



Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2022

ARLINGTON COUNTY, VIRGINIA

Annual Comprehensive Financial Report

FISCAL YEAR 2022

(July 1, 2021 - June 30, 2022)



ARLINGTON
VIRGINIA

DEPARTMENT OF MANAGEMENT AND FINANCE

**Maria Meredith, Director
Rahul Bhalla, Comptroller**

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ARLINGTON
VIRGINIA

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, 2022**

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INTRODUCTORY SECTION

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

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DEPARTMENT OF MANAGEMENT AND FINANCE

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December 15, 2022

To Katie Cristol, 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, 2022. 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 Cherry Bekaert LLP, a firm of licensed certified public accountants. 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, 2022, 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, 2022, are fairly presented in all material respects in conformity with GAAP. The report of the independent auditor is presented as the first component of the financial section of this report.

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

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

Profile of the Government



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

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

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

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

taxing authority or authority to issue 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 22 million gallons of wastewater each day from residences and businesses, with nearly 20 percent of the plant's flow coming from neighboring localities such as Alexandria, Fairfax and Falls Church. The plant's mission is to safely and economically process wastewater and hazardous waste materials to protect the environment, especially Four Mile Run, the Potomac River and the Chesapeake Bay. With respect to streets and highways, the County's Water, Sewer and Streets Bureau is responsible for the maintenance of the majority of streets in Arlington; approximately 400 centerline lane miles (more than 1,000 lane miles of roadway). The Virginia Department of Transportation is responsible for maintenance (including snow/ice removal) and traffic signs on state roads. A smaller number of roads are owned by the federal government, notably the George Washington Memorial Parkway. The County's Department of Human Services offers multiple programs under Aging and Disability Services, Behavioral Healthcare, Child and Family Services, Economic Independence and Public Health.

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

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

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

As required by Virginia Law, the County assesses real property in the County annually at 100% of fair market value. The assessed value of taxable real property on January 1, 2022, was \$85.8 billion. The County government's adopted budget for all funds for Fiscal Year 2022 totaled \$1.801 billion, which included \$668 million for public primary and secondary education.

Factors Affecting Financial Condition

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

Local Economy

Beyond world-famous sites and attractions in the nation's capital, and located just across the Potomac River from Washington, DC, Arlington is rich in culture, recreation and tourist attractions supported by one of the most diverse, educated and affluent populations in the world. In addition, the County contains substantial office, residential, and retail development that serves to diversify its property tax base. Arlington's unemployment rate continues to be lower relative to much of the region and the nation, but COVID-19 has led to recent dips in key metrics related to commercial vacancy rates, retail sales, and tourism which had previously seen growth prior to the pandemic. Multiple tax revenue streams have started recovering from the initial lows observed during the onset of the pandemic which is expected to be reflected in the relevant economic indicators over the next few years. Real estate tax revenues make up 57 percent of all general fund revenues. In Calendar Year (CY) 2022, the County expects modest revenue growth from real estate taxes, driven by a 3.4 percent increase in Arlington's property values. Arlington's residential property tax base grew 5.8 percent, demonstrating the continued attractiveness of its community. New construction represented 1.1 percentage points of the overall growth. The detached home and townhome tax base increased by 6.8 percent while the condominium tax base increased by 2.9 percent. Commercial property assessments increased by 0.6 percent over the previous year due to the recoveries observed in the hotel and apartment sectors and new construction, largely in apartments and offices, which contributed 1.5 percentage points to the change in commercial property values. After remaining fairly flat last year, both general commercial and office property assessments decreased this year, by 2.8 and 9.6 percent respectively. Arlington's 2022 real property tax base is approximately 45.7% commercial and 54.3% 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 5.3% from \$724,400 in CY 2021 to \$762,700 in CY 2022. 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 2022 includes a base rate of \$1.013 per \$100 of assessed value and a sanitary tax rate of \$0.017 per \$100 of assessed value. Arlington continues to have one of the lowest real estate tax rates in the Northern Virginia region, maintaining its history of providing excellent value. The sanitary district tax rate is one of the lowest in the Northern Virginia region.

The Arlington blend of urban sophistication and neighborhood charm is unmatched in the region -- elegant high-rises, national and regional corporate and association headquarters, excellent connectivity through numerous Metro stations, upscale hotels, a dynamic and diverse retail sector, and a diverse cultural scene make Arlington a premier place to live, work, play and stay. Arlington is the epitome of smart growth and new urbanism. With 42.8 million square feet of rentable building area, Arlington has more private office space than the Central Business Districts of Los Angeles, Denver, Dallas, Seattle, and Downtown Atlanta. Arlington's location in the center of the Washington metropolitan region, just five minutes from Washington by car or Metrorail, has made the County a highly desirable business and residential location. Arlington has maintained high-quality residential neighborhoods while supporting well-managed growth. High-density commercial and residential development is focused on Metro stations in the Rosslyn-Ballston corridor and the Richmond Highway corridor, which includes both Pentagon City and Crystal City. Arlington has 11 Metrorail stations and 16 ART Bus routes that operate throughout the County. Arlington County has an estimated 2022 population of 235,500, a decrease of 1.3% since the 2020 decennial census count of 238,643. Additionally, Arlington is home to an estimated 227,200 jobs, as of January 1, 2022. The service sector comprises a significant share of jobs in Arlington. About 27.6 percent of all jobs are in the professional and technical services sector. Another 21.7 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 22.1 percent of the County's January 2022 employment is estimated to be in government. The unemployment rate for the County as of June 30,

2022 was 2.1% per the Bureau of Labor Statistics. This compares favorably to Virginia's average unemployment rate of 2.8% and the national average rate of 3.6%. The unemployment rate in the Washington-Arlington-Alexandria Metropolitan Statistical Area was 3.7%. The County's per capita income remains among the highest in the state. Home prices continue to have measured growth.

COVID-19 Impact and Response

Arlington continues to gradually recover from the impacts of the COVID-19 pandemic. Home prices remain strong while commercial real estate growth has stalled but has been partially offset by the Amazon headquarters development in the County. Despite various challenges remaining from the pandemic, the overall economic outlook is showing signs of a steady recovery. Local taxes increased in the aggregate driven by increases in sales tax, personal property tax, and meals tax. Transient occupancy tax receipts more than doubled from their performance in FY 2021 but remain well under pre-pandemic totals so the recovery continues. Some smaller taxes (e.g., cigarette tax) and local fees and fines declined. State and Federal COVID support helped to fund public health needs and human services such as eviction prevention and food assistance, and support for business community among other initiatives. More specifically, the County was allocated \$46 million under the American Rescue Plan Act (ARPA) receiving \$23 million in May 2021 and another \$23 million in May 2022, of which the first \$23 million tranche was fully spent in FY 2022 with the remainder deferred to FY 2023. The County also received a total of \$24.8 million in FEMA public assistance funding in FY 2022 to support major pandemic response efforts including COVID-19 vaccination and testing operations.

Long-Term Financial Planning

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

Arlington Vision

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

— Arlington County Board

In April 2022, the Arlington County Board adopted a \$1.50 billion balanced general fund budget for Fiscal Year 2023. The adopted budget leaves the base real estate tax rate unchanged at \$1.013 per \$100 of assessed value. The FY 2023 budget begins to look beyond the COVID-19 pandemic with a focus on employee compensation, the environment, housing, and public safety, among other priorities. The budget includes merit increases of 5.25 percent for general employees. To improve recruitment and retention, the Fire Department and Sheriff's Office uniformed employees will receive an 8.5 percent increase and uniform police will receive a 13.5 percent increase. The budget brings new investments of more than \$4.65 million to execute climate resilient programs to combat climate change. As one of the County's top priorities, this budget commits funding for eviction prevention and increasing housing support, with \$14.3 million in housing grant support and \$3.4 million for permanent supportive housing. The budget also includes \$23 million in federal funding for housing choice vouchers and \$18.7 million for the Affordable Housing Investment Fund (AHIF).

In 2022, for the 22nd consecutive year, Arlington continues to maintain a Aaa/AAA/AAA bond rating, the highest credit ratings attainable by jurisdictions. Ratings issued by Fitch (AAA), Moody's (Aaa) and Standard & Poor's (AAA) validate that Arlington's financial position is strong, reflecting conservative budgeting and close monitoring

of expenditures, a sizable and diversifying tax base with institutional presence, and strong and balanced historical financial results. As of June 30, 2022, Arlington is one of 50 counties in the United States, and 10 in Virginia, with top bond ratings from all three-major bond-rating agencies.

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 (47 percent of local taxes) as outlined in the Revenue Sharing Principles adopted by the County Board and School Board in October 2015. At the adopted tax rate of \$1.030 per \$100 of assessed value, which includes the base rate of \$1.013 plus the sanitary district tax rate (\$0.017) for stormwater management, the real estate tax bill for the average residential home increased \$395, or 5.3 percent, in CY 2022.

Arlington's real property tax base for CY 2022 is approximately divided between 45.7% commercial and 54.3% residential properties. This balance of tax burden is a fiscal benefit of "smart growth". In addition to holding the real estate tax rate steady, the FY 2023 budget includes no increases to the tax rates of personal property and business tangible property, or business and professional occupational licenses. However, the Commissioner of Revenue proposed, and the County Board approved, a reduction to the personal property assessment ratio (from 100% to 88%) due to unprecedented high vehicle prices.

Fiscal Sustainability

The County's financial and debt management policies guide the County's capital investments, debt issuance and long-term financial management. The policies are formulated based on bond rating agency guidance, criteria for highly rated jurisdictions, and best practices in local government finance. Most recently updated as part of the FY 2023 – FY 2032 Capital Improvement Plan, the County continuously reviews these policies with its financial advisors. Consistent with the County's debt and financial policies, the County prepares a multi-year financial forecast. This forecast is intended to help inform, and provide greater awareness to, the Board and the community of medium and long-term budget pressures as policy and service delivery choices are considered. The County adopts a balanced budget annually, so any projected shortfalls would be eliminated through a combination of expenditure and service reductions, revenue increases (either increased taxes or fees), or a combination of the two.

The County typically maintains a biennially updated, ten-year Capital Improvement Plan (CIP). The Arlington County Board approved the FY 2023–2032 Capital Improvement Plan (CIP) in July 2022. The CIP outlines \$3.9 billion in investments for stormwater management and flood response, climate and environmental programs, parks, transportation, and community infrastructure over the next 10 years. The [Adopted CIP](#) returns to a traditional 10-year plan following a three-year [CIP in FY 2022- FY 2024](#) and a one-year [CIP in FY 2021](#)-- both adjusted as a result of the COVID-19 pandemic.

Reserves and Fiscal Policy

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

requires approval by the County Board. The minimum amount of the Stabilization Reserve is 1% of the general fund budget and is revisited annually as part of the budget process. Any draw on the Stabilization Reserve is to be replenished within the subsequent two fiscal years.

Metro

Metro is vital to Arlington's commercial corridors and economic development strategies. The FY 2023 adopted general fund transfer for WMATA is unchanged from FY 2022 at \$46.6 million. An increase to the County's available state transit aid is being utilized to meet the overall four percent increase to the County's FY 2023 WMATA operating subsidy. The major driver for the FY 2023 operating budget is the prolonged reduction to ridership and fare revenues on Metrobus and Metrorail due to the residual effects of the COVID-19 pandemic. Passenger and system revenues historically funded approximately half of the annual cost of operations. In FY 2023, it is projected that fare revenues will remain substantially below pre-pandemic levels and only cover approximately 16 percent of operating expenditures. The startup and operating costs related to Silver Line Phase II, which continues to be delayed, will also impact the FY 2023 operating budget once operations begin in FY 2023. Continued in FY 2023 is the use of balances from one-time federal funds provided in previous fiscal years to assist transit agencies nationwide that are impacted by the COVID-19 pandemic. These funds are expected to be fully expended in FY 2023, leaving the potential for a significant operating budget gap in FY 2024 due to continued low ridership and 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 and sophisticated student populations. Its more than 27,500 PreK-12 students come from 145 countries from around the world and speak more than 90 languages. Arlington operates over 40 schools and programs, including 23 elementary schools, 6 middle schools, 4 high schools and 1 secondary school (grades 6-12), designed to meet individual student needs. Arlington is the 12th largest of 132 school divisions in the Commonwealth of Virginia and neighboring jurisdictions include three of the five largest school divisions in the Commonwealth. From FY 2006 to FY 2020, enrollment increased by 52.2 percent. However, due to the COVID-19 pandemic, enrollment started to decline thereafter which trend is expected to continue until FY 2023. However, from FY 2023 to FY 2025, enrollment is projected to increase 0.7 percent or 209 students.

The County and Arlington Public Schools entered into a cooperative effort in FY 2001 to design a revenue sharing agreement to fairly and appropriately apportion revenue for budget development purposes. Over the succeeding years, the structure and revenue sharing calculations were adjusted to reflect the changing economic and resource demands of both the County and Schools. Since FY 2002, various adjustments were made for enrollment, funding retiree healthcare (OPEB), maintenance capital, affordable housing, and other County and School priority initiatives. During 2014, the County Board and School Board worked collaboratively to structure revenue sharing principles that provide a framework for sharing local tax revenues in a predictable and flexible way. In January 2015, both Boards adopted principles that emphasize the community priority of high-quality education and utilizing community resources in a balanced and fiscally responsible way. The FY 2023 Adopted Budget for Schools totals \$749.7 million, an increase of \$48.1 million or 6.9% compared with the FY 2022 Adopted Budget. The FY 2023 adopted transfer is \$584.4 million or 78% of the total budget. With adjustments made by the County Board in the adoption of the FY 2023 Budget, the revenue sharing percentage is adjusted to 46.6%. The average expenditure per pupil was expected to be \$23,521 in the 2023 fiscal year.

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

- Niche.com 2023 ranked Arlington Public Schools as the second top school division, the best place to teach in the Commonwealth of Virginia, and ranked 9th for the best teachers in Virginia. Nationally, APS was ranked 336th best school division in the United States out of 10,772 school divisions.

- Arlington Public Schools is fully accredited by the Virginia Department of Education (VDOE) for the 2022-2023 school year. VDOE waived the annual accreditation for the 2020-2021 and 2021-2022 academic years because of the pandemic.
- Three APS high schools were ranked among the top 2 percent of schools in the nation in the Jay Mathews Challenge Index, a nationwide ranking of U.S. high schools.
- Students consistently score above state and national averages on standardized tests, including the SAT and ACT. Among 2021 APS graduates, 48% took the SAT and 16% the ACT.
- The average combined score on the SAT was 1236 for Arlington graduates, 85 points higher than the average score of 1151 for Virginia students and 198 points higher than the national SAT average of 1038.
- Arlington's average ACT composite score was 28.3, compared to 25.6 for VA graduates and a national composite of 20.3.
- In 2021, the graduation rate for the three comprehensive high schools was 95.0%.
- In 2021, the on-time graduation rate was 94.4%.
- APS ranks second in Virginia for the number of National Board-Certified teachers.

Debt Service

No new bonds were issued in FY 2022. The last issue was in November 2020 when the County refinanced \$212 million of previously issued County, Schools, and Utility Fund bonds for interest savings of more than \$18 million over the next 15 years. The FY 2023 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 \$85.3 million. The next issuance of bonds is planned for early 2023.

In December 2021, the County entered into a new line of credit with PNC Bank for \$150 million and a term of five years. This line of credit was secured to facilitate 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 0.89% through December 2022. 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). Pursuant to the terms and conditions of a Master Financing and Development Agreement being negotiated with the developer, the County's loan will be permanently financed prior to expiration of the line of credit in December 2026.

Stormwater

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

This \$0.017 tax is included in the semi-annual real estate bills. The anticipated \$15.9 million in FY 2023 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. Arlington voters approved authority to issue \$50.8 million bonds in FY 2021 through FY 2023 to fund near-term projected needs for stormwater infrastructure improvements. In response to intense rain events and flooding in 2018 and 2019, the County has undertaken a comprehensive review of ways to mitigate flood risks. Design work is already underway for significant investments in watershed-scale solutions in critical areas that have experienced flooding and are identified in the Stormwater Master Plan. The CIP seeks to strike the right investment balance between water quality, improved maintenance of assets, and capacity improvements.

Lease Accounting

In FY 2022, the County adopted new Governmental Accounting Standards Board (GASB) standards 87 and 96. GASB 87 overhauled the accounting and financial reporting of leases for local governments by establishing a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying nonfinancial asset. A single model means that a distinction between operating and capital leases no longer exists. Accordingly, the majority of lease obligations will now be reflected as liabilities and assets on the statement of financial position. Historically, operating leases have been off the balance sheet, but the new GASB 87 standard requires all leases with lease terms exceeding one year to be recognized as both a right-of-use asset and a lease liability on the balance sheet. GASB 96 addresses the accounting treatment and financial reporting of subscription-based information technology agreements (SBITA). If a SBITA is identified, the government must recognize a subscription liability and a subscription asset at the commencement of the SBITA term. In FY 2022, the County recognized a liability of \$187.6 million following implementation of these standards.

The County is also a lessor of assets and under these standards, the County has recorded a lease receivable asset and an equal deferred inflow of resources associated with this receivable balance. The County recognized a receivable asset of \$252.7 million.

Internal Controls and Budgetary Accounting

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

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

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

Capital Improvement Program

The County Manager biennially proposes a Capital Improvement Plan (CIP) to the County Board. Beginning in FY 2013, the CIP presented a ten-year plan instead of a six-year plan. The shift to a longer planning horizon has provided many benefits including facilitating better planning and financing of major multi-year transportation and utility projects and analyzing operating budget impacts. The CIP addresses the major facility and infrastructure needs of the County, including the needs of Schools. The CIP includes a description of each capital project, identifying sources of funding, including pay-as-you-go (PAY-GO), bond financing, short-term financing, various dedicated funding from storm water, utilities and transportation sources, as well as external funding such as state and federal grants and developer contributions. Project budgets include the financial impact to the operating budget, where applicable to

inform decisions about project affordability and sustainability. PAY-GO dollars are traditionally used to fund the maintenance capital program that serves to maintain and extend the useful life of major assets. While major capital projects are generally funded through bonds, the County attempts to maintain an appropriate balance between PAY-GO and debt financed projects in order to maintain an affordable capital program that stays within established financial policies and considers funding of the County's maintenance capital program. The CIP includes an analysis of the impact the CIP has on the County's debt capacity, debt ratios and long-term financial plan.

