM) payments as required by lease agreements totaling \$9,641,667.

Lease present value threshold for reporting purposes is \$84,000 in FY24 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 \$5,198,261 plus interest at rates ranging from 1.912671% to 3.533879%, due date ranging from August 2024 to January 2034.

Schools:

Annual installments totaling \$2,384,742 plus interest at rates ranging from 1.912671% to 3.533879%, due date ranging from November 2024 to May 2037.

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

	Primary		
	Government	Schools	Total
Equipment	\$ 5,124,723	\$227,002	\$5,351,725.00
Buildings	161,365,110	64,057,520	225,422,630
Subscription	31,289,191	15,116,842	46,406,033
Less: accumulated amor	(71,236,243)	(26,436,258)	(97,672,501)
	<u>\$ 126,542,781</u>	<u>\$ 52,965,106</u>	<u>\$ 179,507,887</u>

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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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

	Primary Government		Schools		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 17,978,582	\$ 2,422,626	\$ 8,995,132	\$ 1,048,309	\$ 26,973,714	\$ 3,470,935
2026	17,504,649	2,046,733	8,271,376	844,994	25,776,025	2,891,727
2027	17,071,908	1,699,389	6,610,817	691,866	23,682,725	2,391,255
2028	15,854,912	1,376,431	5,700,736	566,829	21,555,648	1,943,260
2029	16,313,110	1,063,472	5,593,054	457,935	21,906,164	1,521,407
2030-2034	48,574,828	1,719,502	20,627,003	712,263	69,201,831	2,431,765
2035 and thereafter			207,723	9,670	207,723	9,670
Total minimum lease payments	<u>\$ 133,297,989</u>	<u>\$ 10,328,153</u>	<u>\$ 56,005,841</u>	<u>\$ 4,331,866</u>	<u>\$ 189,303,830</u>	<u>\$ 14,660,019</u>

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

B. Lessor

Arlington County, acting as lessor, leases under long-term, non-cancelable lease agreements. The leases expire at various dates through 2093 and provide for renewal options ranging from twelve months to fifty-seven years. During the year ended June 30, 2024, the entity recognized \$7,847,600 and \$4,300,125 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:			
2025	\$ 4,655,126	\$ 4,315,645	\$ 8,970,771
2026	4,663,959	4,216,408	8,880,367
2027	4,323,255	4,123,221	8,446,476
2028	4,234,560	4,031,340	8,265,900
2029	4,022,288	3,950,914	7,973,202
2030-2034	16,931,214	18,644,165	35,575,379
2035 and thereafter	188,170,586	99,110,465	287,281,051
Total minimum lease payments	<u>\$ 227,000,988</u>	<u>\$ 138,392,158</u>	<u>\$ 365,393,146</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 BONDS	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 50,740,000	\$ 26,591,790	\$ 46,395,000	\$ 20,700,384	\$ 9,660,000	\$ 2,204,220	\$ 106,795,000	\$ 49,496,394
2026	50,170,000	24,626,892	41,650,000	19,067,868	9,500,000	2,022,365	101,320,000	45,717,126
2027	48,530,000	22,531,455	42,655,000	17,496,502	7,535,000	1,813,161	98,720,000	41,841,119
2028	46,595,000	20,526,429	39,820,000	15,760,644	5,640,000	1,621,860	92,055,000	37,908,933
2029	46,815,000	18,616,619	38,675,000	14,209,166	3,540,000	1,468,225	89,030,000	34,294,009
2030-2034	215,130,000	65,397,678	177,505,000	48,939,132	13,505,000	5,485,998	406,140,000	119,822,808
2035-2039	154,380,000	27,739,206	106,375,000	19,531,773	7,495,000	3,448,725	268,250,000	50,719,704
2040-2044	49,240,000	4,115,000	36,325,000	3,441,950	8,320,000.00	1,573,800.00	93,885,000	9,130,750
2045-2049			-	-	1,740,000.00	131,500.00	1,740,000	131,500
	\$ 661,600,000	\$ 210,145,068	\$ 529,400,000	\$ 159,147,420	\$ 66,935,000	\$ 19,769,854	\$ 1,257,935,000	\$ 389,062,343

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

ARLINGTON COUNTY, VIRGINIA
IDA BONDS

Fiscal Year	Principal	Interest	Total
2025	\$ 14,260,000	\$ 5,626,187	\$ 19,886,187
2026	13,185,000	4,472,217	17,657,217
2027	12,070,000	3,882,163	15,952,163
2028	10,365,000	3,358,979	13,723,979
2029	10,455,000	2,876,547	13,331,547
2030-2034	32,730,000	9,217,764	41,947,764
2035-2039	15,185,000	4,498,981	19,683,981
2040-2044	11,915,000	1,222,170	13,137,170
	<u>\$ 120,165,000</u>	<u>\$ 35,155,008</u>	<u>\$ 155,320,008</u>

ARLINGTON COUNTY, VIRGINIA
VRA BONDS

Fiscal Year	Principal	Interest	Total
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	13,014,186
2028	12,361,019	653,167	13,014,186
2029	7,636,635	365,078	8,001,713
2030	6,150,915	165,015	6,315,931
2031	2,286,309	28,767	2,315,076
	<u>\$76,276,607</u>	<u>\$5,167,477</u>	<u>\$81,444,084</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, 2024 was \$12,596,768. 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, 2024 was \$18,959,205. These bonds mature in fiscal year 2028.

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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

prior to fiscal year 2012. The principal outstanding on these bonds at June 30, 2024 was \$17,115,532. 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, 2024, principal outstanding on these bonds was \$13,887,682. 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, 2024, the principal outstanding on these bonds was \$738,668 on Series 2008 bonds, \$6,664,440 on Series 2009 bonds and \$6,314,311 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, 2024, \$24,490,000 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, 2024, \$44,025,000 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 \$1,170,000 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, 2024, \$16,400,000 remains outstanding.

On October 31, 2023, the IDA issued \$35,250,000 in Revenue Bonds for the benefit of Arlington County (the "2023 IDA Bonds"). The 2023 IDA Bonds are due in annual installments of \$3,805,000 to \$5,825,000 through 2030, interest of 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 2023 IDA Bonds. As of June 30, 2024, \$35,250,000 remains outstanding.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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, 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, 2024, the County's available-to-draw balance for the credit line for capital was \$30,000,000. At June 30, 2024, the outstanding balance was \$120,000,000.

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, 2024

E. Changes in Long-Term Liabilities

During the year ended June 30, 2024, the following changes occurred in liabilities reported in the County and Schools long-term obligations:

	Balance as originally stated July 1	Restatement	Balance as Restated	Additions	Reductions	Balance June 30	Due in one Year
<u>General Government:</u>							
Compensated absences*	\$39,403,369	\$84,757,994	\$124,161,363	\$4,501,803	-	\$128,663,166	12,866,317
Workers' compensation	4,314,413	-	4,314,413	4,338,826	(4,170,513)	\$4,482,726	448,273
GO Bonds - County	500,720,000	(12,620,000)	488,100,000	44,135,000	(22,785,000)	\$509,450,000	29,725,000
Refunding Bonds - County	174,475,000	-	174,475,000	-	(22,325,000)	\$152,150,000	21,015,000
GO Bonds - Schools	360,000,001	-	360,000,001	31,420,000	(22,655,000)	\$368,765,001	24,445,000
Refunding Bonds - Schools	181,809,999	-	181,809,999	-	(21,175,000)	\$160,634,999	21,950,000
IDA revenue bonds - 2020	21,270,000	-	21,270,000	-	(4,870,000)	\$16,400,000	2,410,000
IDA revenue bonds - 2013	27,550,000	-	27,550,000	-	(3,060,000)	\$24,490,000	3,080,000
IDA revenue bonds - 2017	46,925,000	-	46,925,000	-	(2,900,000)	\$44,025,000	2,950,000
IDA Revenue Bonds - 2023	-	-	-	35,250,000	-	\$35,250,000	5,820,000
IDA skating facility bond***	19,710,000	-	19,710,000	-	(1,765,000.00)	\$17,945,000	-
Bond Interest Payable	305,758	-	305,758	13,375,271	(107,894.69)	\$13,573,135	13,573,135
Credit line for capital	22,044,776	-	22,044,776	-	(21,688,213)	\$356,563	356,563
Leases****	125,173,412	-	125,173,412	2,406,051	(14,930,075)	\$112,649,388	14,372,484
Line of credit	150,000,000	-	150,000,000	-	(30,000,000)	\$120,000,000	120,000,000
Bond premiums - County	114,353,014	(3,942,304)	110,410,710	5,427,219	(7,912,772)	\$107,925,157	8,187,492
Bond premiums - Schools	78,511,833	-	78,511,833	2,949,697	(5,681,412)	\$75,780,118	5,776,979
Net OPEB liability	46,963,631	-	46,963,631	941,623	(34,958,756)	\$12,946,498	-
Totals General Government	\$1,913,530,206	\$68,195,690	\$1,981,725,896	\$144,745,490	(\$220,984,636)	\$1,905,486,751	\$286,976,243
<u>Internal Service:</u>							
Compensated absence*	\$445,094	-	\$445,094	\$718,573	-	\$1,163,667	\$119,772
Bond Interest Payable	-	-	-	249,713	-	\$249,713	249,713
Leases****	97,729	-	97,729	2,785,113	(1,379,430)	\$1,503,412	1,077,759
Total Governmental Activities	\$1,914,073,029	-	\$1,982,268,719	\$148,498,889	(\$222,364,066)	\$1,908,403,543	\$288,423,486
<u>Component Unit - Schools:</u>							
Compensated absences*	\$52,517,234	-	\$52,517,234	\$33,065,449	(\$22,669,264)	\$62,913,419	6,291,342
Credit line for capital	10,491,952	-	10,491,952	-	(10,491,952)	-	-
School NonBond Debt	-	-	-	5,693,440	-	5,693,440	5,693,440
Leases****	63,283,366	-	63,283,366	2,384,742	(9,662,267)	\$56,005,841	8,995,132
Net pension liability	334,600,567	-	334,600,567	41,000,491	-	\$375,601,058	-
Net OPEB liability	95,952,428	-	95,952,428	1,088,362	(20,299,742)	\$76,741,048	-
Total Schools Activities	\$556,845,547	-	\$556,845,547	\$83,232,484	(\$63,123,225)	\$576,954,806	\$20,979,914
<u>Business-type Activities</u>							
Compensated absences - Utilities(inc Strm	\$1,773,611	\$4,615,920	\$6,389,531	153,690	-	\$6,543,221	\$654,322
Compensated absences - CPHD	1,328,223	2,710,501	4,038,724	456,934	-	4,495,658	449,566
GO bonds - Utilities	749,999	-	749,999	15,000,000	(150,000)	15,599,999	900,000
Refunding bonds - Utilities	44,565,001	-	44,565,001	-	(8,145,000)	36,420,001	8,355,000
GO Bonds - Stormwater **	-	12,620,000	12,620,000	2,600,000	(305,000)	14,915,000	405,000
Mortgage payable - Ballston	3,429,679	-	3,429,679	-	-	3,429,679	3,429,679
Mortgage interest payable - Ballston	45,235,794	-	45,235,794	2,793,645	-	48,029,439	48,029,439
VRA loan payable	93,642,628	-	93,642,628	-	(17,366,021)	76,276,607	17,716,730
Leases****	21,569,636	-	21,569,636	7,096.00	(2,431,547)	19,145,185	2,528,338
Bond and mortgage interest payable - Utili	1,569,733	-	1,569,733	878,170	(1,569,733)	878,170	878,170
Bond Interest Payable-Stormwater **	-	-	-	26,611	-	26,611	26,611
Bond premium - Utilities	2,217,350	-	2,217,350	1,500,529	(314,980)	3,402,899	390,006
Bond Premium - Stormwater **	-	3,942,304	3,942,304	252,596.00	(171,404)	4,023,496	184,034
Total Business-type Activities	\$216,081,654	\$23,888,725	\$239,970,379	\$23,669,271	(30,453,685)	\$233,185,965	\$83,946,896

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

** In FY24, Stormwater Fund transitioned from a Governmental Fund to an Enterprise Fund.

*** Rollforward includes GASB 84 IDA.

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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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 \$533,599,771 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 \$533,599,771 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 \$533,599,771 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	770,022,778	998,381,996	1,768,404,774	962,225,634	11,864,922	2,208,895,559
Restricted for:						
Capital projects	98,491,041	-	98,491,041	148,410,454	-	246,901,495
Seized assets	2,028,721	-	2,028,721	-	-	2,028,721
Grants/Donations	21,353,975	-	21,353,975	9,493,289	-	30,847,264
Pension Asset	175,200,000	-	175,200,000	-	-	175,200,000
Unrestricted	23,873,088	(8,068,577)	15,804,510	(399,201,643)	7,715,276	157,917,913
Net position	\$1,090,969,602	\$990,313,419	\$2,081,283,021	\$720,927,734	\$19,580,198	\$2,821,790,953

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, 2024 are reflected in current due to/from accounts of each fund/component unit, as summarized below:

Due to/ from other funds

	Receivables	Payables
General Fund	\$ 3,305,099	\$ -
Print Fund	-	3,305,099
	<u>\$ 3,305,099</u>	<u>\$ 3,305,099</u>

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

Due to/from primary government and component unit

	<u>Receivable Entity</u>	<u>Payable Entity</u>
General Fund	\$ -	\$ 126,207,891
School Funds:		
School - Operating	102,990,602	
School - Community Activities	1,422,827	
School - Pay-as-you-go	21,646,703	
School - Comp Services Act	147,759	
	<u>\$ 126,207,891</u>	<u>\$ 126,207,891</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, 2024 are as follows:

Transfer	General Fund	Special Revenue Funds	Capital Projects Funds	Enterprise Funds	Internal Service Funds	Total Transfers Out
General Fund		\$ 68,834	\$ 20,577,320	\$ 2,210,509	\$ 777,258	\$ 23,633,921
Non-major Capital Projects Funds	6,357,105					6,357,105
Special Revenue Funds	\$ 215,797					215,797
Transportation Project Fund	4,664,069					4,664,069
Internal Service Funds	130,000					130,000
Total Transfers In	<u>\$ 11,366,971</u>	<u>\$ 68,834</u>	<u>\$ 20,577,320</u>	<u>\$ 2,210,509</u>	<u>\$ 777,258</u>	<u>\$ 35,000,892</u>

The transfer detail table is from the General fund perspective only. Transfers out to the OPEB Trust fund of \$79,798 are not included in the General fund perspective. The detail reported in addition to the trust results in total transfer \$23,713,719.

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:

<u>Special Revenue Funds</u>	<u>Revenue Source</u>
Ballston Business Improvement District	Real Estate Taxes
Rosslyn Business Improvement District	Real Estate Taxes
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.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

The County has committed a general fund balance self-insurance reserve of \$7,139,000 and a stabilization reserve equal to 1% of the General Fund Budget as of June 30, 2024. The reserves include a Stabilization reserve of \$21.5 million and operating reserve of \$90.8 million as of June 30, 2024. 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 2024 to FY 2028 Agreement for FY 2024 total \$293 million for all jurisdictions, 3 percent more than FY2023. The six-year program assumes annual 3 percent increases and a total of \$1.9 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 8.2% of the local jurisdictional funding in the WMATA CIP. In FY 2024, the County's contribution was \$24.1 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 2024, the County paid \$47.5 million from its General Fund to subsidize WMATA's Metrobus, Metrorail and MetroAccess operating costs.

B. Construction Commitments

As of June 30, 2024, contractual commitments were outstanding in the following funds for the amounts indicated:

Capital Project Funds	\$279,480,053
Utilities Funds	48,800,700
Stormwater Fund	4,823,143
	<u>\$333,103,896</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.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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.

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.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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 \$251,842 and \$245,6506 and the bank balance totaled \$277,572 and \$259,263 at June 30, 2024 and June 30, 2023 respectively. During FY 2024, the WTE-FMG had \$119,522 as revenues and project-related expenditures of \$113,330.

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 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.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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, 2024, \$17,945,000 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 2024, \$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.

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 \$62,087,593 at June 30, 2024. 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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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 ("EVOC") 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 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 2024, 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.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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.

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.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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	<u>1,165</u>	<u>307</u>	<u>-</u>	<u>1,472</u>
Total Active Employees	2,821	820	2	3,643
Vested Deferred	636	140	19	795
Retirees and Beneficiaries	<u>2,566</u>	<u>974</u>	<u>737</u>	<u>4,277</u>
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.

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, 2024 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, 2024

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, 2024

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, 2024, 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 \$71,163,830 and employee contributions were \$16,542,402 for FY2024.

Rate of Return

For the year ending June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.18%. 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>2024</u>	<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	12.10%	7.80%	-10.10%	28.30%	6.60%	6.80%	7.80%	12.70%

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, 2023, 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, 2024 was determined by an actuarial valuation and measurement date as of June 30, 2023, 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, 2023 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, 2023 was 6.75% lowered from 7.25%. 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 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.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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)
FY2024 Beginning balance - Measurement date of June 30, 2022	\$2,672.7	\$2,813.9	(\$141.2)
Changes for the year:			
Service cost	70.2	-	70.2
Interest	180.7	-	180.7
Differences between expected and actual experience	9.9	-	9.9
Contributions - employer	-	65.8	(65.8)
Contributions - employee	-	16.0	(16.0)
Net investment income	-	215.5	(215.5)
Benefit payments, including refunds of employee contributions	(132.6)	(132.6)	0.0
Administrative expense	-	(2.5)	2.5
Net changes	\$128.2	\$162.2	(\$34.0)
FY2024 Ending Balance - Measurement date of June 30, 2023	\$2,800.9	\$2,976.1	(\$175.2)

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)		
	Current		
	1% Decrease (5.75%)	Discount Rate (6.75%)	1% Increase (7.75%)
County's net pension asset	\$221.4	(\$175.2)	(\$498.0)

The System's Fiduciary Net Position as of June 30, 2024 and June 30, 2023 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, 2024, the County recognized pension expense of \$37.7 million calculated as of the measurement date of June 30, 2023. At June 30, 2024, 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, 2024

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$19,500,000	\$7,200,000
Changes of assumptions	-	-
Net difference between projected and actual earning on the System's investments	84,300,000	-
Employer contributions subsequent to measurement date	<u>71,200,000</u>	<u>-</u>
Total	<u>\$175,000,000</u>	<u>\$7,200,000</u>

The amount of \$71,200,000 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, 2025. 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	(\$3.9)
2025	2.2
2026	103.6
2027	(5.3)
Thereafter	<u>-</u>
	<u>\$96.6</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, 2024

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, 2024 (measurement date June 30, 2023) 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 \$65,587,347 and \$57,165,238 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution on approximately \$147.5 million to the VRS Teacher Employee plan. This special payment was authorized by a budget amendment included in Chapter 2 of the Acts of Assembly of 2022, Special Session 1, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, 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, 2024, Schools reported a liability of \$369,440,570 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 31, 2022 and rolled forward to the measurement date of June 30, 2023. 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, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, Schools' proportion was 3.66% as compared to 3.50% at June 30, 2022.

For the year ended June 30, 2024, Schools recognized pension expense of \$37,213,867. 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, 2024, 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	\$ 31,735,260	\$ 14,417,150
Net difference between projected and actual earnings on pension plan investments	-	24,021,090
Change in assumptions	16,748,036	-
Change in proportion and difference between employer contributions and proportionate share of contributions	13,142,280	11,671,384
Employer contributions subsequent to the measurement date	<u>65,587,347</u>	<u>-</u>
Total	<u>\$ 127,212,923</u>	<u>\$ 50,109,624</u>

The \$65,587,347 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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

June 30, 2025. 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,

	Balances
2025	(\$7,775,010)
2026	(21,605,965)
2027	31,076,565
2028	9,820,362
	<u>\$11,515,952</u>

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2022, 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, 2023.

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:

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, 2022 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, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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, 2023, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	Teacher Employee Retirement Plan
Total Pension Liability	\$57,574,609
Plan Fiduciary Net Position	47,467,405
Employers' Net Pension Liability	<u>\$10,107,204</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.45%
---	--------

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.

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:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long- Term Expected Rate of Return
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS-Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP-Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
		Inflation	2.50%
		* Expected arithmetic nominal return	8.25%

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, 2023, 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 which was 112% of the actuarially determined contribution rate. From July 1, 2023 on, school divisions are assumed to contribute 112% 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.

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 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
	\$654,886,362	\$369,440,570	\$134,780,651

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2023 ACFR. A copy of the 2023 VRS ACFR may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2023-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 ratios, 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 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, 2024 (based on the June 30, 2022 actuarial valuation), System membership consisted of the following:

	<u>Number</u>
Retirees and Beneficiaries	167
Inactive Members:	
Vested inactive members	73
Non-vested inactive members	280
Inactive members active elsewhere in VRS	<u>129</u>
VRS Total inactive members	482
Active Members	<u>630</u>
Total Covered employees	<u>1,279</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, 2024 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.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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 \$1,887,128 and \$1,518,902 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net Pension Liability

The political subdivisions net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2022, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

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, 2022, 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, 2023.

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

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 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2022 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, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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

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%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS-Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP-Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
		Inflation	2.50%
		* Expected arithmetic nominal return	8.25%

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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, 2024, 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, 2022, actuarial valuations, whichever was greater. From July 1, 2023 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.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
(measurement date)	(a)	(b)	(a) - (b)
Balances at June 30, 2022	\$68,648,636	\$67,041,480	\$1,607,156
Changes for the year:			
Service cost	2,419,392	-	2,419,392
Interest	4,715,547	-	4,715,547
Differences between expected and actual experience	4,553,119	-	4,553,119
Change in assumptions	-	-	-
Contributions - employer	-	1,512,619	(1,512,619)
Contributions - employee	-	1,276,180	(1,276,180)
Net investment income	-	4,387,005	(4,387,005)
Benefit payments, including refunds	(2,416,150)	(2,416,150)	-
Administrative expenses	-	(42,252)	42,252
Other changes	-	1,174	(1,174)
Net changes	9,271,908	4,718,576	4,553,332
Balances at June 30, 2023	\$77,920,544	\$71,760,056	\$6,160,488

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:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

	<u>1.00% Decrease</u> <u>(5.75%)</u>	<u>Current Discount</u> <u>Rate (6.75%)</u>	<u>1.00% Increase</u> <u>(7.75%)</u>
Political subdivision's Net Pension Liability/(Asset)	\$17,102,054	\$6,160,488	(\$2,983,925)

For the year ended June 30, 2024, the political subdivision recognized pension expense of \$2,584,885. At June 30, 2024, the political subdivision reported deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows of</u> <u>Resources</u>
Employer contributions subsequent to the measurement date	\$1,887,128	\$-
Difference between expected and actual experience	3,594,834	9,068
Net difference between projected and actual earnings on plan investments		965,366
Change in assumptions	340,063	-
Total	<u>\$5,822,025</u>	<u>\$974,434</u>

The amount \$1,887,128 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, 2025. 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
2025	\$1,133,485
2026	82,893
2027	1,714,187
2028	<u>29,898</u>
Total	\$2,960,463

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2023 ACFR. A copy of the 2023 VRS ACFR may be downloaded from the VRS website at <http://www.varetire.org/pdg/publications/2023-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.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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.

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

Total Active employees with coverage	3,125
Total Active employees without coverage	618
Total Retirees with coverage	1,795
Total Retirees without coverage	<u>353</u>
Total Members	<u>5,891</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 2024, the County contributed \$10,231,332 towards benefit payments and an additional \$16,000,000 in pre-funding contributions towards health and life plans for retirees.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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:

<u>Asset Class</u>	<u>Target Percentage</u>
Equities	60%-70%
Fixed Income	30%-40%
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, 2024, the annual money-weighted rate of return on the County's OPEB investments, net of investment expense was 15.07%. 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, 2024. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of 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
Salary Increases	3.00% per year for general salary inflation
Discount Rate	6.75% for accounting and funding disclosures
Investment Rate of Return	6.75%

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.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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. The Long-Term Expected Rate of Return on OPEB Plan investments is 6.75% as of June 30, 2024.

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.

However, the depletion test as of the most recent actuarial valuation of June 30, 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 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, 2023	\$256,683,313	\$227,996,164	\$28,687,149
Changes for the year:			
Service cost	6,709,202	-	6,709,202
Interest	17,439,326	-	17,439,326
Changes of benefits	-	-	-
Difference between expected and actual experience	(9,805,406)	-	(9,805,406)
Changes in assumptions	2,920,818	-	2,920,818
Contributions-employer	-	17,729,515	(17,729,515)
Net investment income	-	34,493,181	(34,493,181)
Benefit payments	(10,231,332)	(10,231,332)	-
Net changes:	7,032,608	41,991,364	(34,958,756)
Balances at June 30, 2024	\$263,715,921	\$269,987,528	(\$6,271,607)

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:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Total OPEB Liability	\$290,478,468	\$263,715,921	\$240,814,553
Plan Fiduciary Net Position	269,987,528	269,987,528	269,987,528
Net OPEB Liability	<u>\$20,490,940</u>	<u>(\$6,271,607)</u>	<u>(\$29,172,975)</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	92.90%	102.40%	112.10%

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 (5.60% decreasing annually to an ultimate rate of 3.14%) or 1- percentage-point higher (7.60% decreasing annually to an ultimate rate of 5.14%) than the current healthcare cost trend rates:

	1% Decrease 5.60% decreasing to 3.14%	Current Healthcare Cost Trend Rates 6.60% decreasing to 4.14%	1% Increase 7.60% decreasing to 5.14%
Total OPEB Liability	\$245,770,222	\$263,715,921	\$282,382,607
Plan Fiduciary Net Position	269,987,528	269,987,528	269,987,528
Net OPEB Liability	<u>(\$24,217,306)</u>	<u>(\$6,271,607)</u>	<u>\$12,395,079</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	109.90%	102.40%	95.60%

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

For the year ended June 30, 2024, the County will recognize OPEB expense in the amount of (\$18,533,396). At June 30, 2024, 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	\$-	\$24,152,045
Changes of assumptions	11,127,376	21,277,085
Net difference between projected and actual earnings on OPEB plan investments	-	11,906,459
Total	<u>\$11,127,376</u>	<u>\$57,335,589</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:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

For the Fiscal Years Ending June 30

	<u>Balances</u>
2025	(\$24,527,269)
2026	(12,320,489)
2027	(5,540,667)
2028	<u>(3,820,688)</u>
	<u>(\$46,209,113)</u>

OPEB Trust Financial Statements

ARLINGTON COUNTY, VIRGINIA
STATEMENT OF FIDUCIARY NET POSITION
OPEB TRUST
JUNE 30, 2024

	<u>2024</u>
ASSETS	
Investments, at fair value	
Foreign, Municipal and U.S. Government	
Obligations, including Fixed	
Instruments in Pooled Funds	94,495,635
Domestic and Foreign Equities, including	
Equities in Pooled Funds	175,491,893
Total assets	<u>269,987,528</u>
NET POSITION RESTRICTED FOR OPEB	<u>\$269,987,528</u>

ARLINGTON COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

ARLINGTON COUNTY, VIRGINIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
OPEB TRUST
FOR THE YEAR ENDED JUNE 30, 2024

	<u>June 30, 2024</u>
ADDITIONS:	
Employer contributions	\$16,000,000
Other Contributions	79,798
Investment income:	
Interest and dividends	14,335,092
Net appreciation (depreciation) in fair value	19,448,436
Total Additions	<u>49,863,326</u>
DEDUCTIONS:	
Member Benefits	7,792,163
Other consulting expenses	<u>79,798</u>
Total Deductions	<u>7,871,961</u>
Net Increase/(Decrease)	41,991,365
Net Position Restricted for OPEB, beginning of year:	<u>227,996,163</u>
Net Position Restricted for OPEB, end of year:	<u>\$269,987,528</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, 2024

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.
- **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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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, 2024 was \$830.00 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 \$711,518 and \$660,284 for the years ended June 30, 2024 and June 30, 2023, 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, 2024, the entity reported a liability of \$19,218,105 for its proportionate share of the net LODA OPEB liability. The net LODA OPEB liability was measured as of June 30, 2023 and the total LODA OPEB liability used to calculate the net LODA OPEB liability was determined by an actuarial valuation as of that June 30, 2022 and rolled forward to June 30, 2023. 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, 2023 relative to the total of the actuarially determined pay-as-you-go employer contributions for all participating employers. At June 30, 2023, the County's proportion was 4.79375% as compared to 4.582923% at June 30, 2022.

For the year ended June 30, 2024, the entity recognized LODA OPEB expense of \$2,751,750. 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, 2024, the agency reported deferred outflows of resources and deferred inflows of resources related to the LODA OPEB Program from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,025,118	\$ 3,618,754
Net difference between projected and actual earnings on LODA OPEB plan investments	-	56,223
Change in assumptions	4,268,565	3,962,876
Change in proportionate share	1,481,035	252,367
Employer Contributions subsequent to the measurement date	711,518	-
Total	<u>\$7,486,236</u>	<u>\$7,890,220</u>

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

An amount of \$711,518 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, 2025. 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

	Balances
2025	\$80,861
2026	82,624
2027	182,240
2028	97,554
2029	(177,957)
Thereafter	(1,380,823)
	<u>(\$1,115,501)</u>

Actuarial Assumptions

The total LODA OPEB liability was based on an actuarial valuation as of June 30, 2022, 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, 2023.

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
- Ages 65 and older: 5.25 percent – 4.75 percent

Investment rate of return 3.86 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 3.86% 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.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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, 2022 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

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, 2023, NOL amounts for the LODA Program is as follows (amounts expressed in thousands):

Total LODA OPEB liability	\$406,211
Plan Fiduciary Net position	\$5,311
Employers' Net OPEB liability	<u>\$400,900</u>

Plan Fiduciary Net Position as a Percentage of the Total LODA OPEB Liability 1.31%

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 3.86% 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 3.86% 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 Fidelity Fixed Income General Obligation 20-year Municipal Bond Index as of the measurement date of June 30, 2023.

Discount Rate

The discount rate used to measure the total LODA OPEB liability was 3.86%. 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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

Trustees. Through the fiscal year ending June 30, 2023, 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 3.86%, 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 (2.86%) or one percentage point higher (4.86%) than the current rate:

1% Decrease 2.86%	Current Discount Rate 3.86%	1% Increase 4.86%
\$21,548,068	\$19,218,105	\$17,236,994

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 6.00% decreasing to 3.75%	Current Healthcare Cost Trend Rates 7.00% decreasing to 4.75%	1% Increase 8.00% decreasing to 5.75%
\$16,297,603	\$19,218,105	\$22,837,066

LODA OPEB Plan Fiduciary Net Position

Detailed information about the LODA Program's Fiduciary Net Position is available in the separately issued VRS 203 ACFR. A copy of the 2023 VRS ACFR may be downloaded from the VRS website at [VRS Annual Comprehensive Financial Report for Fiscal Year 2023 \(varetire.org\)](https://varetire.org) 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.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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, 2024 (valuation date), the following employees were covered by the benefit terms:

Total Active employees with coverage	3,475
Total Active employees without coverage	1,705
Total Retirees with coverage	<u>1,134</u>
Total Plan Members	<u>6,314</u>

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 2024 the Schools' contributed \$7,793,200 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	<u>30%-40%</u>
Total:	100%

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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, 2024, the annual money-weighted rate of return on investments, net of investment expense for the Schools Trust was 15.07%. 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, 2024. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the June 30, 2024 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, 2024
Salary Increases	3.00% per year for general salary inflation as of June 30, 2024
Discount Rate	6.75% for accounting and funding disclosures as of June 30, 2024
Investment Rate of Return	6.75% as of June 30 2024

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, 2024.

Discount rate

The discount rate as of June 30, 2024 is 6.75%, which is the assumed long-term expected rate of return on Plan investments. This is the same discount rate that was used for June 30, 2023. Projections of the Plan's fiduciary net position have indicated that it is expected to be sufficient to make projected benefit payments for current Plan members following the procedures described in paragraphs 48-53 of GASB Statement 74. As such, the single rate of return, as required by the statement, is equal to the long-term expected rate of return on the Plan assets, which is 6.75%. The depletion test using the actuarial valuation of June 30, 2024, 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%.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

Changes in Net OPEB Liability-Arlington Public Schools

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at June 30, 2023	\$126,322,095	\$94,719,916	\$31,602,179
Changes for the year:			
Service cost	3,479,726	-	3,479,726
Interest	8,589,214	-	8,589,214
Change of benefit terms	-	-	-
Difference between expected and actual experience	(8,922,653)	-	(8,922,653)
Changes in assumptions	(1,260,813)	-	(1,260,813)
Contributions-employer	-	7,793,200	(7,793,200)
Net investment income	-	14,303,862	(14,303,862)
Benefit payments	(5,193,200)	(5,193,200)	-
Net changes:	(3,307,726)	16,903,862	(20,211,588)
Balances at June 30, 2024	\$123,014,369	\$111,623,778	\$11,390,591

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%
Total OPEB Liability	\$139,269,658	\$123,014,369	\$109,561,454
Plan Fiduciary Net Position	111,623,778	111,623,778	111,623,778
Net OPEB Liability	\$27,645,880	\$11,390,591	(\$2,062,324)

Plan Fiduciary Net Position as a

Percentage of Total OPEB Liability	80.1%	90.7%	101.9%
------------------------------------	-------	-------	--------

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 (5.50% decreasing an ultimate rate of 2.68%) or 1- percentage-point higher (7.50% decreasing to an ultimate rate of 4.68%) than the current healthcare cost trend rates:

	1% Decrease 5.50% decreasing to 2.68%	Current Healthcare Cost Trend Rates 6.50% decreasing to 3.68%	1% Increase 7.50% decreasing to 4.68%
Total OPEB Liability	\$109,467,816	\$123,014,369	\$137,442,725
Plan Fiduciary Net Position	111,623,778	111,623,778	111,623,778
Net OPEB Liability	(\$2,155,962)	\$11,390,591	\$25,818,947

Plan Fiduciary Net Position as a

Percentage of Total OPEB Liability	102.0%	90.7%	81.2%
------------------------------------	--------	-------	-------

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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

For the year ended June 30, 2024, the Schools will recognize OPEB expense in the amount of (\$8,176,473). At June 30, 2024, 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	\$8,493,555	\$24,250,160
Changes of assumptions	9,361,484	56,697,812
Net difference between projected and actual earnings on OPEB plan investments	-	4,970,149
Total:	<u>\$17,855,039</u>	<u>\$85,918,121</u>

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,

2025	(\$14,098,067)
2026	(10,089,523)
2027	(12,521,891)
2028	(12,532,879)
2029	(9,144,533)
Thereafter	<u>(9,676,189)</u>
	<u>(\$68,063,082)</u>

OPEB Trust Statements-Arlington Public Schools

ARLINGTON COUNTY, VIRGINIA
OPEB TRUST FUND - SCHOOLS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2024

	<u>JUNE 30, 2024</u>
ASSETS	
Cash and Investments	<u>\$111,623,778</u>
Total assets	<u>111,623,778</u>
NET POSITION RESTRICTED FOR OPEB	<u>\$111,623,778</u>

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

ARLINGTON COUNTY, VIRGINIA
OPEB TRUST FUND - SCHOOLS
STATEMENT OF CHANGES IN PLAN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024

	<u>2024</u>
ADDITIONS:	
Employer contributions	\$ 2,600,000
Investment Income:	
Interest and dividends	6,038,743
Net appreciation (depreciation) in fair value	<u>8,265,119</u>
 Total additions	 <u>16,903,862</u>
 Net Increase/(Decrease)	 <u>16,903,862</u>
 Net Position Held in Trust for Plan Benefits, beginning of year	 <u>94,719,916</u>
 Net Position Held in Trust for Plan Benefits, end of year:	
Restricted	<u><u>\$111,623,778</u></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.