The [adopted FY 2023-2032 Capital Improvement Plan](#) returns to a traditional 10-year plan following a three-year [CIP for FY 2022- FY 2024](#) and a one-year [CIP in FY 2021 as a result of the pandemic](#). Investments over the 10-year planning period include both County government and Schools capital assets and focus on community priorities, county planning processes, and private sector development. It also includes six bond referenda for large infrastructure projects to be considered by voters on November 8, 2022.

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, to provide each nationally recognized municipal securities information repository and to any appropriate state information depositor, 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”, “Ten-Year Summary of General Fund Revenues and Expenditures”, “General Fund Balance”, “Principal Tax Revenues by Source”, “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.

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, 2021. This was the 36th consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish 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 2022 budget. This award is the highest form of recognition in governmental budgeting.

The School Board's Adopted FY 2022 Budget received the *Association for School Business Officials International Meritorious Budget Award* for the thirteenth 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
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Maria R. Meredith, Director
Department of Management and Finance

DocuSigned by:
Rahul Bhalla
4712FB133B6D406...

Rahul Bhalla, Comptroller
Department of Management and Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Arlington County
Virginia**

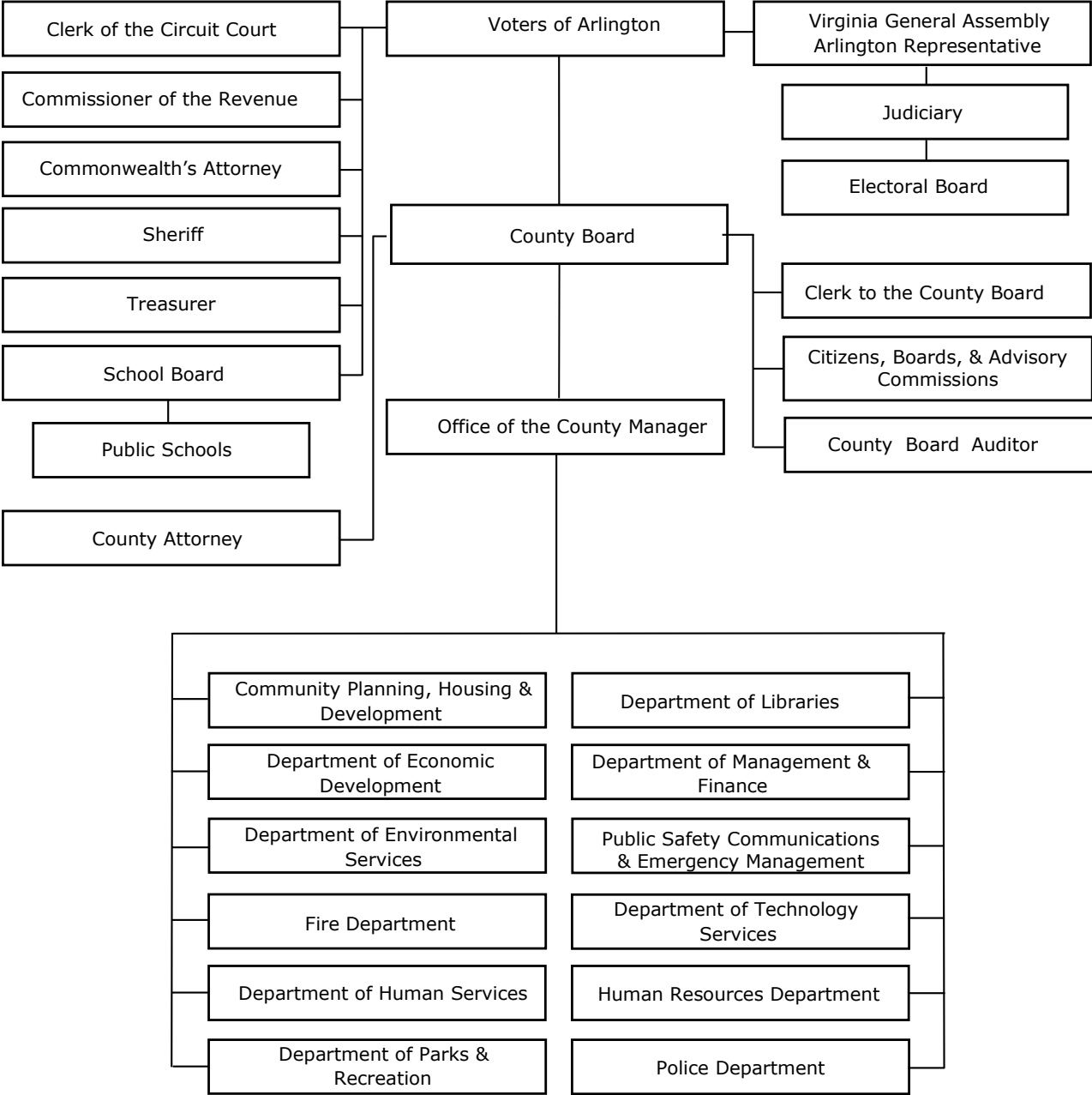
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

ORGANIZATION OF ARLINGTON COUNTY GOVERNMENT



**ARLINGTON COUNTY, VIRGINIA
DIRECTORY OF OFFICIALS
June 30, 2022**

COUNTY BOARD

Katie Cristol, Chair

Christian Dorsey, Vice Chair

Libby Garvey
Takis P. Karantonis
Matt de Ferranti

COUNTY SCHOOL BOARD

Reid Goldstein, Chair

Christina Diaz-Torres, Vice Chair

Mary Kadera
Barbara Kanninen
David Priddy

FINANCE BOARD

Katie Cristol, Chair

Carla de la Pava
Parisa Dehghani-Tafti
Laura Triggs

JUDICIAL

Circuit Court Judges:

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

General District Court Judges:

Jason S. Rucker
Daniel Tomas Lopez
Romaine Frances O'Brien

Juvenile and Domestic Relations:

Robin L. Robb
George D. Varoutsos

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

COUNTY OFFICIALS

Elective

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

Parisa Dehghani-Tafti
Paul Ferguson
Ingrid H. Morroy
Beth Arthur
Carla de la Pava

Administrative – General County

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

Mark J. Schwartz
Michelle G. Cowan
Shannon Flanagan-Watson
Samia Byrd
Bryna Helfer
Gurjit Chima
MinChau Corr
Kendra Jacobs
Vacant
Claude Williamson
Jane Rudolph
David Povlitz
Anita Friedman
Diane Kresh
Maria Meredith
Marcy Foster
Charles Penn
Greg Emanuel
Norrton Lee
Shannon Flanagan-Watson/Interim
Gretchen Reinemeyer
William Flagler/Acting

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. Franisco Duran
Dr. John Mayo
Kimberley Graves
Claudia Mercado
John Mickevics
Michael Hodge
Leslie Peterson
Rajesh Adusumilli
Catherine Ashby
Renee Harber
Dr. Gerald Mann, Jr.
Dr. Jason Ottley
Stephen Linkous



FINANCIAL SECTION

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

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Report of Independent Auditor

The County's financial statements and accounting systems are audited each fiscal year by an independent public accounting firm. The audits are conducted in accordance with generally accepted auditing standards, 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."

Report of Independent Auditor

To the Honorable Members of the County Board
Arlington County, 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, 2022, 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, based on our audit and the report of the other auditors, 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, 2022, 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 5.6%, 4.2%, and 0.9%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2022, 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, 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 and specifications are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1-T to the financial statements, the beginning net position of the governmental activities has been restated from the previously issued financial statements to reflect the correction of an error. Our opinions are 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and 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 generally accepted auditing standards, *Government Auditing Standards*, and the Specifications, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- 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 analysis and the 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Other Supplementary Information, as listed in the table of contents, and Schedule of Expenditures of Federal Awards (the "SEFA"), as required by the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the Other Supplementary Information and the SEFA are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the County's basic financial statements for the year ended June 30, 2021, which are not presented with the accompanying financial statements, and we expressed 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. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements as a whole. The Other Supplementary Information section contains some Exhibits which present summarized comparative totals, as of and for the year ended June 30, 2021, and 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 2021 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these summarized comparative totals presented, as of and for the year ended June 30, 2021, are fairly stated, in all material respects, in relation to the basic financial statements from which they have been derived.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2022, 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.

Cherry Bekaert LLP

Tysons Corner, Virginia
December 15, 2022

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Management's Discussion and Analysis

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

MANAGEMENT’S DISCUSSION AND ANALYSIS

As management of Arlington County, Virginia (“the County”), we offer readers of the County’s annual financial statements this overview and analysis of the financial activities of the County and its component units (i.e., Arlington Public Schools (“Schools”) and Gates Partnership) for the fiscal year ended June 30, 2022.

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 \$2,395.2 million at June 30, 2022 (Exh. 1). The net position includes an increase of \$3.9 million in governmental activities, and minimal impact to School’s component unit, due to the early implementation of GASB 87 and GASB 96 for the County.
- For FY 2022, taxes and other revenues of the County’s governmental activities amounted to \$2,063.1 million. Expenses amounted to \$1,891.6 million. (Table A-2)
- For FY 2022, revenues of the County’s business-type activities were \$137.7 million, and expenses were \$115.9 million.
- In June 2017, the Government Accounting Standards Board (GASB) issued Statement No. 87, *Leases*. GASB Statement No. 87 (GASB 87) increases the usefulness of governmental financial statements by requiring recognition of certain lease assets and liabilities for all leases, including those that previously were classified as operating leases and recognized as income by lessors and expenditures by lessees. GASB 87 replaces the previous lease accounting methodology and establishes a single model for lease accounting based on the foundational principle that leases are a financing of the right to use an underlying asset. GASB 87 is effective for the Arlington County Annual Comprehensive Financial Report (ACFR) for the period ending June 30, 2022 for County and Schools
- GASB Statement No. 96, (GASB 96) *SBITA*, issued by GASB covers specific contracts or obligations for subscription-based information technology arrangements (SBITA) and prescribes similar treatment as GASB 87 to SBITAs. Implementation requirement is by June 30, 2023; however, Arlington County implemented this standard early in conjunction with GASB 87 due to complex embedded lease contracts. Schools will implement this in the coming fiscal year.
- During the fiscal year (FY) 2001 implementation of GASB 33 it was determined Arlington County should recognize the first half of real estate revenue for the calendar year at the time of real estate tax rate and levy approval and the second half of real estate revenue as deferred revenue for modified accrual basis, In FY 2002, Arlington County began reporting full accrual exhibits and modified accrual exhibits as required in accordance with GAAP. Full accrual policy included recognizing the second half of real estate taxes as revenue and the treatment of real estate revenue has been one of the reconciling items between our full accrual and modified accrual statements since FY 2002. For twenty years, we have consistently applied the GASB 33 policies as determined at implementation for financial report compilations and note disclosures. We have received unqualified audit opinions on our financial statements since FY 2001 under two different independent auditing firms. This year, a determination was made to revisit the policy determined during GASB 33 implementation and to amend our policy so as not to recognize the second payment of the calendar year as revenue, but instead recognize it as unearned revenue. The change in revenue recognition policy results in a restatement of the beginning balance, from \$1,276.3 million reduced to \$830.8 million, for governmental activities under Exhibit 2,

Statement of Activities, and a reduction of real estate revenue of the difference between the current year unearned revenue and prior year unearned revenue, \$14.8 million. Furthermore, the change in policy impacted the Statement of Net Position by a cumulative total of \$460.3 million.

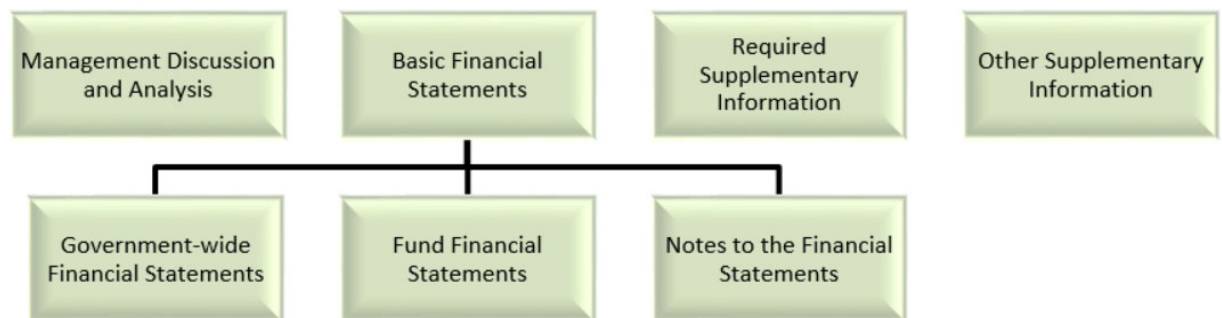
Fund Level

- As of June 30, 2022, the County’s governmental funds reported combined fund balances of \$794.9 million, a decrease of \$62.4 million from FY 2021. (Exh. 3) Decreases in the capital project funds such as the General Capital Project Fund and Transportation Capital Fund and All Other Governmental Fund is generally due to a spend down of capital funds by a strategically planned delay in capital funding bond issuance. The resulting ending combined governmental fund balance of \$794.9 million displays on Exh. 3 & Exh. 4.
- The County’s general fund reported a fund balance of \$362.8 million, an increase of \$32.9 million from June 30, 2021. Of this increase, \$3.7 million is due to GASB 87 and GASB 96 implementation.
- FY 2022 saw a significant increase in interest rates which will result in higher interest earnings on investments and bank balances. Investments are made in accordance with Virginia’s Investment of Public Funds Act. On June 30, 2022, the County compliance with GASB 72 requires a comparison of the investment interest rate with the current interest rates to determine the mark-to-market valuation. Although not sold and therefore, not realized, the disclosure is an unrealized net loss of \$25.3 million in the general fund and restricted to the Non-Spendable category of fund balance. (Exh. 3.)
- Debt service (principal and interest) payments in FY 2022 totaled \$80.6 million, an increase from \$66.5 million in FY 2021. Debt service covers capital projects for County government activities and component units, namely Schools. (Exh. 4.)

Other Financial Highlights

- County actions over the last five years have positioned Arlington to confront the pandemic and recession from a position of relative strength. Those actions include but are not limited to diversification of local employment base, economic development successes including Amazon’s HQ2, and bolstered reserves.
- Reserves, fiscal constraint, federal and state COVID-19 related funding and active financial management have allowed a nimble response to the impacts of COVID-19.
- The County received its second tranche, \$23.0 million, of federal ARPA funds in May 2022 and deferred those funds for fiscal year 2023. The County received its first tranche of federal ARPA funds, \$23.0 million, in May 2021 and it was spent in fiscal year 2022. ARPA funds are restricted by federal revenue loss formula and eligible costs. COVID-19 related direct and indirect funding straddling multiple fiscal years exceeds \$210 million.
- The County did not issue General Obligation (GO) bonds in FY 2022 in comparison to issuing bonds in FY 2021. The County delayed bond issuance in FY 2020 and FY 2022 in a strategic plan to spend down capital funds and layer bond issuances every two years.

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 basis services are reported here, including general government, public safety, environmental services, health and welfare, libraries, parks, recreation and culture, planning and community development, and education.

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

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

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

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

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

Governmental funds – Most of the County's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash, flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds' statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided in an accompanying schedule to the governmental funds statement that explains the relationship (or differences) between them.

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

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

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

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

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

Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. All of the County's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's programs. The County's fiduciary funds account for a pension trust fund, an OPEB trust fund, private purpose trust funds and custodial funds. The pension trust fund is used to account for the assets held in trust by the County for the employees and beneficiaries of its defined benefit pension plan. The OPEB trust funds are used to account for the assets held in trust by the County

and Schools for other postemployment benefits other than pensions, such as health care and life insurance. Private purpose trust funds are used to report resources held in trust for the Alexandria/Arlington Facility Monitoring Group. The custodial fund reports resources held by the County in a custodial capacity for individuals, private organization and other governments.

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

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

Financial Analysis of the County as a Whole

Net Position

Net position may serve over time as a useful indicator of a government’s financial position. As of June 30, 2022, net position for the total reporting entity was \$2,395.2 million. The following table (Table A-1) reflects the condensed Statement of Net Position for FY 2022 and FY 2021:

Table A-1
Condensed Statement of Net Position
June 30, 2022
With Comparative Totals for June 30, 2021
(in millions of dollars)

	Primary Government						Component Units					
	Governmental Activities		Business-type Activities		Total		Schools		Gates Partnership		Total Reporting Entity	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Current and other assets	\$2,515.3	\$1,635.1	\$105.9	\$86.6	\$2,621.2	\$1,721.7	\$333.2	\$272.4	\$7.4	\$7.4	\$2,961.7	\$2,001.5
Capital assets	1,670.6	1,551.6	1,081.1	1,077.4	2,751.7	2,629.0	874.9	852.8	63.8	64.9	3,690.4	3,546.7
Total assets	4,185.9	3,186.7	1,187.0	1,157.4	5,372.9	4,350.7	1,208.1	1,125.2	71.2	72.3	6,652.2	5,548.2
Deferred outflows of resources	136.2	157.6	-	-	136.2	157.6	148.6	176.1	-	-	284.8	333.7
Long-term debt outstanding	1,702.5	1,665.5	240.7	238.5	1,943.2	1,904.0	563.9	758.8	49.3	47.4	2,556.4	2,710.2
Other liabilities	357.2	166.5	31.1	32.1	388.3	198.7	83.2	84.3	1.9	1.9	473.4	284.9
Total liabilities	2,059.7	1,832.0	271.8	270.6	2,331.5	2,102.7	647.1	843.1	51.2	49.3	3,029.8	2,995.1
Deferred inflows of resources	1,260.1	235.9	1.0	1.0	1,261.1	236.9	250.9	70.6	-	-	1,512.0	307.5
Net Position:												
Investment in capital assets	514.3	817.9	910.2	882.6	1,424.5	1,700.5	920.4	849.0	14.3	17.5	2,359.2	2,068.0
Restricted for:												
Capital projects	81.2	133.7	-	-	81.2	133.7	84.0	107.8	-	-	165.2	241.4
Seized assets	2.0	1.6	-	-	2.0	1.6	-	-	-	-	2.0	1.6
Grants/Donations	20.6	22.2	-	-	20.6	22.2	4.2	4.2	-	-	24.8	26.5
Unrestricted	384.2	300.9	4.0	9.7	388.2	310.6	(549.9)	(570.5)	5.7	5.4	(156.0)	244.5
Total Net Position	\$1,002.3	\$1,276.3	\$914.2	\$892.3	\$1,916.5	\$2,168.6	\$458.7	\$390.5	\$20.0	\$22.9	\$2,395.2	\$2,582.0

Note: GASB87 Leases County & Schools implemented; GASB 96 SBITA early County-only implementation. 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 \$1,002.3 million. The implementation of GASB 87 and GASB 96 increased net governmental assets by \$138.7 million, increased total primary government deferred inflows by \$238.7 million and increased government liabilities by \$137.4 million

For business-type activities, assets exceeded liabilities and deferred inflows of resources by \$914.2 million. For primary government, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by a total of \$2,376.9 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 \$458.7 million, and in the case of the Gates Partnership, assets exceeded liabilities by \$20.0 million. The implementation of GASB 87 and GASB 96 increased business-type activities net assets by \$23.3 million, liabilities by \$23.7 million and deferred inflows by \$0.1 million. The implementation of GASB 87 increased the School’s net assets by \$54.0 million and total liabilities by \$55.1 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 98.5% 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 8.0% of the net position of the total reporting entity as of June 30, 2022.

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, 2022, increased net position from FY 2021 as follows:

Total Reporting Entity	Increase/Decrease in Net Position			
	2022	2021	(\$ In millions)	Percentage
Governmental	\$1,002.3	\$1,276.3	(\$274.0)	-21.5%
Business-type	914.2	892.3	21.9	2.5%
Component unit - Schools	458.7	390.5	68.2	17.5%
Component unit - Gates Partnership	20.0	22.9	(2.9)	-12.7%
Change in Net Position	\$2,395.2	\$2,582.0	(\$186.8)	

The FY 2022 Net Position of Governmental decreased by \$186.8 million over FY 2021 and Business-Type increased the Net Position by \$21.9 million. The FY 2022 Net Position of the Component unit – Schools increased by \$68.2 million over FY 2021.

The Net Position of Governmental decreased majorly due to the \$460.3 million decrease for restatement of the beginning net position and offset partially by the addition of Right to Use leased assets of \$138.7 million resulting from the implementation of GASB 87 and GASB 96. Steady management of expenditures over the course of the fiscal year and the increase of the real estate tax due to the increase value of real estate properties, as contributed to the increase. Other local taxes such as restaurant meals tax, car rental tax, hotel tax and business tax increased in comparison to prior year as the steady recovery of the local economy after COVID-19 continued.

The Net Position of Business-Type increased by \$21.9 million over previous year. The increase is majorly due to a \$25.2 million increase in Utilities funds. A water and sewer rate increase on July 1, 2021, and a water and sewer rate restructure implemented on January 1, 2022, contributed to the increase as well as a \$5.9 million increase year over year in the water and sewer new commercial and residential connection revenue.

The Net Position of Component unit - Schools increased by \$68.2 million over previous year. The increase is majorly due to a \$54.0 million addition of Right to Use leased assets resulting from the implementation of GASB 87.

The following table (Table A-2) displays the changes in net position for FY 2022 and FY 2021:

Table A-2
Statement of Changes in Net Position
Year Ended June 30, 2022
With Comparative Totals for June 30, 2021
(in millions of dollars)

	Primary Government						Component Units				Total Reporting Entity	
	Governmental Activities		Business-type Activities		Total		Schools		Gates Partnership			
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021		
Revenues												
Program revenues												
Charges for services	\$81.3	\$69.8	\$139.2	\$126.1	\$220.5	\$195.9	18.7	\$4.7	\$8.1	\$8.1	\$247.3	\$208.7
Operating grants and contributions	176.0	168.2	-	-	176.0	168.2	113.7	94.9	-	-	289.7	263.1
Capital grants and contributions	-	-	0.2	2.5	0.2	2.5	-	-	-	-	0.2	2.5
General revenues												
Property taxes	1000.4	986.2	-	-	1000.4	986.2	-	-	-	-	1,000.4	986.2
Other local taxes	241.4	200.4	-	-	241.4	200.4	40.5	34.0	-	-	281.9	234.4
Revenue from general fund	-	-	-	-	0.0	0.0	566.0	604.5	-	-	566.0	604.4
Investment and interest earnings	26.8	7.4	(1.70)	0.1	25.1	7.5	0.2	0.1	-	-	25.3	7.5
Miscellaneous	537.3	295.0	-	-	537.3	295.0	59.6	2.8	(0.6)	0.1	596.3	297.9
Total revenues	2,063.1	1,727.2	137.7	128.7	2,200.8	1,855.9	798.7	741.0	7.5	8.2	3,007.1	2,604.9
Expenses												
General government	606.4	302.5	-	-	606.4	302.5	-	-	-	-	606.4	302.5
Public safety	172.3	148.4	-	-	172.3	148.4	-	-	-	-	172.3	148.4
Environmental services	140.4	122.0	-	-	140.4	122.0	-	-	-	-	140.4	122.0
Health and welfare	247.4	156.4	-	-	247.4	156.4	-	-	-	-	247.4	156.4
Libraries	15.1	12.5	-	-	15.1	12.5	-	-	-	-	15.1	12.5
Parks, culture and recreation	56.9	41.5	-	-	56.9	41.5	-	-	-	-	56.9	41.5
Planning and community development	64.6	52.8	-	-	64.6	52.8	-	-	-	-	64.6	52.8
Education	558.5	798.7	-	-	558.5	798.7	730.5	663.5	-	-	1,289.0	1,462.2
Debt service:												
Interest and other charges	29.9	24.6	-	-	29.9	24.6	-	-	-	-	29.9	24.6
Water and sewer	-	-	89.0	88.1	89.0	88.1	-	-	-	-	89.0	88.1
CPHD Development Fund	-	-	19.6	17.5	19.6	17.5	-	-	-	-	19.6	17.5
Parking garage	-	-	7.1	6.8	7.1	6.8	-	-	-	-	7.1	6.8
8th Level Ballston Public Parking Garage	-	-	0.2	0.2	0.2	0.2	-	-	-	-	0.2	0.2
Rental Properties	-	-	-	-	-	-	-	-	10.4	8.4	10.4	8.4
Total expenses	1,891.6	1,659.5	115.9	112.6	2,007.5	1,772.1	730.5	663.5	10.4	8.4	2,748.4	2,443.9
Increase/(Decrease) in Net Positions	171.5	67.7	21.9	16.2	193.4	83.9	68.2	77.5	(2.9)	(0.2)	258.7	161.0
Restated Net Position-Beginning	830.8	1,208.6	892.3	876.1	1,723.1	2,084.7	390.5	313.0	22.9	23.1	2,136.5	2,420.8
Net Position-Ending	\$1,002.3	\$1,276.3	\$914.2	\$892.3	\$1,916.5	\$2,168.6	\$458.7	\$390.5	\$20.0	\$22.9	\$2,395.2	\$2,582.0

Note: Totals may not add due to rounding.

Revenues

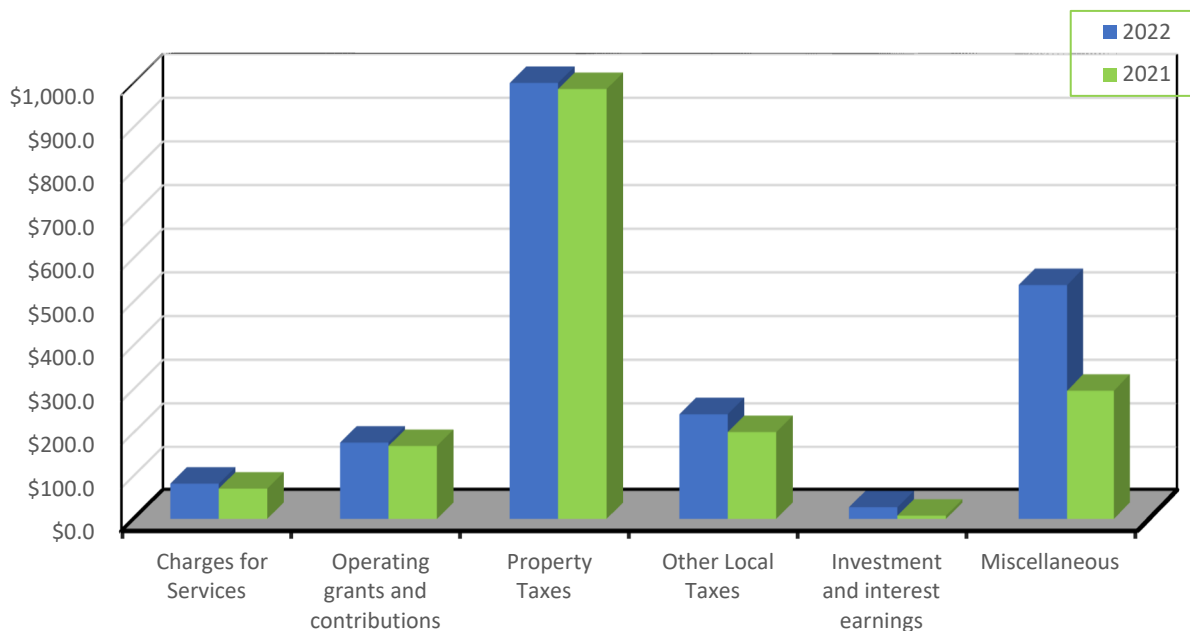
Overall, revenues for the County's primary government activities were \$2,200.8 million for fiscal year 2022 representing an increase of \$344.9 million from the prior year. Taxes constitute the largest source of primary government revenues, amounting to \$1,241.8 million for FY 2022, an increase of \$55.2 million over FY 2021. Real Estate taxes increased by \$8.3 million to \$873.4 million due to increased assessments in the County for CY 2022. Personal property taxes increased by \$6.0 million to \$127.1 million (Exh 2). Other local tax revenue includes business tangible and business license tax receipts which grew moderately year over year. Other local tax revenue also includes taxes on general sales, hotel rooms, restaurant meals, and car rentals, among other things, were impacted greatly by the COVID-19 pandemic. FY 2022 shows strong rebounding in the local retail sector and a steadily improving hospitality sector. In comparison to FY 2021, FY 2022 increases are seen in restaurant meals tax of \$12.6 million, car rental tax increases of \$3.6 million and hotel tax increase of \$9.4 million.

Program revenues are derived directly from the programs run by various departments and reduce the net cost for various functions. Total program revenues for primary government were \$396.5 million. Operating grants and contributions represent 44.4% of program revenues, totaling \$176.0 million. Charges for services totaled \$220.5 million.

Component unit activities generated combined revenues of \$806.2 million, aside from general fund revenue, primarily from grants totaling \$113.7 million. Total revenues increased from FY 2022 by \$57.0 million mainly because of the additional of Right to Use leased assets of \$54.0 million.

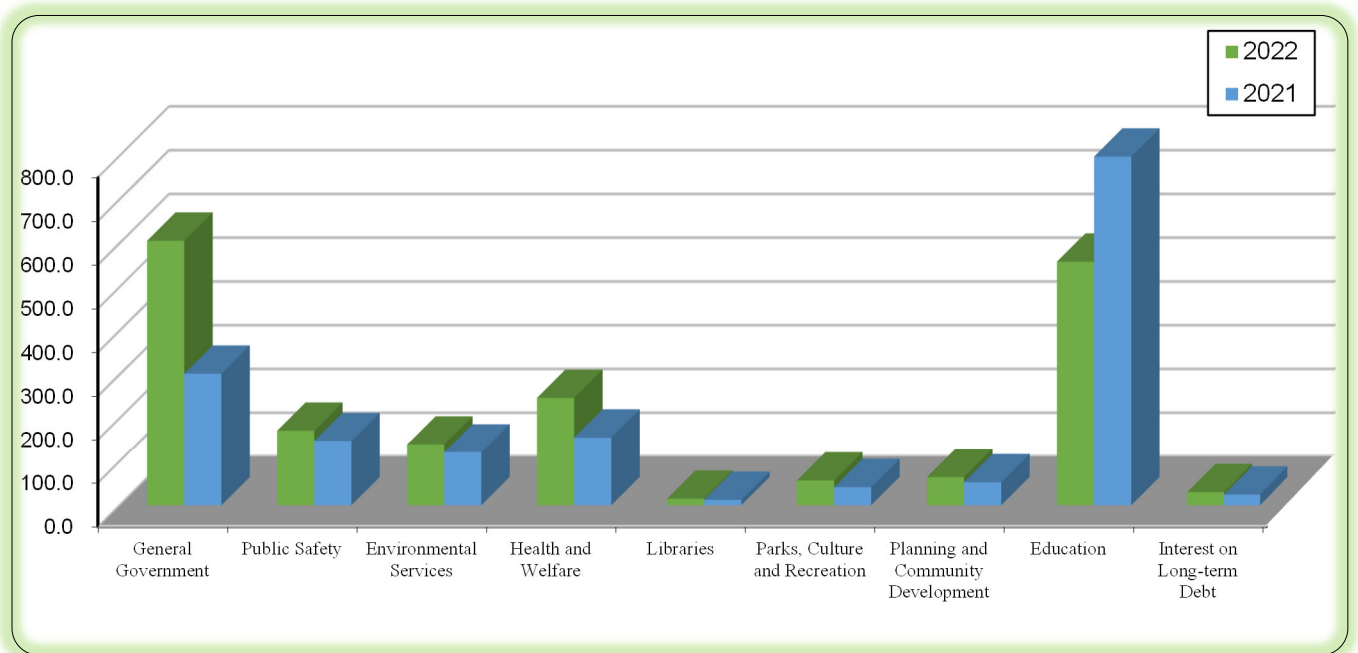
Chart A-3 displays the sources of revenue within governmental activities with a comparison between fiscal year 2022 and fiscal year 2021. The greatest source of change in FY 2022 is in the miscellaneous revenue category where FY 2022 totals include \$160.6 million of revenue from the implementation year for GASB 87 and early implementation of GASB 96.

Chart A-3
Sources of Revenue from Governmental Activities
For Fiscal Years 2022 and 2021
(in millions)



Expenses. Total expenses of the County’s governmental activities for FY 2022 were \$1,891.6 million, representing an increase of \$232.1 million from FY 2021. The County’s transfers to Arlington Public Schools for FY 2022 were \$558.5 million, a decrease of \$240.2 million from the previous fiscal year due to the County delaying a bond issuance in FY 2022 and issuing bonds in FY 2021. As the chart A-4 indicates, once expenditure under General government is adjusted for the GASB 87 and GASB 96 implementation, from \$606.4 million to \$445.2 million, education at \$558.5 million continues as the highest percentage of the County’s total expenditures.

Chart A-4
Net Expense of Governmental Activities
For Fiscal Years 2022 and 2021
(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 2022, the County’s governmental funds reported combined fund balances of \$794.9 million, a decrease of \$62.4 million in comparison with the prior year. (Exh. 3)

Non-spendable and restricted fund balance equates to 14.0% or \$111.3 million of the total governmental funds’ balance and is comprised primarily of capital projects and grants that cannot be used for other purposes. The mark-to-market unrealized loss of \$25.3 million is prominent in the Non-Spendable category. FY 2022 saw a significant increase in interest rates which will result in higher interest earnings on investments and bank balances. Investments

are made in accordance with Virginia’s Investment of Public Funds Act. On June 30, 2022, the County’s compliance with GASB 72 requires a comparison of the investment interest rate with the current interest rates to determine the mark-to-market valuation. Although not sold and therefore, not realized, the disclosure is an unrealized net loss of \$25.3 million in the general fund and restricted to the Non-Spendable category of fund balance. Although this loss is not representative of a cash loss, the County has by way of conservative fund management, set aside an equivalent amount of \$25.3 million under the Restricted category to cover this loss.

Committed fund balance constitutes 71.2% or \$566.1 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. \$217.2 million or 38.4% of the total committed fund balance is from the general fund. The assigned fund balance of \$92.9 million or 11.7% 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 County Board as a part of the County’s year-end close out process. Included therein is an amount of \$35.5 million set aside for School’s subsequent year budget. \$31.6 million, or about 34.1% of the assigned fund balance is for the Affordable Housing Investment Fund. The remaining fund balance of \$24.8 million or 3.1% 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 2022, the general fund’s fund balance was \$362.8 million or 45.7% of the total governmental funds’ fund balance. \$95.5 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 \$76.6 million, which is set at 5.5% of general fund revenue, a Stabilization Reserve adopted at 1% of the general fund of \$13.9 million, and a Self-insurance Reserve of \$5.0 million. Total reserves represent 44.0% of the total general fund’s committed fund balance and equate to 26.3% of the general fund’s total fund balance.

At the end of FY 2022, committed and assigned fund balance for the general fund was \$310.1 million or 85.5% of the total general fund balance. \$98.9 million or 27.3% 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 2022, committed and assigned fund balance equated to 18.1% of general fund expenditures. The total general fund’s fund balance represents 21.2% of total general fund expenditures.