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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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.• 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:<ul style="list-style-type: none">○ \$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:	<ul style="list-style-type: none">• The monthly HIC benefit cannot exceed the individual premium amount.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

-
- 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, 2024 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, 2023. 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 \$5,059,617 and \$4,404,361 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$4 million to the VRS Teacher Health Insurance Credit Program. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session 1, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, 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, 2024, Schools' reported a liability of \$44,376,521 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, 2023 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, 2022 and rolled forward to the measurement date of June 30, 2023. 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, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, Schools' proportion of the VRS Teacher Employee HIC Program was 3.66319% as compared to 3.51099% at June 30, 2022.

For the year ended June 30, 2024, Schools' recognized VRS Teacher Employee HIC Program OPEB expense of \$3,634,708. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee HIC program net OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2024, Schools' reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee HIC program OPEB from the following sources:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$-	\$1,953,234
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	22,269	-
Change in assumptions	1,033,011	44,718
Change in proportionate share	1,977,633	1,707,970
Employer Contributions subsequent to the measurement date	5,059,617	-
Total	<u>\$8,092,530</u>	<u>\$3,705,922</u>

An amount of \$5,059,617 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, 2025. 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>
2025	(\$58,290)
2026	(205,527)
2027	(140,424)
2028	(249,262)
2029	(139,970)
Thereafter	<u>120,464</u>
	<u>(\$673,009)</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, 2022, 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, 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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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, 2022 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, 2021. 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 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.

As of June 30, 2023, 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	\$1,475,471
Plan Fiduciary Net Position	<u>264,054</u>
Teacher Employee net HIC OPEB liability	<u>\$1,211,417</u>

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB liability 17.90%

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%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS-Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP-Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
		Inflation	2.50%
		** Expected arithmetic nominal return	8.25%

* The above allocation provides a one-year return of 8.25%. 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 7.14%, including expected inflation of 2.50%.

** On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14% 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, 2023, the rate contributed by each school division for the VRS Teacher Employee HIC Program will be subject to the

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2023 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	\$50,194,801	\$44,376,521	\$39,446,034

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 2023 ACFR. A copy of the 2023 VRS ACFR may be downloaded from the VRS website at [VRS Annual Comprehensive Financial Report for Fiscal Year 2023 \(varetire.org\)](https://www.varetire.org/VRS%20Annual%20Comprehensive%20Financial%20Report%20for%20Fiscal%20Year%202023), 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.

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.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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.

Employees Covered by Benefit Terms

As of the June 30, 2023 actuarial valuation, membership consisted of the following:

	<u>Number</u>
Inactive-non-vested	280
Total Inactive with benefits	369
Active employees	630
Total	1279

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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, 2024, 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 \$106,848 and \$84,531 for the years ended June 30, 2024, and June 30, 2023, respectively.

Net HIC OPEB Liability

The Schools Non-professional Employee net Health Insurance Credit OPEB liability was measured as of June 30, 2023. The total Health Insurance Credit OPEB liability was determined by an actuarial valuation performed as of June 30, 2022, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2022, 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, 2023.

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.

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:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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, 2021. 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, 2024

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return *
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS-Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP-Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	<u>100.00%</u>		<u>5.75%</u>
		Inflation	<u>2.50%</u>
		** Expected arithmetic nominal return	<u>8.25%</u>

*The above allocation provides a one year return of 8.25%. 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 June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, 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, 2023, the rate contributed by the entity for the HIC OPEB was 100% of the actuarially determined contribution rate. From July 1, 2023, 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, 2024

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, 2022	\$826,758	\$100,707	\$726,051
Changes for the year:			
Service cost	14,814	-	14,814
Interest	55,935	-	55,935
Change in assumptions	-	-	-
Difference between actual and expected experience	(65,911)	-	(65,911)
Contributions - employer	-	84,631	(84,631)
Net investment income	-	8,599	(8,599)
Benefit payments, including refunds	(25,821)	(25,821)	-
Administrative expenses	-	(248)	248
Other changes	-	10	(10)
Net changes	(20,983)	67,171	(88,154)
Balances at June 30, 2023	\$805,775	\$167,878	\$637,897

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	1% Increase
	5.75%	Rate	7.75%
		6.75%	
Non-Professional HIC Net OPEB Liability	\$737,943	\$637,897	\$553,983

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, 2024, the Non-Professional Plan recognized HIC Program OPEB expense of \$65,979. At June 30, 2024, 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, 2024

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$52,137	\$53,773
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	1,868	-
Change in assumptions	15,131	-
Change in proportionate share	-	-
Employer Contributions subsequent to the measurement date	106,848	-
Total	<u>\$175,984</u>	<u>\$53,773</u>

An amount of \$106,848 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, 2025. 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>
2025	\$3,767
2026	3,768
2027	4,287
2028	2,828
2029	173
Thereafter	<u>-</u>
	<u>\$14,823</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 2023 Annual Comprehensive Financial Report (ACFR). A copy of the 2023 VRS ACFR may be downloaded from the VRS website at [VRS Annual Comprehensive Financial Report for Fiscal Year 2023 \(varetire.org\)](https://www.varetire.org/VRS%20Annual%20Comprehensive%20Financial%20Report%20for%20Fiscal%20Year%202023), or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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	
Eligible Employees	<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>
Benefit Amounts	<p>The benefits payable under the GLI Program have several components.</p> <ul style="list-style-type: none">• <u>Natural Death Benefit</u> – The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled.• <u>Accidental Death Benefit</u> – The accidental death benefit is double the natural death benefit.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

-
- **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 \$9,254 as of June 30, 2024.

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, 2024 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 \$2,284,840 and \$1,993,200 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$10.1 million to the Group Life Insurance Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session 1, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a non-employer contribution.

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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

At June 30, 2024, Schools' reported a liability of \$18,861,243 for its proportionate share of the net GLI OPEB liability. The net GLI OPEB liability was measured as of June 30, 2023 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, 2022 and rolled forward to the measurement date of June 30, 2023. 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, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023 the participating employer's proportion was 1.57267% as compared to 1.52261% at June 30, 2022.

For the year ended June 30, 2024, the participating employer recognized GLI OPEB expense of \$918,817. 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, 2024, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB Program from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$1,883,777	\$572,535
Net difference between projected and actual earnings on GLI OPEB program investments	-	757,952
Change in assumptions	403,167	1,306,781
Change in proportionate share	579,746	607,361
Employer Contributions subsequent to the measurement date	<u>2,284,840</u>	<u>-</u>
Total	<u>\$5,151,530</u>	<u>\$3,244,629</u>

The amount of \$2,284,840 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 OPEB liability in the Fiscal Year ending June 30, 2025. 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>
2025	(\$165,506)
2026	(845,055)
2027	283,964
2028	58,203
2029	<u>290,455</u>
	<u><u>(\$377,939)</u></u>

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2022, 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, 2023.

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.

The actuarial assumptions used in the June 30, 2022 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, 2021. 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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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, 2023, NOL amounts for the GLI Program is as follows (amounts expressed in thousands):

	<u>Group Life Insurance OPEB Program</u>
Total GLI OPEB liability	\$3,907,052
Plan Fiduciary Net Position	<u>2,707,739</u>
Employers' Net GLI OPEB liability	<u>\$1,199,313</u>
 Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB liability	 69.30%

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:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return *
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS-Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP-Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
		Inflation	2.50%
		** Expected arithmetic nominal return	8.25%

* The above allocation provides a one-year return of 8.25%. 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 7.14%, including expected inflation of 2.50%.

**On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, 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, 2023, 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, 2023 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, 2024

1% Decrease	Current Discount Rate	1% Increase
5.75%	6.75%	7.75%
\$27,958,255	\$18,861,243	\$11,506,249

GLI Program's Fiduciary Net Position

Detailed information about the GLI Program's Fiduciary Net Position is available in the separately issued VRS 2023 ACFR. A copy of the 2023 VRS ACFR may be downloaded from the VRS website at [VRS Annual Comprehensive Financial Report for Fiscal Year 2023 \(varetire.org\)](#), 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:
<ul style="list-style-type: none">• City of Richmond• City of Portsmouth

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

- 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 \$9,254 as of June 30, 2024.

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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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, 2024 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 \$193,502 and \$155,664 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$10.1 million to the Group Life Insurance Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session 1, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a non-employer contribution.

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, 2024, Schools reported a liability of \$1,474,796 for its proportionate share of the net GLI OPEB liability. The net GLI OPEB liability was measured as of June 30, 2023 and the total GLI OPEB liability used to calculate the net GLI OPEB liability was determined by an actuarial valuation as of June 30, 2022 and rolled forward to the measurement date of June 30, 2023. 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, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, Schools' proportion was 0.12297% as compared to 0.11931% at June 30, 2022.

For the year ended June 30, 2024, Schools recognized GLI OPEB expense of \$109,239. 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, 2024, Schools' 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	\$147,296	\$44,768
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	59,266
Change in assumptions	31,524	102,180
Change in proportionate share	74,387	12,615
Employer Contributions subsequent to the measurement date	193,502	-
Total	<u>\$446,709</u>	<u>\$218,829</u>

An amount of \$193,502 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, 2025. 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:

ARLINGTON COUNTY, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

For the Fiscal Years ending June 30:

	<u>Balances</u>
2025	\$16,648
2026	(45,635)
2027	30,941
2028	10,240
2029	<u>22,184</u>
Total	<u>\$34,378</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, 2023.

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

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:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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, 2023, NOL amounts for the Group Life Insurance Program is as follows (amounts expressed in thousands):

	<u>GLI OPEB Program</u>
Total GLI OPEB Liability	\$3,907,052
Plan Fiduciary Net Position	<u>2,707,739</u>
Employers' Net GLI OPEB Liability	<u>\$1,199,313</u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	69.30%

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:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return *
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS-Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP-Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
	Inflation		2.50%
	** Expected arithmetic nominal return		8.25%

* The above allocation provides a one-year return of 8.25%. 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 7.14%, including expected inflation of 2.50%.

** On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing median return of 7.14% 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, 2023, 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, 2023 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:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

1% Decrease	Current Discount Rate	1% Increase
5.75%	6.75%	7.75%
\$2,186,108	\$1,474,796	\$899,695

GLI Program Fiduciary Net Position

Detailed information about the GLI program's Fiduciary Net Position is available in the separately issued VRS 2023 ACFR. A copy of the 2023 VRS ACFR may be downloaded from the VRS website at [VRS Annual Comprehensive Financial Report for Fiscal Year 2023 \(varetire.org\)](#), 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, 2024.

**Arlington County Government
OPEB and Pension Components-Primary Government
For the Period Ending June 30, 2024**

	County OPEB	LODA OPEB	Total Primary Government OPEB	County Pension	Total OPEB & Pension
Net OPEB/Pension Liability	\$-	\$19,218,105	\$19,218,105	\$-	\$19,218,105
Net OPEB/Pension Asset	6,271,607	-	6,271,607	175,200,000	181,471,607
Deferred Inflows	57,336,489	7,890,220	65,226,709	7,200,000	72,426,709
Deferred Outflows	11,127,376	6,774,718	17,902,094	103,800,000	121,702,094
Deferred Outflows-Contributions*	-	711,518	711,518	71,200,000	71,911,518
OPEB/Pension Expense	(18,533,396)	2,751,750	(15,781,646)	(33,600,000)	(49,381,646)

*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, 2024

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, 2024**

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	\$11,390,591	\$44,376,521	\$18,861,243	\$637,897	\$1,474,796	\$76,741,048
Deferred Inflows	85,918,121	3,705,922	3,244,629	53,773	218,829	93,141,274
Deferred Outflows	17,855,039	3,032,913	2,866,690	69,136	253,207	24,076,985
Deferred Outflows-Contributions*	-	5,059,617	2,284,840	106,848	193,502	7,644,807
OPEB/Pension Expense	(8,176,473)	3,634,708	918,817	65,979	109,239	(3,447,730)

APS Pension Plans	APS Teachers Pension	APS Political Sub- Division Pension	Total APS Pension
Net Pension Liability	\$369,440,570	\$6,160,488	\$375,601,058
Deferred Inflows	50,109,624	974,434	51,084,058
Deferred Outflows	61,625,576	3,934,897	65,560,473
Deferred Outflows-Contributions*	65,587,347	1,887,128	67,474,475
Total Deferred Outflows	127,212,923	5,822,025	133,034,948
OPEB/Pension Expense	37,213,867	2,584,885	39,798,752

*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-GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance
	Original	Final	Actual	Positive (Negative)
REVENUES:				
General Property taxes:				
Real estate	\$882,991,300	\$882,991,300	\$902,400,336	\$19,409,036
Personal	142,730,733	142,730,733	148,702,988	5,972,255
Other local taxes	245,443,000	245,443,000	263,410,257	17,967,257
Licenses, permits and fees	9,031,300	9,031,300	8,000,118	(1,031,182)
Charges for services	69,405,668	68,889,466	68,934,696	45,230
Fines and forfeitures	6,834,924	6,834,924	6,084,153	(750,771)
Grants:				
State grants	89,847,550	98,784,708	96,689,863	(2,094,845)
Federal grants	23,123,142	31,276,155	25,940,043	(5,336,112)
Use of money and property	15,291,430	30,291,430	52,642,380	22,350,950
Miscellaneous revenue	12,568,850	219,729,639	19,934,680	(199,794,959)
Total revenues	1,497,267,897	1,736,002,655	1,592,739,514	(143,263,141)
EXPENDITURES:				
General Government Administration:				
County Board	2,139,035	2,169,059	2,005,305	163,754
County Manager	6,999,431	7,039,431	6,546,156	493,275
Financial Management	10,325,435	10,539,864	10,484,790	55,074
Human Resources	11,809,566	11,595,137	10,681,374	913,763
Technology Services	30,244,185	30,544,185	30,326,902	217,283
County Attorney	4,326,676	4,326,676	4,189,539	137,137
Commissioner of Revenue	6,474,444	6,474,444	6,376,969	97,475
Treasurer	8,179,168	8,179,168	7,392,422	786,746
Electoral Board	2,122,578	2,122,578	1,934,942	187,636
Total General Government	82,620,518	82,990,542	79,938,399	3,052,143
Judicial Administration:				
Circuit Court & Circuit Court Judiciary	5,907,124	5,983,200	6,026,860	(43,660)
General District Court	444,273	444,273	357,161	87,112
Juvenile & Domestic Relations Court	8,169,508	8,212,338	7,965,133	247,205
Commonwealth Attorney	6,284,052	6,591,576	5,764,379	827,197
Sheriff & Jail	50,472,307	51,924,707	52,829,803	(905,096)
Office of the Public Defender	386,120	443,338	430,328	13,010
Magistrate's Office	30,832	30,832	23,632	7,200
Total Judicial Administration	71,694,216	73,630,264	73,397,296	232,968
Public Safety:				
Police	84,482,541	88,069,281	85,251,069	2,818,212
Public Safety Communications and Emergency Management	14,606,420	14,780,170	15,249,588	(469,418)
Fire	76,038,716	78,281,552	78,360,884	(79,332)
Total Public Safety	175,127,677	181,131,003	178,861,541	2,269,462
Environmental Services	119,265,119	123,719,767	118,128,352	5,591,415
Health & Welfare	185,258,060	200,559,225	186,668,336	13,890,889
Libraries	17,869,203	18,040,596	18,343,891	(303,295)

ARLINGTON COUNTY, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 11-A
Page 2 of 2

ARLINGTON COUNTY-GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance
	Original	Final	Actual	Positive (Negative)
Planning & Community Development:				
Economic Development	9,965,394	10,604,204	9,841,823	762,381
Community Planning, Housing & Development	12,621,708	12,929,883	12,627,627	302,256
Total Planning & Community Development	22,587,102	23,534,087	22,469,450	1,064,637
Parks and Recreation	57,362,307	58,523,685	56,853,651	1,670,034
Education	608,226,735	629,060,616	607,647,332	21,413,284
Non-Departmental:				
Non-Departmental	64,309,392	189,952,622	100,455,768	89,496,854
Debt Service				
Principal payment	54,040,000	41,559,812	53,035,000	(11,475,188)
Interest payment	37,846,212	37,846,212	37,498,573	347,639
Other costs	125,000	125,000	394,325	(269,325)
Regionals/Contributions	7,794,143	8,062,957	7,550,078	512,879
METRO	47,842,394	47,842,394	47,842,394	-
Total Non-Departmental	211,957,141	325,388,997	246,776,138	78,612,859
Total expenditures	1,551,968,078	1,716,578,782	1,589,084,386	127,494,396
Excess (deficiency) of revenues over expenditures	(54,700,181)	19,423,873	3,655,128	(15,768,745)
OTHER FINANCING SOURCES (USES):				
Transfers in	345,292	4,999,845	11,366,971	6,367,126
Transfers out	(12,143,097)	(25,749,147)	(23,633,921)	2,115,226
Sale of Land	15,000	15,000	8,301,043	8,286,043
Issuance of debt	-	-	9,308,992	9,308,992
Total other financing sources/(uses)	(11,782,805)	(20,734,302)	5,343,085	26,077,387
Net change in fund balance*	(66,482,986)	(1,310,429)	8,998,212	10,308,642
Fund Balance - beginning of year	363,336,953	363,336,953	363,336,953	(0)
Fund Balance - end of year	\$296,853,967	\$362,026,524	\$372,335,165	\$10,308,641

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 2024*
(\$ in millions)

	2024	2023	2022	2021	2020	2019	2018	2017
Total pension liability								
Service cost	\$70.2	\$62.6	\$60.8	\$59.8	\$59.3	\$57.8	\$56.5	\$53.8
Interest	180.7	171.6	166.3	161.4	149.5	143.5	139.1	143.6
Differences between expected and actual experience	9.9	24.1	(29.4)	(30.1)	(31.1)	(13.7)	(27.1)	(47.3)
Changes of assumptions	-	-	-	-	112.6	-	-	27.2
Benefit payments including refunds of employee contributions	(132.6)	(126.5)	(119.9)	(115.5)	(110.8)	(105.0)	(99.7)	(95.3)
Net change in total pension liability	128.2	131.8	77.8	75.6	179.5	85.7	68.8	82.0
Total pension liability -- beginning	2,672.7	2,540.9	2,463.1	2,387.5	2,208.0	2,122.3	2,053.5	1,971.5
Total pension liability -- ending	<u>\$2,800.9</u>	<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>
Plan fiduciary net position								
Contributions - employer	\$65.8	\$61.2	\$59.7	\$59.9	\$56.7	\$54.9	\$51.8	\$54.5
Contributions - employee	16.0	14.8	14.8	14.7	13.0	12.9	12.7	12.3
Net investment income	215.5	(321.3)	708.1	156.8	152.1	167.3	246.3	(1.3)
Benefit payments including refunds of employee contributions	(132.6)	(126.5)	(119.9)	(115.5)	(110.8)	(105.0)	(99.7)	(95.3)
Administrative expense	(2.5)	(2.2)	(2.0)	(2.0)	(0.8)	(0.8)	(0.8)	(1.7)
Net change in plan fiduciary net position	162.2	(374.0)	660.7	113.9	110.2	129.3	210.3	(31.5)
Plan fiduciary net position - beginning	2,813.9	3,187.9	2,527.2	2,413.3	2,303.1	2,173.8	1,963.5	1,995.0
Plan fiduciary net position - ending	<u>\$2,976.1</u>	<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>
County's net pension liability (asset) - ending	<u>(\$175.2)</u>	<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>
Plan fiduciary net position as a percentage of the total pension liability	106.3%	105.3%	125.5%	102.6%	101.1%	104.3%	102.4%	95.6%
Covered payroll	\$316.3	\$297.1	\$285.6	\$285.2	\$270.0	\$261.4	\$236.5	\$248.9
County's net position liability (asset) as a percentage of covered-payroll	-55.4%	-47.5%	-226.5%	-22.5%	-9.6%	-36.4%	-21.8%	36.2%

* 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)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$71.2	\$65.8	\$61.2	\$59.7	\$59.9	\$56.7	\$54.9	\$51.8	\$54.5	\$58.2
County contributions in relation to the actuarially determined contributions	71.2	65.8	61.2	59.9	59.9	56.7	54.9	51.8	54.5	58.2
Contribution deficiency/ (excess)	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Covered Payroll	\$319.0	\$316.3	\$297.1	\$285.6	\$285.2	\$270.0	\$261.4	\$236.5	\$248.9	\$243.5
Contributions as a percentage of covered payroll	22.3%	20.8%	20.6%	20.9%	21.0%	21.0%	21.0%	21.9%	21.9%	23.9%

Exhibit 11-E

Notes to Schedule-Arlington County Retirement System Pension-Key Assumptions

Valuation date	June 30, 2022
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.
-----------	---

School
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.

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 2024*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's Proportion of the Net Pension Liability	3.65522%	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	\$369,440,570	\$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	369,111,113	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	100.09%	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	82.45%	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.

ARLINGTON COUNTY, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 11-G

VRS Teachers Retirement Plan
Schedule of Employer Contributions
For the Years Ended 2015 through 2024

Date	Contributions in Relation to		Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
	Contractually Required Contribution	Contractually Required Contribution			
2024	\$57,699,731	\$57,699,731	\$-	\$372,496,649	15.49%
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%

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, 2022 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, 2021. 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 2024***

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	\$2,419,392	\$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	4,715,547	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	4,553,119	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	(2,416,150)	(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	9,271,908	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	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	31,887,034
Total pension liability - ending	<u>\$77,920,544</u>	<u>\$68,648,636</u>	<u>\$64,243,649</u>	<u>\$57,940,081</u>	<u>\$54,275,821</u>	<u>\$48,293,951</u>	<u>\$43,720,581</u>	<u>\$41,120,105</u>	<u>\$39,105,889</u>	<u>\$35,284,304</u>
Plan fiduciary net position										
Contributions - employer	\$1,512,619	\$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	1,276,180	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	4,387,005	(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	(2,416,150)	(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	(42,252)	(41,030)	(34,612)	(31,921)	(29,714)	(26,286)	(25,371)	(21,338)	(20,294)	(21,639)
Other	1,174	1,438	(171)	(1,178)	(2,024)	(2,904)	(4,184)	(273)	(332)	232
Net change in plan fiduciary net position	4,718,576	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	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	26,860,182
Plan fiduciary net position - ending	<u>\$71,760,056</u>	<u>\$67,041,480</u>	<u>\$66,920,915</u>	<u>\$52,252,409</u>	<u>\$50,709,368</u>	<u>\$46,800,207</u>	<u>\$42,817,856</u>	<u>\$37,362,179</u>	<u>\$35,675,939</u>	<u>\$33,331,084</u>
Political subdivision's net pension liability	<u>\$6,160,488</u>	<u>\$1,607,156</u>	<u>(\$2,677,266)</u>	<u>\$5,687,672</u>	<u>\$3,566,453</u>	<u>\$1,493,744</u>	<u>\$902,725</u>	<u>\$3,757,926</u>	<u>\$3,429,950</u>	<u>\$1,953,220</u>
Plan fiduciary net position as a percentage of the total pension liability	92.09%	97.66%	104.17%	90.18%	93.43%	96.91%	97.94%	90.86%	91.23%	94.46%
Covered payroll	\$28,826,709	\$25,913,299	\$24,662,305	\$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	21.37%	6.20%	-10.86%	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.

ARLINGTON COUNTY, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 11-J

VRS Political Subdivisions
Schedule of Employer Contributions
For the Years Ended 2015 through 2024

Date	Contributions in Relation to		Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
	Contractually Required Contribution	Contractually Required Contribution			
2024	\$1,512,619	\$1,512,619	\$-	\$28,602,906	5.29%
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%

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 2024***

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability								
Service cost	\$6,709,202	\$6,209,048	\$6,012,315	\$6,488,331	\$7,186,201	\$6,542,420	\$7,045,072	\$6,789,601
Interest	17,439,326	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	2,920,818	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	(9,805,406)	(10,942,518)	(46,185,968)	(15,102,579)	(7,043,612)	(4,310,682)	(4,316,370)	(7,417,570)
Benefit Payments	(10,231,332)	(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	7,032,608	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	256,683,313	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)	\$263,715,921	\$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	\$17,729,515	\$17,573,495	\$16,870,247	\$20,182,715	\$20,291,000	\$20,349,194	\$19,237,827	\$19,522,328
Net investment income	34,493,181	20,227,043	(19,792,200)	43,019,873	7,340,191	13,509,558	7,935,995	11,825,989
Benefit payments	(10,231,332)	(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	41,991,364	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	227,996,164	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)	\$269,987,528	\$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	(\$6,271,607)	\$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	 102.4%	 88.8%	 80.7%	 72.6%	 53.0%	 49.3%	 42.7%	 37.7%
 **Covered-employee payroll	 \$314,441,114	 \$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	-1.99%	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 information will be added as it becomes 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 2024

					Contributions as a % of Covered- Employee Payroll
Date	Actuarially Determined Contribution (ADC)	Contributions in relation to ADC	Contribution Deficiency (Excess)	Covered- Employee Payroll	
2024	\$10,276,898	\$17,729,515	(\$7,452,617)	\$314,441,114	5.64%
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)	-	-

Exhibit 11-N

Notes to Schedules-County OPEB

Valuation Date: June 30, 2023

Actuarially determined contribution rates are calculated as of June 30, 2023, prior to the fiscal year in when they are reported, and have been rolled forward to June 30, 2024.

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry age normal level % of salary

Amortization method/period Level % of salary, 20 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 6.60% in 2024 and gradually declines to 4.14% by the year 2044.

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, 2024

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 Eight Fiscal Years

	<u>2024</u>	<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	15.07%	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 2024***

	2024	2023	2022	2021	2020	2019	2018
Employer's Proportion of the Net LODA OPEB Liability	4.79%	4.83%	4.56%	4.52%	4.44%	4.14%	4.10%
Share of the Net LODA OPEB Liability	\$19,218,105	\$18,276,482	\$20,127,121	\$18,944,488	\$15,923,862	\$12,992,000	\$10,773,000
Covered-Employee Payroll	\$367,799,562	\$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	5.23%	6.02%	6.59%	6.66%	5.55%	4.77%	3.48%
as a % of Total LODA Liability	1.31%	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 seven 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
For the Years Ended June 30, 2015 through 2024

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contributions	Contribution Deficiency (Excess)	Covered- Employee Payroll*	Contributions as a % of Covered- Employee Payroll
2024	\$711,518	\$711,518	\$-	\$367,799,562	0.19%
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%

*The contributions for the Line of Duty 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 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, 2024

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, 2022 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 2024

Total OPEB Liability	2024	2023	2022	2021	2020	2019	2018	2017
Service cost	\$3,479,726	\$4,524,587	\$4,386,787	\$4,642,415	\$4,444,683	\$4,335,321	\$4,514,868	\$3,724,642
Interest	8,589,214	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	(1,260,813)	(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	(8,922,653)	(21,398,976)	5,838,729	527,435	2,220,971	(1,078,733)	2,312,548	7,411,499
Benefit payments	(5,193,200)	(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	(3,307,726)	(68,770,045)	8,129,114	(5,525,766)	11,896,904	5,134,672	(982,617)	33,295,397
Total OPEB liability - beginning	126,322,095	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)	\$123,014,369	\$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	\$7,793,200	\$11,469,649	\$11,309,473	\$11,334,220	\$7,918,493	\$10,410,271	\$9,374,239	\$8,827,027
Contributions-retired members	-	-	-	-	-	-	-	-
Net investment income	14,303,862	8,407,264	-8,176,707	17,984,729	3,190,968	5,931,810	3,506,989	5,287,676
Benefit payments	(5,193,200)	(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	16,903,862	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	94,719,916	83,712,652	68,704,630	68,704,630	65,513,662	56,981,852	50,874,863	42,987,187
Plan fiduciary net position - ending (b)	\$111,623,778	\$94,719,916	\$63,127,923	\$89,289,359	\$68,704,630	\$65,513,662	\$56,981,852	\$50,874,863
Net OPEB Liability-ending (a) - (b)	\$11,390,591	\$31,602,179	\$131,964,217	\$97,673,667	\$123,784,162	\$115,078,226	\$118,475,364	\$125,564,970
 Plan Fiduciary net position as % of total OPEB liability	 90.7%	 75.0%	 42.9%	 47.8%	 35.7%	 36.3%	 32.5%	 28.8%
Covered-employee payroll	\$450,326,586	\$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	2.5%	8.3%	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, 2015 through 2024

Date	Actuarially Determined Contribution (ADC)	Contributions in relation to ADC	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contribution as a Percentage of Covered- Employee Payroll
2024	\$5,893,951	\$7,793,200	(\$1,899,249)	\$450,326,856	1.7%
2023	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%

Exhibit 11-U

Notes to Schedules-Arlington Public Schools

Valuation Date: June 30, 2024

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 22 years

Asset valuation method: Fair market value of assets

4Inflation: 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 2023.

Salary increases: 3.00% salary scale as of June 30, 2024

Investment rate of return: 6.75% per year as of June 30, 2024

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 Eight Fiscal Years

	<u>2024</u>	<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	15.07%	7.80%	-10.10%	26.17%	4.86%	10.37%	6.89%	12.30%

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 2024*

	2024	2023	2022	2021	2020	2019	2018
Employer's Proportion of the Net HIC OPEB Liability	3.66%	3.51%	3.61%	3.68%	3.71%	3.72%	3.63%
Employer's Proportionate Share of the Net HIC OPEB Liability	\$44,376,521	\$43,853,899	\$46,392,938	\$48,047,430	\$48,569,733	\$47,295,000	\$46,108,000
Covered Payroll	\$363,996,767	\$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	12.19%	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	17.90%	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 seven 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, 2015 through 2024

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2024	\$4,670,429	\$4,670,429	\$-	\$385,985,845	1.21%
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%

Exhibit 11-Y

Notes to Schedules
Arlington Public Schools HIC-Teachers Plan
For the Year Ended June 30, 2024

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, 2022 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, 2021. 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, 2024*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total HIC OPEB liability				
Service cost	\$14,814	\$17,116	\$20,893	\$-
Interest	55,935	47,336	42,117	-
Benefit changes	-	-	-	623,954
Differences between expected and actual	(65,911)	75,943	-	-
Changes in assumptions	-	14,549	9,537	-
Benefit payments	<u>(25,821)</u>	<u>(24,687)</u>	<u>-</u>	<u>-</u>
Net change in total OPEB liability	(20,983)	130,257	72,547	623,954
Total OPEB liability - beginning	<u>826,758</u>	<u>696,501</u>	<u>623,954</u>	<u>-</u>
Total OPEB liability - ending	<u><u>\$805,775</u></u>	<u><u>\$826,758</u></u>	<u><u>\$696,501</u></u>	<u><u>\$623,954</u></u>
 Plan fiduciary net position				
Contributions - employer	\$84,631	\$60,987	\$58,222	\$-
Net investment income	8,599	(776)	7,245	-
Benefit payments, incl refunds of contributions	(25,821)	(24,687)	-	-
Administrative expense	(248)	(182)	(256)	-
Other	<u>10</u>	<u>154</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	67,171	35,496	65,211	-
Plan fiduciary net position - beginning	<u>100,707</u>	<u>65,211</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - ending	<u><u>\$167,878</u></u>	<u><u>\$100,707</u></u>	<u><u>\$65,211</u></u>	<u><u>\$-</u></u>
 Political subdivision's net OPEB liability	<u><u>\$637,897</u></u>	<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	20.83%	12.18%	9.36%	0.00%
 Covered payroll	\$28,826,709	\$25,913,289	\$24,662,305	N/A
 Political subdivision's net OPEB liability as a percentage of covered payroll	2.21%	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 2024*

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2024	\$106,848	\$106,848	\$-	\$35,833,646	0.30%
2023	84,631	84,621	-	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, 2024

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, 2022 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, 2021. 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 2024*

	2024	2023	2022	2021	2020	2019	2018
OPEB Liability	1.57%	1.52%	1.56%	1.58%	1.60%	1.60%	1.57%
Employer's Proportionate Share of the Net GLI OPEB Liability	\$18,861,243	\$18,333,692	\$18,186,850	\$26,339,577	\$26,016,243	\$24,253,000	\$23,574,000
Covered Payroll	\$369,111,113	\$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	5.11%	5.54%	5.64%	8.18%	8.31%	7.26%	8.16%
Percentage of the Total GLI OPEB Liability	67.21%	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 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-AD

Schedule of Employer Contributions
Arlington Public Schools-Teachers Plan
Group Life Insurance (GLI) Program
For the Years Ended June 30, 2015 through 2024

	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a % of Covered- Employee Payroll
2024	\$2,284,840	\$2,284,840	\$-	\$423,118,576	0.54%
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	-	\$288,942,885	0.52%
2016	\$1,573,752	\$1,314,583	-	\$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, 2024
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, 2022 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, 2021. 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 2024*

	2023	2023	2022	2021	2020	2019	2018
Employer's Proportion of the Net GLI OPEB Liability	0.12297%	0.11931%	0.11970%	0.12086%	0.11772%	0.11420%	0.10838%
Employer's Proportionate Share of the Net GLI OPEB Liability	\$1,476,796	\$1,436,607	\$1,393,633	\$2,016,956	\$1,915,618	\$1,735,000	\$1,631,000
Covered Payroll	\$28,826,709	\$25,913,299	\$24,662,305	\$24,419,844	\$23,073,185	\$18,129,748	\$18,508,403
Employer's Proportionate Share of the Net GLI OPEB Liability as a Percentage of its Covered Payroll	5.12%	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	69.30%	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 seven 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, 2015 through 2024

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2024	\$193,502	\$193,502	\$-	\$35,833,646	0.54%
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%

Exhibit 11-AH

Notes to Schedules
For the Year Ended June 30, 2024
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, 2022 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, 2021. 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.