As of June 30, 2022, the general fund’s fund balance increased from prior year by 10.0% to \$362.8 million. The increase in the general fund balance was driven primarily by real estate tax revenue increasing due to the rise in real estate values and a continuation of COVID-19 related federal grant monies, partially offset by GASB 72 mark-to-market unrealized loss of \$25.3 million.

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.

	<i>(\$ in millions)</i>
General fund core reserves:	
Operating reserve	\$76.6
Stabilization reserve	13.9
Self-insurance reserve	5.0
Other committed	121.6
Other assigned ¹	92.9
General fund unassigned	26.5
Total general fund core reserves²	336.5

Automotive equipment fund:	14.6
Enterprise Fund CPHD Development fund:	9.4
General Capital Projects funds:	105.3
Total reserves available	\$465.8

¹ Includes Operational and Stabilization True-up assigned to meet targeted reserve funding requirements (\$6.9 million) as per Financial policies

² November 2022 Board action to determine assignment within General fund unassigned reserves.

The Component Unit, Arlington Public Schools, maintains its own reserves under its operating fund which are distinct, and in addition to, the above reserves. The current operating reserves under Schools are \$11.6 million. Additionally, the committed and assigned balances above include \$56.0 million for subsequent years' school budget.

Special Revenue and Capital Project Funds. Total special revenue funds' and capital projects funds' fund balance were \$431.4 million (Exh. 3) and represents 54.3% of the total governmental funds' fund balance. The transportation capital fund is a major fund of the County and contributes 24.3% of the total governmental fund balance. At the end of the current fiscal year, total fund balance of the transportation capital fund was \$192.7 million, and the general capital projects fund was \$105.3 million. All other special revenue and capital projects funds combined were \$133.4 million (Exh. Y).

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 226.3% of total capital project funds' FY 2022 expenditures (C schedules).

The fund balance of the County's general capital projects fund decreased by \$25.2 million during the current fiscal year as planned spend-down of fund balance.

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

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

Unrestricted net position of the Utilities Fund at the end of the fiscal year amounted to \$57.9 million, the Ballston Public Parking Garage Funds amounted to a deficit of (\$65.0 million) and the CPHD Development Fund amounted to \$1.6 million. The total change in net position for the Utilities Fund included a surplus of \$25.2 million, the Ballston Public Parking Garage Funds had a deficit of (\$4.9 million), and CPHD Development Fund had a surplus of \$1.6 million. Other factors concerning the finances of these funds have been addressed in the discussion of the County's business-type activities and Exhibit 5 - Exhibit 7.

General Fund Budgetary Highlights

General Fund (\$ in millions)	Original Budget	Final Budget	Actual
Revenue	\$1,363.0	\$1,574.2	\$1,606.6
Transfers In	\$0.3	\$3.5	\$3.8

Line of Credit	\$-	\$150.0	\$150.0
Sale of Land	\$-	\$-	\$1.1
Expenditures	\$1,386.2	\$1,713.1	\$1,717.4
Transfers Out	\$6.8	\$14.6	\$11.1
Net Change in Fund Balance	(\$29.6)	\$-	\$32.9

- Actual revenues show a final favorable budget variance of 2.1% or \$32.4 million. This is primarily due to favorable variances in Real Estate taxes and Other local taxes.
- Total taxes had a favorable budget variance, \$62.9 million, while several non-tax sources ended the fiscal year with an unfavorable budget variance. The real estate tax rate remained constant while real estate value increase contributed to the overall increase in tax. Many local revenue streams have begun steady recovery, certain tax and non-tax revenues (i.e. transient occupancy tax, transit fees, parking meter revenue).
- Actual Transfers In (revenues) had a \$0.3 million favorable variance compared to the final budget.
- Actual expenditures of \$1,717.4 million are greater than final budget of \$1,713.1 million with an unfavorable variance of \$4.3 million or 0.3%. The near final budget target includes several small favorable variances in such departments as Department of Environmental Services and Public Safety and Schools, offset with a few unfavorable variances in departments such as General Government and Health and Welfare.
- Actual Transfers Out (expenditures) were within \$3.5 million of budget.

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, 2022, amounted to \$2,359.2 million (net of related debt). The net book value of capital assets was \$3,906.2million, which includes land, building and systems, improvements, machinery and equipment, park facilities, roads, highways, and bridges and intangible assets.

During fiscal year 2022 major capital asset acquisitions placed into service and their corresponding cost included the following:

- John Robinson, Jr. Town Square with artwork, benches and gathering space (\$6.9 million)
- Zitkala-Sa Park (\$2 million)
- Jennie Deane Park (Phase I) (\$15.7 million)
- Thomas Jefferson Community Center Synthetic Turf Conversion (\$1.4 million)
- Emergency backup water connection with Fairfax Water (\$1.7 million)

Net capital assets increased by \$360.7 million for the total reporting entity driven by an increase of \$284.7 million for the primary government. 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, 2022
With Comparative Totals for June 30, 2021
(in millions of dollars)**

	Primary Government						Component Units					
	Governmental Activities		Business-type Activities		Total		Schools		Gates Partnership		Total Reporting Entity	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Land	\$260.0	\$248.8	\$6.2	\$6.2	\$266.2	\$255.0	\$4.7	\$4.7	\$13.0	\$13.0	\$283.9	\$272.7
Buildings	453.7	355.3	17.4	18.1	471.1	373.4	786.4	737.8	50.8	51.9	1,308.3	1,163.1
Equipment	107.3	116.4	2.2	1.6	109.5	118.0	62.0	52.3	-	-	171.5	170.3
Infrastructure	645.0	565.4	-	-	645.0	565.4	-	-	-	-	645.0	565.4
Intangible assets	4.4	2.5	3.0	4.1	7.4	6.6	-	-	-	-	7.4	6.6
Plant -sewer system	-	-	322.6	316.1	322.6	316.1	-	-	-	-	322.6	316.1
Plant - water system	-	-	697.8	705.2	697.8	705.2	-	-	-	-	697.8	705.2
Construction in progress	166.2	226.0	32.0	26.0	198.2	252.0	21.8	56.9	-	-	220.0	308.9
Internal service funds	33.8	37.4	-	-	33.8	37.4	-	-	-	-	33.8	37.4
Right to use Assets	138.7	-	23.3	-	162.0	-	54.0	-	-	-	216.0	-
Total	\$1,809.1	\$1,551.6	\$1,104.5	\$1,077.3	\$2,913.6	\$2,628.9	\$928.9	\$851.7	\$63.8	\$64.9	\$3,906.2	\$3,545.5

Note: Totals may not add due to rounding

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

Long-term debt

In 2022, for the 22nd consecutive year, Arlington continues to maintain a Aaa/AAA/AAA bond rating, the highest credit ratings attainable by jurisdictions.

The ratings validate that Arlington's financial position is strong, reflecting conservative budgeting and close monitoring of expenditures, a sizable and diversifying tax base with institutional presence, and strong and balanced historical financial results. As of June 30, 2022, Arlington is one of 50 counties in the United States with top bond ratings from all three-major bond-rating agencies.

At the end of the current fiscal year, the total reporting entity had total long-term liabilities outstanding of \$2,692.1 million, the majority of which is \$1,349.8 million in general obligation bonds, combined net OPEB liability of \$246.5 million, and \$276.8 million in net pension liability for schools. Our new category of Leases is a result of implementation of GASB 87 for County and School and early implementation of GASB 96 for the County. Leases added \$216.1 million of debt. The remainder \$602.9 million comprises notes payable and related accrued interest, capital leases, 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, 2022
With Comparative Totals for June 30, 2021
(in millions of dollars)

	Primary Government						Component Units				Total Reporting Entity	
	Governmental Activities		Business-type Activities		Total		Schools		Gates Partnership			
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
General obligation bonds*	\$1,294.4	\$1,385.5	\$55.4	\$62.8	\$1,349.8	\$1,448.3	\$-	\$-	\$-	\$-	\$1,349.8	\$1,448.3
IDA Revenue Bonds	127.8	124.1	-	-	127.8	124.1	-	-	-	-	127.8	124.1
Mortgage payable	-	-	3.4	3.4	3.4	3.4	-	-	49.3	17.2	52.7	20.6
Note payable	-	-	110.7	127.4	110.7	127.4	-	-	1.8	7.3	112.5	134.7
Credit line for capital	10.5	8.7	-	-	10.5	8.7	-	-	-	-	10.5	8.7
Workers' compensation claims	3.6	3.4	-	-	3.6	3.4	-	-	-	-	3.6	3.4
Accrued compensated absences	44.1	43.5	3.3	3.2	47.4	46.6	47.8	45.3	-	-	95.2	92.0
Mortgage and bond interest payable	-	-	44.3	41.7	44.3	41.7	-	-	-	-	44.3	41.7
Bonds Payable	-	-	-	-	-	-	-	-	0.1	0.1	0.1	0.1
Line of credit	150.0	-	-	-	150.0	-	6.2	-	-	-	156.2	-
Leases	137.4	-	23.6	-	161.0	-	55.1	-	-	-	216.1	-
Net pension liability	-	-	-	-	-	-	276.8	539.4	-	-	276.8	539.4
Net OPEB liability	68.5	100.2	-	-	68.5	100.2	178.0	174.1	-	-	246.5	274.3
Total	\$1,836.3	\$1,665.3	\$240.7	\$238.6	\$2,077.0	\$1,903.9	\$563.9	\$758.8	\$51.2	\$24.6	\$2,692.1	\$2,687.3

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 \$4.8 million during the current fiscal year. The key factors that contributed to this change are the FY 2022 postponement of the general obligation bond issuance to FY 2023. This contributed a decrease of \$98.5 million in outstanding general obligation bonds, a decrease in IDA Revenue bonds of \$3.7 million and an increase due to a new \$150.0 million line of credit secured by the County. The purpose of the facility was to provide a loan to an affordable housing developer to assist in their acquisition of the Barcroft Apartments affordable housing project in December 2021. The \$27.8 million decrease in OPEB liability due to assumption changes and Schools decreased the net pension liability by \$262.6 million with a contribution. Our new category of Leases is a result of implementation of GASB 87 for County and School and early implementation of GASB 96 for the County. Leases added \$216.1 million of debt.

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, 2022, is 2.1% per the Bureau of Labor Statistics, which is a decrease of 1.5% from a year ago. This compares favorably to Virginia's average unemployment rate of 2.8% and the national average rate of 3.6%. The County's per capita income remains among the highest in the State.

The vacancy rate of the County's office buildings increased from 17.2% in CY 2020 to 19.6% in CY 2021. In Calendar Year (CY) 2022, the County expects modest revenue growth from real estate taxes, driven by a 3.4percent increase in Arlington's property values. The average value of existing residential properties, including condominiums, townhouses, and detached homes, increased from \$724,400 in CY 2021 to \$762,700 in CY 2022, an increase of 5.3 percent. New construction represented 1.1 percentage points of the overall growth. The detached home and townhome tax base increased by 6.8 percent while the condominium tax base increased by 2.9 percent. Commercial property assessments increased by 0.6 percent over the previous year due to the recoveries observed in the hotel and apartment sectors and new construction, largely in apartments and offices, which contributed 1.5 percentage points to the change in commercial property values offset by both general commercial and office property assessments decreasing this year, by 2.8 and 9.6 percent respectively.

Prior to the COVID-19 pandemic, tourism broke records with Arlington visitors spending \$3.6 billion in 2019 -- a 4.4% increase over 2018 -- generating nearly \$98 million in local tax receipts and supporting over 27,000 local jobs. However, since March 2020, the impact on the health, safety, and economic activity of the County has specifically affected local taxes benefiting from tourism and hospitality. Arlington is seeing steady recovery of the tourism industry. The hotel occupancy rose from 30% in CY 2020 to 42% in CY 2021 in comparison to pre-pandemic rates of 75% in CY 2019. Some local charges for services and fees including parking fees, parks and recreation program charges for service, transportation fees, and fines are steadily recovering and many tax and fee revenues have continued steady recovery.

Requests for Information

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



Basic Financial Statements

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

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

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ARLINGTON COUNTY, VIRGINIA
STATEMENT OF NET POSITION
JUNE 30, 2022

	Primary Government			Component Units		Total Reporting Entity
	Governmental Activities	Business-type Activities	Total	Schools	Gates Partnership	
ASSETS:						
Equity in pooled cash and investments	\$955,643,499	\$59,023,799	\$1,014,667,298	\$167,020,070	\$6,561,533	\$1,188,248,901
Petty cash	-	-	-	5,065	-	5,065
Cash with fiscal agents	270,456	25,221	295,677	-	-	295,677
Receivables, net	493,407,444	17,788,117	511,195,561	33,700,488	95,145	544,991,194
Lease receivable	242,611,321	126,175	242,737,496	1,061,285	-	243,798,781
Receivable from primary government	-	-	-	77,203,364	-	77,203,364
Receivable from other governments	33,037,811	-	33,037,811	-	-	33,037,811
Inventory	-	3,031,951	3,031,951	223,978	-	3,255,929
Other assets	4,709,815	2,575,177	7,284,992	-	20,865	7,305,857
Reserves and escrow deposits	-	-	-	-	739,151	739,151
Net pension asset	647,000,000	-	647,000,000	-	-	647,000,000
Right to use leased assets, net	138,686,223	23,293,517	161,979,740	54,011,428	-	215,991,168
Capital assets:						
Land	260,094,636	6,161,255	266,255,891	4,697,946	12,991,305	283,945,142
Intangible assets, net	4,390,232	2,955,927	7,346,159	-	-	7,346,159
Depreciable assets, net	1,239,864,063	1,040,026,691	2,279,890,754	848,455,959	50,787,584	3,179,134,297
Construction in progress	166,246,442	31,997,546	198,243,988	21,750,433	-	219,994,421
Total capital assets, net	1,670,595,373	1,081,141,419	2,751,736,792	874,904,338	63,778,889	3,690,420,019
Total assets	4,185,961,942	1,187,005,376	5,372,967,319	1,208,130,017	71,195,583	6,652,292,919
DEFERRED OUTFLOWS OF RESOURCES:						
Deferred outflows related to refunding loss	16,565,780	-	16,565,780	-	-	16,565,780
Deferred outflows related to pensions	89,200,000	-	89,200,000	108,695,061	-	197,895,061
Deferred outflows related to OPEB	30,461,002	-	30,461,002	39,935,710	-	70,396,712
Total deferred outflows of resources	136,226,782	-	136,226,782	148,630,771	-	284,857,553
LIABILITIES:						
Accounts payable	48,957,407	6,989,388	55,946,795	13,401,616	56,482	69,404,893
Unearned revenues	57,564,945	-	57,564,945	67,899	-	57,632,844
Due to component unit	77,203,364	-	77,203,364	-	-	77,203,364
Accrued liabilities	25,184,164	23,943,753	49,127,917	61,028,141	1,062,379	111,218,437
Contracts payable - retainage	5,215,832	198,930	5,414,762	2,316,734	-	7,731,496
Other liabilities	9,230,171	-	9,230,171	6,444,488	632,199	16,306,858
Non-current liabilities:						
Due within one year	117,726,465	72,886,603	190,613,068	4,779,515	-	195,392,584
Due within one year - leases	12,068,938	1,714,780	13,783,719	4,845,630	-	18,629,349
Due within one year - leases SBITAs	4,019,460	596,736	4,616,196	-	-	4,616,196
Due in more than one year	1,581,262,540	144,162,185	1,725,424,725	504,034,061	49,467,834	2,278,926,620
Due in more than one year - leases	117,025,123	18,705,992	135,731,115	50,227,084	-	185,958,199
Due in more than one year - leases SBITAs	4,258,157	2,640,420	6,898,577	-	-	6,898,577
Total liabilities	2,059,716,566	271,838,788	2,331,555,355	647,145,168	51,218,894	3,029,919,417
DEFERRED INFLOWS OF RESOURCES:						
Unearned revenue - taxes	460,340,725	-	460,340,725	-	-	460,340,725
Deferred gain on refunding	-	827,931	827,931	-	-	827,931
Deferred inflows related to pensions	476,600,000	-	476,600,000	217,235,477	-	693,835,477
Deferred inflows related to OPEB	84,457,656	-	84,457,656	33,689,238	-	118,146,894
Deferred inflows leases	238,716,297	122,791	238,839,088	-	-	238,839,088
Total deferred inflows of resources	1,260,114,678	950,722	1,261,065,400	250,924,715	-	1,511,990,115
NET POSITION:						
Net investment in capital assets	514,274,489	910,234,485	1,424,508,974	920,373,797	14,311,055	2,359,193,827 **
Restricted for:						
Capital projects	81,166,962	-	81,166,962	84,024,278	-	165,191,240
Seized assets	1,994,486	-	1,994,486	-	-	1,994,486
Grants/Donations	20,678,774	-	20,678,774	4,227,846	-	24,906,620
Unrestricted	384,242,769	3,981,381	388,224,150	(549,935,016)	5,665,634	(156,045,233) **
Net position	\$1,002,357,480	\$914,215,866	\$1,916,573,346	\$458,690,905	\$19,976,689	\$2,395,240,940 **

** 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 (\$495,640,264) 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 \$495,640,264 because the debt related to the Schools is reduced from Net Investment in Capital Assets of the Total Reporting Entity. The Unrestricted Net Position of the Total Reporting Entity therefore reflects the impact of the debt for Schools. The Total Reporting Entity column matches the assets with the debt and reports the net amounts on the Net Investment in Capital Assets. Additional information on the reclassification is provided in Note 10.

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

ARLINGTON COUNTY, VIRGINIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues
		Charges for services (Includes Licenses, Permits & Fees)	Operating Grants and Contributions	Capital Grants & Contributions	
Primary Government:					
Governmental Activities:					
General government	\$606,401,430	\$21,093,604	\$72,901,688	\$-	(\$512,406,139)
Public safety	172,335,459	10,047,810	12,538,145	-	(149,749,504)
Environmental services	140,373,042	27,122,306	13,841,643	-	(99,409,093)
Health & welfare	247,433,161	4,490,176	39,203,208	-	(203,739,777)
Libraries	15,078,270	81,713	211,774	-	(14,784,783)
Parks, recreation & culture	56,942,448	10,086,004	116,377	-	(46,740,067)
Planning & community development	64,678,958	8,395,015	37,228,413	-	(19,055,530)
Education	558,477,881	-	-	-	(558,477,881)
Interest and other charges	29,942,474	-	-	-	(29,942,474)
Total governmental activities	1,891,663,123	81,316,628	176,041,248	-	(1,634,305,248)
Business-type activities:					
Utilities	89,018,463	115,280,815	-	179,780	-
Ballston Public Parking Garage	7,068,367	2,153,760	-	-	-
8th level Ballston Public Parking Garage	176,163	203,329	-	-	-
CPHD Development Fund	19,584,237	21,595,268	-	-	-
Total business-type activities	115,847,230	139,233,172	-	179,780	-
Total primary government	\$2,007,510,353	\$220,549,800	\$176,041,248	\$179,780	(1,634,305,248)
Component unit:					
Schools	\$730,517,369	\$18,661,284	\$113,688,170	\$-	-
Gates Partnership	10,478,834	8,141,234	-	-	-
Total component units	\$740,996,203	\$26,802,518	\$ 113,688,170	\$-	-
General Revenues:					
Property Taxes:					
Real estate property taxes					
					873,419,142
Personal property taxes					
					127,071,165
Other Local Taxes:					
Business, professional occupancy license taxes					
					77,913,433
Sales tax					
					47,967,779
Meals tax					
					39,302,301
Transient tax					
					15,070,995
Utility tax					
					16,770,948
Recordation, car rental and other local taxes					
					44,094,799
Revenue from primary government					
					-
Investment and interest earnings					
					26,840,801
Miscellaneous					
					537,342,702
Total general revenues					
					1,805,794,065
Change in net position					
					171,488,817
Restated net position, beginning					
					830,868,664
Net position, ending					
					\$1,002,357,480

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:
\$-	(\$512,406,139)	\$-	\$-	(\$512,406,139)	General government
-	(149,749,504)	-	-	(149,749,504)	Public safety
-	(99,409,093)	-	-	(99,409,093)	Environmental services
-	(203,739,777)	-	-	(203,739,777)	Health & welfare
-	(14,784,783)	-	-	(14,784,783)	Libraries
-	(46,740,067)	-	-	(46,740,067)	Parks, recreation & culture
-	(19,055,530)	-	-	(19,055,530)	Planning & community development
-	(558,477,881)	-	-	(558,477,881)	Education
-	(29,942,474)	-	-	(29,942,474)	Interest and other charges
-	(1,634,305,248)	-	-	(1,634,305,248)	Total governmental activities
					Business-type activities:
26,442,132	26,442,132	-	-	26,442,132	Utilities
(4,914,607)	(4,914,607)	-	-	(4,914,607)	Ballston Public Parking Garage
27,166	27,166	-	-	27,166	8th level Ballston Public Parking Garage
2,011,031	2,011,031	-	-	2,011,031	CPHD Development Fund
23,565,722	23,565,722	-	-	23,565,722	Total business-type activities
23,565,722	(1,610,739,526)	-	-	(1,610,739,526)	Total primary government
					Component unit:
-	-	(598,167,916)	-	(598,167,916)	Schools
-	-	-	(2,337,600)	(2,337,600)	Gates Partnership
-	-	(598,167,915.51)	(2,337,600.00)	(600,505,515.51)	Total component units
					General Revenues:
					Property Taxes:
-	873,419,142	-	-	873,419,142	Real estate property taxes
-	127,071,165	-	-	127,071,165	Personal property taxes
					Other Local Taxes:
-	77,913,433	-	-	77,913,433	Business, professional occupancy license taxes
-	47,967,779	40,479,170	-	88,446,949	Sales tax
-	39,302,301	-	-	39,302,301	Meals tax
-	15,070,995	-	-	15,070,995	Transient tax
-	16,770,948	-	-	16,770,948	Utility tax
-	44,094,799	-	-	44,094,799	Recordation, car rental and other local taxes
-	-	566,022,664	-	566,022,664	Revenue from primary government
(1,650,969)	25,189,832	196,402	963	25,387,197	Investment and interest earnings
-	537,342,702	59,681,338	(609,950)	536,732,752	Miscellaneous
(1,650,969)	1,804,143,096	666,379,573	(608,987)	2,469,913,682	Total general revenues
21,914,753	193,403,570	68,211,658	(2,946,587)	258,668,641	Change in net position
892,301,113	1,723,169,776	390,479,247	22,923,276	2,136,572,299	Net position, beginning
\$914,215,866	1,916,573,346	\$458,690,905	\$19,976,689	\$2,395,240,940	Net position, ending

ARLINGTON COUNTY, VIRGINIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

ASSETS	General Fund	General Capital Projects Fund	Transportation Capital Funds	All Other Governmental Funds	Total Governmental Funds
Equity in pooled cash and investments	\$472,278,561	\$117,975,487	\$193,233,823	\$157,459,590	\$940,947,461
Cash with fiscal agents	270,456	-	-	-	270,456
Receivables, net	484,989,659	738,793	3,279,153	4,386,523	493,394,128
Due from other funds	2,375,538	-	-	-	2,375,538
Receivables from other governments	22,728,174	1,976,636	7,843,697	489,304	33,037,811
Lease Receivable	219,300,576	-	2,436,672	20,874,073	242,611,321
Prepaid items and other assets	2,023,792	114,369	51,526	1,725,357	3,915,044
Totals assets	1,203,966,756	120,805,285	206,844,871	184,934,847	1,716,551,759
LIABILITIES					
Vouchers payable	21,350,160	5,362,712	10,168,430	11,718,995	48,600,297
Unearned revenues	39,040,037	6,755,463	-	11,769,445	57,564,945
Due to component unit	77,203,364	-	-	-	77,203,364
Accrued payroll liabilities	25,184,164	-	-	-	25,184,164
Contracts payable - retainage	-	832,749	1,543,707	2,839,376	5,215,832
Other liabilities	2,419,338	2,571,959	-	3,816,749	8,808,046
Total liabilities	165,197,063	15,522,883	11,712,137	30,144,565	222,576,648
DEFERRED INFLOWS OF RESOURCES					
Leases	215,621,911	-	2,414,794	20,679,592	238,716,297
Deferred revenue - taxes	460,340,725	-	-	-	460,340,725
Total deferred inflows of resources	675,962,636	-	2,414,794	20,679,592	699,057,022
FUND BALANCES					
<u>Non spendable:</u>					
Prepaid items	1,678,224	114,369	51,526	1,725,357	3,569,476
Leases	3,678,665	-	-	-	3,678,665
Mark to market investment reserve	(25,284,273)	-	-	-	(25,284,273)
<u>Restricted for:</u>					
Seized assets	1,994,486	-	-	-	1,994,486
Grants	18,863,792	-	-	1,814,982	20,678,774
Mark to market investment reserve	25,284,273	-	-	-	25,284,273
Capital projects	-	-	-	81,166,962	81,166,962
<u>Committed to:</u>					
Self-insurance reserve	5,000,000	-	-	-	5,000,000
Stabilization contingent	13,929,644	-	-	-	13,929,644
Operating reserve	76,613,044	-	-	-	76,613,044
Subsequent years' county budget	31,606,919	-	-	-	31,606,919
Subsequent years' capital projects	1,884,484	105,168,033	192,666,414	51,124,471	350,843,402
Incomplete projects	346,377	-	-	-	346,377
Affordable housing investment fund - allocated	67,317,758	-	-	-	67,317,758
Subsequent years' school budget	20,484,857	-	-	-	20,484,857
<u>Assigned to:</u>					
Subsequent years' county budget	5,981,558	-	-	-	5,981,558
Subsequent years' capital projects	9,800,334	-	-	-	9,800,334
Economic & revenue stabilization contingent	6,883,654	-	-	-	6,883,654
Subsequent years' school budget	35,506,738	-	-	-	35,506,738
Incomplete projects	3,075,923	-	-	-	3,075,923
Affordable housing investment fund - unallocated	31,631,761	-	-	-	31,631,761
<u>Unassigned:</u>	26,528,839	-	-	(1,721,082)	24,807,757
Total fund balances	362,807,057	105,282,402	192,717,940	134,110,690	794,918,089
Total liabilities, deferred inflows of resources and fund balance	\$1,203,966,756	\$120,805,285	\$206,844,871	\$184,934,847	\$1,716,551,759

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, 2022

Total governmental fund balances		\$794,918,089
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)		1,636,805,880
Right to use leased assets used in governmental activities are not financial resources and not reported in the funds. (Note 7)		138,686,223
Pension asset not financial resources for expenditures		647,000,000
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	(68,528,912)	
Bonds payable	(755,555,000)	
School bonds payable	(481,965,000)	
Credit line for capital	(10,309,884)	
Line of credit	(150,000,000)	
Leases including SBITAs	(137,371,678)	
Compensated absences	(43,577,173)	
Workers' compensation	(3,647,229)	
Premium on bonds issued	<u>(184,625,107)</u>	(1,835,579,983)
Deferred outflows of resources are not available to pay for current period expenditures and are not reported in the funds:		
Advance refunding	16,565,780	
Pension (Note 16.A)	89,200,000	
OPEB (Note 17.A and 17.B)	<u>30,461,002</u>	136,226,782
Deferred inflows of resources are not due and payable in the current period and are not reported in the funds:		
Pension (Note 16.A)	(476,600,000)	
OPEB (Note 17.A and 17.B)	<u>(84,457,656)</u>	(561,057,656)
Internal service funds' net position (Exhibit 6)		<u>45,358,145</u>
Net position of governmental activities		<u><u>\$1,002,357,480</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, 2022

	General Fund	General Capital Projects Fund	Transportation Capital Fund	All Other Governmental Funds	Total Governmental Funds
REVENUES:					
General property taxes:					
Real estate property taxes	\$830,318,888	\$-	\$23,682,129	\$19,418,125	\$873,419,142
Personal property taxes	127,071,165	-	-	-	127,071,165
Other local taxes:					
Business, professional and occupancy license tax	77,913,433	-	-	-	77,913,433
Sales tax	47,967,779	-	-	-	47,967,779
Meals tax	39,302,301	-	-	-	39,302,301
Transient tax	15,070,995	-	-	-	15,070,995
Utility tax	16,770,948	-	-	-	16,770,948
Recordation, car rental and other local taxes	29,981,258	-	-	14,113,541	44,094,799
Fines and forfeitures	5,765,432	-	-	-	5,765,432
Licenses, permits and fees	14,678,868	-	-	-	14,678,868
Intergovernmental	138,817,335	3,282,305	7,706,181	26,235,427	176,041,248
Charges for services	54,163,697	2,412,019	559,956	3,736,657	60,872,329
Interest and rent	26,067,463	-	-	773,338	26,840,801
Miscellaneous revenues	23,423,920	1,762,949	17,698,901	438,224	43,323,994
	<u>1,447,313,482</u>	<u>7,457,273</u>	<u>49,647,167</u>	<u>64,715,312</u>	<u>1,569,133,234</u>
EXPENDITURES:					
Current operating:					
General government	527,639,898	9,621,074	6,539,342	9,456,404	553,256,718
Public safety	157,007,379	553,601	-	-	157,560,980
Environmental services	107,232,186	-	-	-	107,232,186
Health and welfare	208,004,022	-	-	23,753,874	231,757,896
Libraries	13,938,064	-	-	-	13,938,064
Parks, recreation and culture	44,278,536	777,820	-	2,171	45,058,527
Planning and community development	20,932,399	548,476	-	16,663,110	38,143,985
Debt service:					
Principal	50,321,380	-	-	290,000	50,611,380
Interest and other charges	28,986,681	-	-	955,793	29,942,474
Intergovernmental:					
Community development	-	-	-	21,888,502	21,888,502
Education - Schools	558,477,881	-	-	-	558,477,881
Capital outlay	581,332	36,874,852	33,520,747	68,648,110	139,625,041
	<u>1,717,399,758</u>	<u>48,375,823</u>	<u>40,060,089</u>	<u>141,657,964</u>	<u>1,947,493,634</u>
Excess/(deficiency) revenues over/(under) expenditures	<u>(270,086,276)</u>	<u>(40,918,550)</u>	<u>9,587,078</u>	<u>(76,942,652)</u>	<u>(378,360,400)</u>
OTHER FINANCING SOURCES(USES):					
Transfers in	3,836,813	10,478,484	-	396,816	14,712,113
Transfers out	(11,130,279)	-	(3,158,130)	(512,962)	(14,801,371)
Credit line for capital	-	5,234,436	-	-	5,234,436
Issuance of line of credit	150,000,000	-	-	-	150,000,000
Sale of land and buildings	1,062,156	-	-	-	1,062,156
Leases	159,238,495	-	-	543,060	159,781,556
	<u>303,007,185</u>	<u>15,712,920</u>	<u>(3,158,130)</u>	<u>426,914</u>	<u>315,988,890</u>
Net change in fund balances	32,920,909	(25,205,630)	6,428,948	(76,515,738)	(62,371,511)
Fund balances, beginning	329,886,148	130,488,032	186,288,992	210,626,428	857,289,600
Fund balances, ending	<u>\$362,807,057</u>	<u>\$105,282,402</u>	<u>\$192,717,940</u>	<u>\$134,110,690</u>	<u>\$794,918,089</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, 2022

Net change in fund balances - total governmental funds		(\$62,371,511)
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	\$197,560,962	
Less: Depreciation expense	<u>(68,180,292)</u>	129,380,670
Right to use leased assets used in governmental activities are not financial resources and not reported in funds, net of amortization		
Add: Right to use assets	161,665,926	
Less: Amortization	<u>(22,979,703)</u>	138,686,223
Lease amortization difference		3,895,024
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.		
		(1,021,146)
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	110,419,468	
Deferred cost of refunding	16,565,780	
Less: Debt proceeds	<u>(291,952,079)</u>	(164,966,831)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in governmental funds:		
Amortization of deferred losses on bond refundings	874,623	
Amortization of bond premiums	<u>12,717,716</u>	13,592,339
Compensated absences and workers' compensation. (Note 9)		(336,322)
OPEB expenses (Note 17.B):		
Add: FY 2022 OPEB contributions deferred	660,284	
Less: OPEB expense	<u>25,990,282</u>	26,650,566
Pension expenses Note 16.A):		
Add: FY 2022 pension contributions deferred	61,200,000	
Less: Pension expense	<u>(147,800,000)</u>	86,600,000
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	240,348	
Net operating income/(loss) internal service funds	<u>1,139,457</u>	1,379,805
Change in net position of governmental activities		<u>\$171,488,817</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, 2022

	Business-type Activities - Enterprise Funds				Total	Governmental Activities Internal Service Funds
	Utilities	Ballston Public Parking Garage	8th Level Ballston Public Parking Garage	CPHD Development Fund		
ASSETS:						
Current assets:						
Equity in pooled cash and investments	\$44,586,956	\$1,511,693	\$1,687,790	\$11,237,360	\$59,023,799	\$14,696,038
Cash with fiscal agents	25,221	-	-	-	25,221	-
Accounts receivables, net	17,788,117	-	-	-	17,788,117	13,316
Lease receivable	126,175	-	-	-	126,175	-
Inventories	3,031,951	-	-	-	3,031,951	794,771
Prepaid expenses	2,575,177	-	-	-	2,575,177	-
Total current assets	<u>68,133,597</u>	<u>1,511,693</u>	<u>1,687,790</u>	<u>11,237,360</u>	<u>82,570,440</u>	<u>15,504,125</u>
Non-current assets:						
Right to use leases, net	18,157	11,131,918	-	12,143,442	23,293,517	647,922
Capital assets:						
Land	6,161,255	-	-	-	6,161,255	-
Depreciable, net	1,022,069,403	15,191,225	2,762,502	3,561	1,040,026,691	33,789,493
Intangible assets, net	2,955,927	-	-	-	2,955,927	-
Construction in progress	15,119,251	-	-	16,878,295	31,997,546	-
Total capital assets, net	<u>1,046,305,836</u>	<u>15,191,225</u>	<u>2,762,502</u>	<u>16,881,856</u>	<u>1,081,141,419</u>	<u>33,789,493</u>
Total non current assets	<u>1,046,323,993</u>	<u>26,323,143</u>	<u>2,762,502</u>	<u>29,025,298</u>	<u>1,104,434,936</u>	<u>34,437,415</u>
Total assets	<u>1,114,457,590</u>	<u>27,834,836</u>	<u>4,450,292</u>	<u>40,262,658</u>	<u>1,187,005,376</u>	<u>49,941,541</u>
LIABILITIES:						
Current liabilities:						
Vouchers payable	5,870,721	726,273	21,770	370,624	6,989,388	357,110
Contracts payable - retainage	198,930	-	-	-	198,930	-
Accrued liabilities	646,808	23,235,575	-	61,370	23,943,753	422,125
Due to other funds	-	-	-	-	-	2,375,538
Due within one year - leases	3,109	1,087,880	-	1,220,527	2,311,516	557,320
Due within one year	26,776,785	45,974,228	-	135,590	72,886,603	283,433
Total current liabilities	<u>33,496,354</u>	<u>71,023,956</u>	<u>21,770</u>	<u>1,788,111</u>	<u>106,330,191</u>	<u>3,995,526</u>
Non-current liabilities:						
Due in more than one year - leases	14,912	10,148,532	-	11,182,968	21,346,412	96,715
Due in more than one year	142,941,878	-	-	1,220,307	144,162,185	491,155
Total liabilities	<u>176,453,144</u>	<u>81,172,488</u>	<u>21,770</u>	<u>14,191,386</u>	<u>271,838,788</u>	<u>4,583,396</u>
DEFERRED INFLOWS OF RESOURCES:						
Leases	122,791	-	-	-	122,791	-
Deferred cost of refunding	827,931	-	-	-	827,931	-
Total deferred inflows of resources	<u>950,722</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>950,722</u>	<u>-</u>
NET POSITION:						
Net investment in capital assets	879,193,128	11,657,052	2,762,502	16,621,803	910,234,485	34,208,555
Unrestricted (deficit)	57,860,596	(64,994,704)	1,666,020	9,449,469	3,981,381	11,149,590
Total net position (deficit)	<u>\$937,053,724</u>	<u>(\$53,337,652)</u>	<u>\$4,428,522</u>	<u>\$26,071,272</u>	<u>\$914,215,866</u>	<u>\$45,358,145</u>