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, 2024

	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	\$1,616,769	(\$523,170)	\$751,369	\$2,461,716	\$2,700,130	\$913,911	\$1,819,249	\$11,317,969	\$6,761,679
Receivables, net	-	775,815	-	-	-	-	-	-	-
Receivables from other governments	-	-	-	-	-	667,858	11,076	-	-
Receivables leases	-	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	746,459	1,919,332	-	4,275
Total assets	<u>\$1,616,769</u>	<u>\$252,645</u>	<u>\$751,369</u>	<u>\$2,461,716</u>	<u>\$2,700,130</u>	<u>\$2,328,228</u>	<u>\$3,749,657</u>	<u>\$11,317,969</u>	<u>\$6,765,954</u>
LIABILITIES									
Vouchers payable	-	\$236,443	\$-	\$-	\$-	\$115,268	\$34,741	\$6,263,481	\$45,974
Contracts payable - retainage	-	-	-	-	-	-	-	4,005	6,282
Unearned revenue	-	-	652,254	2,200,496	2,515,874	2,212,960	3,714,916	-	-
Other liabilities	-	-	-	-	-	-	-	-	3,200
Total liabilities	<u>-</u>	<u>236,443</u>	<u>652,254</u>	<u>2,200,496</u>	<u>2,515,874</u>	<u>2,328,228</u>	<u>3,749,657</u>	<u>6,267,486</u>	<u>55,456</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	-	-	-	-	-	-	-	-	4,275
Restricted	1,616,769	16,202	99,115	261,220	-	-	-	-	6,706,223
Committed	-	-	-	-	-	-	-	5,050,483	-
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balances (deficit)	<u>1,616,769</u>	<u>16,202</u>	<u>99,115</u>	<u>261,220</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,050,483</u>	<u>6,710,498</u>
Total liabilities, deferred inflow of resources and fund balances (deficit)	<u>\$1,616,769</u>	<u>\$252,645</u>	<u>\$751,369</u>	<u>\$2,461,716</u>	<u>\$2,700,130</u>	<u>\$2,328,228</u>	<u>\$3,749,657</u>	<u>\$11,317,969</u>	<u>\$6,765,954</u>

CAPITAL PROJECTS FUNDS								ASSETS
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	
\$45,552,436	\$-	\$18,715,509	\$21,582,585	\$27,894,643	\$-	\$7,899,542	\$149,464,338	Equity in pooled cash and investments
-	-	-	-	2,371,874	-	3,184,441	6,332,130	Receivables, net
-	-	-	-	1,076,214	-	-	1,755,148	Receivables from other governments
-	-	-	-	-	-	16,772,729	16,772,729	Receivables leases
-	-	-	-	-	-	-	2,670,066	Prepaid
\$45,552,436	\$-	\$18,715,509	\$21,582,585	\$31,342,731	\$-	\$27,856,712	\$176,994,411	Total assets
LIABILITIES								
\$1,483,835	\$0	\$420,265	\$-	\$1,218,431	\$-	\$-	\$9,818,438	Vouchers payable
1,128,190	-	-	-	1,022	-	-	1,139,499	Contracts payable - retainage
-	-	-	-	-	-	-	11,296,500	Unearned revenue
-	-	-	-	-	-	3,184,441	3,187,641	Other liabilities
2,612,025	-	420,265	-	1,219,453	-	3,184,441	25,442,078	Total liabilities
DEFERRED INFLOW OF RESOURCES								
-	-	-	-	-	-	15,705,693	15,705,693	Leases
-	-	-	-	-	-	15,705,693	15,705,693	Total deferred inflows of resources
FUND BALANCES								
-	-	-	-	-	-	-	4,275	Nonspendable - prepaid items
42,940,411	-	18,295,244	21,582,585	-	-	8,966,578	100,668,603	Restricted
-	-	-	-	30,123,278	-	-	35,173,761	Committed
-	-	-	-	-	-	-	-	Unassigned
42,940,411	-	18,295,244	21,582,585	30,123,278	-	8,966,578	135,846,639	Total fund balances(deficit)
\$45,552,436	\$-	\$18,715,509	\$21,582,585	\$31,342,731	\$-	\$27,856,712	\$176,994,411	Total liabilities, deferred inflows of resources and fund balances(deficit)

* IDA Fund includes Skating Facility & Signature Loan. ** Government Facility Bond includes Fire Station Bond & Library Bond Funds. *** Stormwater move causes Enterprise Funds

ARLINGTON COUNTY, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	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
REVENUES:									
Other local taxes	\$3,311,182	\$3,693,124	\$1,284,104	\$4,781,342	\$4,749,425	\$-	\$-	\$-	\$-
Real estate taxes	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	2,151,454	23,962,836	-	-
Interest earnings	-	-	7,505	7,989	4,168	-	-	695,892	349,766
Charges for services	-	-	-	-	-	-	-	-	-
Miscellaneous revenues	-	-	-	-	-	-	-	-	-
Total revenues	3,311,182	3,693,124	1,291,609	4,789,331	4,753,593	2,151,454	23,962,836	695,892	349,766
EXPENDITURES:									
Current:									
General government	-	-	-	-	-	-	-	169,547	-
Planning and community development	3,143,317	3,761,958	1,447,257	4,620,361	4,528,600	2,151,454	-	-	9,101
Health and welfare	-	-	-	-	-	-	23,962,836	-	-
Intergovernmental:									
Community development	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	12,249,005	1,334,204
Total expenditures	3,143,317	3,761,958	1,447,257	4,620,361	4,528,600	2,151,454	23,962,836	12,418,552	1,343,305
Revenues over (under) expenditures	167,865	(68,834)	(155,648)	168,970	224,993	-	-	(11,722,660)	(993,539)
OTHER FINANCING SOURCES(USES):									
Proceeds from sale of bonds	-	-	-	-	-	-	-	10,520,000	2,000,000
Transfers in (out)	-	68,834	(25,682)	(95,126)	(94,989)	-	-	(695,893)	(349,766)
Total other financing sources (uses), net	-	68,834	(25,682)	(95,126)	(94,989)	-	-	9,824,107	1,650,234
Net change in fund balances	167,865	-	(181,330)	73,844	130,004	-	-	(1,898,553)	656,695
FUND BALANCE (Deficit), beginning of year	1,448,904	16,202	280,445	187,376	54,252	-	-	6,949,036	6,053,803
Restatement	-	-	-	-	-	-	-	-	-
FUND BALANCED (Deficit), beginning restated	1,448,904	16,202	280,445	187,376	54,252	-	-	6,949,036	6,053,803
FUND BALANCE (Deficit), end of year	\$ 1,616,769	\$ 16,202	\$ 99,115	\$ 261,220	\$ 184,256	\$ -	\$ -	\$ 5,050,483	\$ 6,710,498

CAPITAL PROJECTS FUNDS								REVENUES:
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	
\$-	\$0	\$-	\$-	\$-	\$-	\$-	\$17,819,177	Other local taxes
-	-	-	-	5,513,584	1,935,457	-	7,449,041	Real estate taxes
-	-	-	-	4,834,006	-	-	30,948,296	Intergovernmental
2,813,162	-	979,606	356,798	-	-	2,026,773	7,241,659	Interest income
-	-	-	-	-	-	2,090,346	2,090,346	Charges for services
-	-	-	-	6,047,403	-	-	6,047,403	Miscellaneous revenues
2,813,162	-	979,606	356,798	16,394,993	1,935,457	4,117,119	71,595,922	Total revenues
								EXPENDITURES:
								Current:
175,365	-	69,588	-	5,152,277	160,097	-	5,726,874	General government
-	-	-	-	-	235,896	-	19,897,944	Planning and community development
-	-	-	-	-	-	-	23,962,836	Health and welfare
-	-	-	21,100,000	-	-	-	21,100,000	Intergovernmental:
-	-	-	-	-	-	-	-	Community development
-	-	-	-	-	-	-	-	Debt Service:
-	-	-	-	-	-	-	-	Principal
-	-	-	-	-	5,704,509	2,408,925	8,113,434	Interest
15,654,466	-	3,336,549	-	6,093,962	-	-	38,668,186	Capital outlay
15,829,831	-	3,406,137	21,100,000	11,246,239	6,100,502	2,408,925	117,469,274	Total expenditures
(13,016,669)	-	(2,426,531)	(20,743,202)	5,148,754	(4,165,045)	1,708,194	(45,873,352)	Revenues over (under) expenditures
								OTHER FINANCING SOURCES(USES):
5,485,000	-	4,630,000	21,500,000	-	-	35,250,000	79,385,000	Proceeds from sale of bonds
(2,813,162)	-	(979,606)	(356,798)	-	-	(36,411,880)	(41,754,068)	Transfers in (out)
2,671,838	-	3,650,394	21,143,202	-	-	(1,161,880)	37,630,932	Total other financing sources (uses), net
(10,344,831)	-	1,223,863	400,000	5,148,754	(4,165,045)	546,314	(8,242,420)	Net change in fund balances
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), beginning of year
-	(16,703,293)	-	-	-	-	-	(16,703,293)	Restatement
53,285,242	-	17,071,381	21,182,585	24,974,524	4,165,045	8,420,264	144,089,059	FUND BALANCED (Deficit), beginning of year
\$ 42,940,411	\$ -	\$ 18,295,244	\$ 21,582,585	\$ 30,123,278	\$ -	\$ 8,966,578	\$ 135,846,639	FUND BALANCE (Deficit), end of year

* IDA Fund includes Skating Facility & Signature Loan. ** Government Facility Bond includes Fire Station Bond & Library Bond Funds. *** Stormwater move causes Enterprise Funds I



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, 2024

	2024	2023
ASSETS		
Equity in pooled cash and investments	502,224,614	478,067,218
Petty cash	1,657	541
Cash with fiscal agents	270,456	270,456
Receivables(net, where applicable, of allowance for uncollectibles):		
Taxes	499,163,745	487,665,185
Accounts receivable - other	25,218,813	21,997,922
Accounts receivable - development loan	341,067	380,182
Receivables leases	209,895,521	-
Accrued interest	2,276,259	1,816,358
Due from other governments	13,481,069	14,085,086
Temporary loan to other funds	3,305,099	3,433,959
Prepaid items and other assets	4,113,082	2,134,413
	<u>1,260,291,382</u>	<u>1,221,428,576</u>
LIABILITIES		
Accrued payroll liabilities	29,161,477	30,150,374
Vouchers payable	23,672,448	21,958,199
Current maturities of interest payable	267,304	267,304
Other current liabilities	2,005,619	2,700,453
Unearned revenue	18,303,944	17,307,720
Due to component unit	126,207,892	104,860,518
Total liabilities	<u>199,618,684</u>	<u>177,244,568</u>
DEFERRED INFLOWS OF RESOURCES		
Leases	197,919,475	203,501,200
Deferred revenue - taxes	490,418,058	477,345,855
Total deferred inflows of resources	<u>688,337,533</u>	<u>680,847,055</u>
FUND BALANCES:		
Non spendable:		
Prepaid items	3,929,428	1,336,872
Leases	3,915,778	4,514,249
Restricted:		
Grants	19,176,413	18,560,812
Seized assets	2,028,721	5,639,486
Committed:		
Self insurance reserve	7,139,000	5,415,547
Stabilization reserve	21,453,061	15,516,310
Operating reserve	90,762,949	85,339,704
Subsequent years' County budget	33,563,543	22,935,895
Subsequent years' capital projects	16,378,000	6,257,461
Prior year encumbrances	241,458	342,813
Affordable Housing Investment Fund - allocated	32,309,741	32,767,802
Subsequent years' School's budget	31,733,285	34,675,381
Assigned:		
Subsequent years' County budget	10,293,334	14,621,833
Subsequent years' capital projects	12,573,730	19,760,793
Incomplete projects	3,833,518	4,778,424
Affordable Housing Investment Fund - Unallocated	74,560,482	68,734,239
Unassigned	<u>8,442,724</u>	<u>21,509,879</u>
Total fund balances	<u>372,335,165</u>	<u>363,336,953</u>
Total liabilities, deferred inflows of resources and fund balances	<u>1,260,291,382</u>	<u>1,221,428,576</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, 2024

	2024			
	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	2023 ACTUALS
REVENUES:				
Taxes	\$1,271,165,033	\$1,314,513,581	\$43,348,548	\$1,254,658,601
Licenses and permits	9,031,300	8,000,118	(1,031,182)	10,162,288
From the Commonwealth of Virginia	98,784,708	96,689,863	(2,094,845)	85,807,699
From the federal government	31,276,155	25,940,043	(5,336,112)	55,128,922
Charges for services	68,889,466	68,934,696	45,230	59,030,346
Fines and forfeitures	6,834,924	6,084,153	(750,771)	5,161,999
Use of money and property	30,291,430	52,642,380	22,350,950	33,022,703
Miscellaneous revenues	217,249,639	29,323,469	(187,926,170)	24,500,009
Total revenues	1,733,522,655	1,602,128,303	(131,394,352)	1,527,472,567
EXPENDITURES:				
Current:				
General government	82,990,542	79,938,399	3,052,143	76,722,282
Judicial administration	73,630,264	73,397,296	232,968	68,709,247
Public safety	181,131,003	178,861,541	2,269,462	168,555,938
Environmental services	123,719,767	118,128,352	5,591,415	112,573,286
Health and welfare	200,559,225	186,668,336	13,890,889	170,966,283
Parks and recreation	58,523,685	56,853,651	1,670,034	52,485,423
Libraries	18,040,596	18,343,891	(303,295)	16,213,146
Planning and community development	23,534,087	22,469,450	1,064,637	21,904,524
Non-departmental	189,952,622	100,455,768	89,496,854	99,243,776
Contributions to regional agencies	55,905,351	55,392,472	512,879	53,907,492
Debt service:				
Principal	41,559,812	53,035,000	(11,475,188)	49,725,000
Interest on serial bonds	37,846,212	37,498,573	347,639	26,984,082
Other costs	125,000	394,325	(269,325)	29,969
Total expenditures	1,087,518,166	981,437,054	106,081,112	918,020,448
Revenues over expenditures	646,004,489	620,691,249	(25,313,240)	609,452,119
OTHER FINANCING SOURCES (USES):				
Transfers in	7,479,845	11,366,971	3,887,126	7,861,286
Transfers from component unit	-	7,429,041	7,429,041	2,207,346
Transfers out	(25,749,147)	(23,713,719)	2,035,428	(15,543,070)
Transfers to component unit	(629,060,616)	(615,076,373)	13,984,243	(605,246,292)
Premium on sales of bonds	-	-	-	-
Proceeds from line of credit	-	-	-	-
Proceeds from sale of land	15,000	8,301,043	8,286,043	1,798,508
Total other financing sources (uses)	(647,314,918)	(611,693,037)	35,621,881	(608,922,222)
Revenues over expenditures and other sources (uses)	(1,310,429)	8,998,212	10,308,641	529,897
FUND BALANCE, beginning of year	363,336,954	363,336,953	--	362,807,057
FUND BALANCE, end of year	362,026,525	372,335,165	\$10,308,640	\$363,336,954



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.

Section 8 Housing 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, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2023)

	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, 2024	June 30, 2023
ASSETS									
Equity in pooled cash and investments	\$1,616,769	(\$523,170)	\$751,369	\$2,461,716	\$2,700,130	\$913,911	1,819,249	\$9,739,974	\$10,672,840
Receivable from other governments	-	-	-	-	-	667,858	11,076	678,934	299,103
Other current receivables	-	-	-	-	-	-	-	-	-
Receivables-community development	-	775,815	-	-	-	-	-	775,815	116,170
Prepaid items	-	-	-	-	-	746,459	1,919,332	2,665,791	2,524,921
Total assets	\$1,616,769	\$252,645	\$751,369	\$2,461,716	\$2,700,130	\$2,328,228	\$3,749,657	\$13,860,514	\$13,613,034
LIABILITIES									
Unearned Revenue	\$-	\$ -	\$652,254	\$2,200,496	\$2,515,874	\$2,212,960	\$3,714,916	\$11,296,500	\$11,382,637
Vouchers payable	-	\$236,443	-	-	-	\$115,268	\$34,741	\$386,452	\$243,218
Due to primary government	-	-	-	-	-	-	-	-	-
Temporary loan - General Fund	-	-	-	-	-	-	-	-	-
Total liabilities	-	236,443	-	-	-	115,268	34,741	386,452	243,218
DEFERRED INFLOWS OF RESOURCES									
Deferred revenues-community development	-	-	-	-	-	-	3,714,916	3,714,916	4,233,292
Unavailable revenues-taxes	-	-	652,254	2,200,496	2,515,874	-	-	5,368,624	5,660,668
Deferred revenues	-	-	-	-	-	2,212,960	-	2,212,960	1,488,677
Total deferred inflows of resources	-	-	652,254	2,200,496	2,515,874	2,212,960	3,714,916	11,296,500	11,382,637
FUND BALANCES									
Reserved for encumbrances	-	-	-	-	-	-	-	\$ -	\$ -
Nonspendable-prepaid items	-	-	-	-	-	-	-	-	746,459
Restricted	1,616,769	16,202	99,115	261,220	184,256	-	-	2,177,562	1,938,121
Unassigned	-	-	-	-	-	-	-	-	(697,401)
Total fund balances	1,616,769	16,202	99,115	261,220	184,256	-	-	2,177,562	1,987,179
Total liabilities, deferred inflows of resources and fund balances	\$1,616,769	\$252,645	\$751,369	\$2,461,716	\$2,700,130	\$2,328,228	\$3,749,657	\$13,860,514	\$13,613,034

ARLINGTON COUNTY, VIRGINIA
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2023)

	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, 2024	June 30, 2023
REVENUES:									
Other local taxes	\$3,311,182	\$3,693,124	\$1,284,104	\$4,781,342	\$4,749,425	\$-	\$-	\$17,819,177	\$14,726,807
From the federal government	-	-	-	-	-	2,151,454	23,962,836	26,114,290	24,910,741
Interest earnings	-	-	7,505	7,989	4,168	-	-	19,662	8,782
Total revenues	3,311,182	3,693,124	1,291,609	4,789,331	4,753,593	2,151,454	23,962,836	43,953,129	39,646,330
EXPENDITURES:									
Current -									
Planning and community development	3,143,317	3,761,958	1,447,257	4,620,361	4,528,600	2,151,454	-	19,652,947	17,093,045
Health and welfare	-	-	-	-	-	-	23,962,836	23,962,836	22,455,481
Total expenditures	3,143,317	3,761,958	1,447,257	4,620,361	4,528,600	2,151,454	23,962,836	43,615,783	39,548,526
Revenues over (under) expenditures	167,865	(68,834)	(155,648)	168,970	224,993	-	-	337,346	97,804
OTHER FINANCING SOURCES (USES):									
Transfers out	-	-	(25,682)	(95,126)	(94,989)	-	-	(215,797)	(172,308)
Transfers in	-	68,834	-	-	-	-	-	68,834	246,700
Total other financing sources(uses)	-	68,834	(25,682)	(95,126)	(94,989)	-	-	(146,963)	74,392
Revenues and other financing sources (uses) over (under) expenditures	167,865	-	(181,330)	73,844	130,004	-	-	190,383	172,196
FUND BALANCES, beginning of year	1,448,904	16,202	280,445	187,376	54,252	-	-	1,987,179	1,814,983
FUND BALANCES, end of year	\$1,616,769	\$16,202	\$99,115	\$261,220	\$184,256	\$-	\$-	\$2,177,562	\$1,987,179

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, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Other local taxes	<u>\$3,003,256</u>	<u>\$3,311,182</u>	<u>\$307,926</u>
Total revenues	<u>3,003,256</u>	<u>3,311,182</u>	<u>307,926</u>
EXPENDITURES:			
Planning and community development	<u>3,003,256</u>	<u>3,143,317</u>	<u>(140,061)</u>
Revenues over expenditures *	<u>-</u>	<u>167,865</u>	<u>167,865</u>
FUND BALANCE, beginning of year	<u>1,487,202</u>	<u>1,448,904</u>	<u>-</u>
FUND BALANCE, end of year	<u><u>\$1,487,202</u></u>	<u><u>\$1,616,769</u></u>	<u><u>\$167,865</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, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Other local taxes	<u>\$3,580,460</u>	<u>\$3,693,124</u>	<u>\$112,664</u>
Total revenues	<u>3,580,460</u>	<u>3,693,124</u>	<u>112,664</u>
EXPENDITURES:			
Planning and community development	<u>3,827,160</u>	<u>3,761,958</u>	<u>65,202</u>
Revenues under expenditures	<u>(246,700)</u>	<u>(68,834)</u>	<u>(177,866)</u>
OTHER FINANCING SOURCES:			
Transfers in	<u>246,700</u>	<u>68,834</u>	<u>177,866</u>
Total other financing sources	<u>246,700</u>	<u>68,834</u>	<u>177,866</u>
Revenues and other financing sources over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, beginning of year	<u>3,308</u>	<u>16,202</u>	<u>(\$12,894)</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, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Other local taxes	\$1,476,793	\$1,284,104	(\$192,689)
Interest earnings	<u>-</u>	<u>7,505</u>	<u>7,505</u>
Total revenues	<u>1,476,793</u>	<u>1,291,609</u>	<u>(185,184)</u>
EXPENDITURES:			
Planning and community development	<u>1,476,793</u>	<u>1,447,257</u>	<u>29,536</u>
Revenues over expenditures	<u>-</u>	<u>(155,648)</u>	<u>(155,648)</u>
OTHER FINANCING USES:			
Transfers Out	<u>-</u>	<u>(25,682)</u>	<u>(25,682)</u>
Total other financing uses	<u>-</u>	<u>(25,682)</u>	<u>(25,682)</u>
Revenues over other financing uses and expenditures	<u>-</u>	<u>(181,330)</u>	<u>(181,330)</u>
FUND BALANCE, beginning of year	<u>225,372</u>	<u>280,445</u>	<u>-</u>
FUND BALANCE, end of year	<u><u>\$225,372</u></u>	<u><u>\$99,115</u></u>	<u><u>(\$181,330)</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, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Other local taxes	\$4,545,682	\$4,781,342	\$235,660
Interest earnings	<u>286,655</u>	<u>7,989</u>	<u>(278,666)</u>
Total revenues	<u>4,832,337</u>	<u>4,789,331</u>	<u>(43,006)</u>
EXPENDITURES:			
Planning and community development	<u>4,741,423</u>	<u>4,620,361</u>	<u>(121,062)</u>
Revenues over (under) expenditures	<u>90,914</u>	<u>168,970</u>	<u>78,056</u>
OTHER FINANCING USES:			
Transfers Out	<u>(90,914)</u>	<u>(95,126)</u>	<u>(4,212)</u>
Total other financing uses	<u>(90,914)</u>	<u>(95,126)</u>	<u>(4,212)</u>
Revenues over (under) other financing uses and expenditures	<u>-</u>	<u>73,844</u>	<u>73,844</u>
FUND BALANCE, beginning of year	<u>99,101</u>	<u>187,376</u>	<u>-</u>
FUND BALANCE, end of year	<u><u>\$99,101</u></u>	<u><u>\$261,220</u></u>	<u><u>\$73,844</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, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Other local taxes	\$4,742,121	\$4,749,425	\$7,304
Interest earnings	<u>-</u>	<u>4,168</u>	<u>4,168</u>
Total revenues	<u>4,742,121</u>	<u>4,753,593</u>	<u>11,472</u>
EXPENDITURES:			
Planning and community development	<u>4,647,279</u>	<u>4,528,600</u>	<u>118,679</u>
Revenues over expenditures	<u>94,842</u>	<u>224,993</u>	<u>130,151</u>
OTHER FINANCING USES:			
Transfers Out	<u>(94,842)</u>	<u>(94,989)</u>	<u>(147)</u>
Total other financing uses	<u>(94,842)</u>	<u>(94,989)</u>	<u>(147)</u>
Revenues over other financing uses and expenditures	<u>-</u>	<u>130,004</u>	<u>130,004</u>
FUND BALANCE, beginning of year	<u>-</u>	<u>54,252</u>	<u>-</u>
FUND BALANCE, end of year	<u><u>\$-</u></u>	<u><u>\$184,256</u></u>	<u><u>\$130,004</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, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
From the federal government	<u>\$13,156,628</u>	<u>\$2,151,454</u>	<u>(\$11,005,174)</u>
Total revenues	<u>13,156,628</u>	<u>2,151,454</u>	<u>(11,005,174)</u>
EXPENDITURES:			
Planning and community development	<u>13,156,628</u>	<u>2,151,454</u>	<u>11,005,174</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, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
From the federal government	<u>\$30,300,203</u>	<u>\$23,962,836</u>	<u>(\$6,337,367)</u>
EXPENDITURES:			
Health and welfare	<u>30,057,012</u>	<u>23,962,836</u>	<u>6,094,176</u>
Revenues over expenditures	<u>243,191</u>	<u>-</u>	<u>(243,191)</u>
FUND BALANCE, beginning of year	<u>59,067</u>	<u>-</u>	<u>-</u>
FUND BALANCE, end of year	<u><u>\$302,258</u></u>	<u><u>\$-</u></u>	<u><u>(\$243,191)</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, 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, and special incremental tax on real property.

ARLINGTON COUNTY, VIRGINIA
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET SCHEDULE
JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2023)

	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	\$103,239,270	\$11,317,969	\$6,761,679	\$45,552,436	\$-	\$18,715,509	\$129,644,121
Receivables	757,643	-	-	-	-	-	8,406,335
Receivables from other governments	641,794	-	-	-	-	-	19,518,556
Receivables - leases	-	-	-	-	-	-	-
Prepaid expenses	104,475	-	4,275	-	-	-	1,391,890
Total assets	\$104,743,182	\$11,317,969	\$6,765,954	\$45,552,436	\$-	\$18,715,509	\$158,960,902
LIABILITIES AND FUND BALANCES							
LIABILITIES:							
Vouchers payable	\$7,230,661	\$6,263,481	\$45,974	\$1,483,835	\$-	\$420,265	\$17,598,250
Contracts payable-retainage	106,689	4,005	6,282	1,128,190	-	-	6,371,703
Unearned revenues	-	-	-	-	-	-	-
Other liabilities	2,649,787	-	3,200	-	-	-	-
Total liabilities	9,987,137	6,267,486	55,456	2,612,025	-	420,265	23,969,953
Deferred Inflows of resources - leases	-	-	-	-	-	-	-
FUND BALANCES:							
<u>Non-spendable</u>							
Prepaid	104,475	-	4,275	-	-	-	1,391,890
<u>Restricted</u>							
Capital projects	-	-	6,706,223	42,940,411	-	18,295,244	-
<u>Committed to</u>							
Capital projects	94,651,570	5,050,483	-	-	-	-	133,599,059
Total fund balances	94,756,045	5,050,483	6,710,498	42,940,411	-	18,295,244	134,990,949
Total liabilities and fund balances	\$104,743,182	\$11,317,969	\$6,765,954	\$45,552,436	\$-	\$18,715,509	\$158,960,902

* IDA Fund includes Skating Facility & Signature Loan. ** Government Facility Bond includes Fire Station Bond & Library Bond Funds. *** Stormwater move causes Ent

Transit Facility Bond Fund	National Landing BID	Columbia Pike TIF	IDA Bond Fund *	Totals		
				June 30, 2024	June 30, 2023	
ASSETS:						
\$21,582,585	\$27,894,643	\$-	\$7,899,542	\$372,607,755	\$439,462,705	Equity in pooled cash and investments
-	2,371,874	-	3,184,441	14,720,293	20,195,320	Receivables
-	1,076,214	-	-	21,236,564	15,544,841	Receivables from other governments
-	-	-	16,772,729	16,772,729	20,408,521	Receivable leases
-	-	-	-	1,500,640	7,953,582	Prepaid expenses
\$21,582,585	\$31,342,731	\$-	\$27,856,712	\$426,837,981	\$503,564,969	Total assets
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
\$-	\$1,218,431	\$-	\$-	\$34,260,897	\$31,554,600	Vouchers payable
-	1,022	-	-	7,617,891	4,738,950	Contracts payable-retainage
-	-	-	-	-	-	Unearned revenues
-	-	-	3,184,441	5,837,428	6,105,464	Other liabilities
-	1,219,453	-	3,184,441	47,716,216	42,399,014	Total liabilities
-	-	-	15,705,693	15,705,693	19,629,735	Deferred Inflows of resources - leases
FUND BALANCES:						
-	-	-	-	1,500,640	5,902,267	<u>Non-spendable</u> Prepaid
21,582,585	-	-	8,966,578	98,491,041	118,480,144	<u>Restricted:</u> Capital projects
-	30,123,278	-	-	263,424,390	317,153,809	<u>Committed to:</u> Capital projects
21,582,585	30,123,278	-	8,966,578	363,416,071	441,536,220	Total fund balances
\$21,582,585	\$31,342,731	\$-	\$27,856,712	\$426,837,980	\$503,564,969	Total liabilities and fund balances

Enterprise Funds Net position restated.

ARLINGTON COUNTY, VIRGINIA
CAPITAL PROJECT FUNDS
COMBINING SCHEDULE OF REVENUES
EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2023)

	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	\$2,162,853	\$-	\$-	\$-	\$-	\$-	\$13,653,935
From the Federal government	8,158	-	-	-	-	-	1,077,933
Charges for services	7,499,592	-	-	-	-	-	34,523
Real estate taxes	-	-	-	-	-	-	24,039,334
Interest	-	695,892	349,766	2,813,162	-	979,606	75,569
Miscellaneous revenues	6,886,482	-	-	-	-	-	39,808,500
Total revenues	16,557,085	695,892	349,766	2,813,162	-	979,606	78,689,794
EXPENDITURES:							
Inter Governmental:							
Community development	-	-	-	-	-	-	-
Current operating:							
General Government	12,161,350	169,547		175,365	-	-	31,954,819
Planning and Community Development	529,024	-	9,101	-	-	-	-
Parks, Recreation and Cultural Development	310,955		-	-	-	69,588	-
Public Safety	752,481	-	-	-	-	-	-
Debt service:							
Principal	11,276,136	-	-	-	-	-	-
Interest	95,165	-	-	-	-	-	-
Capital outlay	46,742,319	12,249,005	1,334,204	15,654,466	-	3,336,549	87,950,149
Total expenditures	71,867,430	12,418,552	1,343,305	15,829,831	-	3,406,137	119,904,968
Revenues over/(under) expenditures	(55,310,345)	(11,722,660)	(993,539)	(13,016,669)	-	(2,426,531)	(41,215,174)
OTHER FINANCING SOURCES/(USES):							
Proceeds from line of credit	-	-	-	-	-	-	-
Proceeds for bond premium	5,318,983	-	-	-	-	-	-
Proceeds from sale of bonds	22,111,008	10,520,000	2,000,000	5,485,000	-	4,630,000	-
Transfers in	20,577,320	-	-	-	-	-	-
Transfers out	-	(695,893)	(349,766)	(2,813,162)	-	(979,606)	(4,465,845)
Total other financing sources/(uses), net	48,007,311	9,824,107	1,650,234	2,671,838	-	3,650,394	(4,465,845)
Revenues and other financing sources/(uses) over/(under) expenditures	(7,303,034)	(1,898,553)	656,695	(10,344,831)	-	1,223,863	(45,681,019)
FUND BALANCE, beginning originally stated	102,059,079	6,949,036	6,053,803	53,285,242	16,703,293	17,071,381	180,671,968
Restatement	-	-	-	-	(16,703,293)	-	-
FUND BALANCE, beginning restated	102,059,079	6,949,036	6,053,803	53,285,242	-	17,071,381	180,671,968
FUND BALANCE, end of year	\$94,756,045	\$5,050,483	\$6,710,498	\$42,940,411	\$-	\$18,295,244	\$134,990,949

* IDA Fund includes Skating Facility & Signature Loan. ** Government Facility Bond includes Fire Station Bond & Library Bond Funds. *** Stormwater move causes Er

Transit Facility Bond Fund	National Landing TIF	Columbia Pike TIF	IDA Bond Fund *	Totals		
				June 30, 2024	June 30, 2023	
						REVENUES:
\$-	\$2,846,935	\$-	\$-	\$18,663,723	\$25,148,079	From the Commonwealth of Virginia
-	1,987,071	-	-	3,073,162	3,508,573	From the Federal government
-	-	-	2,090,346	9,624,461	6,797,707	Charges for services
-	5,513,584	1,935,457	-	31,488,375	44,825,780	Real estate taxes
356,798	-	-	2,026,773	7,297,566	4,288,344	Interest
-	6,047,403	-	-	52,742,385	50,229,404	Miscellaneous revenues
356,798	16,394,993	1,935,457	4,117,119	122,889,672	134,797,887	Total Revenues
						EXPENDITURES:
21,100,000	-	-	-	21,100,000	20,700,000	Inter Governmental:
-	-	-	-	-	-	Community development
-	5,152,277	160,097	-	49,773,455	36,607,116	Current operating:
-	-	235,896	-	774,021	859,861	General Government
-	-	-	-	380,543	436,224	Planning and Community Development
-	-	-	-	752,481	3,456,058	Parks, Recreation and Cultural Development
-	-	-	-	-	-	Public Safety
-	-	-	-	11,276,136	290,000	Debt Service
-	-	5,704,509	2,408,925	8,208,599	940,390	Principal
-	6,093,962	-	-	173,360,654	177,743,441	Interest
21,100,000	11,246,239	6,100,502	2,408,925	265,625,889	241,033,090	Capital outlay
(20,743,202)	5,148,754	(4,165,045)	1,708,194	(142,736,217)	(106,235,203)	Total expenditures
						Revenues over/ (under) expenditures
						OTHER FINANCING SOURCES/(USES):
-	-	-	-	-	11,124,718	Proceeds from line of credit
-	-	-	-	5,318,983	9,891,865	Proceeds for bond premium
21,500,000	-	-	35,250,000	101,496,008	89,485,000	Proceeds from sale of bonds
-	-	-	-	20,577,320	14,503,093	Transfers in
(356,798)	-	-	(36,411,880)	(46,072,950)	(7,529,303)	Transfers out
21,143,202	-	-	(1,161,880)	81,319,361	117,475,373	Total other financing sources/(uses), net
400,000	5,148,754	(4,165,045)	546,314	(61,416,856)	11,240,170	Revenues and other financing sources/(uses) over/(under) expenditures
21,182,585	24,974,524	4,165,045	8,420,264	441,536,220	430,296,050	FUND BALANCE, beginning originally stated
-	-	-	-	(16,703,293)	-	Restatement
21,182,585	24,974,524	4,165,045	8,420,264	424,832,927	430,296,050	FUND BALANCE, beginning restated
\$21,582,585	\$30,123,278	\$-	\$8,966,578	\$363,416,071	\$441,536,220	FUND BALANCE, end of year

Enterprise Funds Net position restated.