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

ARLINGTON COUNTY, VIRGINIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	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 Business-type Activities
OPERATING REVENUES:						
Water-sewer service charges	\$95,040,998	\$-	\$-	\$-	\$95,040,998	\$-
Water-service hook-up charges	9,290,895	-	-	-	9,290,895	-
Water-service connection charges	1,093,059	-	-	-	1,093,059	-
Sewage treatment service charges	4,471,682	-	-	-	4,471,682	-
Permits and fees	-	-	-	21,595,268	21,595,268	-
Other charges for services	5,384,181	-	-	-	5,384,181	22,860,271
Parking charges	-	2,153,760	203,329	-	2,357,089	-
Total operating revenues	115,280,815	2,153,760	203,329	21,595,268	139,233,172	22,860,271
OPERATING EXPENSES:						
Personnel services	19,084,527	-	-	10,500,418	29,584,945	4,860,515
Fringe benefits	6,954,030	-	-	3,760,606	10,714,636	1,927,198
Cost of store issuances	-	-	-	-	-	5,430,348
Contractual services	11,769,252	579,803	38,108	4,015,614	16,402,777	-
Purchases of water	7,231,090	-	-	-	7,231,090	-
Materials and supplies	9,364,700	167,127	18,934	127,467	9,678,228	1,086,355
Utilities	-	-	-	-	-	111,516
Operating equipment	-	-	-	-	-	5,641
Outside services	-	-	-	-	-	1,296,951
Depreciation and amortization	18,547,925	2,083,513	95,177	1,441,482	22,168,097	7,002,290
Rent	-	1,279,992	-	-	1,279,992	-
Equipment (Construction Contracts)	4,358,972	-	-	(4,193,630)	165,342	-
Internal services	-	-	-	3,687,705	3,687,705	-
Miscellaneous	7,442,686	369,086	23,944	-	7,835,716	-
Total operating expenses	84,753,182	4,479,521	176,163	19,339,662	108,748,528	21,720,814
Operating income (loss)	30,527,633	(2,325,761)	27,166	2,255,606	30,484,644	1,139,457
NON-OPERATING REVENUES(EXPENSES):						
Interest income and other income	(1,203,342)	-	-	(447,627)	(1,650,969)	-
Interest expense and fiscal charges	(4,265,281)	(2,588,846)	-	(244,575)	(7,098,702)	-
Interest expense on credit line for capital	-	-	-	-	-	(288,146)
Gain on disposal of assets	-	-	-	-	-	403,515
Total non-operating revenues (expenses)	(5,468,623)	(2,588,846)	-	(692,202)	(8,749,671)	115,369
Net Income(loss) before contributions and net transfers	25,059,010	(4,914,607)	27,166	1,563,404	21,734,973	1,254,826
CONTRIBUTIONS AND TRANSFERS:						
Contributions from developers and other sources	179,780	-	-	-	179,780	-
Transfers in	-	-	-	-	-	254,979
Transfers out	-	-	-	-	-	(130,000)
Total contributions and transfers	179,780	-	-	-	179,780	124,979
Change in net position	25,238,790	(4,914,607)	27,166	1,563,404	21,914,753	1,379,805
Net position (deficit) - beginning of year	911,814,935	(48,423,045)	4,401,356	24,507,868	892,301,113	43,978,340
Net position (deficit) - end of year	\$937,053,724	(\$53,337,652)	\$4,428,522	\$26,071,272	\$914,215,866	\$45,358,145

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, 2022

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds	
	Utilities	Ballston Public Parking Garage	8th Level Ballston Public Parking Garage	CPHD Development Fund		Total
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash received from customers	\$116,315,095	\$2,153,760	\$203,329	\$21,595,268	\$140,267,452	\$-
Receipts from interfund charges for fleet management services	-	-	-	-	-	21,205,615
Receipts from interfund charges for print services	-	-	-	-	-	1,677,338
Cash paid to suppliers	(43,670,640)	(623,696)	(63,813)	(3,771,061)	(48,129,210)	(7,594,610)
Cash paid to employees	(26,120,338)	-	-	(14,079,485)	(40,199,823)	(6,746,008)
Net cash provided by operating activities	46,524,117	1,530,064	139,516	3,744,722	51,938,419	8,542,335
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest income	(1,203,342)	-	-	(447,627)	(1,650,969)	-
Net cash used for investing activities	(1,203,342)	-	-	(447,627)	(1,650,969)	-
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:						
Transfer (paid) to other funds	-	-	-	-	-	(130,000)
Repayment of prior year temp loan	-	-	-	-	-	(1,966,485)
Temporary loan from general fund	-	-	-	-	-	2,375,538
Contributions from developers and other sources	-	-	-	-	-	254,979
Net cash provided by non-capital financing activities	-	-	-	-	-	534,032
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Principal payments - bonds	(7,150,000)	-	-	-	(7,150,000)	-
Payment of principal on credit line for capital	-	-	-	-	-	(225,618)
Payment of interest on credit line for capital	-	-	-	-	-	(288,146)
Payment of VRA loan	(16,688,169)	-	-	-	(16,688,169)	-
Interest and other loan expenses paid	(4,256,848)	-	-	(244,575)	(4,501,423)	-
Purchase of property	(19,448,899)	-	-	(4,193,630)	(23,642,529)	(2,703,361)
Leases	(1,711)	(1,067,287)	-	(1,168,009)	(2,237,007)	(771,118)
Proceeds from sale of equipment	-	-	-	-	-	475,386
Net cash used for capital and related financing activities	(47,545,627)	(1,067,287)	-	(5,606,214)	(54,219,128)	(3,512,857)
Net increase (decrease) in cash and cash equivalents	(2,224,852)	462,777	139,516	(2,309,119)	(3,931,678)	5,563,510
Cash and cash equivalents at beginning of year	46,811,808	1,048,916	1,548,274	13,546,479	62,955,477	9,132,529
Cash and cash equivalents at end of year	<u>\$ 44,586,956</u>	<u>\$ 1,511,693</u>	<u>\$ 1,687,790</u>	<u>\$ 11,237,360</u>	<u>\$ 59,023,799</u>	<u>\$ 14,696,039</u>
Reconciliation of operating income (loss) to net cash provided by operations:						
Operating Income (loss)	30,527,633	(2,325,761)	27,166	2,255,606	30,484,644	1,139,457
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation and amortization expense	18,547,925	2,083,513	95,177	1,441,482	22,168,097	7,002,290
Effect of changes in operating assets and liabilities:						
Accounts receivable	721,261	-	-	-	721,261	22,682
Inventories	(624,653)	-	-	-	(624,653)	(11,348)
Vouchers payable	(2,873,787)	492,320	17,173	(133,905)	(2,498,199)	347,549
Compensated absences	(81,780)	-	-	181,539	99,759	41,705
Contract retainage	1,151	-	-	-	1,151	-
Prepaid item	(6,653)	-	-	-	(6,653)	-
Accrued rent liability	-	1,279,992	-	-	1,279,992	-
Unearned revenue	313,019	-	-	-	313,019	-
Net cash provided by operations	<u>\$46,524,117</u>	<u>\$1,530,064</u>	<u>\$139,516</u>	<u>\$3,744,722</u>	<u>\$51,938,419</u>	<u>\$8,542,335</u>
Schedule of non-cash capital and related financing activities:						
Contributions from developers and other sources	\$179,780	\$-	\$-	\$-	\$179,780	\$-

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

ARLINGTON COUNTY, VIRGINIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022

	Pension and OPEB Trust Funds	Private Purpose Trust Fund	Custodial Funds
ASSETS:			
Equity in pooled cash and investments	\$275,209,632	\$269,556	\$145,700
Contributions receivable:			
Employer	2,186,281	-	-
Employee	518,594	-	-
Accrued interest and other receivables	55,831	-	-
Investments, at fair value:			
Foreign, Municipal and U.S. Government Instruments in pooled funds	173,092,338	-	-
Corporate fixed income obligations	149,389,861	-	-
Domestic and foreign equities, including Equities in pooled funds	864,249,175	-	-
Other investments	203,019,171	-	-
Real estate funds	19,288,758	-	-
Pooled equity	897,341,913	-	-
Pooled fixed Income	438,582,168	-	-
Total assets	<u>3,022,933,722</u>	<u>269,556</u>	<u>145,700</u>
LIABILITIES:			
Accounts payable and accrued liabilities	<u>7,264,686</u>	<u>29,512</u>	<u>145,700</u>
Total liabilities	<u>7,264,686</u>	<u>29,512</u>	<u>\$145,700</u>
NET POSITION RESTRICTED FOR PLAN BENEFITS AND OTHER PURPOSES	<u><u>\$3,015,669,036</u></u>	<u><u>\$240,044</u></u>	<u><u>\$-</u></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, 2022

	Pension and OPEB Trust Funds	Private Purpose Trust Fund	Custodial Funds
ADDITIONS:			
Contributions and revenues:			
Employer contributions	\$67,748,511	\$-	\$-
Employee contributions	14,836,453	-	-
Other contributions	75,271	-	-
Shared revenues	-	118,000	-
Tax collections for other governments	-	-	8,328,664
Collections for other organizations	-	-	41,094
Total contributions	82,660,235	118,000	8,369,758
Investment earnings:			
Interest and other	48,595,022	691	-
Gross income from securities lending	289,805	-	-
Bank fees and expenses from securities lending	(71,992)	-	-
Net change in fair value of investments	(380,523,081)	-	-
Total investment earnings (loss)	(331,710,246)	691	-
Less investment expenses	9,496,497	-	-
Net investment earnings (loss)	(341,206,743)	691	-
Total additions	(258,546,508)	118,691	8,369,758
DEDUCTIONS:			
Administrative expenses	2,283,568	89,742	-
Tax payments to other governments	-	-	8,328,664
Payments to other organizations	-	-	41,094
Retirees pension expense	126,459,046	-	-
Total deductions	128,742,614	89,742	8,369,758
Change in net position	(387,289,122)	28,949	-
Net position restricted for plan benefits - begin year	3,402,958,159	211,095	-
Net position restricted for plan benefits - year end	\$3,015,669,036	\$240,044	\$-

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



Notes to the Financial Statements

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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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, 2022.

A. The Financial Reporting Entity

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

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

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

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

B. Blended Component Units

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

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

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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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

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

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

C. Discretely Presented Component Units

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

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

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

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

D. Fiduciary Component Units

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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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

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

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, 2022

GAAP set forth minimum criteria for the determination of major funds. The County has elected to present additional funds as major for better 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. All other revenue items are considered to be measurable and available only when cash is received by the County.

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 Ballston Quarter CDA, travel and tourism promotion, the Rosslyn, Ballston, and National Landing business improvement districts, community development block grants, and Housing Choice Vouchers are accounted for in these funds.

The **Capital Projects Funds** are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). Major capital projects include Transportation Infrastructure, Maintenance Capital Program (MC), Information Technology, Parks & Recreation, Neighborhood Conservation (NC) Program, and Stormwater Drainage Infrastructure. Transportation Capital Funds provide funding for the County's Transportation Capital Improvement Program and the County's Share of the Metro capital improvement program. National Landing Tax Increment Financing will provide funding for the Crystal City Sector Plan and infrastructure and Columbia Pike Tax Incremental Financing will provide funding for Columbia

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

Pike Neighborhoods Plan to support affordable housing. General Obligation Public Improvement Bonds are used to fund Street and Highways, Community Conservation, Government Facility, Parks and Recreation, Metro and Schools. The IDA Bond Funds have provided funding for the Emergency Communications Center, the Trades Center, the George Mason Center, Arlington Mill Community Center, Fire Station #3, Buckingham Village 3, Buckingham Park, acquisition and renovation of the North Quincy Street Development and 2920 South Glebe Road, and financing of the County's short-term capital needs. The Schools' capital project fund and bond construction fund are used for funding major capital projects including building improvements such as the Schools' Transportation Office and the Arlington Technical Career Center.

Proprietary Fund Types:

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

The County uses the following proprietary fund types:

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

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

ARLINGTON COUNTY, VIRGINIA

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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.

The **Other Postemployment Benefits (OPEB) Trust Funds** accounts for the assets held in trusts by the County and Schools and beneficiaries of the OPEB plans.

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

Budgets

Budgets are adopted on the modified accrual basis. Annual appropriated budgets are adopted for the general, enterprise, internal service, capital projects, and special revenue funds. All appropriations are legally controlled at the departmental level. The School Board prepares a separate operations budget for approval by the County Board. The proposed budget includes a recommended program of County and School capital expenditures to be financed from current operations. The County Manager biennially submits a ten-year Capital Improvement Plan (CIP) to the County Board. Starting with the FY 2013 – FY 2022, 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. Equity in 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

ARLINGTON COUNTY, VIRGINIA

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defer rebalancing, determines that it would not be consistent with the Retirement Board's fiduciary responsibility to rebalance (increase fixed income) at that time.

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

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

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

G. Receivables and Payables

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

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

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

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

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.

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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 per GASB S72 definition of acquisition value at date of donation. Land and easements are not depreciated. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Additions to infrastructure capital assets are provided by capital outlays from the Street and Highway Bond Fund, Neighborhood Conservation Fund, Stormwater Fund and General Capital Projects Fund. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

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

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

Right to use assets were added in FY 2022 in compliance with GASB 87 and GASB 96. Assets were amortized over the term length of the individual contracts. 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. Due to the pandemic, an exception has been made to the carry forward policy. 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.

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

K. Arbitrage Rebate Liability

The U.S. Treasury has issued regulations on calculating the rebate due to the Federal government on arbitrage profits and determining compliance with the arbitrage rebate provisions of the Tax Reform Act of 1986. Arbitrage profits arise when the County temporarily invests the proceeds of tax exempt debt in securities with higher yields. The County treats the estimated rebate payable as a reduction of available financial resources in the fund that earned the arbitrage profit. Accordingly, interest earnings are reduced by the amount of the increase in the estimated rebate payable and a liability is reported in the appropriate fund. At June 30, 2022, the County had no arbitrage rebate liability.

L. Long-Term Obligations

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

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

M. Fund Balance

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

Non-spendable Fund Balance – Amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints, such as inventory and prepaid items.

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 2022, this reserve is currently set at \$5 million. In accordance with the County's Financial and Debt Management policies, the operating reserve is currently set at 5.5% of the FY 2022 general fund revenue budget. The Stabilization Reserve and proposed Stabilization Reserve replenishment sum to \$13.9 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

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Board will review the recommendations of the County Manager during closeout during the November Board meeting. If approved by a resolution of the County Board, the assigned funds become committed. Amendments must follow the guidance described in Note 1.I.E. By State law, funds cannot be spent unless appropriated by the County Board.

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

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

N. Cash and Cash Equivalents

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

O. Use of Estimates

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

P. Deferred Outflows of Resources

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

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 finds, 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.

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

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Employees' Retirement System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

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

S. Implementation of New GASB Pronouncements

The County implemented the following GASB pronouncements:

In June 2017, GASB issued Statement No. 87 ("GASB 87"), *Leases*. GASB Statement No.87 (GASB 87) improves the usefulness of governmental financial statements by requiring the recognition of certain lease assets and liabilities for all leases, including those that were previously classified as operating leases and recognized as income by lessors and expenditures by lessees. GASB 87 replaces the previous accounting methodology and establishes a single model for lease accounting based on the foundational principle that leases are a financing of the right to use an underlying asset. GASB 87 is effective for the Arlington County Annual Comprehensive Financial Report (ACFR) for the period ending June 30, 2022.

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

T. Change in Accounting Principle

During the FY 2001 implementation of GASB 33 it was determined Arlington County should recognize the first half of real estate revenue for the calendar year at the time of real estate tax rate and levy approval and the second half of real estate revenue as deferred revenue for modified accrual basis In FY 2002, Arlington County began reporting full accrual exhibits and modified accrual exhibits as required in accordance with GAAP. Full accrual policy included recognizing the second half of real estate taxes as revenue and the treatment of real estate revenue has been one of the reconciling items between our full accrual and modified accrual statements since FY 2002. Per review of financial statements at the time, upon implementation of GASB No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments ("GASB 34"), which required full accrual accounting be utilized in the newly created government-wide financial statements, the County overstated the June 30, 2002 net position of the Governmental Activities by one-half of the calendar year taxes that were levied to fund fiscal year 2003 and should instead have been recognized as revenues of that fiscal year and as deferred revenues in the governmental activities as of June 30, 2002. The practice of recognizing revenue for the calendar year taxes levied to fund the subsequent fiscal

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year in error continued through the year ended June 30, 2021. This year, a determination was made to revisit the policy determined during GASB 33 implementation and to amend our policy so as not to recognize the second payment of the calendar year as revenue, but instead recognize it as unearned revenue. The change in revenue recognition policy results in a restatement of the beginning balance, from \$1,276.3 million reduced to \$830.8 million, for governmental activities under Exhibit 2, Statement of Activities, and a reduction of real estate revenue of the difference between the current year unearned revenue and prior year unearned revenue, \$14.8 million. Furthermore, the change in policy impacted the Statement of Net Position by a cumulative total of \$460.3 million.

U. Subsequent Events

COVID-19 virus became a national pandemic in March 2020. This event continues through FY22 with less economic and health impact to FY22. The County responded immediately and continues to respond to the pandemic on many different fronts. The County addressed critical safety concerns, economic concerns, and throughout has maintained a high level of communication with the community and staff. The County established the GRANT (Giving Resilience Assets Near Term) program which provides immediate financial assistance to Arlington small businesses and nonprofits impacted by the pandemic. The County received to date, in FY20 through FY22, over \$210 million in Federal, State and Local funds for COVID-19 related expenditures. American Rescue Plan Act monies were received in FY21 and FY22. ARPA funds were expended in FY 22 and will continue through FY 23. The County continues a steady recovery from pandemic impact.

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 FY2022, such appropriation amendments totaled \$334,777,636 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.

Expenditures exceeded the level of control in FY 2022 for Technology Services, Circuit Court, Sheriff's Office, Office of Emergency Management, and Human Services. Technology Services' over expenditure was primarily due to the implementation of GASB statement 87. Circuit Court's over expenditure was primarily due to unbudgeted overtime and unbudgeted unused leave payouts for retiring personnel. Sheriff's Office's over expenditure was primarily due to overtime costs required in the detention facility for minimum staffing requirements and unbudgeted unused leave payouts for retiring personnel..

The Ballston Public Parking Garage (an enterprise fund) 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 limited liabilities and depreciation, the garage has a negative net position of \$53,337,652 at June 30, 2022. The deferred ground rent and deferred mortgage payable are limited liabilities and are only payable under certain net operating income circumstances. The deficiency has been caused by slower than anticipated commercial development of the areas adjacent to the garage and limitations on parking rates. Under its agreement with The Federated Department Stores Inc., the County was precluded from initially increasing some key parking rates.

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The printing fund (an internal service fund) had a decrease in net position of (\$727,300) in FY2022, resulting in an ending net deficit of (\$2,833,791).

NOTE 3. Cash and Investments

I. County Cash and Investments

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

A. Custodial Credit Risk Deposits

At year end, the carrying amount of the County and School bank deposits, including money market accounts was \$31,727,960 and the bank balance was \$66,340,934. Of the bank balance, \$21,025,569 was covered by Federal depository insurance. The bank balances exceeding those covered by Federal insurance are protected under the provisions of the Virginia Security for Public Deposits Act ("the Act").

B. Custodial Credit Risk Investment Securities

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

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, 2022.

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,

ARLINGTON COUNTY, VIRGINIA

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however, shall investments be purchased with maturities greater than five years. At June 30, 2022, the County had the following investments and maturities:

	<u>Investment Maturity (in years)</u>			
	<u>Fair Value</u>	<u>Less than 1 year</u>	<u>1-3 years</u>	<u>3-5 years</u>
Corporate Notes	\$154,025,601	\$18,966,182	\$109,782,651	\$25,276,768
Government Agency Notes	295,653,984	10,070,849	180,294,307	105,288,828
Municipal Obligations	39,052,054	6,842,412	27,641,927	4,567,715
US Treasury Note	26,519,440	-	21,928,640	4,590,800
Commercial Paper	38,532,647	38,532,647	-	-
Negotiable CD	8,341,183	8,341,183	-	-
Total	<u>\$562,124,909</u>	<u>\$82,753,273</u>	<u>\$339,647,525</u>	<u>\$139,724,111</u>
Investments Measured at Net Asset Value (NAV)				
Virginia State LGIP -				
Liquidity Pool	\$225,519,384			
VIP Daily Liquidity Pool	100,202,835			
Virginia State SNAP	<u>242,689,318</u>			
Total Investments	<u>\$568,411,537</u>			

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, 2022, the County's fair value measurements were as follows:

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	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Virginia State LGIP - Liquidity Pool	\$225,519,384	\$225,519,384	\$-	\$-
VIP Daily Liquidity Pool	100,202,835	100,202,835	-	-
Virginia State SNAP	242,689,318	242,689,318	-	-
Corporate Notes	154,025,601	154,025,601	-	-
Government Agency Notes	295,653,984	295,653,984	-	-
Municipal Obligations	39,052,054	39,052,054	-	-
US Treasury Note	26,519,440	26,519,440	-	-
Negotiable CD	8,341,183	8,341,183	-	-
Commercial Paper	38,532,647	38,532,647	-	-
Total	<u>\$1,130,536,446</u>	<u>\$1,130,536,446</u>	<u>\$-</u>	<u>\$-</u>

As of June 30, 2022, 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, 2022, the balance of these funds totaled \$17,997,676, 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 \$97,822 at fair value, were held by First Virginia Community Bank at June 30, 2022.

Truist Bank is the trustee for the Ballston Parking Garage and the Arlington Mill Community Center Parking Garage. Daily and monthly parking fees collected at the Garages are deposited in Truist Bank and transferred monthly to the County's concentration account with Wells Fargo Bank. As of June 30, 2022, the Truist balance was \$42,725 for the Ballston Parking Garage and \$178,219 for the Arlington Mill Parking Garage.

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, 2022, the County has \$242,689,318 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.

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- 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, 2022, the County has \$225,519,384 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), administered by VACo/VML VIP. As of June 30, 2022, the County had \$100,202,835 in the Stable NAV Liquidity Pool short-term investment. The VACo/VML VIP is committed to managing certain risk limiting provisions to maintain a stable net asset value (NAV) at \$1.00 per share, as determined at the close of each business day. The goal of maintaining NAV is facilitated as follows:

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

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

A. Legal Provisions and Investment Policy

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

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

Such sectors include, but are not limited to:

- Convertible securities
- Cash, money market funds and other short term investment funds
- Public and private investments of U.S. and non-U.S. companies

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- 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>	<u>10 Year Average Allocation</u>
Domestic Equity	42%	48%
International Equity	16%	16%
Fixed Income	25%	30%
Cash/Short Term	9%	2%
Non-Traditional	8%	4%
	<u>100%</u>	<u>100%</u>

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

B. Expected Rate of Return

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

Best estimates of geometric real rates of return for each major asset class included in the pension plan's expected asset allocation as of June 30, 2022 (see the discussion of the system investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	6.8%
International Equity	8.3%
Fixed Income	4.2%
Cash/Short Term	2.2%
Non-Traditional	10.9%

C. Investment Restrictions

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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
- 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, 2022, the System had \$49 in open net forward currency contracts.

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D. Cash and Cash Equivalents

At June 30, 2022, the System had cash and cash equivalents of \$275,209,632. Cash deposits in bank accounts totaled \$478,759. This amount was insured by the Federal Deposit Insurance Corporation up to \$250,000 for each System participant. Cash totaling \$274,730,873 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, 2022:

<u>Investment Type</u>	<u>Investment Value in (\$000s)</u>
Foreign, Municipal and U.S. Governments:	
Government and Government Agency Debt	\$16,478
Government Pooled Fund	85,995
Total Foreign, Municipal, and U.S. Governments	<u>102,473</u>
Corporate Fixed Income Obligations:	
Residential Mortgaged Backed	67,696
Commercial Mortgaged Backed	20,283
Collateralized Mortgaged Obligations	30,216
Asset Backed Securities	31,195
Total Corporate Fixed Income Obligations	<u>149,390</u>
Domestic and Foreign Equities:	
Common Stock	728,003
REITs	2,915
Preferred Stock	2,183
Total Domestic and Foreign Equities	<u>733,101</u>
Private Equity:	
Private Equity	203,019
Real Estate Funds:	
Real Estate	19,289
Pooled Equity:	
Pooled Equity Funds	897,341
Pooled Fixed Income:	
Pooled Bonds Funds	438,582
Total ⁽¹⁾	<u>\$2,543,195</u>

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(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 \$165.9 million of directly owned fixed income securities and on \$524.6 million invested in three pooled US fixed income funds.

The System's directly owned fixed income investments and maturities at June 30, 2022 are:

Investment Type:	<u>Investment Maturities</u>				
	<u>Fair Value</u> ((\$000s))	<u>Investment Maturities (years)</u>			
		Under 1	1-5	6-10	Over-10
Asset Backed Securities	\$31,195	\$-	\$3,365	\$2,987	\$23,843
Commercial Mortgage-Backed	20,283	-	-	821	19,461
Government and Government Agencies	16,479	-	1,766	3,333	11,380
Residential Mortgage Backed	67,696	-	-	6,369	61,327
Collateralized Mortgage Obligations	30,216	-	3,475	964	25,777
Total	<u>\$165,869</u>	<u>\$-</u>	<u>\$8,606</u>	<u>\$14,474</u>	<u>\$141,788</u>

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, 2022 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	\$31,195	2.51
Commercial Mortgage-Backed	20,283	2.80
Government & Government Agencies	16,478	15.50
Residential Mortgage Backed	67,696	5.74
Collateralized Mortgage Obligations	30,216	3.59
Total	<u>\$165,868</u>	<u>6.55</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

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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 \$165.9 million at June 30, 2022 is shown in the following table:

Investment Type <i>(in \$ 000s)</i>	<u>Fixed Income Credit Quality Distribution</u>							
	Credit Quality							
	AAA	AA	A	BBB	BB	B	Below B	Unrated
Asset Backed Securities	\$5,369	\$-	\$1,550	\$2,413	\$-	\$-	\$14,890	\$6,973
Commercial Mortgage-Backed	7,121	1,782	1,428	1,756	592	157	-	7,447
Government & Government Agencies	16,478	-	-	-	-	-	-	-
Residential Mortgage Backed	67,696	-	-	-	-	-	-	-
Collateralized Mortgage Obligations	-	-	-	1,995	378	-	10,919	16,924
Total	<u>\$96,664</u>	<u>\$1,782</u>	<u>\$2,978</u>	<u>\$6,164</u>	<u>\$970</u>	<u>\$157</u>	<u>\$25,809</u>	<u>\$31,344</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, 2022 was as follows:

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Foreign Currency Exposure In Dollars

<u>Currency (in \$ 000s)</u>	<u>Equity</u>	<u>Fixed Income & Convertible</u>	<u>Cash</u>	<u>Total</u>
Australian Dollar	\$1,634	\$-	\$-	\$1,634
Brazilian Real	799	-	-	799
British Pound Sterling	4,282	-	1	4,283
Danish Krone	3,823	-	-	3,823
Euro	36,114	-	2	36,116
HK offshore Chinese Yuan Renmini	5,630	-	-	5,630
Hong Kong Dollar	28,581	-	-	28,581
Indonesian Rupiah	4,635	-	0	4,635
Japanese Yen	5,861	-	28	5,889
Nigerian Naira	124	-	308	432
Norwegian Krone	1,063	-	1	1,064
Philippines Peso	3,878	-	2	3,880
Singapore Dollar	-	-	1	1
South Africa Rand	285	-	-	285
Swedish Krona	1,282	-	1	1,283
Swiss Franc	1,917	-	2	1,919
Total	<u>\$99,908</u>	<u>\$-</u>	<u>\$346</u>	<u>\$100,254</u>

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 from \$75.0 million at the beginning of the year to \$15.0 million at June 30, 2022. The following table details the net income from securities lending for the fiscal year ended June 30, 2022:

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Gross Income from Securities Lending	\$289,805
Less: Bank Management Fees	<u>(71,992)</u>
Net Income from Securities Lending	<u>\$217,813</u>

At June 30, 2022, the fair value of underlying securities lent was \$15,149,685 and the fair value of the non-cash collateral pledged was \$15,578,365. 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.

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.

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Investments and Derivative Instruments Measured at Fair Value

	6/30/2022	Fair Value Measurements		
		Quoted Prices in Active markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Debt securities:				
Foreign, Municipal and U.S. Governments:				
Government and Government Agency Debt	\$16,478,297	\$16,478,297	\$-	\$-
Residential Mortgage Backed	70,358,135	-	70,358,135	-
Corporate Fixed Income Obligations:				
Commercial Mortgage Backed	17,620,317	-	17,620,317	-
Asset Backed	31,195,237	-	31,195,237	-
Non-Government Backed C.M.O.s	30,216,172	-	30,216,172	-
Pooled Fixed Income				
Pooled Bond Funds	77,288,540	77,288,540	-	-
Total debt securities measured at fair value	243,156,698	93,766,837	149,389,861	-
Equity Securities:				
Domestic and Foreign Equities:				
Common stock	587,396,833	587,396,833	-	-
Preferred stock	2,182,639	2,182,639	-	-
Pooled Equity Funds	663,813,828	663,813,828	-	-
Total equity securities measured at fair value	1,253,393,300	1,253,393,300	-	-
Total investments by fair value level	1,496,549,998	\$1,347,160,137	\$149,389,861	\$-
Investments measured at the NAV				
Debt Securities				
Pooled Bond Funds	447,288,477			
Total Debt Securities measured at the NAV	447,288,477			
Equity Securities				
Domestic and Foreign Equities				
Pooled Global Equity Fund	253,186,038			
Pooled International Equity Fund	123,861,822			
Total equity securities measured at the NAV	377,047,860			
Alternative investments				
Private Equity				
Private Equity	203,019,171			
Total private equity measured at the NAV	203,019,171			
Real Estate Funds				
Real Estate	19,288,758			
Total alternative investments measured at the NAV	222,307,929			
Total investments measured at fair value	1,046,644,266			
Total investments	\$2,543,194,264			

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Total Assets at Net Asset Value				
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Debt Securities				
Pooled Fixed Income	\$447,288,477	\$-	Daily	N/A
Total Debt Securities	447,288,477	-		
Equity Securities:				
Domestic and Foreign Equities	253,186,038	-	Monthly	15-45 days
International Pooled Equity	123,861,822	-	Monthly	15-45 days
Total equity securities	377,047,860	-		
Alternative Investments:				
Private Equity	203,019,171	163	N/A	N/A
Real Estate	19,288,758	40	N/A	N/A
Total alternative investments	222,307,929	203		
Total investments measured at the NAV	\$1,046,644,266	\$203		

- **Unfunded Commitments.** At June 30th, the System had committed to fund certain alternative investment partnerships in the amount of 463.0 million. Funding of \$259.77 million has been provided leaving an unfunded commitment of \$203 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.

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

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

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

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

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

The following are approved investment options for the OPEB Trusts:

Vanguard Wellington Fund Admiral Shares (VWENX)

Vanguard Federal Money Market Fund (VMFXX)

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

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

The OPEB Trusts' investments are recorded at fair value based on the methodology described above. The following table presents fair value of investments by type at June 30, 2022:

<u>County</u>			<u>Schools</u>		
<u>Description</u>	<u>Percentage</u>	<u>Fair Value</u>	<u>Description</u>	<u>Percentage</u>	<u>Fair Value</u>
Stocks	65%	\$131,149,928	Stocks	65%	\$54,413,224
Bonds	35%	70,619,192	Bonds	35%	29,299,428
Total:	100%	<u>\$201,769,120</u>	Total:	100%	<u>\$83,712,652</u>

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

Receivables at June 30, 2022 are summarized below:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Real estate taxes	\$461,959,338	\$-
Personal property taxes	3,198,052	-
Business license taxes	2,140,093	-
Meal tax	803,393	-
Accounts receivable	24,900,774	18,565,990
Interest	1,480,892	-
Total	<u>494,482,542</u>	<u>18,565,990</u>
Less: Allowance for uncollectible accounts	<u>(1,075,098)</u>	<u>(777,873)</u>
Net receivables	<u>\$493,407,444</u>	<u>\$17,788,117</u>
 Lease Receivable	 242,611,321	 126,175

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 receivable is the unbilled October 5 installment. This October due amount, totaling \$460,340,725, 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 consist of two components: unearned revenues and deferred inflows of resources. 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, 2022, the components of unearned revenues reported were as follows:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

<u>General Fund and other non-major governmental funds</u>	
Taxes	\$11,267,131
Grants	35,890,608
Housing development loans	3,230,487
Household Credits	421,256
	<u>50,809,482</u>
<u>Capital Project Fund</u>	
FTA deferred grant revenue	408,245
Developer's contributions	6,347,218
	<u>6,755,463</u>
Total Unearned Revenue	<u><u>\$57,564,945</u></u>

<u>Deferred Inflows of Resources</u>	<u>General Fund</u>	<u>Capital Projects</u>	<u>Total Governmental Activities</u>	<u>Business - Type Activities</u>	<u>Total Primary Government</u>
Real Estate Taxes	\$460,340,725	\$-	\$460,340,725	\$-	\$460,340,725
Lease	215,621,911	23,094,386	238,716,297	122,791	238,839,088
Pension	476,600,000	-	476,600,000	-	476,600,000
OPEB	84,457,656	-	84,457,656	-	84,457,656
Refunding of debt	-	-	-	827,931	827,931
Total Deferred Inflows of resources	<u>\$1,237,020,292</u>	<u>\$23,094,386</u>	<u>\$1,260,114,678</u>	<u>\$950,722</u>	<u>\$1,261,065,400</u>

Deferred inflows of resources in governmental funds include \$460,340,725 of October installment of real estate taxes.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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

Capital asset activity for the year ended June 30, 2022:

Primary Government

	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022
Governmental and Internal Service activities:				
Capital assets, not being depreciated:				
Land	\$248,791,081	\$11,303,555	\$-	\$260,094,636
Construction in progress	226,000,257	121,653,486	181,407,301	166,246,442
Total capital assets, not being depreciated	<u>474,791,338</u>	<u>132,957,041</u>	<u>181,407,301</u>	<u>426,341,078</u>
Capital assets, being depreciated:				
Infrastructure	989,519,153	104,830,329	-	1,094,349,482
Buildings*	567,079,490	94,493,596	-	661,573,086
Furniture, fixtures and equipment	390,431,606	16,441,420	1,691,655	405,181,371
Intangible	10,258,984	3,228,237	-	13,487,221
Total capital assets being depreciated	<u>1,957,289,233</u>	<u>218,993,582</u>	<u>1,691,655</u>	<u>2,174,591,160</u>
Less accumulated depreciation for:				
Infrastructure	424,168,328	25,134,708	-	449,303,036
Buildings*	192,211,683	15,684,966	-	207,896,649
Furniture, fixtures and equipment	236,776,021	28,883,954	1,619,783	264,040,192
Intangible	7,733,931	1,363,058	-	9,096,989
Total accumulated depreciation	<u>860,889,963</u>	<u>71,066,686</u>	<u>1,619,783</u>	<u>930,336,866</u>
Total capital assets, being depreciated, net	<u>1,096,399,270</u>	<u>147,926,896</u>	<u>71,872</u>	<u>1,244,254,294</u>
Governmental and Internal Service activities	<u>\$1,571,190,608</u>	<u>\$280,883,937</u>	<u>\$181,479,173</u>	<u>\$1,670,595,372</u>
Right to use asset				
	Beginning Balance	Increases	Decreases	Ending Balance
Buildings	\$-	\$138,785,221	\$-	\$138,785,221
Equipment	-	2,100,519	-	2,100,519
Subscription	-	20,859,048	-	20,859,048
Total right to use assets	<u>-</u>	<u>161,744,788</u>	<u>-</u>	<u>161,744,788</u>
Less accumulated amortization for:				
Buildings	-	13,388,314	-	13,388,314
Equipment	-	736,555	-	736,555
Subscription	-	8,933,696	-	8,933,696
Total accumulated amortization	<u>-</u>	<u>23,058,565</u>	<u>-</u>	<u>23,058,565</u>
Total right to use assets, net	<u>\$-</u>	<u>\$138,686,223</u>	<u>\$-</u>	<u>\$138,686,223</u>

*Beginning balances includes amounts not reported in prior year due to error in implementation of GASB 84.