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, 2024

	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	\$-	\$2,162,853	\$2,162,853	\$-	\$-	\$-	\$-	\$-	\$-
From the Federal government	325,000	8,158	(316,842)	-	-	-	-	-	-
Charges for services	550,000	7,499,592	6,949,592	-	-	-	-	-	-
Real estate taxes	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	695,892	695,892	-	349,766	349,766
Miscellaneous revenues	2,430,424	6,886,482	4,456,058	-	-	-	-	-	-
Total revenues	3,305,424	16,557,085	13,251,661	-	695,892	695,892	-	349,766	349,766
Inter governmental:									
Community development	-	-	-	-	-	-	-	-	-
Current operating:									
General government	-	12,161,350	12,161,350	-	169,547	169,547	-	-	-
Planning and community development	-	529,024	529,024	-	-	-	-	9,101	9,101
Parks, recreation and cultural developmen	-	310,955	310,955	-	-	-	-	-	-
Public safety	-	752,481	752,481	-	-	-	-	-	-
Debt service:									
Principal	-	11,276,136	11,276,136	-	-	-	-	-	-
Interest	-	95,165	95,165	-	-	-	-	-	-
Capital outlay	174,794,214	46,742,319	(128,051,895)	18,647,199	12,249,005	(6,398,194)	10,248,124	1,334,204	(8,913,920)
Total expenditures	174,794,214	71,867,430	(102,926,784)	18,647,199	12,418,552	(6,228,647)	10,248,124	1,343,305	(8,904,819)
Revenues over/(under) expenditures	(171,488,790)	(55,310,345)	116,178,445	(18,647,199)	(11,722,660)	6,924,539	(10,248,124)	(993,539)	9,254,585
OTHER FINANCING SOURCES/(USES):									
Proceeds from lease purchase	13,960,000	-	(13,960,000)	-	-	-	-	-	-
Proceeds from line of credit	-	-	-	-	-	-	-	-	-
Proceeds for bond premium	14,891,865	5,318,983	(9,572,882)	-	-	-	-	-	-
Proceeds from sale of bonds	-	22,111,008	22,111,008	10,520,000	10,520,000	-	3,750,000	2,000,000	(1,750,000)
Transfers in	20,616,225	20,577,320	(38,905)	-	-	-	-	-	-
Transfers out	(852,000)	-	852,000	-	(695,893)	(695,893)	-	(349,766)	(349,766)
Total other financing sources/(uses), net	48,616,090	48,007,311	(608,779)	10,520,000	9,824,107	(695,893)	3,750,000	1,650,234	(2,099,766)
Revenues and other financing sources (Uses) Over/(Under) Expenditures	(122,872,700)	(7,303,034)	115,569,666	(8,127,199)	(1,898,553)	6,228,646	(6,498,124)	656,695	7,154,819
FUND BALANCE, beginning originally state	122,872,700	102,059,079	102,059,079	-	6,949,036	6,949,036	-	6,053,803	6,053,803
Restatement	-	-	-	-	-	-	-	-	-
FUND BALANCE, beginning restated	122,872,700	102,059,079	102,059,079	-	6,949,036	6,949,036	-	6,053,803	6,053,803
FUND BALANCE, end of year	\$-	\$94,756,045	\$217,628,745	(\$8,127,199)	\$5,050,483	\$13,177,682	(\$6,498,124)	\$6,710,498	\$13,208,622

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, 2024

	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	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
From the Federal government	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Real estate taxes	-	-	-	-	-	-	-	-	-
Interest income	-	2,813,162	2,813,162	-	-	-	-	979,606	979,606
Miscellaneous revenues	-	-	-	-	-	-	-	-	-
Total revenues	-	2,813,162	2,813,162	-	-	-	-	979,606	979,606.0
Inter governmental:									
Community development	-	-	-	-	-	-	-	-	-
Current operating:									
General government	-	175,365	175,365	14,833,831	-	(14,833,831)	-	-	-
Planning and community development	-	-	-	-	-	-	-	-	-
Parks, recreation and cultural developmen	-	-	-	-	-	-	-	69,588	69,588
Public safety	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Capital outlay	98,114,026	15,654,466	(82,459,560)	-	-	-	43,803,387	3,336,549	(40,466,838)
Total expenditures	98,114,026	15,829,831	(82,284,195)	14,833,831	-	(14,833,831)	43,803,387	3,406,137	(40,397,250)
Revenues over/(under) expenditures	(98,114,026)	(13,016,669)	85,097,357	(14,833,831)	-	14,833,831	(43,803,387)	(2,426,531)	41,376,856
OTHER FINANCING SOURCES/(USES):									
Proceeds from lease purchase	-	-	-	-	-	-	-	-	-
Proceeds from line of credit	-	-	-	-	-	-	-	-	-
Proceeds for bond premium	-	-	-	-	-	-	-	-	-
Proceeds from sale of go bonds	24,740,000	5,485,000	(19,255,000)	14,560,000	-	-	15,910,000	4,630,000	(11,280,000)
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	(2,813,162)	(2,813,162)	-	-	-	-	(979,606)	(979,606)
Total other financing sources/(uses), net	24,740,000	2,671,838	(22,068,162)	14,560,000	-	(14,560,000)	15,910,000	3,650,394	(12,259,606)
Revenues and other financing sources									
(Uses) Over/(Under) Expenditures	-	(10,344,831)	(10,344,831)	(273,831)	-	273,831	(27,893,387)	1,223,863	29,117,250
FUND BALANCE, beginning originally state	73,374,026	53,285,242	53,285,242	23,942,974	16,703,293	(7,239,681)	27,893,387	17,071,381	(10,822,006)
Restatement	-	-	-	-	(16,703,293)	-	-	-	-
FUND BALANCE, beginning restated	73,374,026	53,285,242	53,285,242	23,942,974	-	(7,239,681)	27,893,387	17,071,381	(10,822,006)
FUND BALANCE, end of year	\$73,374,026	\$42,940,411	\$42,940,411	\$23,669,143	-	(\$6,965,850)	\$-	\$18,295,244	\$18,295,244

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, 2024

	Transportation Capital Fund		
	Budget	Actual	Variance- Positive (Negative)
REVENUES:			
From the Commonwealth of Virginia	\$11,414,130	\$13,653,935	\$2,239,805
From the Federal government	-	1,077,933	1,077,933
Charges for services	-	34,523	34,523
Real estate taxes	25,728,113	24,039,334	(1,688,779)
Interest income	-	75,569	-
Miscellaneous revenues	28,020,751	39,808,500	11,787,749
Total revenues	65,162,994	78,689,794	13,526,800
Inter governmental:			
Community development	-	-	-
Current operating:			
General government	4,379,841	31,954,819	27,574,978
Planning and community development	-	-	-
Parks, recreation and cultural developmen	-	-	-
Public safety	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Capital outlay	357,464,826	87,950,149	(269,514,677)
Total expenditures	361,844,667	119,904,968	(241,939,699)
Revenues over/(under) expenditures	(296,681,673)	(41,215,174)	255,466,499
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	(4,654,553)	(4,465,845)	188,708
Total other financing sources/(uses), net	(4,654,553)	(4,465,845)	188,708
Revenues and other financing sources			
(Uses) Over/(Under) Expenditures	(301,336,226)	(45,681,019)	255,655,207
FUND BALANCE, beginning originally state	301,336,226	180,671,968	120,664,258
Restatement	-	-	-
FUND BALANCE, beginning restated	301,336,226	180,671,968	120,664,258
FUND BALANCE, end of year	\$-	\$134,990,949	\$376,319,465

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, 2024

	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	\$-	\$-	\$-	\$-	\$2,846,935	\$2,846,935	\$-	\$-	\$-
From the Federal government	-	-	-	2,294,582	1,987,071	(307,511)	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Real estate taxes	-	-	-	4,379,860	5,513,584	1,133,724	1,737,840	1,935,457	197,617
Interest income	-	356,798	356,798	-	-	-	-	-	-
Miscellaneous revenues	-	-	-	-	6,047,403	6,047,403	-	-	-
Total revenues	-	356,798	356,798	6,674,442	16,394,993	9,720,551	1,737,840	1,935,457	197,617
Inter governmental:									
Community development	-	21,100,000	21,100,000	-	-	-	-	-	-
Current operating:									
General government	-	-	-	433,498	5,152,277	4,718,779	-	160,097	-
Planning and community development	-	-	-	-	-	-	5,902,885	235,896	(5,666,989)
Parks, recreation and cultural developmen	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	5,704,509	-
Capital outlay	21,491,319	-	(21,491,319)	46,562,098	6,093,962	(40,468,136)	-	-	-
Total expenditures	21,491,319	21,100,000	(391,319)	46,995,596	11,246,239	(35,749,357)	5,902,885	6,100,502	197,617
Revenues over/(under) expenditures	(21,491,319)	(20,743,202)	748,117	(40,321,154)	5,148,754	45,469,908	(4,165,045)	(4,165,045)	-
OTHER FINANCING SOURCES/(USES):									
Proceeds from lease purchase	-	-	-	-	-	-	-	-	-
Proceeds from line of credit	-	-	-	-	-	-	-	-	-
Proceeds for bond premium	-	-	-	-	-	-	-	-	-
Proceeds from sale of go bonds	21,491,319	21,500,000	8,681	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	(356,798)	(356,798)	-	-	-	-	-	-
Total other financing sources/(uses), net	21,491,319	21,143,202	(348,117)	-	-	-	-	-	-
Revenues and other financing sources									
(Uses) Over/(Under) Expenditures	-	400,000	400,000	(40,321,154)	5,148,754	45,469,908	(4,165,045)	(4,165,045)	-
FUND BALANCE, beginning originally state	-	21,182,585	(21,182,585)	40,321,154	24,974,524	(15,346,630)	4,165,045	4,165,045	-
Restatement	-	-	-	-	-	-	-	-	-
FUND BALANCE, beginning restated	-	21,182,585	(21,182,585)	40,321,154	24,974,524	(15,346,630)	4,165,045	4,165,045	-
FUND BALANCE, end of year	\$-	\$21,582,585	(\$20,782,585)	\$-	\$30,123,278	\$30,123,278	\$-	\$-	\$-

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, 2024

	IDA Bond Fund		
	Budget	Actual	Variance- Positive (Negative)
REVENUES:			
From the Commonwealth of Virginia	\$-	\$-	\$-
From the Federal government	-	-	-
Charges for services	-	2,090,346	2,090,346
Real estate taxes	-	-	-
Interest income	-	2,026,773	2,026,773
Miscellaneous revenues	-	-	-
Total revenues	-	4,117,119	4,117,119.00
Inter governmental:			
Community development	-	-	-
Current operating:			
General government	-	-	-
Planning and community development	-	-	-
Parks, recreation and cultural developmen	-	-	-
Public safety	-	-	-
Debt service:			
Principal	-	-	-
Interest	494,904	2,408,925	1,914,021
Capital outlay	16,423,642	-	(16,423,642)
Total expenditures	16,918,546	2,408,925	(14,509,621)
Revenues over/(under) expenditures	(16,918,546)	1,708,194	18,626,740
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	-	(36,411,880)	(36,411,880)
Total other financing sources/(uses), net	-	(36,411,880)	(36,411,880)
Revenues and other financing sources (Uses) Over/(Under) Expenditures	(16,918,546)	(34,703,686)	(17,785,140)
FUND BALANCE, beginning originally state	16,918,546	8,420,264	8,498,282
Restatement	-	-	-
FUND BALANCE, beginning restated	16,918,546	8,420,264	8,498,282
FUND BALANCE, end of year	\$-	(\$26,283,422)	(\$9,286,858)



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, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2023)

	Totals							
	Utilities	Stormwater	Total Utilities*	Ballston Public Parking Garage	8th Level Ballston Public Parking Garage	CPHD Development Fund	June 30, 2024	June 30, 2023
ASSETS								
CURRENT ASSETS:								
Equity in pooled cash and investments	\$30,116,731	\$12,302,426	\$42,419,157	\$1,739,903	\$2,051,758	\$0	\$46,210,818	\$44,974,643
Cash with fiscal agents	25,221	-	25,221	-	-	-	25,221	25,221
Accounts receivable:								
Water-sewer charges	1,565,255	292,531	1,857,786	-	-	-	1,857,786	1,589,724
Estimated unbilled service charges	14,211,156	308,329	14,519,485	-	-	-	14,519,485	13,584,212
Other	4,088,752	838,283	4,927,035	226,742	29,515	-	5,183,292	4,171,044
Lease receivable	332,738	-	332,738	-	-	-	332,738	410,492
Prepaid expenses	2,585,553	1,676,863	4,262,416	-	-	-	4,262,416	2,625,699
Inventories	3,502,288	-	3,502,288	-	-	-	3,502,288	3,780,657
Total current assets	56,427,694	15,418,432	71,846,126	1,966,645	2,081,273	-	75,894,044	71,161,692
NON-CURRENT ASSETS								
Right to use leases, net	171,032	3,640	174,672	8,788,356	-	9,289,658	18,252,686	20,895,960
CAPITAL ASSETS:								
Land	6,161,255	6,353,560	12,514,815	-	-	-	12,514,815	6,161,255
Sewer system	466,151,050	-	466,151,050	-	-	-	466,151,050	453,545,496
Water system	896,103,452	-	896,103,452	-	-	-	896,103,452	887,495,891
Equipment	6,707,621	191,846	6,899,467	2,006,196	73,900	2,906,350	11,885,913	9,298,509
Building	28,490	-	28,490	32,732,601	3,511,471	-	36,272,562	36,244,072
Intangible assets	6,428,466	1,261,794	7,690,260	-	-	24,301,277	31,991,537	7,492,863
Infrastructure		71,959,637	71,959,637				71,959,637	\$0
Construction in progress	18,926,772	6,365,122	25,291,894	26,163	-	-	25,318,057	34,520,880
Less accumulated depreciation-intangible assets	(5,851,219)	(42,060)	(5,893,279)	-	-	(3,435,400)	(9,328,679)	(5,762,119)
Less accumulated depreciation	(333,753,433)	(8,709,093)	(342,462,526)	(21,023,047)	(1,005,291)	(2,906,351)	(367,397,215)	(339,265,275)
Total capital assets (net of accumulated depreciation)	1,060,902,454	77,380,806	1,138,283,260	13,741,913	2,580,080	20,865,876	1,175,471,129	1,089,731,572
Total assets	\$1,117,501,180	\$92,802,878	\$1,210,304,058	\$24,496,914	\$4,661,353	\$30,155,534	\$1,269,617,858	\$1,181,789,224

ARLINGTON COUNTY, VIRGINIA
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2023)

							Totals	
	Utilities	Stormwater	Total Utilities*	Ballston Public Parking Garage	8th Level Ballston Public Parking Garage	CPHD Development Fund	June 30, 2024	June 30, 2023
LIABILITIES								
CURRENT LIABILITIES:								
Payable from current assets:								
General obligation bonds payable	\$9,645,006	\$589,034	\$10,234,040	\$-	\$-	\$-	\$10,234,040	\$8,609,980
VRA loan payable	17,716,730	-	17,716,730	-	-	-	17,716,730	17,366,021
Interest payable	878,170	26,611	904,781	48,029,438	-	-	48,934,219	46,805,527
Vouchers payable	11,066,016	1,531,255	12,597,271	290,169	13,742	282,545	13,183,727	7,329,756
Contracts payable - retainage	570,257	78,074	648,331	-	-	-	648,331	518,278
Mortgage /notes payable	-	-	-	3,429,679	-	-	3,429,679	3,429,679
Leases	3,492	59,421	62,913	1,130,267	-	1,335,158	2,528,338	2,438,923
Other accrued liabilities	459,008	147,252	606,260	25,795,559	-	5,064,245	31,466,064	24,811,389
Compensated absences	473,534	180,788	654,322	-	-	449,566	1,103,888	310,183
Total current liabilities	40,812,213	2,612,435	43,424,648	78,675,112	13,742	7,131,514	129,245,017	111,619,736
LONG-TERM LIABILITIES:								
Compensated absences	4,261,807	1,627,092	5,888,899	-	-	4,046,092	9,934,991	2,791,651
Leases	187,956	(51,749)	136,207	7,909,394	-	8,571,246	16,616,847	19,130,713
VRA loan payable	58,559,877	-	58,559,877	-	-	-	58,559,877	76,276,607
General obligation bonds payable	45,777,893	18,349,462	64,127,355	-	-	-	64,127,355	38,922,371
Total long-term liabilities	108,787,533	19,924,805	128,712,338	7,909,394	-	12,617,338	149,239,070	137,121,342
Total liabilities	149,599,746	22,537,240	172,136,986	86,584,506	13,742	19,748,852	278,484,087	248,741,078
DEFERRED INFLOWS OF RESOURCES								
Leases	500,946	-	500,946	-	-	-	500,946	406,518
Deferred Cost of Refunding	319,407	-	319,407	-	-	-	319,407	664,439
NET POSITION								
Net investment in capital assets	927,791,922	58,360,204	986,152,125	13,490,608	2,580,080	20,249,130	1,022,471,944	942,864,003
Unrestricted (deficit)	39,289,159	11,905,434	51,194,593	(75,578,201)	2,067,531	(9,842,448)	(32,158,525)	(10,886,814)
Total net position (deficit)	967,081,081	70,265,638	1,037,346,718	(62,087,593)	4,647,611	10,406,682	990,313,419	931,977,189
Total liabilities, deferred inflows of resources and net position	\$1,117,501,180	\$92,802,878	\$1,210,304,058	\$24,496,914	\$4,661,353	\$30,155,534	\$1,269,617,858	\$1,181,789,224

*Stormwater funds moved from Capital to Enterprise funds (FY24).

ARLINGTON COUNTY, VIRGINIA
ENTERPRISE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITIONS
FOR THE YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2023)

							Totals	
	Utilities	Stormwater *	Total Utilities	Ballston Public Parking Garage	8th Level Ballston Public Parking Garage	CPHD Development Fund	June 30, 2024	June 30, 2023
OPERATING REVENUES:								
Water-sewer service charges	\$102,823,245	8,544,659	111,367,904	\$-	\$-	\$-	\$111,367,904	\$100,660,886
Water-service hook-up charges	3,063,935	-	3,063,935	-	-	-	3,063,935	6,051,830
Water-service connection charges	1,022,570	-	1,022,570	-	-	-	1,022,570	1,716,595
Sewage treatment service charges	5,636,883	-	5,636,883	-	-	-	5,636,883	5,694,437
Real Estate Taxes	-	7,435,339	7,435,339	-	-	-	7,435,339	0
Permits and fees	-	-	-	-	-	14,809,775	14,809,775	17,255,517
Other	4,572,141	1,552,604	6,124,745	-	-	-	6,124,745	4,631,085
Parking charges	-	-	-	3,117,875	376,067	-	3,493,942	3,123,752
Total operating revenues	117,118,774	17,532,602	134,651,376	3,117,875	376,067	14,809,775	152,955,093	139,134,102
OPERATING EXPENSES:								
Personnel services	20,152,825	5,380,228	25,533,053	-	-	13,210,067	38,743,120	32,382,987
Fringe benefits	7,436,303	1,679,586	9,115,889	-	-	4,537,295	13,653,184	11,454,437
Contractual services	14,316,280	2,360,263	16,676,543	835,888	92,189	2,901,221	20,505,841	16,532,767
Purchases of water	9,419,865	-	9,419,865	-	-	-	9,419,865	6,750,758
Materials and supplies	13,123,827	311,163	13,434,990	25,376	13,117	31,840	13,505,323	11,046,064
Rent	-	0	-	1,279,992	-	-	1,279,992	1,279,992
Depreciation and amortization	19,194,043	1,601,128	20,795,171	2,098,550	87,245	3,744,486	26,725,452	22,496,608
Equipment (construction contracts)	16,511,534	314,700	16,826,234	-	-	(\$2,778,640)	14,047,594	4,050,909
Internal services	9,381,643	2,280,978	11,662,621	-	-	3,922,431	15,585,052	4,076,776
Miscellaneous	-	-	-	420,369	30,214	-	450,583	8,365,532
Total operating expenses	109,536,320	13,928,046	123,464,366	4,660,175	222,765	25,568,700	153,916,006	118,436,830
Operating income (loss)	7,582,454	3,604,556	11,187,010	(1,542,300)	153,302	(10,758,925)	(960,913)	20,697,271
NON-OPERATING REVENUES(EXPENSES):								
Interest income and other income	1,972,841	1,088,221	3,061,062	-	-	95,348	3,156,410	1,050,627
Interest expense and fiscal charges	(2,315,182)	(674,567)	(2,989,749)	(2,793,645)	-	(197,748)	(5,981,142)	(6,235,347)
Total non-operating expenses, net	(342,341)	413,654	71,313	(2,793,645)	-	(102,400)	(2,824,732)	(5,184,720)
Net Income before contributions and net transfers	7,240,113	4,018,210	11,258,323	(4,335,945)	153,302	(10,861,325)	(3,785,645)	15,512,551
CONTRIBUTIONS								
Contributions from developers and other sources	57,775	-	57,775	-	-	-	57,775	1,842,039
TRANSFERS								
Transfers in	104,918	105,591	210,509	-	-	2,000,000	2,210,509	406,733
Change in net position	7,402,806	4,123,801	11,526,607	(4,335,945)	153,302	(8,861,325)	(1,517,361)	17,761,323
Net position (deficit), beginning originally stated	963,256,020	-	963,256,020	(57,751,648)	4,494,309	21,978,508	931,977,189	914,215,866
Restatement	(3,577,745)	66,141,837	62,564,092	-	-	(2,710,501)	59,853,591	0
Net Position (deficit), beginning restated	959,678,275	66,141,837	1,025,820,112	(57,751,648)	4,494,309	19,268,007	991,830,780	914,215,866
Net position (deficit), end of year	\$967,081,081	\$70,265,638	1,037,346,719	(\$62,087,593)	\$4,647,611	\$10,406,682	990,313,419	\$931,977,189

*Stormwater funds moved from Capital to Enterprise funds (FY24).

ARLINGTON COUNTY, VIRGINIA
ENTERPRISE FUNDS
COMBINING SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2023)

							Totals	
	Utilities	Stormwater	Total Utilities *	Ballston Public Parking Garage	8th Level Ballston Public Parking Garage	CPHD Development Fund	June 30 2024	June 30 2023
CASH FLOWS FROM OPERATING ACTIVITIES:								
Cash received from customers	\$116,639,446	\$17,314,169	\$133,953,615	\$3,004,106	\$346,552	\$14,809,775	\$152,114,048	\$137,225,663
Cash paid to suppliers	(58,149,603)	(1,037,381)	(59,186,984)	(2,361,446)	(133,846)	1,046,325	(60,635,951)	(52,111,571)
Cash paid to employees	(28,205,144)	(6,290,109)	(34,495,253)	-	-	(17,290,427)	(51,785,680)	(44,054,708)
Net cash provided by operating activities	30,284,699	9,986,679	40,271,378	642,660	212,706	(1,434,327)	39,692,417	41,059,384
CASH FLOWS FROM INVESTING ACTIVITIES:								
Interest income	1,972,841	235,045	2,207,886	-	-	95,348	2,303,234	1,050,627
Net cash provided by (used for) investing activities	1,972,841	235,045	2,207,886	-	-	95,348	2,303,234	1,050,627
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITY								
Transfer received other funds	104,918	105,591	210,509	-	-	2,000,000	2,210,509	406,733
Contributions from developers and other sources	-	853,177	853,177	-	-	-	853,177	-
Net cash provided by (used for) non-capital financing activities	104,918	958,768	1,063,686	-	-	2,000,000	3,063,686	406,733
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:								
Principal payments - bonds	(8,295,000)	(305,000)	(8,600,000)	-	-	-	(8,600,000)	(7,450,000)
Proceeds from sale of general obligation bonds	15,000,000	2,600,000	17,600,000	-	-	-	17,600,000	-
Bond premium	1,500,529	252,596	1,753,125	-	-	-	1,753,125	-
Interest payment - capital leases	(6,541)	(784)	(7,325)	-	-	-	(7,325)	-
Payment of VRA loan	(17,366,021)	-	(17,366,021)	-	-	-	(17,366,021)	(17,023,231)
Interest and other loan expenses	(2,993,600)	(640,095)	(3,633,695)	-	-	(197,748)	(3,831,443)	(3,764,061)
Right to use lease	(53,489)	(2,086)	(55,575)	-	-	(1,276,564)	(1,332,139)	(1,266,980)
Purchase of property	(28,098,518)	(12,115,275)	(40,213,793)	(379,499)	-	(2,778,640)	(43,371,932)	(27,061,628)
Net cash used for capital and related financing activities	(40,312,640)	(10,210,644)	(50,523,284)	(379,499)	-	(4,252,952)	(55,155,735)	(56,565,900)
Net increase(decrease) in cash and cash equivalents	(7,950,182)	969,848	(6,980,334)	263,161	212,706	(3,591,931)	(10,096,398)	(14,049,156)
Cash and cash equivalents at beginning of year-restated	38,066,913	11,332,577	49,399,490	1,476,742	1,839,052	3,591,930	56,307,214	59,023,799
Cash and cash equivalents at end of year	\$30,116,731	\$12,302,425	\$42,419,156	\$1,739,903	\$2,051,758	-\$1	\$46,210,816	\$44,974,643
Reconciliation of operating income (loss) to net cash provided by (used for) operations:								
Operating Income (loss)	\$7,582,454	\$3,604,556	\$11,187,010	(\$1,542,300)	\$153,302	(\$10,758,925)	(\$960,913)	\$20,697,271
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:								
Depreciation and amortization expense	19,194,043	1,601,128	20,795,171	2,098,550	87,245	3,744,486	26,725,452	22,496,608
Effect of changes in operating assets and liabilities:					(29,515)			
Accounts receivable	(555,403)	(365,685)	(921,088)	(113,768)	-	5,064,245	4,029,389	(1,841,180)
Inventories	278,368	-	278,368	-	-	-	278,368	(748,706)
Vouchers payable	4,233,055	496,192	4,729,247	29,057	1,674	58,932	4,818,910	278,997
Compensated absences	(616,018)	769,705	153,687	-	-	456,935	1,648,797	(217,284)
Contract retainage	51,979	(114,817)	(62,838)	-	-	-	(62,838)	319,348
Prepaid expenses	40,146	3,848,348	3,888,494	-	-	-	3,888,494	--
Accrued rent liability	-	-	0	171,121	-	-	171,121	192,112
Unearned revenues	\$76,075	147,252	223,327	-	-	-	223,327	(67,259)
Net cash provided by operating activities	\$30,284,699	\$9,986,679	\$40,271,378	\$642,660	\$212,706	(\$1,434,327)	\$40,760,107	\$41,059,385
Schedule of non-cash capital and related financing activities:								
Contributions from developers and other sources	\$57,775	\$0	\$57,775	\$-	\$-	\$-	\$57,775	\$1,842,039

This page has intentionally been left blank.



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, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2023)

			Totals	
	Automotive Equipment	Printing	June 30, 2024	June 30, 2023
ASSETS				
CURRENT ASSETS:				
Equity in pooled cash and investments	\$21,139,514	\$-	\$21,139,514	\$14,818,626
Accounts receivable	-	7,436	7,436	799,970
Inventories	978,757	46,142	1,024,899	1,030,749
Total current assets	22,118,271	53,578	22,171,849	16,649,345
CAPITAL ASSETS:				
Equipment and other capital assets	98,267,013	35,633	98,302,646	95,294,408
Right to use lease assets	4,728	4,206,634	4,211,362	1,426,249
Less-lease amortization	(1,711)	(2,742,256)	(2,743,967)	(1,330,311)
Less-accumulated depreciation	(62,674,154)	(35,469)	(62,709,623)	(59,106,250)
Net capital assets	35,595,876	1,464,542	37,060,418	36,284,096
Total assets	\$57,714,147	\$1,518,120	\$59,232,267	\$52,933,441
LIABILITIES AND NET POSITION				
CURRENT LIABILITIES:				
Vouchers payable	\$327,914	\$203,895	\$531,809	\$470,357
Compensated absences	91,323	28,449	119,772	44,510
Obligations under lease	-	-	-	-
Due to other funds	-	3,305,099	3,305,099	3,433,959
Lease	635	1,077,124	1,077,759	79,406.00
Accounts payable	249,713	713	250,426	36,354.00
Total current liabilities	669,585	4,615,280	5,284,865	4,064,586
LONG-TERM LIABILITIES:				
Compensated absences	821,904	256,042	1,077,946	400,584
Lease	2,488	423,166	425,654	18,324
Obligations under lease	-	-	-	-
Total long-term liabilities	824,392	679,208	1,503,600	418,908
Total liabilities	1,493,977	5,294,488	6,788,465	4,483,494
NET POSITION:				
Net investment in capital assets	35,592,753	(35,748)	37,060,418	36,284,096
Unrestricted (deficit)	20,627,417	(3,740,620)	15,383,384	12,165,851
Total net position (deficit)	56,220,170	(3,776,368)	52,443,802	48,449,947
Total liabilities and net position	\$57,714,147	\$1,518,120	\$59,232,267	\$52,933,441

ARLINGTON COUNTY, VIRGINIA
INTERNAL SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITIONS
FOR THE YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2023)

			Totals	
	Automotive Equipment	Printing	June 30, 2024	June 30, 2023
OPERATING REVENUES:				
Charges for services	<u>\$24,840,283</u>	<u>\$1,852,944</u>	<u>\$26,693,227</u>	<u>\$26,315,586</u>
OPERATING EXPENSES:				
Cost of store issuances	4,593,617	499,723	5,093,340	5,545,136
Personnel services	4,883,544	679,395	5,562,939	4,790,115
Fringe benefits	1,658,013	189,490	1,847,503	1,874,539
Material and supplies	1,565,731	266,154	1,831,885	963,275
Utilities	165,928	11,200	177,128	168,934
Operating equipment	2,466	-	2,466	1,199,062
Outside services	1,061,898	(46,823)	1,015,075	1,824,921
Amortization of lease	685	1,412,970	1,413,655	553,080
Depreciation	<u>6,635,268</u>	<u>3,563</u>	<u>6,638,831</u>	<u>6,410,271</u>
Total operating expenses	<u>20,567,150</u>	<u>3,015,672</u>	<u>23,582,822</u>	<u>23,329,333</u>
Operating income (loss)	<u>4,273,133</u>	<u>(1,162,728)</u>	<u>3,110,405</u>	<u>2,986,253</u>
NON-OPERATING REVENUES (EXPENSES):				
Interest payment on leases	(456,195)	-	(456,195)	(168,625)
Gain on disposal of assets	<u>691,542</u>	<u>-</u>	<u>691,542</u>	<u>141,517</u>
Total non-operating revenues (expenses)	<u>235,347</u>	<u>-</u>	<u>235,347</u>	<u>(27,108)</u>
Income (loss) before transfers	<u>4,508,480</u>	<u>(1,162,728)</u>	<u>3,345,752</u>	<u>2,959,145</u>
CONTRIBUTIONS AND NET TRANSFERS				
Transfers in	-	777,258	777,258	262,658
Transfers out	<u>(130,000)</u>	<u>-</u>	<u>(130,000)</u>	<u>(130,000)</u>
Total transfers	<u>(130,000)</u>	<u>777,258</u>	<u>647,258</u>	<u>132,658</u>
Change in net position	4,378,480	(385,470)	3,993,010	3,091,803
Net position, beginning of year	<u>51,841,690</u>	<u>(3,390,898)</u>	<u>48,450,792</u>	<u>48,449,947</u>
Net position, end of year	<u>\$56,220,170</u>	<u>(\$3,776,368)</u>	<u>\$52,443,802</u>	<u>\$48,449,947</u>

ARLINGTON COUNTY, VIRGINIA
INTERNAL SERVICE FUNDS
COMBINING SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2023)

			Totals	
	Automotive Equipment	Printing	June 30, 2024	June 30, 2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from interfund charges for fleet management services	\$25,635,283	\$-	\$25,635,283	\$23,649,930
Receipts from interfund charges for print services	-	1,850,479	1,850,479	1,879,002
Payments to suppliers and providers	(7,399,341)	(338,358)	(7,737,699)	(10,209,830)
Payments to employees for salaries and benefits	(5,976,947)	(680,872)	(6,657,819)	(6,765,290)
Net cash provided by operating activities	12,258,995	831,249	13,090,244	8,553,812
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Temporary loan from general fund	-	3,305,099	3,305,099	3,433,959
Repayment of prior year temp loan	-	(3,433,959)	(3,433,959)	(2,375,538)
Operating transfers in	-	777,258	777,258	262,658
Operating transfers out	(130,000)	-	(130,000)	(130,000)
Net cash provided by (used for) non-capital financing activities	(130,000)	648,398	518,398	1,191,079
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Principal payment on line of credit for capital	-	-	-	(228,860)
Payment of interest on leases	(456,194)	(100,821)	(557,015)	(168,625)
Purchases of equipment	(6,055,447)	-	(6,055,447)	(10,258,662)
Lease	(603)	(1,378,826)	(1,379,429)	(557,400.00)
Proceeds from sale of equipment	703,293	-	703,293	1,591,244
Net cash used for capital and related financing activities	(5,808,951)	(1,479,647)	(7,288,598)	(9,622,303)
Net increase (decrease) in cash and cash equivalents	6,320,044	-	6,320,044	122,588
Cash and cash equivalents at beginning of year	14,819,470	-	14,819,470	14,696,038
Cash and cash equivalents at end of period	\$21,139,514	\$-	\$21,139,514	\$14,818,626
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$4,273,133	(\$1,162,728)	\$3,110,405	\$2,986,253
Adjustments to reconcile operating income(loss) to net cash provided by operating activities:				
Depreciation and amortization	6,635,953	1,517,354	8,153,307	6,963,351
Effect of changes in operating assets and liabilities:				
Accounts receivable	795,000	(2,466)	792,534	(786,654)
Inventories	(142,270)	148,122	5,852	(235,978)
Vouchers payables	132,569	142,954	275,523	(272,526)
Compensated absences	564,610	188,013	752,623	(100,634)
Net cash provided by operating activities	\$12,258,995	\$831,249	\$13,090,244	\$8,553,812



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, 2024

	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	\$119,775,202	\$-	\$119,775,202	\$277,572
Contributions receivable:				
Employer	2,778,894	-	2,778,894	-
Employee	637,180	-	637,180	-
Accrued interest and other receivables	9,678,838	-	9,678,838	-
Investments, at fair value:				
Foreign, municipal and U.S. Government Obligations, including Fixed Instruments in Pooled Funds	219,458,783	94,495,635	313,954,418	-
Corporate fixed income obligations	70,523,458	-	70,523,458	-
Domestic and foreign equities, including equities in pooled funds	931,934,460	175,491,893	1,107,426,353	-
Other investments	371,345,309	-	371,345,309	-
Real estate funds	14,616,032	-	14,616,032	-
Pooled equity	888,126,930	-	888,126,930	-
Pooled fixed income	661,914,727	-	661,914,727	-
Total assets	3,290,789,813	269,987,528	3,560,777,341	277,572
LIABILITIES				
Accounts payable and accrued liabilities	10,209,910	-	10,209,910	25,730
Total liabilities	10,209,910	-	10,209,910	25,730
NET POSITION RESTRICTED FOR PLAN BENEFITS AND OTHER PURPOSES	\$3,280,579,903	\$269,987,528	\$3,550,567,431	\$251,842

ARLINGTON COUNTY, VIRGINIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Alexandria/Arlington Waste to Energy Facility Monitoring Group
ADDITIONS	
Contributions and revenues	
Shared revenues	<u>\$118,000</u>
Total contributions	<u>118,000</u>
Investment earnings:	
Interest and other	<u>1,522</u>
Net investment earnings	<u>1,522</u>
Total additions	<u>119,522</u>
DEDUCTIONS	
Administrative expenses	<u>113,330</u>
Total deductions	<u>113,330</u>
Change in net position	<u>6,192</u>
Net position - beginning of the year	<u>245,650</u>
Net position - ending of the year	<u><u>\$251,842</u></u>

ARLINGTON COUNTY, VIRGINIA
PENSION AND OPEB TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2023)

	Pension Trust	OPEB Trust	June 30, 2024	June 30, 2023
ADDITIONS:				
Employer contributions	\$71,163,830	\$16,000,000	\$87,163,830	\$71,748,329
Members' contributions	16,542,402	-	16,542,402	16,019,748
Other contributions	-	79,798	79,798	70,619
Investment income:				
Interest and dividends	42,812,403	14,335,092	57,147,495	54,779,795
Net appreciation (depreciation) in fair value	327,747,065	19,448,436	347,195,501	190,604,284
Gross income from securities lending	162,484	-	162,484	200,882
Bank fees and expenses from securities lending	(40,618)	-	(40,618)	(50,217)
Investment expense	(11,600,275)	-	(11,600,275)	(9,921,070)
Total Additions	446,787,291	49,863,326	496,650,617	323,452,370
DEDUCTIONS:				
Members' benefits	138,855,947	7,792,163	146,648,110	131,238,498
Refund of members' contributions	1,378,651	-	1,378,651	1,400,966
Administrative expenses	910,829	-	910,829	1,143,760
Other consulting expenses	1,188,011	79,798	1,267,809	1,201,416
Total Deductions	142,333,438	7,871,961	150,205,399	134,984,640
Net (Decrease)/Increase	304,453,853	41,991,365	346,445,218	188,467,730
Net Position Held in Trust for Plan Benefits, beginning of year	2,976,126,050	\$227,996,163	3,204,122,213	3,015,654,483
Net Position Held in Trust for Plan Benefits, end of year:	<u>\$3,280,579,903</u>	<u>\$269,987,528</u>	<u>\$3,550,567,431</u>	<u>\$3,204,122,213</u>

ARLINGTON COUNTY, VIRGINIA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND
JUNE 30, 2024

	Commonwealth of Virginia	Other Custodial Funds	Total Custodial Funds
ASSETS			
Equity in pooled cash and investments	(\$3,556)	\$144,798	\$141,242
Receivable from other governments	4,051	-	4,051
Total assets	495	144,798	145,293
LIABILITIES			
Accounts payable and accrued liabilities	\$495	\$144,798	145,293
Total liabilities	495	144,798	145,293
NET POSITION	\$-	\$-	\$-

ARLINGTON COUNTY, VIRGINIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Commonwealth of Virginia</u>	<u>Other Custodial Funds</u>	<u>Total Custodial Funds</u>
ADDITIONS:			
Contributions and revenues:			
Tax collections for other governments	\$14,924,547	\$-	\$14,924,547
Collections for Other Organizations	-	144,583	144,583
Total Collections for Others	<u>14,924,547</u>	<u>144,583</u>	<u>15,069,130</u>
Total additions	<u>14,924,547</u>	<u>144,583</u>	<u>15,069,130</u>
DEDUCTIONS:			
Tax payments to other governments	14,924,547	-	14,924,547
Payments to other organizations	<u>-</u>	<u>144,583</u>	<u>144,583</u>
Total deductions	<u>14,924,547</u>	<u>144,583</u>	<u>15,069,130</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, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2023)

	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, 2024	June 30, 2023
ASSETS										
Equity in pooled cash and investments	\$34,438,473	\$11,782,635	\$-	\$4,582,424	\$149,474,567	\$24,830,049	\$-	\$3,059,346	\$228,167,494	\$260,359,585
Petty cash	-	4,640	375	-	-	-	-	-	5,015	5,015
Accounts receivable	2,229,780	1,177,411	7,350	3,883,162	-	219,645	-	11,435	7,528,783	17,111,666
Due from other funds	-	-	-	-	-	-	-	-	-	135,091
Due from primary government	102,990,602	-	1,422,827	-	-	21,646,703	147,759	-	126,207,891	104,860,518
Right to use leases, net	-	-	-	-	-	-	-	-	-	-
Inventories and other assets	60,780	123,871	-	-	-	-	-	10,216	194,867	162,607
Total assets	\$139,719,635	\$13,088,557	\$1,430,552	\$8,465,586	\$149,474,567	\$46,696,397	\$147,759	\$3,080,997	\$362,104,050	\$382,634,482
LIABILITIES AND FUND BALANCES										
LIABILITIES										
Accrued salaries payable	\$77,768,498	\$353,579	\$728,993	\$1,530,148	\$3,981	\$70	-	-	80,385,269	\$68,834,236
Vouchers payable	5,543,265	639,256	145,059	148,556	3,972,884	1,630,821	147,759	957	12,228,557	9,887,987
Contracts payable - retainage	-	-	-	-	406,976	-	-	-	406,976	454,629
Other liabilities	8,194,543	-	-	2,318	15,345	23,781	-	-	8,235,987	9,125,302
Deferred revenue	383,271	-	-	68,830	-	1,676,863	-	5,616	2,134,580	5,608,617
Due to other funds	-	-	-	-	-	-	-	-	-	135,091
Due to primary government	-	-	-	-	-	-	-	-	-	-
Non- Current Liabilities:										
Due within one year - leases	-	-	-	-	-	-	-	-	-	-
Net Lease Liabilities	5,157,109	-	-	-	-	-	-	-	5,157,109	4,423,590
Total liabilities	97,046,686	992,835	874,052	1,749,852	4,399,186	3,331,535	147,759	\$6,573	\$108,548,478	98,469,452
FUND BALANCES										
<u>Non spendable:</u>										
Inventory	-	-	-	-	-	-	-	10,216	\$10,216	\$116,909
<u>Restricted for:</u>										
Capital projects	-	-	-	-	125,257,268	23,153,186	-	-	148,410,454	158,761,617
Grants	-	-	-	6,429,081	-	-	-	-	6,429,081	3,994,428
Student Activities	-	-	-	-	-	-	-	3,064,208	3,064,208	3,060,459
<u>Committed to:</u>										
Incomplete projects	8,486,033	229,316	556,500	286,653	19,818,113	20,211,676	-	-	49,588,291	41,744,323
Next years' School budget	27,960,052	-	-	-	-	-	-	-	27,960,052	45,201,121
<u>Assigned to:</u>										
Operating reserve	-	11,866,406	-	-	-	-	-	-	11,866,406	12,470,095
Unfunded liabilities	2,000,000	-	-	-	-	-	-	-	2,000,000	2,000,000
Subsequent years' debt service	2,179,625	-	-	-	-	-	-	-	2,179,625	3,385,010
Health insurance reserve	1,000,000	-	-	-	-	-	-	-	1,000,000	1,000,000
Future year budget reserve	-	-	-	-	-	-	-	-	-	11,383,829
VRS reserve	1,047,239	-	-	-	-	-	-	-	1,047,239	1,047,239
Compensation reserve	-	-	-	-	-	-	-	-	-	-
Total fund balances	42,672,949	12,095,722	556,500	6,715,734	145,075,381	43,364,862	-	3,074,424	253,555,572	284,165,030
Total liabilities and fund balance	\$139,719,635	\$13,088,557	\$1,430,552	\$8,465,586	\$149,474,567	\$46,696,397	\$147,759	\$3,080,997	\$362,104,050	\$382,634,482

ARLINGTON COUNTY, VIRGINIA
 RECONCILIATION OF THE FUND BALANCES OF COMPONENT UNIT - SCHOOLS TO
 NET POSITION OF COMPONENT UNIT - SCHOOLS
 JUNE 30, 2024

Total - component unit - Schools' fund balances	\$253,555,572
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	965,673,345
Net OPEB liabilities are not due and payable in the current period and are not reported in the funds	(76,741,048)
Deferred outflows of resources from pensions are not available to pay for current period expenditures and are not reported in the funds	133,034,948
Deferred outflows of resources from OPEB are not available to pay for current period expenditures and are not reported in the funds	31,721,792
Net pension liabilities are not due and payable in the current period and are not reported in the funds	(375,601,058)
Deferred inflows of resources from pension are not due and payable in the current period and are not reported in the funds	(51,084,058)
Deferred inflows of resources from OPEB are not due and payable in the current period and are not reported in the funds	(93,141,274)
Other long-term liabilities, including compensated absences and leases, are not due and payable in the current period and are not reported in the funds	<u>(66,490,485)</u>
Net position (deficit) of component unit - Schools	<u><u>\$720,927,734</u></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, 2024
 (WITH SUMMARIZED COMPARATIVE TOTALS FOR 2023)

	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, 2024	June 30, 2024
REVENUES:											
Sales tax	\$ 36,409,103	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,409,103	\$ 41,676,832
State/local government	65,020,580	159,423	-	7,601,531	-	-	-	2,788,154	3,926,270	79,495,958	65,880,692
Federal	1,385,302	7,947,266	-	18,422,107	-	-	-	-	-	27,754,675	29,486,214
Charges for services	3,768,225	5,760,648	12,129,796	2,576,153	-	-	-	-	-	24,234,822	25,252,773
Use of money and property	-	-	-	-	7,429,041	-	-	-	-	7,429,041	2,207,346
Total revenues	106,583,210	13,867,337	12,129,796	28,599,791	7,429,041	-	-	2,788,154	3,926,270	175,323,599	164,503,857
EXPENDITURES:											
Current:											
Community Activities	-	-	18,595,091	-	-	-	-	-	-	18,595,091	17,061,148
Education	672,231,812	14,615,090	-	26,338,787	-	-	-	6,230,418	3,921,316	723,337,423	689,052,661
Capital projects	-	-	-	-	29,968,842	17,763,822	-	-	-	47,732,664	28,966,622
Debt service:											
Principal	-	-	-	-	-	-	43,830,000	-	-	43,830,000	38,045,000
Interest	-	-	-	-	-	-	20,649,190	-	-	20,649,190	17,624,171
Total expenditures	672,231,812	14,615,090	18,595,091	26,338,787	29,968,842	17,763,822	64,479,190	6,230,418	3,921,316	854,144,368	790,749,602
Excess (deficiency) of revenues over (under) expenditures	(565,648,602)	(747,753)	(6,465,295)	2,261,004	(22,539,801)	(17,763,822)	(64,479,190)	(3,442,264)	4,954	(678,820,769)	(626,245,745)
Other financing sources(uses):											
Transfers in	534,983,933	-	6,494,369	-	-	8,188,902	61,966,860	3,442,264	-	615,076,328	605,246,340
Transfers out	(2,600,000)	-	-	-	(7,429,041)	-	-	-	-	(10,029,041)	(4,807,346)
Proceeds from Leases	6,742,432	-	-	-	-	-	-	-	-	6,742,432	-
Payments to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	-	-
Deferred cost of refunding	-	-	-	-	-	-	-	-	-	-	-
Bond Premium	-	-	-	-	-	-	-	-	-	-	-
Interfund transfers	(4,060,632)	-	-	460,302	-	1,088,000	2,512,330	-	-	-	-
Bond proceeds	-	-	-	-	31,420,000	2,616,850	-	-	-	34,036,850	108,735,900
Proceeds from line of credit	-	-	-	-	-	-	-	-	-	-	6,341,795.00
Misc. revenues - leases	2,384,742	-	-	-	-	-	-	-	-	2,384,742	-
Total other financing sources(uses), net	537,450,475	-	6,494,369	460,302	\$23,990,959	11,893,752	64,479,190	3,442,264	\$-	648,211,311	715,516,689
Excess (deficiency) of revenues and other sources over (under) expenditures and other financing (uses)	(28,198,127)	(747,753)	29,074	2,721,306	1,451,158	(5,870,070)	-	-	4,954	(30,609,458)	89,270,944
FUND BALANCES, beginning 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
FUND BALANCES, end of year	\$42,672,949	\$12,095,722	\$556,500	\$6,715,734	\$145,075,381	\$43,364,862	\$-	\$-	\$3,074,424	\$253,555,572	\$284,165,030

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, 2024

Net change in fund balances - component unit-Schools (\$30,609,458)

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	85,013,457	
Less Depreciation expense	<u>(39,253,482)</u>	45,759,975

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	10,491,952	10,491,952
--	------------	------------

OPEB expenses

Add: FY 2024 OPEB contributions deferred	7,644,807	
Less: OPEB expense	<u>3,447,730</u>	11,092,537

Pension expenses

Add: FY 2024 pension contributions deferred	67,474,475	
Less: Pension expense	<u>(39,798,752)</u>	27,675,723

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 miscellaneous other activities

	<u>275,354</u>	275,354
--	----------------	---------

Change in net position of component unit-Schools		<u><u>\$66,476,403</u></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, 2024

	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	\$38,120,835	\$36,409,103	(\$1,711,732)	\$-	\$-	\$-	\$-	\$-	\$-
Intergovernmental									
State	66,406,453	65,020,580	(1,385,873)	386,445	159,423	(227,022)	-	-	-
Federal	900,000	1,385,302	485,302	8,698,970	7,947,266	(751,704)	-	-	-
Charges for services	3,266,200	3,768,225	502,025	4,730,000	5,760,648	1,030,648	12,047,566	12,129,796	82,230
Use of money and property	-	-	-	-	-	-	-	-	-
Total revenues	<u>108,693,488</u>	<u>106,583,210</u>	<u>(2,110,278)</u>	<u>13,815,415</u>	<u>13,867,337</u>	<u>51,922</u>	<u>12,047,566</u>	<u>12,129,796</u>	<u>82,230</u>
EXPENDITURES:									
Education	705,972,049	661,412,950	44,559,099	14,080,897	14,615,090	(534,193)	-	-	-
Community Activities	-	-	-	-	-	-	20,748,585	18,595,091	2,153,494
Lease and SBITA Principal	-	9,485,368	(9,485,368)	-	-	-	-	-	-
Lease and SBITA Interest	-	1,333,494	(1,333,494)	-	-	-	-	-	-
Expenditures - Capital outlay	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Total expenditures	<u>705,972,049</u>	<u>672,231,812</u>	<u>33,740,237</u>	<u>14,080,897</u>	<u>14,615,090</u>	<u>(534,193)</u>	<u>20,748,585</u>	<u>18,595,091</u>	<u>2,153,494</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(597,278,561)</u>	<u>(565,648,602)</u>	<u>31,629,959</u>	<u>(265,482)</u>	<u>(747,753)</u>	<u>(482,271)</u>	<u>(8,701,019)</u>	<u>(6,465,295)</u>	<u>2,235,724</u>
Other financing sources(uses):									
Transfers in	547,817,218	534,983,933	(12,833,285)	-	-	-	8,173,593	6,494,369	(1,679,224)
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	(3,600,330)	(4,060,632)	(460,302)	-	-	-	-	-	-
Proceeds from sale of bonds	-	-	-	-	-	-	-	-	-
Bond Premium	-	-	-	-	-	-	-	-	-
Misc. revenues	-	9,127,174	9,127,174	-	-	-	-	-	-
Proceeds from line of credit	-	-	-	-	-	-	-	-	-
Total other financing sources(uses), net	<u>541,583,810</u>	<u>537,450,475</u>	<u>(4,133,335)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,173,593</u>	<u>6,494,369</u>	<u>(1,679,224)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other financing uses	<u>(55,694,751)</u>	<u>(28,198,127)</u>	<u>27,496,624</u>	<u>(265,482)</u>	<u>(747,753)</u>	<u>(482,271)</u>	<u>(527,426)</u>	<u>29,074</u>	<u>556,500</u>
FUND BALANCES, beginning of year	<u>70,871,076</u>	<u>70,871,076</u>	<u>42,843,716</u>	<u>12,843,475</u>	<u>12,843,475</u>	<u>1,085,168</u>	<u>527,426</u>	<u>527,426</u>	<u>527,426.00</u>
FUND BALANCES, end of year	<u>\$15,176,325</u>	<u>\$42,672,949</u>	<u>\$27,496,624</u>	<u>\$12,577,993</u>	<u>\$12,095,722</u>	<u>\$602,897</u>	<u>\$0</u>	<u>\$556,500</u>	<u>\$1,083,926</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, 2024

	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	6,647,077	7,601,531	954,454	-	-	-	-	-	-
Federal	19,119,618	18,422,107	(697,511)	-	-	-	-	-	-
Charges for services	2,299,498	2,576,153	276,655	-	-	-	-	-	-
Use of money and property	-	-	-	-	-	-	-	7,429,041	7,429,041
Total revenues	28,066,193	28,599,791	533,598	-	-	-	-	7,429,041	7,429,041
EXPENDITURES:									
Education	32,060,621	26,338,787	5,721,834	-	-	-	-	-	-
Community Activities	-	-	-	-	-	-	-	-	-
Lease and SBITA Principal	-	-	-	-	-	-	-	-	-
Lease and SBITA Interest	-	-	-	-	-	-	-	-	-
Expenditures - Capital outlay	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	175,044,223	29,968,842	145,075,381
Debt service:									
Principal	-	-	-	44,039,500	43,830,000	209,500.00	-	-	-
Interest and fiscal charges	-	-	-	20,841,985	20,649,190	192,795	-	-	-
Total expenditures	32,060,621	26,338,787	5,721,834	64,881,485	64,479,190	402,295	175,044,223	29,968,842	145,075,381
Excess (deficiency) of revenues over (under) expenditures	(3,994,428)	2,261,004	6,255,432	(64,881,485)	(64,479,190)	402,295	(175,044,223)	(22,539,801)	152,504,422
Other financing sources(uses):									
Transfers in	-	-	-	62,369,155	61,966,860	(402,295)	-	-	-
Transfers out	-	-	-	-	-	-	-	(\$7,429,041)	(7,429,041)
Proceeds of refunding bonds	-	-	-	-	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-	-	-	-	-	-
Deferred cost of refunding	-	-	-	-	-	-	-	-	-
Interfund transfers	-	\$460,302	-	2,512,330	2,512,330	-	-	-	-
Proceeds of sale of bonds	-	-	-	-	-	-	\$31,420,000	\$31,420,000	-
Bond Premium	-	-	-	-	-	-	-	-	-
Misc. revenues	-	-	-	-	-	-	-	-	-
Proceeds from line of credit	-	-	-	-	-	-	-	-	-
Total other financing sources(uses), net	-	460,302	-	64,881,485	64,479,190	(402,295)	31,420,000	23,990,959	(7,429,041)
Excess (deficiency) of revenues and other sources over (under) expenditures and other financing uses	(3,994,428)	2,721,306	6,255,432	-	-	-	(143,624,223)	1,451,158	145,075,381
FUND BALANCES, beginning of year	3,994,428	3,994,428	3,859,337	\$-	\$-	\$-	143,624,223	143,624,223	143,624,223
FUND BALANCES, end of year	\$0	\$6,715,734	\$10,114,769	\$-	\$-	\$-	\$-	\$145,075,381	\$288,699,604

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, 2024

	School Capital Projects (Pay-as-you-go) Fund			School Children's Services Act			School Activities	Totals		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Actual	Budget	Actual	Variance- Positive (Negative)
REVENUES:										
Sales tax	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$38,120,835	\$36,409,103	(\$1,711,732)
Intergovernmental										
State	-	-	-	2,463,250	2,788,154	324,904	3,926,270	75,903,225	79,495,958	3,592,733
Federal	-	-	-	-	-	-	-	28,718,588	27,754,675	(963,913)
Charges for services	-	-	-	-	-	-	-	22,343,264	24,234,822	1,891,558
Use of money and property	-	-	-	-	-	-	-	-	7,429,041	7,429,041
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,463,250</u>	<u>2,788,154</u>	<u>324,904</u>	<u>\$3,926,270</u>	<u>165,085,912</u>	<u>175,323,599</u>	<u>10,237,687</u>
EXPENDITURES:										
Education	-	-	-	4,975,000	6,230,418	(1,255,418)	\$3,921,316	757,088,567	712,518,561	44,570,006
Community Activities	-	-	-	-	-	-	-	20,748,585	18,595,091	2,153,494
Lease and SBITA Principal	-	-	-	-	-	-	-	-	9,485,368	(9,485,368)
Lease and SBITA Interest	-	-	-	-	-	-	-	-	1,333,494	(1,333,494)
Expenditures - Capital outlay										
Capital projects	61,128,683	17,763,822	43,364,861	-	-	-	-	236,172,906	47,732,664	188,440,242
Debt service:										
Principal	-	-	-	-	-	-	-	44,039,500	43,830,000	-
Interest and fiscal charges	-	-	-	-	-	-	-	20,841,985	20,649,190	192,795
Total expenditures	<u>61,128,683</u>	<u>17,763,822</u>	<u>43,364,861</u>	<u>4,975,000</u>	<u>6,230,418</u>	<u>(1,255,418)</u>	<u>3,921,316</u>	<u>1,078,891,543</u>	<u>854,144,368</u>	<u>224,537,675</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(61,128,683)</u>	<u>(17,763,822)</u>	<u>43,364,861</u>	<u>(2,511,750)</u>	<u>(3,442,264)</u>	<u>(930,514)</u>	<u>4,954</u>	<u>(913,805,631)</u>	<u>(678,820,769)</u>	<u>234,775,362</u>
Other financing sources(uses):										
Transfers in	8,188,901	8,188,902	-	2,511,750	3,442,264	930,514	-	629,060,617	615,076,328	(13,984,289)
Transfers out	-	-	-	-	-	-	-	(2,633,078)	(10,029,041)	(7,395,963)
Proceeds of refunding bonds	-	-	-	-	-	-	-	-	-	0
Payments to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	0
Deferred cost of refunding	-	-	-	-	-	-	-	-	-	0
Interfund transfers	1,088,000	1,088,000	-	-	-	-	-	-	-	-
Proceeds of sale of bonds	2,616,850	2,616,850	-	-	-	-	-	34,036,850	34,036,850	-
Bond Premium	-	-	-	-	-	-	-	-	0	-
Misc. revenues	-	-	-	-	-	-	-	-	9,127,174	9,127,174
Proceeds from line of credit	-	-	-	-	-	-	-	-	0	0
Total other financing sources(uses), net	<u>11,893,751</u>	<u>11,893,752</u>	<u>-</u>	<u>2,511,750</u>	<u>3,442,264</u>	<u>930,514</u>	<u>-</u>	<u>660,464,389</u>	<u>648,211,311</u>	<u>(12,253,078)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other financing uses	<u>(49,234,932)</u>	<u>(5,870,070)</u>	<u>43,364,862</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$4,954</u>	<u>(253,341,242)</u>	<u>(30,609,458)</u>	<u>222,522,284</u>
FUND BALANCES, beginning of year	<u>49,234,932</u>	<u>49,234,932</u>	<u>49,234,932</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>3,069,470</u>	<u>281,095,560</u>	<u>284,165,030</u>	<u>242,443,795</u>
FUND BALANCES, end of year	<u>\$-</u>	<u>\$43,364,862</u>	<u>\$92,599,794</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$3,074,424</u>	<u>27,754,318</u>	<u>\$253,555,572</u>	<u>\$464,966,079</u>

ARLINGTON COUNTY, VIRGINIA
OPEB TRUST FUND - SCHOOLS
STATEMENT OF PLAN NET POSITION
JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR 2023)

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and Investments	<u>\$111,623,778</u>	<u>\$94,719,916</u>
Total assets	<u>111,623,778</u>	<u>94,719,916</u>
LIABILITIES	<u>-</u>	<u>-</u>
NET POSITION	<u><u>\$111,623,778</u></u>	<u><u>\$94,719,916</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, 2024
(WITH COMPARATIVE TOTALS FOR 2023)

	2024	2023
ADDITIONS:		
Employer contributions	\$2,600,000	\$2,600,000
Investment Income:		
Interest and dividends	6,038,743	6,758,499
Net appreciation (depreciation) in fair value	8,265,119	1,648,765
Total additions	16,903,862	11,007,263
Net Increase (decrease)	16,903,862	11,007,263
Net Position Held in Trust for Plan Benefits, beginning of year	94,719,916	83,712,652
Net Position Held in Trust for Plan Benefits, end of year:		
Restricted	\$111,623,778	\$94,719,916



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, 2024

	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	\$478,067,219	\$10,672,840	\$439,462,705	\$44,974,643	\$14,818,626	\$368,617	\$260,359,585	1,248,724,235
Receipts (net):								
Taxes	1,314,513,581	17,819,177	31,488,375	-	-	-	36,409,103	1,400,230,236
Licenses and permits	8,000,118	-	-	-	-	-	-	8,000,118
Fines and forfeitures	6,084,153	-	-	-	-	-	-	6,084,153
Revenue from use of money and property	52,642,380	19,662	7,297,566	3,156,410	-	-	7,429,041	70,545,059
Charges for services	68,934,696	-	9,624,461	152,955,093	26,693,227	44,448	24,234,822	282,486,747
Miscellaneous	29,323,469	-	52,742,385	57,775	-	41,094	-	82,164,723
Intergovernmental	122,629,906	26,114,290	21,736,885	-	-	8,284,215	107,250,633	286,015,929
Proceeds from indebtedness	-	-	101,496,008	17,600,000	-	-	-	119,096,008
Proceeds from sale of assets	8,301,043	-	-	-	703,293	-	2,384,742	11,389,078
Total Receipts	1,610,429,346	43,953,129	224,385,680	173,769,278	27,396,520	8,369,757	177,708,341	2,266,012,051
Total Receipts and Balance	2,088,496,565	54,625,969	663,848,385	218,743,921	42,215,146	8,738,374	438,067,926	3,514,736,286
Disbursements (net):								
Warrants(checks)issued	875,349,973	44,739,032	246,260,265	149,973,553	21,266,695	8,351,448	750,468,529	2,096,409,495
Retirement of indebtedness	53,035,000	-	11,276,136	25,966,021	-	-	43,830,000	134,107,157
Interest and other debt costs	37,892,898	-	8,208,599	3,838,768	456,195	-	20,649,190	71,045,650
Total Disbursements	966,277,871	44,739,032	265,745,000	179,778,342	21,722,890	8,351,448	814,947,719	2,301,562,302
Interfund Transfers:								
Transfers in	18,796,012	68,834	20,577,320	2,210,509	777,258	-	615,076,328	657,506,261
Transfers out	(638,790,092)	(215,797)	(46,072,950)	-	(130,000)	-	(10,029,041)	(695,237,880)
BALANCES, end of year	\$502,224,614	\$9,739,974	\$372,607,755	\$41,176,088	\$21,139,514	\$386,926	\$228,167,494	\$1,175,442,364

ARLINGTON COUNTY, VIRGINIA
SCHEDULE OF CASH AND INVESTMENTS
ADJUSTED CASH IN BANKS (BOOK BALANCE)
JUNE 30, 2024

Assets held by the Treasurer	
Cash on hand	<u>\$18,000</u>
Cash in banks:	
Checking	
Wells Fargo	(\$8,134,618)
Truist	70,783
Citibank	1,114,360
Bank of America	12,116
FVC Bank	277,572
JP Morgan Chase	229,004
United Bank	12,836
U.S. Bank	18,700
Total Checking Account	<u>(\$6,399,247)</u>
Savings :	
Wells Fargo	12,271,849
Bank of America	3,613,928
Total Savings Account	<u>15,885,778</u>
Money Markets :	
John Marshall Money Market - ICS	20,268,840
John Marshall Money Market	2,500
Sandy Spring Money Market	1,035,666
Old Dominion Money Market	12,960,506
Total Money Markets	<u>34,267,512</u>
Total Cash in Banks	<u>43,772,043</u>
Investments:	
Held with Trustee :	
Corporate Notes	117,103,725
United States Treasury Notes	9,554,150
Fed Agency Bonds/Notes	320,472,377
Municipal Investments	25,229,504
Total Held with Trustee	<u>\$472,359,756</u>
State Treasurer's Local Government Investment Pool	100,456,444
Virginia Investment Pool Daily Liquidity	210,230,275
State Non Arbitrage Investment Program (SNAP)	332,388,092
Total Investments	<u>1,115,434,566</u>
Total Cash and Investments held by the Treasurer	<u>\$1,159,206,609</u>
Assets held with Trustees	
Mellon - IDA Ballston Skating Facility	809,728
Mellon - IDA Lease Revenue Bonds	20,629,958
Total Assets held with Trustees	<u>\$21,439,686</u>
Total Cash & Investment Balances, June 30, 2024	<u><u>\$1,180,646,295</u></u>

ARLINGTON COUNTY, VIRGINIA
SCHEDULE OF CASH AND INVESTMENTS
CASH IN BANKS
JUNE 30, 2024

Assets Held by the Treasurer	
Cash on Hand	\$18,000
Cash in Banks:	
Checking	
Wells Fargo	1,362,604
Truist Bank	70,783
Citibank	1,114,360
Bank of America	12,116
FVC Bank	277,572
JP Morgan Chase	98,382
United Bank	11,521
U.S Bank	18,700
Total Checking Account	2,966,038
Savings:	
Wells Fargo	15,100,542
Bank of America	3,613,928
Total Savings Account	18,714,470
Money Markets:	
John Marshall Money Market - ICS	20,268,840
John Marshall Money Market	2,500
Sandy Spring Money Market	1,035,666
Old Dominion Money Market	12,960,506
Total Money Markets	34,267,512
Total Cash in Banks	55,966,020
Investments:	
Held with Trustee :	
Corporate Notes	117,103,725
United States Treasury Notes	9,554,150
Fed Agency Bonds/Notes	320,472,377
Municipal Investments	25,229,504
Total Held with Trustee	472,359,756
State Treasurer's Local Government Investment Pool	100,456,444
Virginia Investment Pool Daily Liquidity	210,230,275
State Non Arbitrage Investment Program (SNAP)	332,388,092
Total Investments	1,115,434,567
Total Cash and Investments held by the Treasurer	1,171,400,587
Assets held with Trustees	
Mellon - IDA Ballston Skating Facility	809,728
Mellon - IDA Lease Revenue Bonds	20,629,958
Total Assets held with Trustees	21,439,686
Total Cash & Investment Balances	\$1,192,840,273

ARLINGTON COUNTY, VIRGINIA
COMBINED SCHEDULE OF INVESTMENTS-ALL FUNDS
JUNE 30, 2024

	Interest Rate	Maturity Date	Market Value
Corporate Notes;			
PRINCETON THEOLOGICAL	4.28%	7/1/2024	970,000
PROTECTIVE LIFE	0.78%	7/5/2024	3,098,295
WALMART INC	2.85%	7/8/2024	1,998,820
AMAZON.COM INC	2.80%	8/22/2024	2,988,000
SOUTHERN CALIF GAS CO	3.15%	9/15/2024	1,988,540
MET LIFE GLOB FUNDING PRIV PLCMT	0.70%	9/27/2024	2,470,575
TIFFANY & CO PRIV PLCMT	3.80%	10/1/2024	1,649,793
PROVINCE OF ALBERTA	1.88%	11/13/2024	1,491,996
BANQUE FED CRED MUTUEL PLCMT	2.38%	11/21/2024	1,258,119
APPLE INC	2.75%	1/13/2025	3,451,525
JOHNSON & JOHNSON	2.63%	1/15/2025	5,420,855
US BANK NA CINCINNATI	2.80%	1/27/2025	3,242,544
MICROSOFT CORP	2.70%	2/12/2025	2,950,740
WESTPAC BANKING CORP	2.35%	2/19/2025	980,500
CME GROUP INC	3.00%	3/15/2025	2,675,246
PROTECTIVE LIFE GLOBAL	3.22%	3/28/2025	982,890
YALE UNIVERSITY	0.87%	4/15/2025	1,035,612
NATIONAL SECS CLEARING PRIV PLCMT	1.50%	4/23/2025	2,168,637
APPLE INC	3.20%	5/13/2025	1,880,249
RABOBANK NEDERLAND NY MED TERM NOTE	3.38%	5/21/2025	3,897,468
ROYAL BANK OF CANADA MEDIUM TERM NOTE	5.75%	5/22/2025	998,780
ROYAL BANK OF CANADA MEDIUM TERM NOTE	5.82%	5/30/2025	1,997,260
SOUTHERN CALIF GAS CO	3.20%	6/15/2025	2,535,092
BANK OF MONTREAL MEDIUM TERM NOTE	5.28%	6/23/2025	1,992,020
GUARDIAN LIFE GLOB FUND PRIV PLCMT	1.10%	6/23/2025	4,311,495
PACIFIC LIFE GF II PRIV PLCMT	1.20%	6/24/2025	4,317,255
ROYAL BANK OF CANADA MEDIUM TERM NOTE	4.90%	8/4/2025	1,976,320
EMORY UNIVERSITY	1.57%	9/1/2025	95,747
PRICOA GLOBAL FUNDING PRIV PLCMT	0.80%	9/1/2025	947,900
AUTOMATIC DATA PROCESSNG	3.38%	9/15/2025	1,958,840
NESTLE HOLDINGS INC PRIV PLCMT	3.50%	9/24/2025	2,586,857
NATIONAL BANK OF CANADA MEDIUM TERM NOTE	5.92%	10/20/2025	2,999,340
MICROSOFT CORP	3.13%	11/3/2025	243,803
ROCHE HOLDING INC PRIV PLCMT	3.00%	11/10/2025	1,946,100
AUST & NZ BANKING GRP NY	3.70%	11/16/2025	979,510
NATIONAL SECS CLEARING PRIV PLCMT	0.75%	12/7/2025	2,436,804
GUARDIAN LIFE GLOB FUND PRIV PLCMT	0.88%	12/10/2025	1,154,277
NESTLE HOLDINGS INC PRIV PLCMT	0.63%	1/15/2026	1,786,519
INTL BK RECON & DEVELOP	0.65%	2/10/2026	3,376,953
APPLE INC	3.25%	2/23/2026	1,149,829
MASSMUTUAL GLOBAL FUNDIN PRIV PLCMT	3.40%	3/8/2026	2,138,095
BERKSHIRE HATHAWAY INC	3.13%	3/15/2026	4,678,006
MORGAN STANLEY BANK	4.75%	4/21/2026	2,675,673
GUARDIAN LIFE GLOB FUND PRIV PLCMT	1.25%	5/13/2026	841,103
NATIONAL BANK OF CANADA MEDIUM TERM NOTE	5.50%	6/5/2026	1,996,740
COMMONWEALTH BANK AUST PRIV PLCMT	1.13%	6/15/2026	2,781,750
CANADIAN IMPERIAL MEDIUM TERM NOTE	7.00%	9/18/2026	1,958,880
MET LIFE GLOB FUNDING I PRIV PLCMT	1.88%	1/11/2027	1,384,125
NORTHWESTERN MUTUAL GLBL PRIV PLCMT	1.75%	1/11/2027	2,122,302
ROCHE HOLDINGS INC	2.38%	1/28/2027	1,588,673
NEW YORK LIFE GLOBAL FUNDING MEDIUM TERM NOTE	3.25%	4/7/2027	2,384,250
BANK OF MONTREAL MEDIUM TERM NOTE	5.40%	6/14/2027	2,000,000
ANDREW W MELLON FOUNDATION	0.95%	8/1/2027	2,674,320
MORGAN STANLEY VAR CPN	4.95%	1/14/2028	1,488,705
Total Corporate Notes			117,103,725
Government Agency Bonds;			
FED FARM CREDIT BK	0.57%	07/02/2024	2,739,616
FED HOME LN BK	0.50%	07/12/2024	908,553
FED HOME LN MTG CORP MED TERM NOTE	0.38%	07/15/2024	2,494,925
FED HOME LN BK	0.57%	07/29/2024	3,486,420
FED HOME LN BK	0.41%	08/01/2024	3,733,725
FED HOME LN MTG CORP MED TERM NOTE	0.45%	08/05/2024	4,775,760
FED NATL MTG ASSN	0.41%	08/12/2024	3,677,911
US INTL DEV FIN CORP ZERO CPN	0.00%	08/21/2024	10,495,200
FED FARM CREDIT BK	0.48%	09/03/2024	802,289
FED HOME LN BK	0.57%	09/03/2024	991,400
FED FARM CREDIT BK	0.43%	09/10/2024	2,473,500
FED NATL MTG ASSN	0.40%	09/16/2024	346,192
FED HOME LN MTG CORP MED TERM NOTE	0.42%	09/17/2024	2,868,129
FED HOME LN BK	0.50%	09/24/2024	2,471,000
FEDERAL HOME LOAN MORTGAGE CORP MEDIUM TERM NOTE	5.00%	09/27/2024	2,995,410
FED HOME LN MTG CORP MED TERM NOTE	0.40%	09/30/2024	874,393
FED HOME LN BK	1.00%	09/30/2024	1,424,592
FED HOME LN BK	0.55%	09/30/2024	1,974,880
FED HOME LN BK	0.63%	10/15/2024	2,463,975
FED FARM CREDIT	0.40%	10/15/2024	6,152,625

ARLINGTON COUNTY, VIRGINIA
COMBINED SCHEDULE OF INVESTMENTS-ALL FUNDS
JUNE 30, 2024

	Interest Rate	Maturity Date	Market Value
FEDERAL HOME LOAN MORTGAGE CORP MEDIUM TERM NOTE	5.13%	11/22/2024	499,290
FED NATL MTG ASSN	0.50%	11/26/2024	1,957,900
FEDERAL HOME LOAN BANK	0.63%	11/27/2024	2,542,270
FED HOME LN BK	2.00%	12/17/2024	1,722,928
FED HOME LN MTG CORP MED TERM NOTE	0.40%	12/30/2024	1,950,600
FED HOME LN MTG CORP MED TERM NOTE	0.38%	12/30/2024	4,875,900
FED HOME LN BK	0.63%	12/30/2024	2,588,970
FED HOME LN BK	1.00%	01/21/2025	1,707,528
FED HOME LN BK	0.55%	01/28/2025	2,920,500
FED HOME LN MTG CORP MED TERM NOTE	0.45%	01/29/2025	1,870,484
FED FARM CREDIT BK	0.32%	02/10/2025	2,423,600
FED NATL MTG ASSN	0.50%	02/18/2025	1,938,960
FED HOME LN MTG CORP MED TERM NOTE	0.55%	02/26/2025	498,906
FED HOME LN BK	0.63%	02/26/2025	3,030,375
FED HOME LN BK	0.63%	02/27/2025	930,854
FEDERAL HOME LOAN BANK VAR CPN	3.50%	03/14/2025	988,910
FED HOME LN MTG CORP MED TERM NOTE	0.45%	03/24/2025	964,430
FED HOME LN BK	0.65%	03/24/2025	435,263
FEDERAL HOME LOAN BANK VAR CPN	5.00%	03/24/2025	498,595
FED HOME LN MTG CORP MED TERM NOTE	0.48%	03/28/2025	1,397,974
FED HOME LN MTG CORP MED TERM NOTE	0.45%	03/28/2025	1,927,800
FEDERAL HOME LOAN BANK	2.00%	03/28/2025	293,004
FEDERAL HOME LOAN BANK VAR CPN	4.00%	04/14/2025	743,108
FEDERAL HOME LOAN BANK VAR CPN	4.25%	04/28/2025	2,991,960
FED HOME LN BK	0.70%	04/29/2025	1,926,880
FED HOME LN BK	0.70%	04/29/2025	2,408,625
FED HOME LN MTG CORP MED TERM NOTE	0.75%	04/30/2025	962,150
FED HOME LN BK	0.75%	05/12/2025	2,405,550
FEDERAL HOME LOAN MORTGAGE CORP MEDIUM TERM NOTE	5.25%	05/23/2025	1,743,525
FED HOME LN MTG CORP	0.75%	05/28/2025	575,244
FED HOME LN MTG CORP MED TERM NOTE	0.75%	05/28/2025	958,740
FED HOME LN MTG CORP MED TERM NOTE	0.48%	05/29/2025	502,021
FED HOME LN BK	0.75%	06/16/2025	2,395,050
FEDERAL HOME LOAN MORTGAGE CORP MEDIUM TERM NOTE	4.00%	06/27/2025	1,972,460
FED HOME LN BK	1.00%	06/27/2025	1,918,820
FEDERAL HOME LOAN MORTGAGE CORP MEDIUM TERM NOTE	4.00%	06/30/2025	495,330
FED HOME LN MTG CORP MED TERM NOTE	0.65%	06/30/2025	957,120
FED HOME LN BK	1.20%	06/30/2025	1,442,490
FED FARM CREDIT BK	0.39%	07/14/2025	4,072,793
FED HOME LN BK	0.72%	07/14/2025	4,562,178
FEDERAL HOME LOAN BANK	1.20%	07/18/2025	479,910
FED HOME LN MTG CORP	0.38%	07/21/2025	1,905,500
FED NATL MTG ASSN	0.70%	07/21/2025	951,820
FED NATL MTG ASSN	0.50%	07/21/2025	1,899,560
FED HOME LN BK	0.80%	07/21/2025	2,869,650
FED HOME LN MTG CORP MED TERM NOTE	0.50%	07/23/2025	953,310
FEDERAL NATIONAL MORTGAGE ASSN	0.60%	07/29/2025	953,800
FED FARM CREDIT BK	0.67%	08/04/2025	2,074,863
FED NATL MTG ASSN	0.55%	08/05/2025	762,064
FED FARM CREDIT BK	0.57%	08/12/2025	951,980
FED HOME LN BK	0.75%	08/12/2025	3,257,598
FED HOME LN MTG CORP MED TERM NOTE	0.50%	08/13/2025	1,902,220
FED NATL MTG ASSN	0.50%	08/14/2025	237,748
FEDERAL HOME LOAN BANK	5.52%	08/15/2025	1,498,530
INT DEVELOPMENT FIN CORP ZERO CPN	0.00%	08/16/2025	5,882,760
FED HOME LN BK	0.70%	08/18/2025	1,695,557
FED HOME LN MTG CORP MED TERM NOTE	0.63%	08/19/2025	951,770
FEDERAL HOME LOAN MORTGAGE CORP MEDIUM TERM NOTE	5.00%	08/25/2025	1,986,280
FED FARM CREDIT BK	0.61%	08/25/2025	4,587,996
FEDERAL HOME LOAN MORTGAGE CORP	4.05%	08/28/2025	1,523,245
FEDERAL HOME LOAN BANK	4.00%	08/28/2025	1,777,932
FEDERAL HOME LOAN BANK VAR CPN	1.20%	09/09/2025	484,080
FED FARM CREDIT	0.55%	09/16/2025	3,315,445
FED HOME LN BK	0.50%	09/22/2025	2,366,025
FED HOME LN MTG CORP	0.60%	09/30/2025	1,892,020
FED HOME LN BK	0.70%	09/30/2025	910,022
FEDERAL HOME LOAN BANK	5.00%	10/17/2025	2,168,018
FED HOME LN BK	0.88%	10/22/2025	2,331,490
FED HOME LN MTG CORP	0.65%	10/27/2025	942,320
FEDERAL HOME LOAN BANK	4.75%	10/27/2025	4,645,164
FED HOME LN MTG CORP MED TERM NOTE	0.45%	10/29/2025	412,526
FEDERAL FARM CREDIT BANK	5.20%	11/03/2025	1,489,673
FED NATL MTG ASSN	0.50%	11/07/2025	1,884,500
FEDERAL HOME LOAN MORTGAGE CORP MEDIUM TERM NOTE	5.25%	11/10/2025	1,749,563

ARLINGTON COUNTY, VIRGINIA
COMBINED SCHEDULE OF INVESTMENTS-ALL FUNDS
JUNE 30, 2024

	Interest Rate	Maturity Date	Market Value
FED NATL MTG ASSN	0.56%	11/17/2025	1,647,940
FED HOME LN MTG CORP	0.64%	11/24/2025	1,341,253
FED HOME LN BK	0.57%	11/25/2025	1,090,620
FED HOME LN BK	0.85%	12/15/2025	5,133,137
FEDERAL NATIONAL MORTGAGE ASSN	5.13%	12/22/2025	2,414,536
FED HOME LN BK	0.90%	12/26/2025	1,882,840
FEDERAL HOME LOAN BANK VAR CPN	1.00%	12/30/2025	1,913,880
US INTL DEV FIN CORP ZERO CPN	0.00%	01/17/2026	9,676,600
FEDERAL HOME LOAN BANK	5.00%	01/23/2026	503,530
FED HOME LN BK	0.75%	01/26/2026	3,011,360
FEDERAL HOME LOAN BANK	0.60%	01/28/2026	466,640
FED HOME LN BK	0.65%	01/28/2026	652,925
FED HOME LN BK	0.65%	01/28/2026	1,639,173
FED HOME LN BK	0.52%	02/12/2026	931,160
FEDERAL HOME LOAN BANK	5.13%	02/12/2026	1,906,715
FED FARM CREDIT BK	0.70%	02/18/2026	2,807,340
FEDERAL HOME LOAN MORTGAGE CORP MEDIUM TERM NOTE	4.50%	02/23/2026	1,884,325
FED HOME LN BK	0.60%	02/24/2026	176,755
FED HOME LN BK	0.80%	02/24/2026	2,811,780
FEDERAL HOME LOAN MORTGAGE CORP MEDIUM TERM NOTE	4.88%	02/26/2026	790,731
FED HOME LN BK	1.00%	02/26/2026	1,220,960
FED HOME LN BK	0.60%	02/26/2026	1,511,413
FED HOME LN BK	0.80%	02/26/2026	2,338,775
FED HOME LN BK	0.75%	03/03/2026	934,540
FEDERAL HOME LOAN BANK	0.90%	03/03/2026	935,930
FEDERAL HOME LOAN BANK	5.05%	03/05/2026	835,985
FED HOME LN BK	0.80%	03/16/2026	233,230
FEDERAL HOME LOAN BANK VAR CPN	1.00%	03/16/2026	234,105
FED HOME LN BK	1.25%	03/23/2026	2,365,025
FED HOME LN BK	1.25%	03/30/2026	348,607
FED HOME LN BK	1.50%	03/30/2026	944,780
FEDERAL HOME LOAN BANK	1.05%	04/15/2026	233,543
FED HOME LN BK	1.25%	04/15/2026	1,106,785
FED HOME LN BK	1.00%	04/29/2026	1,166,200
FEDERAL HOME LOAN MORTGAGE CORP MEDIUM TERM NOTE	5.50%	05/01/2026	995,690
FED HOME LN BK	1.75%	05/27/2026	944,050
FED HOME LN BK	2.00%	06/10/2026	1,894,900
FED HOME LN BK	1.00%	06/30/2026	463,535
FED HOME LN BK	1.03%	06/30/2026	2,319,100
FED HOME LN BK	0.75%	07/15/2026	2,337,125
FED HOME LN BK	1.50%	07/22/2026	1,870,140
FED HOME LN BK	1.10%	07/27/2026	2,317,375
FEDERAL HOME LOAN BANK	1.10%	07/28/2026	463,430
FED HOME LN BK	1.13%	07/29/2026	927,150
FED HOME LN BK	1.00%	07/29/2026	1,887,440
FED HOME LN BK	0.88%	08/18/2026	1,494,288
FED HOME LN BK	1.00%	08/25/2026	922,210
FED HOME LN BK	0.90%	08/26/2026	517,693
FED HOME LN BK	1.02%	09/17/2026	1,002,146
FED HOME LN BK	1.00%	09/23/2026	409,326
FED HOME LN BK	0.75%	09/28/2026	1,338,075
FEDERAL HOME LOAN BANK	4.00%	09/29/2026	590,328
FED HOME LN BK	1.13%	09/29/2026	1,843,100
FEDERAL FARM CREDIT BANK	5.30%	10/19/2026	1,599,060
FED HOME LN BK	2.05%	10/27/2026	1,220,856
FEDERAL HOME LOAN BANK	5.40%	11/20/2026	1,326,542
FEDERAL NATIONAL MORTGAGE ASSN	5.63%	11/24/2026	3,989,800
FEDERAL HOME LOAN BANK	1.25%	11/24/2026	952,240
FEDERAL HOME LOAN BANK	5.50%	01/22/2027	5,847,167
FEDERAL HOME LOAN BANK	5.00%	01/25/2027	1,000,290
FEDERAL HOME LOAN MORTGAGE CORP MEDIUM TERM NOTE	5.63%	02/22/2027	749,205
FEDERAL HOME LOAN BANK	4.75%	02/22/2027	1,990,320
FEDERAL HOME LOAN MORTGAGE CORP MEDIUM TERM NOTE	5.55%	02/26/2027	938,296
OVERSEAS PRIVATE INV COR	4.44%	02/27/2027	1,417,964
FEDERAL HOME LOAN BANK VAR CPN	2.50%	03/10/2027	719,670
FEDERAL HOME LOAN MORTGAGE CORP MEDIUM TERM NOTE	4.25%	03/25/2027	1,977,760
FEDERAL HOME LOAN BANK VAR CPN	3.50%	04/26/2027	1,676,370
FEDERAL HOME LOAN BANK VAR CPN	4.50%	04/29/2027	1,403,272
FEDERAL HOME LOAN BANK VAR CPN	3.75%	05/19/2027	1,968,180
FEDERAL NATIONAL MORTGAGE ASSN	4.50%	06/04/2027	1,979,440
FEDERAL NATIONAL MORTGAGE ASSN	4.50%	08/12/2027	1,484,850
FEDERAL HOME LOAN BANK	5.00%	08/13/2027	999,110
FEDERAL HOME LOAN BANK	2.15%	11/08/2027	230,220
FEDERAL HOME LOAN BANK	5.13%	11/26/2027	2,500,025

ARLINGTON COUNTY, VIRGINIA
COMBINED SCHEDULE OF INVESTMENTS-ALL FUNDS
JUNE 30, 2024

	Interest Rate	Maturity Date	Market Value
FEDERAL HOME LOAN MORTGAGE CORP MEDIUM TERM NOTE	5.40%	02/28/2028	3,424,135
FEDERAL HOME LOAN BANK	5.00%	03/20/2028	2,768,124
FEDERAL NATIONAL MORTGAGE ASSN	4.50%	05/17/2028	1,860,089
FEDERAL HOME LOAN MORTGAGE CORP MEDIUM TERM NOTE	4.50%	06/27/2028	1,974,660
Total Government Agency Bonds			320,472,377
Municipal Obligations;			
VIRGINIA ST HSG DEV AUTH TXBL	1.15%	07/01/2024	325,000
RICHMOND VA TXBL	2.00%	07/15/2024	1,647,822
VIRGINIA ST HSG DEV AUTH TXBL	0.45%	08/01/2024	214,097
MCKINNEY TX TXBL	1.00%	08/15/2024	935,178
HAMPTON VA TXBL	0.70%	09/01/2024	496,265
VIRGINIA ST HSG DEV AUTH TXBL-RENTAL HOUSING BONDS	0.87%	09/01/2024	595,392
RAPPAHANNOCK VA REGL JAIL AUTH TXBL	0.62%	10/01/2024	414,926
JEAN DIST ENERGY SYS REVENUE TXBL	3.39%	10/01/2024	477,667
FAIRFAX CNTY VIRGINIA ECO REVENUE BONDS	5.59%	10/01/2024	750,345
VIRGINIA ST RESOURCES AUTH INF TXBL	2.00%	11/01/2024	242,307
VIRGINIA ST RESOURCES AUTH INF TXBL	1.00%	11/01/2024	349,785
VIRGINIA ST HSG DEV AUTH TXBL	0.90%	11/01/2024	787,664
VIRGINIA ST RESOURCES AUTH INF TXBL	0.64%	11/01/2024	984,580
CAMPBELL CNTY VIRGINIA INDL DEV AUTH REVENUE BONDS	5.68%	12/01/2024	315,391
HOUSTON TX TXBL	2.11%	03/01/2025	960,184
SUSSEX CNTY DE TXBL	0.62%	03/15/2025	1,176,813
NEW YORK NY TXBL	3.15%	04/01/2025	348,961
MONTGOMERY CNTY MD COPS TXBL	2.00%	04/01/2025	419,160
WISCONSIN ST GEN FUND ANNUAL A TXBL	1.90%	05/01/2025	1,107,772
VIRGINIA ST PORT AUTH CMWLTH P TXBL	3.52%	07/01/2025	196,452
VIRGINIA ST HSG DEV AUTH TXBL	1.35%	07/01/2025	384,800
MARYLAND ST TXBL	0.67%	08/01/2025	953,650
NEW YORK NY TXBL	2.28%	08/01/2025	1,112,694
VIRGINIA ST HSG DEV AUTH TXBL	1.07%	09/01/2025	524,194
RAPPAHANNOCK VA REGL JAIL AUTH TXBL	1.00%	10/01/2025	402,518
VIRGINIA ST HSG DEV AUTH TXBL	1.24%	11/01/2025	332,651
VIRGINIA ST RESOURCES AUTH INF FACILITIES REVENUE	3.00%	11/01/2025	437,193
VIRGINIA ST HSG DEV AUTH CMWLT SINGLE FAMILY HOUSING REVENUE	4.89%	04/01/2026	1,005,617
VIRGINIA ST PORT AUTH CMWLTH REVENUE BONDS	1.15%	07/01/2026	217,737
VIRGINIA ST HSG DEV AUTH TXBL	1.44%	11/01/2026	739,168
VIRGINIA ST HSG DEV AUTH CMWLT SINGLE FAMILY HOUSING REVENUE	4.70%	04/01/2027	596,244
VIRGINIA ST PORT AUTH PORT FAC TRANSPORTATION REVENUE	3.18%	07/01/2027	951,300
VIRGINIA ST HSG DEV AUTH CMWLT SINGLE FAMILY HOUSING REVENUE	4.64%	04/01/2028	491,951
VIRGINIA ST HOUSING DEVELOPMENT SINGLE FAMILY HOUSING REVENUE	4.76%	04/01/2028	2,158,130
VIRGINIA ST HOUSING DEVELOPMENT SINGLE FAMILY HOUSING REVENUE	4.81%	04/01/2029	2,175,896
Total Municipal Obligations			25,229,503
US TREASURY;			
US T NOTE	0.38%	4/30/2025	4,805,900
US T NOTE	0.25%	7/31/2025	4,748,250
TOTAL US TREASURY			9,554,150
Money Market Funds;			
JOHN MARSHALL BANK	5.42%		20,268,840
JOHN MARSHALL BANK	0.10%		2,500
SANDY SPRING BANK	4.15%		1,035,666
OLD DOMINION NATIONAL BANK	5.60%		12,960,506
Total Money Market Funds			34,267,512
VIRGINIA STATE NON-ARBITRAGE PROGRAM (SNAP)			332,388,092
VIRGINIA INVESTMENT POOL DAILY LIQUIDITY			210,230,275
STATE TREASURER'S LOCAL GOVERNMENT INVESTMENT POOL (LGIP)			100,456,444
MELLON-IDA BALLSTON SKATING FACILITY			809,728
MELLON-IDA LEASE REVENUE BONDS			20,629,958
TOTAL SECURITIES			1,171,141,763

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		2.320	880,000	880,000	08/01/24
Neighborhood conservation	6,878,456		2.470	860,000	860,000	08/01/25
Parks and recreation	15,956,083		2.620	635,000	635,000	08/01/26
Fire station	1,564,102					
Library	1,591,281					
Metro	8,060,817					
	<u>\$44,245,000</u>					
				<u>\$2,375,000</u>		
G.O. Public improvement refunding (\$40,455,000)		5/28/14				
Street & Highway	\$3,177,905		5.000	4,360,000	4,360,000	08/15/24
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>\$4,360,000</u>		
G.O. Public improvement (\$77,440,000)		6/17/15				
Street & Highway	\$9,370,000		4.000	4,630,000	2,315,000	08/15/24-25
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>\$9,260,000</u>		
G.O. Public improvement (\$55,200,000)		5/4/16				
Street & Highway	\$3,075,000		5.000	7,080,000	1,180,000	08/15/24-29
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>\$7,080,000</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					
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>\$57,220,000</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	22,880,000	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>\$74,315,000</u>		
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					
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

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)	
		Interest Rate- %	Principal	Annual Amount	Maturity Date
		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
			\$47,240,000		
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	32,490,000	5,415,000	6/15/2025-30
Government facility bond	33,485,000	4.000	48,735,000	5,415,000	6/15/2031-39
Metro	27,400,000				
	\$106,350,000				
			\$81,225,000		
G.O. Public improvement refunding (\$32,335,000)	10/24/2019				
Street & Highway	\$3,199,039				
Neighborhood conservation	3,087,185				
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
	\$10,900,000	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
			\$7,770,000		
G.O. Public improvement (\$166,480,000)	10/27/2020				
Street & Highway	\$24,535,000				
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
	\$124,130,000				
			\$118,130,000		
G.O. Public improvement refunding (\$219,310,000)	10/27/2020				
	#REF!				
		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
			\$80,425,000		
G.O. Public improvement (\$95,395,000)	6/23/2021				
Street & Highway	\$5,640,000				
Government facility bond	9,985,000	5.000	9,260,000	2,315,000	6/15/2025-28
Parks and recreation	7,470,000	5.000	30,160,000	2,320,000	6/15/2029-41
Metro	21,300,000				
	\$44,395,000				
			\$39,420,000		
G.O. Public improvement (\$187,375,000)	6/22/2023				
Street & Highway					
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
	\$89,485,000	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
			\$88,645,000		
G.O. Public improvement (\$93,155,000)	6/27/2024				
Street & Highway	10,520,000				
Neighborhood conservation	2,000,000	5.000	4,250,000	4,250,000	06/30/25

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
Government facility bond	5,485,000		5.000	3,000,000	3,000,000
Parks and recreation	4,630,000		5.000	1,300,000	1,300,000
Metro	21,500,000		5.000	2,000,000	2,000,000
	<u>\$44,135,000</u>		5.000	2,235,000	2,235,000
			5.000	10,500,000	2,100,000
			5.000	6,150,000	2,050,000
			5.000	6,300,000	2,100,000
			4.000	8,400,000	2,100,000
				<u>\$44,135,000</u>	
SUBTOTAL:				<u>\$ 661,600,000</u>	
FY 2004 Bond premium to be amortized				0	
FY 2005 Bond premium to be amortized				210,855	
FY 2006 Bond premium to be amorized				164,436	
FY 2007 Bond premium to be amortized				67,580	
FY 2008 Bond premium to be amortized				298,300	
FY 2010 Bond premium to be amortized				281,808	
FY 2011 Bond premium to be amortized				2,260,571	
FY 2012 Bond premium to be amortized				2,583,621	
FY 2013 Bond premium to be amortized				4,195,214	
FY 2014 Bond premium to be amortized				1,221,037	
FY 2015 Bond premium to be amortized				1,878,704	
FY 2016 Bond premium to be amortized				2,917,803	
FY 2017 Bond premium to be amortized				11,496,152	
FY 2018 Bond premium to be amortized				12,262,249	
FY 2019 Bond premium to be amortized				13,797,323	
FY 2021 Bond premium to be amortized				39,465,012	
FY 2023 Bond premium to be amortized				9,397,272	
FY 2024 Bond premium to be amortized				5,427,219	
Total GO Bonds serviced by general fund:				<u>769,525,156</u>	
IDA Revenue bond (\$76,315,000)		5/9/13			
Refunding 2004 IDA	\$23,930,000				
\$2,020	20,250,000		5.00/2.93	3,080,000	3,080,000
Buckingham Village 3	<u>\$32,135,000</u>		3.08	1,955,000	1,955,000
			3.48	1,985,000	1,985,000
			3.48	2,015,000	2,015,000
			3.48	2,050,000	2,050,000
			4.11	1,255,000	1,255,000
			4.11	1,310,000	1,310,000
			4.11	1,365,000	1,365,000
			4.11	1,420,000	1,420,000
			4.11	1,480,000	1,480,000
			4.11	1,545,000	1,545,000
			4.11	1,610,000	1,610,000
			4.11	1,675,000	1,675,000
			4.11	1,745,000	1,745,000
				<u>\$24,490,000</u>	
2017 IDA Revenue and refunding bonds (\$57,865,000)					
Refunding 2009B IDA	20,035,000				
2011 IDA	6,115,000		5.00	2,950,000	2,950,000
Buckingham Village 3	<u>31,715,000</u>		5.00	2,995,000	2,995,000
			5.00	3,050,000	3,050,000

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)	
		Interest Rate- %	Principal	Annual Amount	Maturity Date
		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
			\$44,025,000		
2020 IDA Revenue bonds (\$26,650,000)					
		5.00	4,510,000	2,255,000	8/1/2024-25
		5.00	1,060,000	1,060,000	08/01/26
			\$26,650,000		
			\$5,570,000		
2020 IDA Revenue and refunding bonds (\$57,865,000)					
Refunding 2013 IDA	11,230,000				
		0.85	155,000	155,000	08/01/24
		1.00	155,000	155,000	08/01/25
		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
			\$10,830,000		
2023 IDA Revenue bonds (\$35,250,000)					
County	22,111,008				
APS	7,128,992	5.00	5,820,000	5,820,000	8/15/2024
Auto	6,010,000	5.00	5,825,000	5,825,000	8/15/2025
Tax-exempt LOC payoff	\$35,250,000	5.00	5,820,000	5,820,000	8/15/2026
		5.00	5,085,000	5,085,000	8/15/2027
		5.00	5,085,000	5,085,000	8/15/2028
		5.00	3,810,000	3,810,000	8/15/2029
		5.00	3,805,000	3,805,000	8/15/2030
			\$35,250,000		
Total IDA revenue bonds serviced by general fund			\$120,165,000		
Compensated absences			128,663,166		
Estimated liability for workers' compensation claims			4,482,726		
Serviced by general fund-line of credit for capital			356,563		
IDA Skating Facility			17,945,000		
Bond Interest Payable			13,573,134		
Line of Credits			120,000,000		
Leases			112,649,389		
Net OPEB liability			12,946,498		
Total general obligation debt serviced by general fund:			1,300,306,632		
Due in one year			(229,809,391)		
Total long-term liabilities -general fund			1,070,497,241		
Serviced by School Operating Fund:					
Schools- QSCB (\$3,380,000)	7/6/10				
School Improvements		5.31	600,000	200,000	06/01/24-27
			\$600,000		
G.O. Public improvement refunding (\$81,255,000)	5/9/13				
School Improvements					
		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

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)	
			Interest Rate- %	Principal	Annual Amount	Maturity Date
				\$2,495,000		
G.O. Public improvement refunding (\$40,455,000) School Improvements	\$19,725,000	5/28/14	5.000	5,085,000	5,085,000	08/15/2024
				\$5,085,000		
G.O. Public improvement (\$77,440,000) School Improvements	\$30,000,000	6/17/15	4.000 3.000	3,000,000 3,000,000	1,500,000 1,500,000	08/15/24-25 08/15/26-27
				\$6,000,000		
G.O. Public improvement (\$55,200,000) School Improvements	\$32,550,000	5/4/16				
			5.000 5.000	4,890,000 4,875,000	1,630,000 1,625,000	08/15/24-26 08/15/27-29
				\$9,765,000		
G.O. Public improvement refunding (\$161,530,000) School Improvements	\$72,220,000	5/4/16				
			5.000 5.000 5.000 5.000 2.500 2.500 2.500 2.750 2.750	2,935,000 4,155,000 7,460,000 7,135,000 8,685,000 8,555,000 7,225,000 5,180,000 2,755,000	2,935,000 4,155,000 7,460,000 7,135,000 8,685,000 8,555,000 7,225,000 5,180,000 2,755,000	08/15/24 08/15/25 08/15/26 08/15/27 08/15/28 08/15/29 08/15/30 08/15/31 08/15/32
				\$54,085,000		
G.O. Public improvement (\$185,095,000) School Improvements	\$75,200,000	5/31/17				
			5.000 2.000	26,320,000 22,560,000	3,760,000 3,760,000	08/15/24-30 08/15/31-36
				\$48,880,000		
G.O. Public improvement (\$153,555,000) School Improvements	\$92,400,000	6/20/2018				
			5.000 5.000 5.000 5.000 5.000 5.000 5.000	4,000,000 4,200,000 4,400,000 4,500,000 30,720,000 5,115,000 10,230,000	4,000,000 4,200,000 4,400,000 4,500,000 5,120,000 5,115,000 5,115,000	08/15/24 08/15/25 08/15/26 08/15/27 8/15/2028-33 8/15/2034 8/15/2036-37
				\$63,165,000		
G.O. Public improvement (\$169,480,000) School Improvements	\$63,130,000	6/19/2019				
			5.000 4.000 4.000	19,050,000 9,525,000 19,020,000	3,175,000 3,175,000 3,170,000	6/15/2025-30 6/15/2031-33 6/15/2034-39
				\$47,595,000		
G.O. Public improvement refunding (\$32,335,000) School Improvements	\$13,210,000	10/24/2019				
			5.000 5.000 5.000 5.000 5.000 5.000 5.000	1,300,000 1,320,000 1,330,000 1,345,000 1,360,000 1,370,000 1,390,000	1,300,000 1,320,000 1,330,000 1,345,000 1,360,000 1,370,000 1,390,000	08/15/24 08/15/25 08/15/26 08/15/27 08/15/28 08/15/29 08/15/30
				\$9,415,000		
G.O. Public improvement (\$166,480,000) School Improvements	\$42,350,000	10/27/2020				
			5.000 5.000 4.000	14,805,000 2,120,000 19,080,000	2,115,000 2,120,000 2,120,000	8/1/2024-30 08/01/31 8/1/2032-40

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		
			\$36,005,000			
G.O. Public improvement refunding (\$219,310,000) School Improvements	10/27/2020					
\$100,375,000		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	
			\$89,555,000			
G.O. Public improvement (\$95,395,000) School Improvements	6/23/2021					
\$37,800,000		5.000	32,130,000	1,890,000	6/15/2025-6/15/2041	
			\$32,130,000			
G.O. Public improvement (\$187,375,000) School Improvements	6/22/2023					
\$97,890,000		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	
			\$93,205,000			
G.O. Public improvement (\$93,155,000) School Improvements	6/27/2024					
\$31,420,000		5.000	5,485,000	5,485,000	06/30/25	
		5.000	3,100,000	3,100,000	06/30/26	
		5.000	1,650,000	1,650,000	06/30/27	
		5.000	680,000	680,000	06/30/31	
		5.000	1,285,000	1,285,000	06/30/32	
		5.000	1,985,000	1,985,000	06/30/33	
		5.000	11,095,000	1,585,000	6/30/2034-6/30/2040	
		4.000	3,170,000	1,585,000	6/30/2041-6/30/2042	
		4.000	2,970,000	1,485,000	6/30/2043-6/30/2044	
			\$31,420,000			
SUB TOTAL			\$529,400,000			
FY 2004 Bond Premium to be amortized			-			
FY 2005 Bond Premium to be amortized			146,359			
FY 2006 Bond Premium to be amortized			58,268			
FY 2007 Bond Premium to be amortized			38,587			
FY 2008 Bond Premium to be amortized			481,568			
FY 2010 Bond Premium to be amortized			444,871			
FY 2011 Bond Premium to be amortized			1,518,261			
FY 2012 Bond Premium to be amortized			4,373,877			
FY 2013 Bond Premium to be amortized			2,845,916			
FY 2014 Bond Premium to be amortized			1,630,399			
FY 2015 Bond Premium to be amortized			1,227,320			
FY 2016 Bond Premium to be amortized			4,325,541			
FY 2017 Bond Premium to be amortized			7,718,888			
FY 2018 Bond Premium to be amortized			10,809,724			
FY 2019 Bond Premium to be amortized			8,107,609			

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 2021 Bond Premium to be amortized			18,590,925			
FY 2023 Bond Premium to be amortized			10,512,309			
FY 2024 Bond Premium to be amortized			2,949,697			
Total serial bonds serviced by school operating fund:			\$605,180,119			
Compensated absences			62,913,419			
Line of credit for capital serviced by schools			-			
School NonBond Debt			5,693,440			
Bond interest payable			-			
Leases by schools			56,005,840			
Net pension liability schools			375,601,058			
Net OPEB liability schools			76,741,048			
Total general obligation debt serviced by school operating fund:			1,182,134,924			
Due in one year			(74,385,401)			
Total long-term liabilities - schools			1,107,749,523			
Total general obligation debt serviced by general fund and school operating fund:			2,178,246,764			
<u>Serviced by StormWater fund:</u>						
G.O. Public improvement (\$95,395,000)	6/23/2021					
Stormwater	13,200,000					
	<u>\$13,200,000</u>	5.000	320,000	320,000	06/15/25	
		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	
			<u>\$12,315,000</u>			
G.O. Public improvement (\$93,155,000)	6/27/2024					
Stormwater	2,600,000					
	<u>\$2,600,000</u>	5.000	85,000	85,000	06/30/25	
		5.000	85,000	85,000	06/30/26	
		5.000	90,000	90,000	06/30/27	
		5.000	90,000	90,000	06/30/28	
		5.000	95,000	95,000	06/30/29	
		5.000	100,000	100,000	06/30/30	
		5.000	105,000	105,000	06/30/31	
		5.000	110,000	110,000	06/30/32	
		5.000	115,000	115,000	06/30/33	
		5.000	120,000	120,000	06/30/34	
		5.000	130,000	130,000	06/30/35	
		5.000	135,000	135,000	06/30/36	
		5.000	140,000	140,000	06/30/37	
		5.000	150,000	150,000	06/30/38	
		5.000	155,000	155,000	06/30/39	
		5.000	165,000	165,000	06/30/40	
		4.000	170,000	170,000	06/30/41	
		4.000	180,000	180,000	06/30/42	
		4.000	185,000	185,000	06/30/43	
		4.000	195,000	195,000	06/30/44	
			<u>\$2,600,000</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		
SUBTOTAL:			\$14,915,000			
FY 2021 Bond premium to be amortized			3,770,900			
FY 2024 Bond premium to be amortized			252,596			
Total serial bonds serviced by stormwater fund:			18,938,496			
Compensated absence Stormwater			1,807,880			
GASB Lease Stormwater			26,611			
Bond Interest payable Stormwater			7,672			
Due in one year			(589,034)			
Total general obligation debt serviced by StormWater fund			20,191,625			
<u>Serviced by utilities fund:</u>						
G.O. Public improvement refunding (\$81,255,000)	5/9/13					
Water share						
Sewer share		2.320	615,000	615,000	08/01/24	
Advanced Water Treatment		2.470	600,000	600,000	08/01/25	
		2.620	450,000	450,000	08/01/26	
			\$1,665,000			
G.O. Public improvement refunding (\$40,455,000)	5/28/14					
Water share		5.000	555,000	555,000	08/15/2023-24	
Advanced Water Treatment						
			\$555,000			
G.O. Public improvement (\$77,440,000)	6/17/15					
Advanced Water Treatment		4.000	300,000	150,000	08/15/224-25	
		3.000	300,000	150,000	08/15/26-27	
			\$600,000			
G.O. Public improvement refunding (\$161,530,000)	5/4/16					
Water share						
Sewer share		5.000	605,000	605,000	08/15/24	
Advanced Water Treatment		5.000	795,000	795,000	08/15/25	
		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	
			\$8,055,000			
G.O. Public improvement refunding (\$32,335,000)	10/24/2019					
Water share						
Advanced Water Treatment						
		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	
			\$5,865,000			
G.O. Public improvement refunding (\$219,310,000)	10/27/2020					
Water share						
Sewer share						
Advanced Water Treatment		5.000	5,770,000	5,770,000	08/01/24	
		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	

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)	
		Interest Rate- %	Principal	Annual Amount	Maturity Date
		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
			\$20,280,000		
G.O. Public improvement Go Bond (\$93,1550,000)	6/27/2024				
Water share	\$15,000,000				
Sewer share					
Advanced Water Treatment		5.000	12,000,000	750,000	6/30/25-6/30/40
	\$15,000,000	4.000	3,000,000	750,000	6/30/41-6/30/44
			\$15,000,000		
SUBTOTAL:			\$52,020,000		
FY 2005 Bond premium to be amortized			24,238		
FY 2007 Bond premium to be amortized			137,149		
FY 2008 Bond premium to be amortized			219,844		
FY 2011 Bond premium to be amortized			544,116		
FY 2012 Bond premium to be amortized			511,461		
FY 2013 Bond premium to be amortized			266,864		
FY 2014 Bond premium to be amortized			75,967		
FY 2015 Bond premium to be amortized			122,732		
FY 2024 Bond premium to be amortized			1,500,529		
Total serial bonds serviced by utilities fund:			55,422,899		
Compensated absences - utilities fund			4,735,341		
Bond and VRA interest payable - utilities fund			878,170		
Leases - utilities			191,447		
VRA loans payable			76,276,607		
Total long-term obligations serviced by utilities fund:			137,504,464		
Compensated absences - Internal service funds			1,197,717		
Compensated absences - CPHD Development fund			4,495,658		
Line of credit for capital serviced by auto equipment fund					
Bond interest payable-Internal Service			249,712		
Leases - CPHD and Internal Service			11,409,817		
Subtotal:			154,857,368		
Bond and mortgage interest payable			48,029,438		
Leases - ballston public parking garage			9,039,660		
Mortgage payable-ballston public garage fund			3,429,679		
Total business-type activities obligations:			215,356,145		
Due in one year			(84,805,104)		
Total business-type activities long-term obligations:			130,551,041		
Total long-term obligations:			2,328,989,430		

ARLINGTON COUNTY, VIRGINIA
SCHEDULE OF DELINQUENT PROPERTY TAXES RECEIVABLE
JUNE 30, 2024

FISCAL YEAR	REAL ESTATE	PERSONAL PROPERTY	TOTAL
2024	\$49,856	\$683,699	\$733,555
2023	35,462	402,984	438,446
2022	931	211,715	212,646
2021	-	226,097	226,097
2020	-	202,784	202,784
2019	-	-	-
2018	-	-	-
2017	46	-	46
2016	1,851	-	1,851
2015	3,671	-	3,671
2014	-	-	-
2013	-	-	-
2012	-	-	-
2011	-	-	-
2010	-	-	-
2009	-	-	-
2008	-	-	-
2007	-	-	-
2006	-	-	-
2005	-	-	-
TOTAL	<u>\$91,817</u>	<u>\$1,727,279</u>	<u>\$1,819,096</u>

NOTES: Figures are rounded to the nearest

The amounts of delinquent real and personal property taxes receivable at June 30, 20 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 \$6,775 and \$377,141

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
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	837,718,155	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%
2024	1,119,155,985	2,503,634	1,116,652,351	99.78%	1,612,079	1,118,264,431	99.92%	298,012	4,573,177	1,819,096	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, 2024

	Governmental Funds <u>Total Cost</u>
Governmental funds capital assets:	
Land	\$270,419,255
Infrastructure	1,189,585,472
Buildings	707,389,590
Furniture, fixtures and equipment	353,838,672
Construction in Progress	235,048,289
Intangibles	14,971,635
	<hr/>
Total governmental funds capital assets	<u><u>\$2,771,252,913</u></u>
Governmental funds right to use lease assets:	
Buildings	139,302,190
Equipment	27,197,942
Subscription	5,099,145
	<hr/>
Total governmental funds right to use lease assets	<u><u>\$171,599,277</u></u>
Investments in governmental funds' capital assets by source:	
General fund	\$267,846,571
Special revenue funds	135,506
Capital projects funds	2,495,740,741
State literary loans	1,680,040
Donated assets	5,850,055
	<hr/>
Total investment in general capital assets	<u><u>\$2,771,252,913</u></u>
Investments in governmental funds' right to use lease assets by source:	
General fund	\$170,557,569
Special revenue funds	1,041,708
	<hr/>
Total investment in right to use lease assets	<u><u>\$171,599,277</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, 2024

FUNCTION AND ACTIVITY:	General Capital Assets			
	6/30/2023 Beginning Balance	Additions	Deletions	6/30/2024 Ending Balance
Governmental funds:				
General Government	\$431,700,361	\$16,767,468	\$-	\$448,467,829
Public Safety	139,299,052	4,821,085	218,483	143,901,654
Environmental Services	1,576,276,025	137,674,084	80,455,810	1,633,494,299
Health and Public Welfare	37,326,140	603,182	-	37,929,322
Libraries	30,693,770	72,000	-	30,765,770
Parks and Recreation	359,879,121	18,945,767	100,659	378,724,229
Planning and Community Development	96,833,051	1,452,454	315,695	97,969,810
Total governmental funds	2,672,007,520	180,336,040	81,090,647	2,771,252,913
Right to use assets				
General Government	164,993,191	2,406,051	11,328	167,387,914
Total governmental funds right to use lease assets	164,993,191	2,406,051	11,328	167,387,914
Internal Services Fund				
Auto Equipment Fund	95,294,408	6,055,446	3,047,209	98,302,645
Total Internal Services Fund	95,294,408	6,055,446	3,047,209	98,302,645
Right to use assets				
Auto Equipment and Printing Funds	1,426,249	2,785,113	-	4,211,362
Total Internal Services Fund right to use assets	1,426,249	2,785,113	-	4,211,362
Component Unit: Schools	1,409,864,770	86,803,777	1,790,320	1,494,878,227
Total general capital assets	\$ 4,177,166,698	\$ 273,195,263	\$ 84,137,856	\$ 4,364,433,785
Total general right to use assets	\$ 166,419,440	\$ 5,191,164	\$ 11,328	\$ 171,599,276

ARLINGTON COUNTY, VIRGINIA
SCHEDULE OF GENERAL CAPITAL ASSETS - BY FUNCTION AND ACTIVITY
JUNE 30, 2024

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	8,952,541	-	-	1,050,170	6,516,125	954,910	431,336	-
Total Control	10,798,371	-	-	1,050,170	8,361,955	954,910	431,336	-
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	466,250	-	-	244,884	189,280	32,086	-	-
Department of Technology Services	96,250,499	-	16,193,753	991,860	61,013,079	3,558,700	14,493,107	-
General government	336,076,961	155,264,483	88,148,773	68,532,953	22,113,685	1,001,390	1,015,677.00	-
Total Staff Agencies	437,669,458	155,264,483	104,342,526	69,769,697	87,988,702	4,795,266	15,508,784	-
Total General Government	448,467,829	155,264,483	104,342,526	70,819,867	96,350,657	5,750,176	15,940,120	-
Public Safety:								
Police	26,500,929	-	1,000,312	11,057,900	13,226,820	1,215,897	-	-
Fire	89,589,459	5,499,264	33,707,344	7,125,394	42,878,766	378,691	-	-
Public Safety Communications and Emergency Management	27,811,266	-	-	-	25,127,813	794,936	1,888,517	-
Total Public Safety	143,901,654	5,499,264	34,707,656	18,183,294	81,233,399	2,389,524	1,888,517	-
Community Services:								
Environmental Services	1,633,494,299	70,615,022	812,835,928	399,991,199	135,262,837	3,245,437	211,543,876	-
Health and Public Welfare	37,929,322	-	-	15,386,887	19,860,826	2,298,889	382,720	-
Libraries	30,765,770	-	11,857,686	18,349,791	558,293	-	-	-
Recreation	378,724,229	29,529,833	156,523,134	169,419,774	18,876,843	921,006	3,453,639	-
Community Development	97,969,810	9,510,653	69,318,542	15,238,778	1,695,817	366,603	1,839,417	-
Total Community Service	2,178,883,430	109,655,508	1,050,535,290	618,386,429	176,254,616	6,831,935	217,219,652	-
Total General Capital Assets	<u>\$2,771,252,913</u>	<u>\$270,419,255</u>	<u>\$1,189,585,472</u>	<u>\$707,389,590</u>	<u>\$353,838,672</u>	<u>\$14,971,635</u>	<u>\$235,048,289</u>	<u>\$-</u>
Governmental funds right to use lease assets:								
General Government				139,302,190	5,099,145			27,197,942
Total governmental funds right to use lease assets	<u>\$171,599,277</u>	<u>\$-</u>	<u>\$-</u>	<u>\$ 139,302,190</u>	<u>\$5,099,145</u>	<u>\$-</u>	<u>\$-</u>	<u>\$ 27,197,942</u>
Internal Services Fund:								
Auto Equipment Fund	<u>\$98,302,645</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$98,302,645</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>
Total Internal Services Fund	<u>\$98,302,645</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$98,302,645</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>
Internal Services Fund right to use lease assets								
Auto Equipment	-	-	-	-	4,211,362	-	-	-
Total governmental funds right to use lease assets	<u>\$4,211,362</u>	<u>\$-</u>	<u>\$-</u>	<u>\$ -</u>	<u>\$4,211,362</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>
Component Unit: Schools	<u>\$1,494,878,227</u>	<u>\$4,697,946</u>	<u>\$-</u>	<u>\$1,272,862,068</u>	<u>\$196,051,661</u>	<u>\$-</u>	<u>\$21,266,552</u>	<u>\$-</u>
Total General Capital Assets	<u>\$4,364,433,785</u>	<u>\$275,117,201</u>	<u>\$1,189,585,472</u>	<u>\$1,980,251,658</u>	<u>\$648,192,978</u>	<u>\$14,971,635</u>	<u>\$256,314,841</u>	<u>\$-</u>

ARLINGTON COUNTY, VIRGINIA
GENERAL AND SPECIAL REVENUE FUNDS
DETAIL SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2023)

	2024		
	Budget	Actual	Variance - Positive (Negative)
			2023 Actuals
GENERAL FUND			
General property taxes:			
Real estate	\$882,991,300	\$902,400,336	\$19,409,036
Personal	142,730,733	148,702,988	5,972,255
Total general property taxes	1,025,722,033	1,051,103,324	25,381,291
Other local taxes:			
Business, professional and occupational license (BPOL) tax	83,280,000	89,353,840	6,073,840
Sales tax	52,800,000	54,742,592	1,942,592
Meals tax	45,000,000	48,865,266	3,865,266
Transient tax	22,000,000	24,727,852	2,727,852
Utility tax	15,900,000	17,026,563	1,126,563
Recordation, car rental and other local taxes	26,463,000	28,694,144	2,231,144
Total other local taxes	245,443,000	263,410,257	17,967,257
Total taxes	1,271,165,033	1,314,513,581	43,348,548
License, permits and fees	9,031,300	8,000,118	(1,031,182)
Fines and forfeitures	6,834,924	6,084,153	(750,771)
Charges for services	68,889,466	68,934,696	45,230
Grants:			
State grants	98,784,708	96,689,863	(2,094,845)
Federal grants	31,276,155	25,940,043	(5,336,112)
Total grants	130,060,863	122,629,906	(7,430,957)
Use of money and property	30,291,430	52,642,380	22,350,950
Bond premiums	-	-	-
Sale of land and buildings	15,000	8,301,043	8,286,043
Miscellaneous revenue	217,249,639	29,323,469	(187,926,170)
GRAND TOTALS FOR GENERAL FUND	\$1,733,537,655	\$1,610,429,346	(\$123,108,309)
GENERAL FUND TRANSFERS FROM OTHER FUNDS:			
Rosslyn Business Improvement District	\$90,914	\$95,126	\$4,212
National Landing Business Improvement District	94,842	94,989	147
Automotive Equipment Fund	130,000	130,000	-
Street & Highway Bond Fund	-	695,893	695,893
Neighborhood Conservation Bond Fund	-	349,766	349,766
Government Facility Bond	-	2,813,162	2,813,162
Ballston Business Improvement District	29,536	25,682	(3,854)
Public Recreation Bond Fund	-	979,606	979,606
TCF – NVTA 30%	1,581,915	1,581,915	0
TCF C&I Tax	3,072,638	3,082,154	9,516
Transit Facilities Bond Fund	-	356,798	356,798
IDA Bond Funds	-	1,161,880	1,161,880
IDA Skating Facility	2,400,000	-	(2,400,000)
School Capital Improvement Bond Fund	-	7,429,041	7,429,041
Custodial Funds	80,000	-	(80,000)
Total transfers	\$7,479,845	\$18,796,012	\$11,316,167
GRAND TOTALS	\$1,741,017,500	\$1,629,225,358	(\$111,792,142)

ARLINGTON COUNTY, VIRGINIA
GENERAL AND SPECIAL REVENUE FUNDS
DETAIL SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2023)

	2024			
	Budget	Actual	Variance - Positive (Negative)	2023 Actuals
SPECIAL REVENUE FUNDS:				
Ballston BID	\$1,476,793	\$1,291,609	(\$185,184)	\$1,487,859
Ballston Quarter CDA	3,003,256	3,311,182	307,926	3,085,880
Travel & Tourism Fund	3,827,160	3,761,958	(65,202)	1,541,751
Rosslyn BID	4,832,337	4,789,331	(43,006)	4,246,080
National Landing BID	4,742,121	4,753,593	11,472	4,374,019
Community Development Block Grant Fund	13,156,628	2,151,454	(11,005,174)	2,455,260
Housing Choice Vouchers	30,300,203	23,962,836	(6,337,367)	22,455,481
Total Special Revenue Funds	\$61,338,498	\$44,021,963	(\$17,316,535)	\$39,646,330
BREAKDOWN OF REVENUE BY FUNCTION:				
	Charges for services includes licenses & fees	Operating grants/Contributions		Capital Grants Contributions
		State	Federal	
General government	\$16,309,602	\$41,139,600	\$4,750,298	\$-
Public safety	12,691,079	13,400,541	1,003,230	-
Environmental services	35,067,866	13,321,091	-	-
Health & welfare	4,313,455	28,492,744	19,815,518	-
Libraries	72,765	281,387	-	-
Economic development	168,857	4,500	279,550	-
Planning & community development	871,048	-	-	-
Parks & recreation	13,524,295	50,000	91,447	-
Total General Fund	\$83,018,967	\$96,689,863	\$25,940,043	\$-

ARLINGTON COUNTY, VIRGINIA
GENERAL AND SPECIAL REVENUE FUNDS
DEETAIL SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2023)

	2024			2023
	Budget	Actual	Variance - Positive (Negative)	Actuals
General Government Administration:				
County Board	\$2,169,059	\$2,005,305	\$163,754	\$1,815,270
County Manager	7,039,431	6,546,156	493,275	6,136,346
Management and Finance	10,539,864	10,484,790	55,074	9,987,309
Human Resources	11,595,137	10,681,374	913,763	11,123,799
Technology Services	30,544,185	30,326,902	217,283	28,953,272
County Attorney	4,326,676	4,189,539	137,137	3,741,376
Commissioner of Revenue	6,474,444	6,376,969	97,475	6,055,127
Treasurer	8,179,168	7,392,422	786,746	7,161,546
Electoral Board	2,122,578	1,934,942	187,636	1,748,237
Total General Government	82,990,542	79,938,399	3,052,143	76,722,282
Judicial Administration:				
Circuit Court Judiciary	1,330,076	1,432,135	(102,059)	1,230,337
Circuit Court Clerk	4,653,124	4,594,725	58,399	4,111,554
District Court	444,273	357,161	87,112	351,768
Juvenile & Domestic Relations Court	8,212,338	7,965,133	247,205	6,925,453
Commonwealth Attorney	6,591,576	5,764,379	827,197	5,554,753
Sheriff & Jail	51,924,707	52,829,803	(905,096)	50,103,188
Magistrate's Office	30,832	23,632	7,200	28,654
Office of the Public Defender	443,338	430,328	13,010	403,540
Total Judicial Administration	73,630,264	73,397,296	232,968	68,709,247
Public Safety:				
Police	88,069,281	85,251,069	2,818,212	76,798,341
Public Safety Communications and Emergency Management	14,780,170	15,249,588	(469,418)	14,409,426
Fire	78,281,552	78,360,884	(79,332)	77,348,171
Total Public Safety	181,131,003	178,861,541	2,269,462	168,555,938
Department of Environmental Services:				
DES-Environmental Services	123,719,767	118,128,352	5,591,415	112,573,286
Health & Welfare:				
Human Services	200,559,225	186,668,336	13,890,889	170,966,283
Libraries:	18,040,596	18,343,891	(303,295)	16,213,146
Planning & Community Development:				
Economic Development	10,604,204	9,841,823	762,381	9,685,556
Community Planning, Housing & Development	12,929,883	12,627,627	302,256	12,218,968
Total Planning & Community Development	23,534,087	22,469,450	1,064,637	21,904,524
Parks & Recreation:	58,523,685	56,853,651	1,670,034	52,485,423
Non-Departmental:				
Non-Departmental	189,952,622	100,455,768	89,496,854	99,243,776
Debt Service				
Principal payment	41,559,812	53,035,000	(11,475,188)	49,725,000
Interest payment	37,846,212	37,498,573	347,639	26,984,082
Other costs	125,000	394,325	(269,325)	29,969
Regionals/Contributions	8,062,957	7,550,078	512,879	7,285,284
METRO	47,842,394	47,842,394	-	46,622,208
Total Non-Departmental	325,388,997	246,776,138	78,612,859	229,890,319
Total expenditures before transfers-out	1,087,518,166	981,437,054	106,081,112	918,020,448

ARLINGTON COUNTY, VIRGINIA
GENERAL AND SPECIAL REVENUE FUNDS
DEETAIL SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2023)

	2024			2023
	Budget	Actual	Variance - Positive (Negative)	Actuals
Transfers-Out;				
StormWater		105,591		
Travel & Tourism	246,700	68,834	177,866	246,700
Community Development Block Grant			-	460,000.00
Auto Equipment Fund	-	-	-	-
Printing Fund	777,258	777,258	-	262,658
General Capital Projects Fund	20,577,320	20,577,320	-	14,503,093
Utilities - Construction (Pay as U Go)	119,139.00	104,918	-	-
CPHD Development Fund	2,000,000.00	2,000,000	-	-
OPEB Trust Fund	-	79,798	(79,798)	70,619
Schools				
General Operating	629,060,616	534,983,978	94,076,638	539,219,898
Community Activities/Cable TV	-	6,494,369	(6,494,369)	5,928,166
Pay-As-You-Go	-	8,188,902	(8,188,902)	2,656,652
Debt Service	-	61,966,860	(61,966,860)	54,924,661
Comprehensive Services Act	-	3,442,264	(3,442,264)	2,516,915
Custodial	2,028,730		2,028,730	
Total transfers-out	654,809,763	638,790,092	16,111,041	\$620,789,362
GRAND TOTALS EXPENDITURES	\$1,742,327,929	\$1,620,227,146	\$122,192,153	\$1,538,809,810
SPECIAL REVENUE FUNDS:				
Ballston Quarter CDA	3,003,256	3,143,317	(140,061)	3,124,178
Travel & Tourism Promotion	3,827,160	3,761,958	65,202	1,775,557
Ballston Business Improvement District	1,476,793	1,472,939	3,854	1,403,110
Rosslyn Business Improvement District	4,832,337	4,715,487	116,850	4,072,949
Crystal City Business Improvement District	4,742,121	4,623,589	118,532	4,231,200
Community Development Block Grant	13,156,628	2,151,454	11,005,174	2,455,260
Section 8 Housing	30,057,012	23,962,836	6,094,176	22,455,481
Total Special Revenue Funds	\$61,095,307	\$43,831,580	\$17,263,727	\$39,517,735
TOTAL GENERAL AND SPECIAL REVENUE FUNDS	\$1,803,423,236	\$1,664,058,726	\$139,455,880	\$1,578,327,545

ARLINGTON COUNTY, VIRGINIA
SCHEDULE OF CAPITAL OUTLAYS AND CAPITAL PROJECTS
GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2024

FUND AND FUNCTION	AMOUNT
GENERAL FUND:	
Capital Outlays:	
General Government	\$557,108
Public Safety	\$1,107,135
Public Works	1,445,205
Health & Public Welfare	159,060
Parks & Recreation	207,266
Planning & Community development	-
Total General Fund	\$3,475,774
CAPITAL PROJECTS FUNDS:	
General Capital Projects Fund:	
Public Works:	
Transportation Projects	19,687,271
Government Facilities	15,079,536
Cultural & Recreation - Community Affairs:	
Government Facilities	4,484,561
Parks	7,490,951
Total General Capital Projects Funds	46,742,319
NVTA	87,950,149
NOVA Transportation Authority	
Street & Highway Bond Fund:	
Capital Projects - Public Works/Transportation/ Street & Highway Improvements	12,249,005
Neighborhood Conservation Bond Fund:	
Neighborhood Capital Projects	1,334,204
Government Facility Bond	15,654,466
Stormwater Fund	-
Public Recreation Bond Fund:	
Public Recreation	3,336,549
TIF Tax Increment Finance Fund:	
Crystal City	6,093,962
TOTAL ALL OTHER GOVERNMENTAL FUNDS	38,668,186
GRAND TOTAL	\$176,836,428

This page has intentionally been left blank.



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)

	<u>2015</u>	Restated <u>2016</u>	Restated <u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	Restated <u>2022</u>	<u>2023</u>	<u>2024</u>
Governmental Activities										
Net investment in capital assets	\$574,586,273	\$635,380,832	\$680,734,809	\$709,263,105	\$731,027,923	\$794,000,992	\$817,971,527	\$514,274,489	\$773,332,278	\$770,022,778
Restricted	330,023,604	334,149,978	173,130,986	138,358,959	150,067,653	49,261,389	157,514,561	103,840,222	144,790,759	297,073,737
Unrestricted	81,902,773	117,459,284	68,643,510	69,423,556	155,826,816	340,792,351	300,860,321	384,242,769	34,149,969	23,873,088
Total governmental activities net position	\$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	\$952,273,006	\$1,090,969,602
Business-Type Activities										
Net investment in capital assets	\$690,358,957	\$716,480,873	\$745,082,642	\$782,955,479	\$820,779,039	\$852,241,713	\$860,599,018	\$910,234,485	\$948,577,392	\$998,381,996
Unrestricted	66,850,074	61,732,336	56,239,617	41,338,610	27,698,991	23,868,719	31,702,094	3,981,381	(16,572,530)	(8,068,577)
Total business-type activities net position	\$757,209,031	\$778,213,209	\$801,322,259	\$824,294,089	\$848,478,030	\$876,110,432	\$892,301,112	\$914,215,866	\$932,004,862	\$990,313,419
Primary government										
Net investment in capital assets	\$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	\$1,721,909,670	\$1,768,404,774
Restricted	330,023,604	334,149,978	173,130,986	138,358,959	150,067,653	49,261,389	157,514,561	103,840,222	144,790,759	297,073,737
Unrestricted	148,752,848	179,191,620	124,883,128	110,762,166	183,525,807	364,661,070	332,562,415	388,224,150	17,577,439	15,804,511
Total primary government activities net position	\$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	\$1,884,277,867	\$2,081,283,022
School Component Unit										
Net investment in capital assets	\$556,749,155	\$581,646,003	\$609,275,690	\$669,586,313	\$760,308,386	\$805,410,072	\$848,994,635	\$920,373,797	\$939,512,808	\$962,225,634
Restricted	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	157,903,743
Unrestricted	(406,303,553)	(463,796,368)	(563,004,285)	(540,914,359)	(551,814,383)	(579,729,281)	(567,739,525)	(549,935,016)	(398,828,205)	(399,201,643)
Total schools component unit activities net position	\$223,288,733	\$193,649,567	\$183,057,495	\$290,553,841	\$342,654,071	\$310,197,671	\$390,479,247	\$458,690,905	\$706,501,107	\$720,927,734
Other Component Units										
Net investment in capital assets	\$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	\$11,864,922
Unrestricted	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	7,715,276
Total other component units activities net position	\$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	\$19,580,198
Total reporting entity										
Net investment in capital assets	\$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	\$2,673,334,109	\$2,742,495,330
Restricted	402,866,735	409,949,910	309,917,076	298,915,290	282,617,828	132,080,730	267,951,031	192,092,346	310,607,263	454,977,480
Unrestricted	102,511,095	81,014,657	(248,396,007)	(10,434,274)	118,053,331	262,911,391	244,551,179	(156,045,233)	(373,535,490)	(375,681,856)
Total reporting entity net postion	\$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	\$2,610,405,882	\$2,821,790,954

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		
Primary government:	2015	Restated 2016	Restated 2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities:										
General government	\$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	\$388,851,122
Public safety	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	191,446,922
Environmental services	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	153,254,220
Health & welfare	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	221,075,644
Libraries	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	19,415,906
Parks, recreation & culture	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	70,881,749
Planning & community development	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	68,570,743
Education	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	587,605,718
Interest and other charges	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	44,336,497
Total governmental activities expenses	<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>	<u>1,745,438,520</u>
Business-type activities:										
Utilities	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	126,454,115
Ballston Public Parking Garage	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	7,453,820
8th Level Ballston Public Parking Garage	174,141	193,955	172,755	168,660	171,869	159,682	176,396	176,163	181,641	222,765
CPHD Development Fund	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	25,766,448
Total business-type activities expenses	<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>	<u>159,897,148</u>
Total primary government expenses	<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>	<u>\$1,905,335,668</u>
Component units:										
Schools	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	756,438,477
Other	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	8,489,455
Total component units activities expenses	<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>	<u>\$764,927,932</u>
Program Revenues										
Primary government:										
Governmental activities:										
Charges for services:										
General government	\$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	\$16,309,602
Environmental services	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	35,067,866
Public safety	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	12,691,079
Other activities	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	28,574,881
Operating grants and contributions	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	170,481,081
Total governmental activities program revenues	<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>	<u>263,124,509</u>
Business-type activities:										
Charges for services:										
Water-sewer service charges	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	102,823,245
Water-service hook-up charges	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	3,063,935
Other activities	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	29,535,311
Capital grants and contributions	1,065,000	906,855	985,385	1,068,855	2,734,420	1,512,140	2,457,070	179,780	1,842,039	57,775
Total business-type activities program revenues	<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>	<u>135,480,266</u>
Total primary government program revenues	<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>	<u>\$398,604,775</u>
Component units:										
Charges for services	\$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	\$32,561,433
Operating grants and contributions	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	107,250,633
Total component units program revenues	<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>	<u>\$139,812,066</u>

ARLINGTON COUNTY, VIRGINIA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	<u>2015</u>	<u>Restated 2016</u>	<u>Restated 2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Restated 2022</u>	<u>2023</u>	<u>2024</u>
Net (Expense) Revenues										
Primary government:										
Governmental activities	(\$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)	(\$1,482,314,011)
Business-type activities	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	(24,416,882)
Total primary government net expense	<u>(\$904,058,019)</u>	<u>(\$1,103,966,045)</u>	<u>(\$1,064,524,553)</u>	<u>(\$1,257,637,880)</u>	<u>(\$1,047,737,488)</u>	<u>(\$1,113,770,642)</u>	<u>(\$1,405,131,237)</u>	<u>(\$1,610,739,526)</u>	<u>(\$1,327,135,537)</u>	<u>(\$1,506,730,893)</u>
Component units:										
Component unit activities	\$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)	(\$625,115,866)
Total component units' net expense	<u>\$39,211,311</u>	<u>(\$522,112,502)</u>	<u>(\$554,684,996)</u>	<u>(\$525,191,897)</u>	<u>(\$549,570,449)</u>	<u>(\$584,674,376)</u>	<u>(\$564,262,178)</u>	<u>(\$600,505,516)</u>	<u>(\$570,553,570)</u>	<u>(\$625,115,866)</u>
General Revenues and Changes in Net Position										
Governmental activities:										
Property taxes:										
Real estate property taxes	\$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	\$933,888,711
Personal property taxes	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	148,702,988
Other local taxes:										
Business, professional occupancy license taxes	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	89,353,840
Other local taxes	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	191,875,594
Investment and interest earnings	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	59,959,608
Miscellaneous	27,933,406	10,662,537	(8,417,776)	(29,142,147)	2,318,704	81,589,446	294,953,062	537,342,702	70,592,748	219,805,385
Total governmental activities	<u>\$1,050,103,196</u>	<u>\$1,061,328,611</u>	<u>\$1,086,229,317</u>	<u>\$1,082,779,496</u>	<u>1,189,114,617</u>	<u>\$1,287,701,028</u>	<u>1,488,980,848</u>	<u>1,805,794,085</u>	<u>\$1,422,717,515</u>	<u>\$1,643,586,126</u>
Business-type activities:										
Investment and interest earnings	\$365,013	\$621,879	\$420,674	\$543,957	\$2,283,585	\$1,135,374	\$107,450	-\$1,650,969	\$1,050,627	\$3,156,410
Revenue from General Fund	-	-	-	884,701	400,000	(301,019)	-	0	406,733.0	2,210,511.0
Total business-type activities	<u>\$365,013</u>	<u>\$621,879</u>	<u>\$420,674</u>	<u>\$1,428,658</u>	<u>\$2,683,585</u>	<u>\$834,355</u>	<u>\$107,450</u>	<u>-\$1,650,969</u>	<u>\$1,457,360</u>	<u>\$5,366,921</u>
Total primary government	<u>\$1,050,468,209</u>	<u>\$1,061,950,490</u>	<u>\$1,228,487,014</u>	<u>\$1,084,208,154</u>	<u>\$1,191,798,202</u>	<u>\$1,288,535,382</u>	<u>\$1,489,088,298</u>	<u>\$1,804,143,096</u>	<u>\$1,424,174,874</u>	<u>\$1,648,953,047</u>
Component units activities:										
Other local taxes										
Other local taxes	\$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	\$36,409,103
Revenue from the general fund/miscellaneous	204,103	468,749,277	519,085,091	605,583,573	572,369,170	520,420,698	607,526,387	625,291,416	732,498,036	655,136,457
Total primary government	<u>\$21,402,492</u>	<u>\$491,817,262</u>	<u>\$24,958,723</u>	<u>\$631,916,439</u>	<u>\$600,786,781</u>	<u>\$551,156,554</u>	<u>\$641,571,036</u>	<u>\$665,770,586</u>	<u>\$774,174,868</u>	<u>\$691,545,560</u>
Changes in Net Position										
Primary government:										
Governmental activities	\$123,633,778	(\$63,019,733)	(\$983,612)	(\$5,463,685)	\$119,876,773	\$147,132,339	\$67,766,380	\$171,488,817	\$79,278,014	\$161,272,115
Business-type activities	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	(19,049,961)
Total primary government net expense	<u>\$146,410,190</u>	<u>(\$42,015,555)</u>	<u>\$22,125,438</u>	<u>\$17,508,145</u>	<u>\$144,060,714</u>	<u>\$174,764,740</u>	<u>\$83,957,061</u>	<u>\$193,403,570</u>	<u>\$97,039,337</u>	<u>\$142,222,154</u>
Component units:										
Component units activities	\$60,613,803	(\$30,295,140)	(\$10,973,165)	106,724,542	51,216,332	(\$33,091,655)	77,308,858	65,285,071	\$203,621,298	\$66,429,693
Total component units' net expense	<u>\$60,613,803</u>	<u>(\$30,295,140)</u>	<u>(\$10,973,165)</u>	<u>\$106,724,542</u>	<u>\$51,216,332</u>	<u>(\$33,091,655)</u>	<u>\$77,308,858</u>	<u>\$65,285,071</u>	<u>\$203,621,298</u>	<u>\$66,429,693</u>

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)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
<u>Nonspendable:</u>										
Prepaid	\$-	\$-	\$35,036	\$61,626	\$147,830	\$299,252	\$806,719	\$1,678,224	\$1,336,872	\$3,929,428
Leases	-	-	-	-	-	-	-	3,678,665	4,514,249	3,915,778
Mark to Market investment reserve	-	-	-	-	-	-	-	(25,284,273)	-	-
<u>Restricted for:</u>										
Seized assets	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	2,028,721
Grants	-	-	255,110	144,268	6,556	105,530	19,702,462	18,863,792	18,560,812	19,176,413
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	5,415,547	7,139,000
Economic & revenue stabilization contingent	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	21,453,061
Operating reserve	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	90,762,949
Subsequent years' County budget	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	33,563,543
Subsequent years' capital projects	2,833,146	2,057,099	6,636,589	195,358	16,776,098	-	4,527,882	1,884,484	6,257,461	16,378,000
Incomplete projects	281,390	562,321	664,991	-	488,256	342,706	344,463	346,377	342,813	241,458
Affordable Housing Investment Fund-Allocated	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	32,309,741
Subsequent years' School's budget	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	31,733,285
<u>Assigned to:</u>										
Subsequent years' County budget	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	10,293,334
Subsequent years' capital projects	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	12,573,730
Economic & revenue stabilization contingent	-	-	-	-	6,781,228	-	-	6,883,654	629,453	-
Subsequent years' School's budget	-	-	-	-	-	-	-	35,506,738	-	-
Operating reserve	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	1,029,381	652,621	156,301	-	-	-	-	-	-	-
Subsequent years' capital projects	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	3,833,518
Affordable Housing Investment Fund-Unallocated	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	74,560,482
<u>Unassigned:</u>	-	-	-	16,323,813	14,243,330	-	16,543,609	26,528,839	21,509,879	8,442,724
Total General Fund Balance	\$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	\$372,335,165
General Fund Balance as Percent of General Fund Expenditures and Other Financing Uses										
	17.07%	16.15%	15.26%	14.49%	18.47%	18.65%	25.13%	20.99%	23.61%	22.98%
Other Governmental Funds										
<u>Special Revenue funds</u>										
<u>Nonspendable:</u>										
Prepaid	\$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	\$0
<u>Restricted for:</u>										
Grants	178,471	261,829	489,837	203,901	700,734	1,234,786	2,537,763	1,811,579	2,110,317	2,177,562
<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	204,275	325,660	90,614	3,118,321	170,170	5,902,267	1,500,640
<u>Restricted for:</u>										
Debt Service	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	98,491,041
<u>Committed to:</u>										
Capital Projects	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	263,424,390
<u>Unassigned:</u>	(90,872)	(90,872)	(90,872)	-	-	(1,178,162)	-	-	-	-
Total Other Governmental Fund Balance	\$361,135,251	\$358,609,635	\$462,891,099	\$452,788,614	\$473,043,141	\$374,334,020	\$527,403,451	\$432,107,629	\$443,695,595	\$365,593,633
Component unit - Schools										
<u>Nonspendable:</u>										
Inventory	\$-	\$-	\$65,361	\$47,853	\$65,361	\$183,594	\$131,759	\$125,828	\$116,909	\$10,216
<u>Restricted for:</u>										
Capital projects	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	148,410,454
Grants	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	6,429,081
Student Activities	-	-	-	-	-	-	2,802,930	2,908,543	3,060,459	3,064,208
<u>Committed to:</u>										
Incomplete projects	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	49,588,291
Subsequent years' School budget	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	27,960,052
<u>Assigned to:</u>										
Operating reserve	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	11,866,406
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	5,260,000	4,610,000	3,310,000	643,621	684,474	414,474	-	1,255,490	3,385,010	2,179,625
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	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	4,637,239	2,512,239	2,512,239	2,512,239	1,412,239	1,047,239	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	\$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	\$253,555,572

TABLE D

ARLINGTON COUNTY, VIRGINIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
REVENUES:										
General property taxes:										
Real estate property taxes	\$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	\$933,888,711
Personal property taxes	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	148,702,988
Other Local taxes:										
BPOL	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	89,353,840
Other local taxes	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	191,875,594
Fines and forfeitures	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	6,084,153
Licenses, permits and fees	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	8,000,118
Intergovernmental	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	170,481,081
Charges for services	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	78,559,157
Interest and rent	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	59,959,608
Miscellaneous revenues	16,519,366	9,987,188	36,435,080	34,419,599	25,556,067	22,676,638	48,907,971	43,323,994	70,059,765	73,044,689
Total revenues	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	1,697,247,136	1,759,949,939
EXPENDITURES:										
Current operating:										
General government	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	358,400,282
Public safety	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	178,506,887
Environmental services	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	116,683,147
Health and welfare	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	210,472,112
Libraries	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	18,343,891
Parks, recreation and culture	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	57,026,928
Planning and community development	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	42,896,418
Debt service										
Principal	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	66,076,136
Interest and other charges	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	44,336,497
Bond issuance costs	-	(55,934)	-	-	-	-	-	-	-	-
Community development	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	21,100,000
Education	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	616,076,021
Capital outlay	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	176,836,428
Total expenditures	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	1,906,754,747
Deficiency of revenues under expenditures	(62,506,150)	(82,662,211)	(124,107,194)	(234,999,218)	(140,039,020)	(99,575,996)	(402,308,537)	(378,360,400)	(213,349,463)	(146,804,807)
OTHER FINANCING SOURCES(USES):										
Transfers in	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	32,013,125
Transfers out	(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)	(70,002,466)
Line of credit for capital	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	-	151,110,000	-	26,150,000	-	-	-	-	-	-
Payments to refunded bond escrow agent	-	(151,165,934)	-	(29,785,000)	-	4,862,630	8,095,928	1,062,156	1,798,508	8,301,043
Deferred cost of refunding	-	-	-	3,635,000.00	-	-	-	-	-	-
Premium from sale of bonds	5,647,316	12,072,242	29,561,598	32,439,884	29,206,577	189,686	72,762,584	-	20,957,453.0	8,268,680.0
Leases	-	-	-	-	-	-	-	159,781,556	4,669,647	5,191,165
Issuance of debt	74,440,000	55,200,000	185,095,000	185,270,000	169,480,000	-	533,620,000	-	187,375,000.0	110,805,000.0
Total other financing sources, net	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	94,576,547
Net change in fund balances	\$23,826,471	(\$10,185,168)	\$99,467,793	(\$14,478,716)	\$71,214,306	(\$84,857,874)	\$211,558,796	(\$62,371,510)	\$11,942,262	(\$52,228,261)
Debt service as a percentage of noncapital expenditures	4.7%	4.7%	4.5%	4.9%	4.8%	5.3%	3.8%	4.5%	4.5%	6.4%

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	
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
2024	153,335,695	178,861,541	118,128,352	186,668,336	159,877,866	723,337,423	100,455,768	174,891,823	47,842,394	7,550,078	1,850,949,276

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
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
2024	1,368,741,861	8,000,118	255,994,829	93,169,518	6,084,153	89,414,552	1,821,405,031

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
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
2024	1,051,184,224	54,742,592	1,990,009	25,964,244	7,792,171	4,489,011	8,338,431	\$10,841,618	48,865,266	\$94,169	92,307	1,214,394,042

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		
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	1.030/0.996	5.00%
2024	91,288,367,600	91,288,367,600	2,950,833,112	2,950,833,112	1,077,851,215	1,077,851,215	95,317,051,927	95,317,051,927	0.996/1.033	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

2024				2015			
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	\$4,962,170,100	1	5.43%	Vornado Realty Trust Office buildings, apartartments, hotel, land	\$3,653,224,900	1	5.27%
Albrittain Interests Apartments, general commercial	1,714,850,200	2	1.87%	Albrittain interests Apartment, general commercial	1,348,685,300	2	1.94%
Shirley Park Leasing LP Office Buildings	1,462,971,700	3	1.60%	JBG Companies Office building, land, apts, retail, res	1,189,000,000	3	1.71%
Arland Towers Company Office Building, land	1,167,093,500	4	1.27%	Paradigm Managed Properties Apartments, general commercial	1,152,797,500	4	1.66%
Tishman Speyer Apartments	1,367,580,600	5	1.49%	Arland Towers Co Office building, land	1,138,945,100	5	1.64%
Paradigm Managed Properties Apartments, general commercial	1,306,367,400	6	1.43%	Shirley Park Leasing Office Building, apartment	853,654,600	6	1.23%
Beacon Capital Partners Office buildings, land	814,270,100	7	0.89%	Beacon Capital Office buildings, land	847,456,400	7	1.22%
Caruthers Retail, Office Apartment	721,226,400	8	0.79%	Street Retail Inc Retail, office buildings, land, hotel	765,949,000	8	1.10%
Street Retail Inc Retail office	601,522,400	9	0.65%	Fashion Centre Assoc Mixed use retail, hotel	748,940,200	9	1.08%
Fashion Centre Assoc Mixed use retail, Hotel	570,434,900	10	0.62%	Tishman Speyer Office buildings, aparts, hotel, land	673,023,600	10	0.97%
Total	<u>\$14,688,487,300</u>		<u>15.42%</u>		<u>\$12,371,676,600</u>		<u>17.82%</u>

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
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%	-	1,065,322,612	99.83%
2024	1,119,155,985	1,116,652,351	99.78%	-	1,116,652,351	99.78%

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
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%
2024	965,976,713	964,156,778	99.81%	-	964,156,778	99.81%

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
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%
2024	153,179,272	152,495,573	99.55%	-	152,495,573	99.55%

* 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									
Fiscal Year	General Obligation Bonds (2)	Bond Premiums	IDA Revenue Bonds (3)	Leases	Line of credit for Capital	Utilities General Obligation Bonds (4)	Bond Premiums	BPPG Revenue Bonds (4)	BPPG Note Payable	VRA Bonds (4)	Leases	Line of credit for Capital	Total Primary Government	Pct. Of Personal Income (1)	Debt Per Capita (1)
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	137,371,678	10,536,744	52,765,000	2,532,332	-	3,429,679	110,665,859	23,657,929	-	1,743,394,328	6.14%	5,846
2023	1,217,005,000	192,864,107	95,745,000	125,271,141	22,044,776	43,315,000	2,217,350	-	3,429,679	93,642,628	21,569,636	-	1,817,104,317	7.45%	7,089
2024	1,191,000,000	183,705,275	84,915,000	114,152,800	356,563	66,935,000	7,426,395	-	3,429,679	76,276,607	19,145,185	-	1,747,342,504	6.85%	6,521

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)			
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	83,515,000	1,445,555,000	1.94%	6,138
2024	240,900	95,317,051,927	1,374,705,275	74,361,395	120,165,000	1,569,231,670	2.11%	6,514

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 net, including 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)
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
2024	134,651,376	102,669,195	31,982,181	8,600,000	3,633,695	12,233,695	2.61

NOTES:

- (1) The bonds issued to finance construction of the County's water and sewer system, and stormwater infrastructure, and are recorded as a liability of the County's Utility funds, including Stormwater (Exhibit D-1). The debt service on these bonds is financed by the operation of the Utilities Funds 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)
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%
2024	240,900	27,056,202	112,313	27,841	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

2024		2015	
<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
Booz Allen Hamilton	7	Accenture	7
Gartner	8	FDIC	8
Lidl	9	Virginia Hospital Center	9
Bloomberg Industry Group	10	National Science Foundation	10
Nestle	11	Environmental Protection Agency	11
Guidehouse	12	General Services Administration	12
Marymount University	13	Marriott International, Inc.	13
Politico	14	Corporate Executive Board	14
Public Broadcasting Service	15	Booz Allen Hamilton	15
Boeing	16	CACI	16
Rand Corporation	17	BNA Bloomberg	17
CNA Corp	18	Lockheed Martin Corp	18
Oracle America, Inc.	19	SRA International	19
SAIC	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

Department	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
County Board	8.3	9.3	10.0	10.0	10.0	10.0	10.0	10.0	12.0	12.0
County Manager	35.9	37.4	33.4	36.0	33.0	31.0	31.0	31.0	35.0	37.0
Management and Finance	56.5	57.5	57.5	58.5	58.5	58.5	59.5	60.5	64.5	63.0
Technology Services	72.0	78.0	78.0	77.0	74.0	80.0	85.0	90.0	91.0	91.0
Human Resources	52.0	52.0	53.0	53.0	53.0	53.0	53.0	54.2	56.9	57.4
County Attorney	14.0	15.0	15.0	16.0	16.0	16.0	16.0	18.0	20.0	20.0
Circuit Court	33.8	36.8	36.8	37.3	37.3	38.3	39.3	43.9	44.9	44.8
General District Court	1.5	1.5	1.5	1.5	1.0	1.0	1.0	1.0	1.0	1.0
Juvenile and Domestic Relations Court	55.8	55.8	55.8	57.8	59.8	60.3	60.3	59.3	60.3	60.3
Commonwealth's Attorney	35.0	36.0	34.0	35.0	35.0	36.0	38.0	42.0	47.0	48.0
Sheriff	272.0	279.0	286.0	293.0	293.0	295.0	296.0	297.0	298.0	298.0
Commissioner of Revenue	52.0	52.0	52.0	53.0	53.0	53.0	53.0	53.0	53.0	53.0
Treasurer	61.8	62.4	62.7	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	8.8	9.8	9.8	9.8	9.8
Office of Emergency Management	74.5	74.5	74.5	76.5	74.5	74.5	75.5	74.5	75.5	73.8
Police	470.0	472.0	478.0	478.0	477.0	479.0	481.0	490.0	492.0	491.0
Fire	321.0	319.0	332.0	332.0	340.0	349.0	359.0	374.0	374.0	371.0
Public Works/Environmental Services	765.0	774.5	783.5	793.5	799.0	799.5	809.5	809.5	840.7	828.6
Human Services	681.5	705.9	717.9	725.6	710.2	713.5	726.2	745.1	767.7	794.8
Libraries	133.9	133.9	133.9	134.9	133.9	130.7	130.7	130.7	140.2	140.2
Economic Development	63.6	56.7	60.0	63.2	59.9	58.9	57.9	58.9	59.1	59.1
Community Planning, Housing & Development	198.6	184.5	188.5	194.5	194.0	199.5	200.0	201.5	221.1	237.1
Parks, Recreation & Cultural Resources	371.2	370.9	379.0	379.1	368.1	359.9	368.7	404.2	414.4	411.1
Total County Positions	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	4,264.6
Total School Positions	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	5,248.2
TOTAL POSITIONS	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	9,512.8

Sources: Arlington County FY2023 Adopted Budget and Arlington County School Board's Adopted Budget FY 2023.

ARLINGTON COUNTY, VIRGINIA
OPERATING INDICATORS BY FUNCTION-PROGRAM
LAST TEN FISCAL YEARS

TABLE N

Date of Adoption January 1, 1932	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Area (square miles)	26	26	26	26	26	26	26	26	26	26
Lane Miles	974	974	974	1,051	1,059	1,059	1,059	1,061	1,059	1,058
Number of Street Lights	19,642	18,349	18,493	18,500	18,625	18,655	19,297	18,141	19,321	18,695
<u>Fire Protection:</u>										
Number of Stations	10	10	10	10	10	9	9	9	9	9
Training Academy	1	1	1	1	1	1	1	1	1	1
<u>Education:</u>										
Attendance Centers	38	39	39	39	39	38	38	40	40	40
Number of Classrooms (1)	1,780	1,851	1,913	1,797	1,781	1,828	1,831	1,677	1,678	1,678
Number of Teachers	2,501	2,628	2,736	2,828	2,980	2,990	2,899	3,008	3,045	3,075
Number of Students	24,664	25,463	26,405	26,983	27,521	28,020	26,614	27,228	27,571	27,841
<u>County Water System:</u>										
Number of consumer service locations	37,464	37,658	37,577	37,487	37,479	37,739	37,847	37,807	37,348	37,714
Average daily consumption (gallons)	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	20,995,000
Miles of water mains	525	525	525	525	529	529	529	529	529	531
<u>County Sewer System:</u>										
Miles of sanitary sewers	470	470	470	470	466	466	466	466	466	464
Average gallons per day treated	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	21,980,000
<u>Building Permits:</u>										
Construction Permits	3,250	3,702	3,376	3,082	3,325	2,936	2,732	2,419	2,184	1,996
Plumbing, Electrical & Mechanical Permits	8,873	10,288	9,477	9,083	9,558	9,128	8,325	8,347	7,864	7,619
Fire Permits	1,064	1,214	1,192	942	1,170	1,004	746	740	762	738
Elevator Permits	115	106	110	89	98	117	100	154	106	225
<u>Recreation and Culture:</u>										
Number of Parks and Playgrounds (2)	210	213	214	220	220	220	222	222	225	230
Number of Libraries	8	8	8	8	8	8	8	8	8	8
Number of Items (e-materials) (3)	675,924	687,584	690,700	40,274	56,109	75,285	89,806	126,385	205,711	183,181
Number of Community Centers	14	14	13	13	13	13	14	15	15	15
Number of Nature Centers	2	2	2	2	2	2	2	2	2	2
Number of Historical Districts	36	38	40	40	40	40	41	41	41	42

- (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

Primary Government

FUNCTION AND ACTIVITY:	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government:										
Control-										
Legislative	\$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	\$1,313,232
Executive	497,308	532,598	532,598	532,598	532,598	532,598	532,598	532,598	532,598	532,598
Judicial	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	8,952,541
Total Control	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	10,798,371
Staff Agencies-										
Elections	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	1,610,532	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
Office of County Attorney	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	1,092,069
Commissioner of the Revenue	595,054	607,454	607,454	607,454	629,149	629,149	629,149	629,149	629,149	629,149
Treasurer	65,114	283,967	349,169	349,169	349,169	349,169	349,169	349,169	349,169	466,250
Department of Technology Service:	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	96,250,499
General government buildings	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	336,076,961
Total Staff Agencies	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	437,669,458
Total General Government	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	448,467,829
Public Safety:										
Police	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	26,500,929
Fire	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	89,589,459
Emergency management	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	27,811,266
Total Public Safety	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	143,901,654
Environmental Services	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	1,633,494,299
Health and Public Welfare	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	37,929,322
Libraries	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	30,765,770
Recreation	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	378,724,229
Community Development	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	97,969,810
Total General Capital Assets	\$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	\$2,771,252,913
Internal Services Fund										
Auto Equipment Fund	\$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	\$98,302,645
Total Internal Services Fund	\$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	\$98,302,645
Component Unit: School Board										
Schools	\$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	\$1,494,878,227
GRAND TOTAL	\$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	\$4,364,433,785

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
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%
2024	108,141,136	66,356,362	174,497,498	1,850,949,276	9.43%

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, 2023 - JUNE 30, 2024					
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-006-25	07/01/24	07/01/25	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	\$656,547 Includes TRIA
<u>Crime Policy</u> VACORP 2	VA-AR-006-25	07/01/24	07/01/25	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-006-25	07/01/24	07/01/25	Excess Public Entity Liability Policy Excess of \$ 1,000,000 self-insured retention \$ 10 million limits excess of SIR	\$490,103
<u>Constitutional Officers Package Policy</u> VACORP 6	VA-AR-006S-25	07/01/24	07/01/25	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	\$31,680

ARLINGTON COUNTY, VIRGINIA SCHEDULE OF INSURANCE JULY 1, 2023 - JUNE 30, 2024					
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	VA-AR-006S-25	07/01/24	07/01/25	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	\$ 320,000.00
<u>Group Accident Coverage</u> VACORP VACORP VACORP VACORP VACORP 8	VA-AR-006S-25 VA-AR-006S-25 VA-AR-006S-25 VA-AR-006S-25 VA-AR-006S-25	07/01/24 07/01/24 07/01/24 07/01/24 07/01/24	07/01/25 07/01/25 07/01/25 07/01/25 07/01/25	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	07/01/24 07/01/24 07/01/24 07/01/24	07/01/25 07/01/25 07/01/25 07/01/25	Excess liability coverage required by May Co. regarding ice rink at Ballston Garage.	\$150,703
<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) Clerk of Court Sheriff Commissioner of Revenue Commonwealth's Attorney	Virginia Risk Virginia Risk Virginia Risk Virginia Risk	Continuous Continuous Continuous Continuous		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 Limits: \$1 million per loss Limits: \$1.5 million per loss Limits: \$1 million per loss Limits: \$1 million per loss	

ARLINGTON COUNTY, VIRGINIA SCHEDULE OF INSURANCE JULY 1, 2023 - JUNE 30, 2024					
Type of Coverage & Insurance Company	Policy Number	Period From	Period To	Summary of Coverage & Liability Limits	Premium Costs
Registrar of Voters	Virginia Risk	Continuous		Limits: \$1 million per loss	
Arlington County Treasurer 12	Virginia Risk	Continuous		Limits: \$1 million per loss	
<u>Fire and Rescue Auto Physical Damage</u> VACORP 13	VA-AR-006-25	07/01/24	07/01/25	Provides comprehensive and collision coverage on vehicles owned or operated by ACFD \$ 1,000 Ded. Per unit	\$32,532 Incl. TRIA
<u>Police Command Vehicle</u> Hartford Fire Insurance Company 14		07/01/24	07/01/25	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		07/01/24	07/01/25	Inland Marine policy covering ACFD equipment & Command Veh.	Premium not incl. in total
<u>Blanket Volunteer Liability</u> VACORP 16	VA-AR-006-25	07/01/24	07/01/25	Covers Liability of Volunteers Special Event Coverage added effective 9/1/2020	Incl under GL
<u>Cyber Liability</u> VACORP 17	VA-AR-006-25	07/01/24	07/01/25	\$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-006-25	07/01/24	07/01/25	\$5,000,000 Deductible	\$100,764
TOTAL					\$1,873,624

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
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	796	362,507,160	121	414,389,862	9,893	748,655,783	48,706,624,000	40,491,317,100	10,155,792,300
2024	706	258,318,002	109	160,343,346	9,006	609,115,954	50,235,982,900	41,052,384,700	10,090,336,000

NOTES:

(1) Department of Community Planning, Housing and Development, Planning Division--Inspection Services

(2) Estimated actual value. Excludes public service corporations.

TABLE S

ARLINGTON COUNTY, VIRGINIA
BUSINESS AND PROFESSIONAL LICENSE TAX REVENUES
LAST TEN FISCAL YEARS

Fiscal Year	Revenues	Year over Year Change
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%
2024	89,353,840	7.41%



DEPARTMENT OF MANAGEMENT AND FINANCE

2100 Clarendon Blvd., Suite 501, Arlington, VA 22201
TEL: 703.228.3415; EMAIL: dmf@arlingtonva.us

**ARLINGTON COUNTY, VIRGINIA
CERTIFICATE OF NO DEFAULT
June 30, 2024**

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, 2024, 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.

DocuSigned by:

Maria Meredith

1A7FC8CAB6FA4BF...

10/4/2024

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, 2024

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	8,901	Ronald Reagan Washington National Airport Aviation	12,693
Gates Hudson - 1600 S. Eads Street Residential	3,793	Joint Base Myer-Henderson Hall Military	8,195
Avalon Ballston Square - 850 N. Randolph Street Apartments	3,536	Pentagon Military	7,418
AHC Serrano LLC - 5535 Columbia Pike Apartments	2,898	Gates Hudson - 1600 S. Eads Street Residential	3,793
Dorchester Towers - 2001 Columbia Pike Apartments	2,640	Avalon Ballston Square - 850 N. Randolph Street Apartments	3,536
Quimby on 23rd - 320 23rd Street Apartments	2,257	AHC Serrano LLC - 5535 Columbia Pike Apartments	2,898
Pentagon City Mall Associates - 1100 S. Hayes St Retail	2,194	Dorchester Towers - 2001 Columbia Pike Apartments	2,640
Crystal City Marriott Hotel	2,165	Quimby on 23rd - 320 23rd Street Apartments	2,257
RiverHouse - 1400 S Joyce Street Apartments	2,165	Pentagon City Mall Associates - 1100 S. Hayes St. Retail	2,194
Wildwood Park - 5550 S Columbia Pike Apartments	2,092	Crystal City Marriott Hotel	2,165

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, 2024

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 21.980 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. A new agreement is currently under negotiation.
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. A new agreement is currently under negotiation.
City of Falls Church	0.8 MGD Peak flow capacity of 2.0 MGD	September 9, 2012 A new agreement is currently under negotiation.

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 19.85 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 2020 through 2025 are shown in the table on the following page. The typical residential customer pays \$70.60 per month (or \$211.81 billed quarterly), assuming median household consumption of 48,000 gallons annually. Beginning in FY 2019, the effective date of rate changes coincide with 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 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	FY 2025 Adopted: July 1, 2024
Water (\$/Thousand Gallons (TG))	\$4.70	\$4.91	\$4.91				
Sewer (\$/TG)	9.10	9.29	9.44				
Total	13.80	14.20	14.35				
<i>Percent Change from Prior Year</i>	1%	3%	1%	1%	2%	3%	4.8%
Residential:							
Water Base (\$/Quarter)				\$13.26	\$13.76	16.37	16.81
Water - Volumetric:							
Tier 1: 0-9 TG (\$/TG)				3.71	3.98	4.09	4.17
Tier 2: >9 TG (\$/TG)				5.94	6.38	6.55	6.68
Sewer Base (\$/Quarter)				10.76	11.09	13.52	13.95
Sewer – Volumetric – Average Winter Quarter basis (\$/TG)				9.61	9.61	9.61	10.29
Multi-Family:							
Water Base (\$/Month)				9.10	9.42	11.43	12.01
Water – Volumetric (\$/TG)				4.42	4.73	4.86	4.96
Sewer Base (\$/Month)				7.42	7.62	9.35	9.91
Sewer – Volumetric (\$/TG)				9.61	9.61	9.61	10.29
Commercial:							
Water Base (\$/Month)				9.10	9.42	11.43	12.01
Water – Volumetric (\$/TG)				4.79	5.13	5.27	5.37
Sewer Base (\$/Month)				7.42	7.62	9.35	9.91
Sewer – Volumetric (\$/TG)				9.61	9.61	9.61	10.29

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, 2024, general obligation debt outstanding attributable to the Utilities Fund totaled \$52,020,000.00. As of June 30, 2024, outstanding debt for Wastewater System and Water System Revenue Bonds issued through the VWFRF to the VRA totaled \$76,276,606.85. 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
2025	9,255,000	1,469,860	10,724,860	17,716,730	1,674,766	19,391,496	26,971,730	3,144,626	30,116,356
2026	9,080,000	1,304,165	10,384,165	18,075,555	1,315,941	19,391,496	27,155,555	2,620,106	29,775,661
2027	7,095,000	1,115,961	8,210,961	12,049,444	964,742	13,014,186	19,144,444	2,080,703	21,225,147
2028	5,180,000	946,660	6,126,660	12,361,018	653,167	13,014,186	17,541,018	1,599,827	19,140,846
2029	3,055,000	816,025	3,871,025	7,636,635	365,078	8,001,713	10,691,635	1,181,102	11,872,737
2030	3,050,000	702,944	3,752,944	6,150,916	165,016	6,315,932	9,200,916	867,960	10,068,876
2031	3,030,000	589,669	3,619,669	2,286,309	28,767	2,315,076	5,316,309	618,436	5,934,744
2032	2,125,000	497,827	2,622,827				2,125,000	497,827	2,622,827
2033	1,505,000	435,635	1,940,635				1,505,000	435,635	1,940,635
2034	990,000	387,673	1,377,673				990,000	387,673	1,377,673
2035	905,000	346,475	1,251,475				905,000	346,475	1,251,475
2036	750,000	307,500	1,057,500				750,000	307,500	1,057,500
2037	750,000	270,000	1,020,000				750,000	270,000	1,020,000
2038	750,000	232,500	982,500				750,000	232,500	982,500
2039	750,000	195,000	945,000				750,000	195,000	945,000
2040	750,000	157,500	907,500				750,000	157,500	907,500
2041	750,000	120,000	870,000				750,000	120,000	870,000
2042	750,000	90,000	840,000				750,000	90,000	840,000
2043	750,000	60,000	810,000				750,000	60,000	810,000
2044	750,000	30,000	780,000				750,000	30,000	780,000
	52,020,000	10,075,394	62,095,394	76,276,607	5,167,477	81,444,084	128,296,607	15,242,871	143,539,478

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.



DEPARTMENT OF ENVIRONMENTAL SERVICES

Water Pollution Control Bureau

3402 S. Glebe Rd., Arlington, VA 22202

Phone: 703-228-6820

www.arlingtonva.us

April 26, 2024

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 Engineer working for Arlington County as the Chief Operating Officer of the Department of Environmental Services, within which the water and sewer utility, including the Water Pollution Control Plan (WPCP), fall under.
2. For the fiscal year that will end on June 30, 2025, the County has prepared a budget for the overall Utility Fund for the County that:
 - a. contains an appropriate estimation of costs for maintenance, repair, replacement and operations of the WPCP, and,
 - b. establishes the proper rates in order to satisfy the rate covenant in Section 5.2 of the Financing Agreement.

Dated: April 19, 2024

By: Michael Moon Michael Moon

Professional

Engineer #0402019916

Arlington County Department of
Environmental Services

cc: Krista Abele, Funds Manager, Department of Environmental Services (DES)

Antron Sutton, Chief of the WPCP, DES

Bobby Hopkins, Finance & Administrative Manager, WPCP, DES



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, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 20, 2024.

Our audit includes a reference to other auditors who audited the financial statements of the discretely presented component unit, Gates Partnership. The Gates Partnership financial statements 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.

To the Honorable Members of the County Board
Arlington, Virginia

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that 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
November 20, 2024



**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, 2024. 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, 2024.

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
November 20, 2024

ARLINGTON COUNTY, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE PERIOD ENDED JUNE 30, 2024

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	\$ 1,290,727	\$ -
National School Lunch Program		10.555	Child Nutrition Cluster (1)	none	6,658,647	-
Child and Adult Care Food Program		10.558		20CSAC123	18,936	-
Department of Agriculture and Consumer Services:						
Special Supplemental Nutrition Program for Women, Infant, and Children		10.557		201919W100641, 201818W500341	696,975	-
State Administrative Matching Grants for Supplemental Nutrition Assistance Program (SNAP)		10.561	SNAP Cluster (2)	LASER Report	4,155,179	-
Department for the Aging:						
Older Americans Act Title III		10.570		none	33,271	-
Total Passed Through the Commonwealth of Virginia:					\$ 12,853,735	\$ -
TOTAL U.S. DEPARTMENT OF AGRICULTURE					\$ 12,853,735	\$ -
(1) Total Child Nutrition Cluster (ALN #10.553, #10.555)					\$ 7,949,374	
(2) Total SNAP Cluster (ALN #10.561)					\$ 4,155,179	
U.S. DEPARTMENT OF DEFENSE						
Direct Awards:						
Junior Reserve Officer Training		12.000		VA070821	\$ 75,051	-
Total Direct Awards					\$ 75,051	\$ -
TOTAL U.S. DEPARTMENT OF DEFENSE					\$ 75,051	\$ -

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)	n/a	\$ 1,767,244	\$ 599,520
Mainstream Vouchers		14.879	Housing Voucher Cluster (4)	n/a	838,883	-
Home Investment Partnerships Program		14.239		n/a	79,281	-
Housing Opportunities for Persons with AIDS		14.241		n/a	84,894	-
Continuum of Care Program		14.267		n/a	73,483	-
Section 8 Housing Choice Vouchers		14.871	Housing Voucher Cluster (4)	n/a	22,206,887	-
Emergency Housing Vouchers		14.871	Housing Voucher Cluster (4)	n/a	656,812	-
Community Project Funding		14.251		n/a	80,970	
Total Direct Awards					\$ 25,788,454	\$ 599,520
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	\$ 7,719	-
Total Passed Through the Commonwealth of Virginia Housing Urban Development					\$ 7,719	-
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					\$ 25,796,173	\$ 599,520
(3) Total CDBG - Entitlement Cluster (ALN #14.218)					\$ 1,767,244	
(4) Total Housing Voucher Cluster (ALN #14.871)					\$ 23,702,582	
U.S. DEPARTMENT OF JUSTICE						
Direct Awards:						
Comprehensive Opioid, Stimulant, and Substance Abuse Program		16.838		n/a	\$ 708,967	\$ -
Joint Terrorism Task Force		16.614		n/a	47,414	-
Electronic Crimes Task Force		16.579		n/a	1,217	-
Justice Systems Response to Families		16.021		n/a	246,283	33,745
Justice Assistance Grant Program/DCJS Byrne/JAG Grant		16.738		n/a	73,830	-
Federal Bureau Investigations		16.834		n/a	17,884	
Equitable Sharing Program		16.922		n/a	399,532	-
Smart Prosecution – Innovative Prosecution Solutions		16.825		n/a	156,695	-
Total Direct Awards					\$ 1,651,822	\$ 33,745
Passed Through the Commonwealth of Virginia:						
Department of Criminal Justice Services:						
Crime Victim Assistance		16.575		20-V3031VW18	\$ 145,619	-
Total Passed Through the Commonwealth of Virginia					\$ 145,619	\$ -
TOTAL U.S. DEPARTMENT OF JUSTICE					\$ 1,797,441	\$ 33,745
Executive Office of the President						
Passed Through Mercyhurst University:						
High Intensity Drug Trafficking Area (HIDTA)		95.007		G19WB0004A	\$ 283,067	\$ -
TOTAL EXECUTIVE OFFICE OF THE PRESIDENT					\$ 283,067	\$ -

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 (5)	AA-36350-21-55-A-51 AA-38561-22-55-A-51 AA-36350-21-55-A-51	508,661	116,500
WIOA Youth Activities		17.259	WIOA Cluster (5)	AA-38561-22-55-A-51 AA-36350-21-55-A-51 AA-38561-22-55-A-51	209,127	172,478
WIOA Dislocated Worker Formula Grants		17.278	WIOA Cluster (5)	AA-38561-22-55-A-51 DW-36858-21-60-A-51	168,341	114,080
Total Passed Through the Commonwealth of Virginia					\$ 886,129	\$ 403,058
TOTAL U.S. DEPARTMENT OF LABOR					\$ 886,129	\$ 403,058
(6) Total WIOA Cluster (ALN #17.258, #17.259, #17.278)					\$ 886,129	
U.S. DEPARTMENT OF TRANSPORTATION						
Direct Award:						
Federal Transit - Capital Investment Grants		20.500	Federal Transit Cluster (6)	VA-04-0021-01, VA-04-0028-01	103,446	-
Total Direct Awards					\$ 103,446	\$ -
Passed Through the Commonwealth of Virginia:						
Department of Transportation:						
Highway Planning and Construction		20.205		47019-01 '120576, 117708, 115562, 106958, 113868, 106474, 117310, 124344	\$9,344,505	-
Department of Motor Vehicle Administration:						
State and Community Highway Safety		20.600	Highway Safety Cluster (7)	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)	41,659	-
Alcohol Open Container Requirements		20.607		154AL-2022-52082-22082 (Alcohol) 154AL-2021-51028-21028 (Alcohol)	17,657	-
Total Passed Through the Commonwealth of Virginia					\$ 9,403,821	\$ -
TOTAL U.S. DEPARTMENT OF TRANSPORTATION					\$ 9,507,267	\$ -
(7) Total Federal Transit Cluster (ALN #20.500, #20.507)					\$ 103,446	
(8) Total Highway Safety Cluster (ALN #20.616, #20.600)					\$ 41,659	

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:						
Cornavirus State and Local Relief Funds (CSLFRF)						
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)	COVID	21.027		n/a	526,237	\$ -
Passed Through the Commonwealth of Virginia:						
Department of Education:						
COVID 19 Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)	COVID	21.027		none	3,523,363	-
Passed Through the Commonwealth of Virginia:						
Virginia Tourism Corporation:						
COVID 19 Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)	COVID	21.027		none	2,456,731	\$ -
Total Coronavirus State and Local Relief Funds (CSLFRF)					\$ 6,506,331	\$ -
TOTAL U.S. DEPARTMENT OF THE TREASURY					\$ 6,506,331	\$ -
Direct						
National Endowment for the Arts (NEA)		45.024		n/a	\$ 130,000	\$ -
U.S. DEPARTMENT OF EDUCATION						
Passed Through the Commonwealth of Virginia:						
Department of Behavioral Health and Developmental Services:						
Early Intervention Funds		84.181		H181A210017	\$ 192,383	\$ -
Department of Education:						
Title I Grants to Local Educational Agencies		84.010		S010A180046	4,068,675	-
Special Education Grants to States		84.027	Special Education Cluster (IDEA) (9)	H027A190107	6,594,747	-
Career and Technical Education - Basic Grants to States		84.048		V048A190046	403,301	-
Special Education Preschool Grants		84.173	Special Education Cluster (IDEA) (9)	H173A190112	78,185	-
Education for Homeless Children and Youth		84.196		G00720	48,000	-
Twenty-First Century Community Learning Centers		84.287		S287C140047-60565/540-707	37,653	-
English Language Acquisition State Grants		84.365		S365A190046/5365A180046	814,489	-
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)		84.367		S367A180044	836,178	-
Student Support and Academic Enrichment Program		84.424		S424A180048/S424A180048	436,728	-
COVID 19 Elementary and Secondary School Emergency Relief Fund	COVID	84.425U		S425U210008; S425U210009	942,508	-
COVID-19 Elementary and Secondary School Emergency Relief Fund	COVID	84.425W		S425W210048	72,278	-
Total Passed Through the Commonwealth of Virginia					\$ 14,525,125	\$ -
Passed Through the County of Fairfax, Virginia:						
Fairfax County Public Schools:						
Adult Education - Basic Grants to States		84.002		V002A190047/V002A180047	494,430	\$ -
Total Passed Through the County of Fairfax, Virginia					\$ 494,430	\$ -
TOTAL U.S. DEPARTMENT OF EDUCATION					\$ 15,149,555	\$ -
<i>(9) Total Special Education Cluster (IDEA) (ALN #84.027, #84.173)</i>					<i>\$ 6,672,932</i>	

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	\$ 1,725	\$ -
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Care		93.044	Aging Cluster (10)	none	274,209	-
Special Programs for the Aging, Title III, Part C, Nutrition Services		93.045	Aging Cluster (10)	none	546,198	-
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects		93.046		none	14,783	-
Senior Medicare Patrol Project		93.048		none	9,260	-
National Family Caregiver Support, Title III, Part E		93.052		none	131,106	-
COVID -19 National Family Caregiver Support, Title III, Part E	COVID	93.052		none	-	-
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations		93.779		none	64,022	-
Medical Assistance Program-Medicaid; Title XIX		93.778		none	1,360,302	-

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
Department of Social Services:						
Promoting Safe Stable Families		93.556			71,198	-
Temporary Assistance for Needy Families		93.558		CVS-22-063-03 (CSBG), CVS-23-063-03 (CSBG), CVS-22-063-03 (TANF)	1,196,584	284,066
Refugee and Entrant Assistance State/Replacement Designee Administered Programs		93.566		none	117,363	-
Low-Income Home Energy Assistance		93.568		none	171,118	-
Community Service Block Grant		93.569		CVS-21-063-03 (CSBG/CARES)	-	-
Child Care Development Block Grant		93.575	CCDF Cluster (12)	LASER Report 4400011553	235,445	-
Child Care Mandatory and Matching Funds of the Child Care Development Fund (CCDF)		93.596	CCDF Cluster (12)	LASER Report	230,998	-
Chafee Education and Training Vouchers Program		93.599		LASER Report	3,562	-
Adoption and Legal Guardianship Incentive Payments		93.603		LASER Report	4,631	-
Stephanie Tubbs Jones Child Welfare Services Program		93.645		LASER Report	1,672	-
Foster Care Title IV-E		93.658		LASER Report	1,187,387	-
Adoption Assistance		93.659		LASER Report	948,764	-
Social Services Block Grant		93.667		LASER Report	957,197	-
Chafee Foster Care Independence Program		93.674		LASER Report	19,148	-
Children's Health Insurance Program		93.767		LASER Report	35,977	-
Medical Assistance Program		93.778	Medicaid Cluster (11)	LASER Report	3,029,858	-
Guardianship Assistance		93.090		LASER Report	10,358	-
Title IV-E Prevention Program		93.472		LASER Report	37,247	-
Department of Health Services:						
Public Health Emergency Preparedness Grants		93.069		1 NU90TP922013-01	106,000	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs		93.116		U52PS004675	39,687	-
Family Planning Services		93.217		FHPHA006376	172,748	-
Immunization Cooperative Agreement		93.268		NH23IP922610	73,167	-
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	56,605	-
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services		93.671		2101VAFVC6	19,888	-
Epidemiology and Laboratory Capacity for Infectious Disease (ELC)		93.323		6NU50CK00055-02-03	1,100	-
Public Health Workforce Development		93.354		6NU50CK00055-02-03	120,802	-
Medical Reserve Corps Small Grant Program		93.008		6NU50CK00055-02-03	12,043	-
Public Health Health Disparities		93.391		NH75OT000101	157,490	-
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	\$ 73,866	-
SUD Federal OPT-R Treatment		93.788		H79TI081682	151,811	-
Block Grants for Community Mental Health Services		93.958		B09SM010053-19	1,207,793	-
Block Grants for Prevention and Treatment of Substance Abuse		93.959		B08TI010053-19	815,319	-
Health Administration Traineeships Program		93.962		B08TI010053-19	169,602	-
Arlington County Behavioral Health Mobile Support Team		93.493		1H79FG000885-01	319,187	-
Total Passed Through the Commonwealth of Virginia					\$ 14,257,197	\$ 284,066

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
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					\$ 14,257,197	\$ 284,066
(10) Total Aging Cluster (ALN #93.044, #93.045)					820,407	-
(11) Total Medicaid Cluster (ALN #93.778)					3,029,858	-
(12) Total CCDF Cluster (ALN #93.575, #93.596)					466,443	-
U.S. DEPARTMENT OF HOMELAND SECURITY						
Direct Awards:						
Disaster Grants - Public Assistance (Presidentially Declared Disasters)		97.036		n/a	\$ 6,909,569	\$ -
Port Security Grant Program		97.056		n/a	53,353	-
Total Direct Awards					\$ 6,962,922	\$ -
Passed Through the Commonwealth of Virginia:						
Department of Emergency Management:						
Emergency Management Performance Grants		97.042		EMP-2018 EP-00007(7711)	70,239	-
Department of Fire Programs:						
Homeland Security Grant Program (15)		97.044		EMW-2020-FG-19485	143,599	-
Total Passed Through the Commonwealth of Virginia					213,838	-
Passed Through the Government of the District of Columbia:						
Homeland Security and Emergency Management Agency:						
Homeland Security Grant Program (15)		97.067		21UASI879-01, 22UASI879-01, 23UASI879-01	447,762	-
Total Passed Through the Government of the District of Columbia					\$ 447,762	-
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY					\$ 7,624,522	\$ -
TOTAL FEDERAL EXPENDITURES					\$ 94,736,468	\$ 1,320,389

ARLINGTON COUNTY, VIRGINIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2024

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 for the year ending June 30, 2024. 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.

**ARLINGTON COUNTY, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024**

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
14.871/14.879	Housing Choice Vouchers (HCV)/ Mainstream Vouchers
21.027	COVID-19 Coronavirus State and Local Recovery Funds (CSLFRF)
84.027/84.173	Special Education- Grants to States & Special Education- Preschool Grants (SPED)
84.425	COVID-19 Education Stabilization Fund (ESSER)
97.036	Disaster Grants – Public Assistance

Dollar threshold used to distinguish between Type A and Type B programs: \$2,842,094

Auditee qualified as low-risk auditee? _____ yes x no

ARLINGTON COUNTY, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2024

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

Department of Management and Finance
2100 Clarendon Boulevard, Suite 501
Arlington, VA 22201
(703) 228-3415