Governmental activities capital assets, net of accumulated depreciation, at June 30, 2022, are comprised of the following:

Governmental funds	\$1,617,885,032
Skating facility fund	18,920,847
Internal service funds	33,789,493
Total	<u>\$1,670,595,372</u>

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

Business-type Activities

	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022
Capital assets, not being depreciated				
Land	\$6,161,255	\$-	\$-	\$6,161,255
Construction in progress	25,974,469	23,194,782	17,171,705	31,997,546
Total capital assets, not being depreciated	<u>32,135,724</u>	<u>23,194,782</u>	<u>17,171,705</u>	<u>38,158,801</u>
Capital assets, being depreciated:				
Sewer system	431,228,520	8,505,459	-	439,733,979
Water system	867,077,906	8,262,613	-	875,340,520
Building	36,244,072	-	-	36,244,072
Furniture, Equipments	7,922,555	965,066	-	8,887,621
Intangible	7,426,771	66,093	-	7,492,864
Total capital assets being depreciated	<u>1,349,899,824</u>	<u>17,799,231</u>	<u>-</u>	<u>1,367,699,056</u>
Less accumulated depreciation for:				
Sewer system	115,085,020	2,000,918	-	117,085,938
Water system	161,894,500	15,646,064	-	177,540,564
Building	18,026,959	844,113	-	18,871,072
Furniture, fixtures and equipment	6,339,655	342,272	-	6,681,927
Intangible	3,324,973	1,211,964	-	4,536,937
Total accumulated depreciation	<u>304,671,107</u>	<u>20,045,331</u>	<u>-</u>	<u>324,716,438</u>
Total capital assets, being depreciated, net	<u>1,045,228,717</u>	<u>(2,246,100)</u>	<u>-</u>	<u>1,042,982,618</u>
Business-type activities capital assets, net	<u>\$1,077,364,441</u>	<u>\$20,948,682</u>	<u>\$17,171,705</u>	<u>\$1,081,141,419</u>

Right to use asset

	Beginning Balance	Increases	Decreases	Ending Balance
Buildings	\$-	\$22,062,920	\$-	\$22,062,920
Equipment	-	19,554	-	19,554
Subscription	-	3,812,282	-	3,812,282
Total right to use assets	<u>-</u>	<u>25,894,756</u>	<u>-</u>	<u>25,894,756</u>
Less accumulated amortization for:				
Buildings	-	1,963,069	-	1,963,069
Equipment	-	1,396	-	1,396
Subscription	-	636,774	-	636,774
Total accumulated amortization	<u>-</u>	<u>2,601,239</u>	<u>-</u>	<u>2,601,239</u>
Total right to use assets, net	<u>\$-</u>	<u>\$23,293,517</u>	<u>\$-</u>	<u>\$23,293,517</u>

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

Discretely presented component units Schools:

	Balance <u>July 1, 2021</u>	Increases	Decreases	Balance <u>June 30, 2022</u>
Capital assets, not being depreciated				
Land	\$4,697,946	\$-	\$-	\$4,697,946
Construction in progress	<u>56,871,715</u>	<u>22,809,502</u>	<u>57,930,784</u>	<u>21,750,433</u>
Total capital assets, not being depreciated	<u>61,569,661</u>	<u>22,809,502</u>	<u>57,930,784</u>	<u>26,448,379</u>
Capital assets, being depreciated:				
Buildings	1,058,854,428	74,850,174	-	1,133,704,602
Furniture, fixtures, and equipment	<u>150,826,215</u>	<u>17,466,109</u>	<u>-</u>	<u>168,292,324</u>
Total capital assets being depreciated	<u>1,209,680,643</u>	<u>92,316,283</u>	<u>-</u>	<u>1,301,996,926</u>
Less accumulated depreciation for:				
Buildings	321,065,923	26,229,741	-	347,295,664
Furniture, Equipments	<u>97,357,883</u>	<u>8,887,420</u>	<u>-</u>	<u>106,245,303</u>
Total accumulated depreciation	<u>418,423,806</u>	<u>35,117,161</u>	<u>-</u>	<u>453,540,967</u>
Total capital assets, being depreciated, net	<u>791,256,837</u>	<u>57,199,122</u>	<u>-</u>	<u>848,455,959</u>
Schools activities capital assets, net	<u>\$852,826,498</u>	<u>\$80,008,624</u>	<u>\$57,930,784</u>	<u>\$874,904,338</u>

Right to use asset

	Beginning <u>Balance</u>	Increases	Decreases	Ending <u>Balance</u>
Buildings	\$-	\$59,447,893	\$-	\$59,447,893
Equipment	<u>-</u>	<u>227,002</u>	<u>-</u>	<u>227,002</u>
Total right to use assets	<u>-</u>	<u>59,674,895</u>	<u>-</u>	<u>59,674,895</u>
Less accumulated amortization for:				
Buildings	-	\$5,566,181	-	\$5,566,181
Equipment	<u>-</u>	<u>97,286</u>	<u>-</u>	<u>97,286</u>
Total accumulated amortization	<u>-</u>	<u>5,663,467</u>	<u>-</u>	<u>5,663,467</u>
Total right to use assets, net	<u>\$-</u>	<u>\$54,011,428</u>	<u>\$-</u>	<u>\$54,011,428</u>

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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	\$16,415,669
Public Safety	4,314,481
Public works, including depreciation of infrastructure assets	26,022,035
Health and welfare	289,558
Libraries	214,901
Parks, recreation and culture	8,892,622
Planning and community development	<u>2,114,208</u>
Total Depreciation Expense - Government Activities	58,263,474
Skating Facility	640,837
Internal Services	<u>6,225,057</u>
Total Depreciation Expense - Governmental & Internal Services	<u><u>65,129,368</u></u>
Total Lease Amortization Expense - Governmental & Internal Services	<u><u>23,058,566</u></u>
Business-type activities:	
*Utilities	\$18,546,531
Ballston Public Parking Garage	911,731
8th level Ballston Public Parking Garage	95,177
CPHD Development Fund	<u>13,419</u>
Total Depreciation Expense - Business-type Activities	<u><u>\$19,566,858</u></u>
Total Lease Amortization Expense - Business-type Activities	<u><u>2,601,239</u></u>
Total Depreciation Expense Component Unit- Schools	<u><u>\$35,117,161</u></u>
Total Lease Amortization Expense Component Unit- Schools	<u><u>5,663,467</u></u>

*Includes \$478,473 amortization for bonds.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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, 2022, the current portion of these liabilities was \$7.67 million, which represents an estimate of health insurance claims that have been incurred but not reported of \$7.30 million and are included in the accrued payroll liabilities and the current portion of workers' compensation of \$.33 million. The non-current portion was \$3.28 million, which represents an estimate of workers' compensation claims included in the long-term liabilities based on a history of such claims. These liabilities are the County's best estimate based on available information.

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

	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
2020 – 2021				
Current	\$8,313,474	\$63,037,622	\$62,976,116	\$8,374,980
Long-term	\$3,500,730	\$1,897,471	\$2,342,882	\$3,055,319
2021 – 2022				
Current	\$8,374,980	\$60,180,503	\$60,881,071	\$7,674,412
Long-term	\$3,055,319	\$3,397,985	\$3,170,798	\$3,282,506

The County's policy for self-insurance reserve is to maintain approximately one to two months' claim payments based on a five-year rolling average. Any draw on the self-insurance reserve requires County Board approval and will be replenished within the subsequent two (2) fiscal years. The County has committed a self-insurance reserve in the General Fund of \$5,000,000 as of June 30, 2022.

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 \$76,613,044 for FY 2022. 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 FY22, the County has committed a Stabilization Reserve of \$13,929,644.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 7. GASB 87&96 Leases

In June 2017, the GASB issued Statement No. 87, *Leases*. GASB Statement No. 87 (GASB 87) increases the usefulness of governmental financial statements by requiring recognition of certain lease assets and liabilities for all leases, including those that previously were classified as operating leases and recognized as income by lessors and expenditures by lessees. GASB 87 replaces the previous lease accounting methodology and establishes a single model for lease accounting based on the foundational principle that leases are a financing of the right to use an underlying asset. GASB 87 is effective for the Arlington County ACFR for the period ending June 30, 2022.

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

Lease present value threshold for reporting purposes is \$75,000 in FY22 with annual increase adjustments in conjunction with County's policy.

A. Lessee

	<u>Primary Government</u>	<u>Schools</u>	<u>Total</u>
<u>Lease Expense</u>			
Amortization of right of use assets	\$ 25,659,804	\$ 5,663,468	\$ 31,323,272
Interest on lease liabilities	3,249,278	1,092,285	4,341,563
Short-term lease expense	6,593	-	6,593
Variable lease expense	434,074	-	434,074
	<u>\$ 29,349,749</u>	<u>\$ 6,755,753</u>	<u>\$ 36,105,502</u>
<u>Other Information</u>			
ROU assets obtained in exchange for lease liabilities	\$ 187,639,544	\$ 59,674,896	
Weighted-average remaining lease term in years	9.89	10.14	
Weighted-average discount rate	1.912671%	1.912671%	

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

Maturity Analysis of Lease Liabilities	Primary Government		Schools		Subtotal		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
Lease payments due in:							
2023	\$ 18,290,503	\$ 2,874,280	\$ 4,845,630	\$ 1,001,899	\$ 23,136,133	\$ 3,876,179	\$ 27,012,312
2024	16,128,128	2,543,707	5,031,966	907,237	21,160,094	3,450,944	24,611,038
2025	15,433,800	2,243,583	5,083,054	810,594	20,516,854	3,054,177	23,571,031
2026	15,594,032	1,947,245	4,979,286	714,753	20,573,318	2,661,998	23,235,316
2027	15,644,929	1,650,695	5,215,546	617,315	20,860,475	2,268,010	23,128,485
2028-2032	67,267,153	3,972,862	27,850,009	1,538,683	95,117,162	5,511,545	100,628,707
2033-2037	12,671,062	155,065	2,067,223	4,941	14,738,285	160,006	14,898,291
Total lease payments	<u>\$161,029,607</u>	<u>\$15,387,437</u>	<u>\$55,072,714</u>	<u>\$5,595,422</u>	<u>\$216,102,321</u>	<u>\$20,982,859</u>	<u>\$237,085,180</u>

B. Lessor

Maturity Analysis of Lease Receivables	Primary Government		
	Principal	Interest	Total
Lease receivable due in:			
2023	\$ 9,712,031	\$ 4,523,780	\$ 14,235,811
2024	7,404,474	4,352,492	11,756,966
2025	4,941,243	4,248,212	9,189,455
2026	4,718,227	4,153,828	8,872,055
2027	3,702,846	4,075,756	7,778,602
2028-2032	19,445,866	19,272,193	38,718,059
2033-2037	12,974,043	17,810,963	30,785,006
2038-2042	16,331,683	16,399,530	32,731,213
2043-2047	19,532,173	14,686,801	34,218,974
2048-2052	21,931,203	12,704,850	34,636,053
2053-2057	25,373,877	10,464,275	35,838,152
2058-2062	26,570,943	7,859,581	34,430,524
2063-2067	4,327,956	6,496,023	10,823,979
2068-2072	6,904,998	5,955,121	12,860,119
2073-2077	8,286,010	5,230,104	13,516,114
2078-2082	11,933,038	4,289,689	16,222,727
2083-2087	14,845,733	2,986,605	17,832,338
2088-2092	18,454,899	1,436,898	19,891,797
2093-2097	5,346,253	56,527	5,402,780
Total lease receivable to be received	<u>\$242,737,496</u>	<u>\$147,003,228</u>	<u>\$389,740,724</u>

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 8. Leases

The County has lease arrangements to acquire capital assets, including Arlington Transit (ART) buses, energy performance upgrade for the Arlington County Justice Center, breathing apparatus for the Fire Department, Voice over Internet Protocol (VoIP) voice communication system, a rock crusher, computers, equipment and Arlington Public Schools for the acquisition of computers. Assets acquired under leases at June 30, 2022 are summarized below:

	Primary Government	Schools
Building	\$1,395,842	\$-
Equipment	73,497,803	17,681,547
Auto	2,802,688	-
Total assets, at cost	77,696,333	17,681,547
Accumulated amortization	(52,631,838)	(14,680,916)
Total assets, net	<u>\$25,064,495</u>	<u>\$3,000,631</u>

The annual future minimum lease payments as of June 30, 2022 are as follows:

General Government:

Year Ending June 30,	Technology Services	Environmental Services	Public Safety	Total General Government
2023	\$ 122,372	\$ 466,840	\$ 1,847,592	\$ 2,436,804
2024	122,372	466,840	1,847,592	2,436,804
2025	-	-	362,081	362,081
Total Minimum Lease Payments	244,745	933,679	4,057,264	5,235,688
Less Imputed Interest	(5,557)	(49,122)	(105,562)	(160,241)
Present Value of Minimum Payments	<u>\$ 239,188</u>	<u>\$ 884,557</u>	<u>\$ 3,951,702</u>	<u>\$ 5,075,448</u>

Internal Service Funds:

Year Ending June 30,	Auto Equipment
2023	\$ 231,321
Total Minimum Lease Payments	231,321
Less Imputed Interest	(2,461)
Present Value of Minimum Payments	<u>\$ 228,860</u>

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 9. Long-Term Debt

A. General Obligation Bonds

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

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

ARLINGTON COUNTY, VIRGINIA
GENERAL OBLIGATIONS BONDS

Fiscal Year	GENERAL FUND		SCHOOL RELATED		UTILITY FUND		TOTAL GO BONDS	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 42,160,000	\$ 24,330,763	\$ 38,045,000	\$ 17,794,573	\$ 7,450,000	\$ 1,165,116	\$ 87,655,000	\$ 43,290,453
2024	44,575,000	22,613,809	39,145,000	16,221,908	8,295,000	915,662	92,015,000	39,751,379
2025	45,530,000	20,922,798	40,220,000	14,786,654	8,505,000	773,860	94,255,000	36,483,312
2026	44,835,000	19,147,642	37,860,000	13,412,568	8,330,000	621,665	91,025,000	33,181,876
2027	44,910,000	17,318,955	40,315,000	12,030,702	6,345,000	470,961	91,570,000	29,820,619
2028-2032	201,165,000	61,125,427	158,095,000	39,715,045	12,690,000	890,625	371,950,000	101,731,097
2033-2037	145,500,000	27,270,854	100,790,000	15,571,996	1,150,000	22,283	247,440,000	42,865,132
2038-2042	55,875,000	5,522,900	27,495,000	2,131,675	-	-	83,370,000	7,654,575
2043-2047	3,320,000	425,000	-	-	-	-	3,320,000	425,000
	<u>\$ 627,870,000</u>	<u>\$ 198,678,149</u>	<u>\$ 481,965,000</u>	<u>\$ 131,665,121</u>	<u>\$ 52,765,000</u>	<u>\$ 4,860,173</u>	<u>\$ 1,162,600,000</u>	<u>\$ 335,203,443</u>

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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ARLINGTON COUNTY, VIRGINIA
IDA BONDS

Fiscal Year	Principal	Interest	Total
2023	\$ 12,230,000	\$ 4,451,870	\$ 16,681,870
2024	10,830,000	3,927,554	14,757,554
2025	8,440,000	3,495,125	11,935,125
2026	7,360,000	3,146,342	10,506,342
2027	6,250,000	2,847,413	9,097,413
2028-2032	26,590,000	10,834,939	37,424,939
2033-2037	18,790,000	6,070,926	24,860,926
2038-2042	14,405,000	2,515,307	16,920,307
2043-2047	3,080,000	102,645	3,182,645
	<u>\$ 107,975,000</u>	<u>\$ 37,392,121</u>	<u>\$ 145,367,121</u>

ARLINGTON COUNTY, VIRGINIA
VRA BONDS

Fiscal Year	Principal	Interest	Total
2023	\$ 17,023,231	\$ 2,368,265	\$ 19,391,496
2024	17,366,021	2,025,475	19,391,496
2025	17,716,730	1,674,766	19,391,496
2026	18,075,555	1,315,941	19,391,496
2027	12,049,444	964,742	13,014,186
2028-2031	28,434,877	1,212,028	29,646,905
	<u>\$ 110,665,859</u>	<u>\$ 9,561,217</u>	<u>\$ 120,227,076</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, 2022 was \$24,944,719. 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, 2022 was \$27,749,965. 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

ARLINGTON COUNTY, VIRGINIA

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control plant. The interest rate on these bonds is 2.72 percent. The proceeds from those bonds were received by the County prior to fiscal year 2012. The principal outstanding on these bonds at June 30, 2022 was \$22,735,212. 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, 2022, principal outstanding on these bonds was \$17,704,273. 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, 2022, the principal outstanding on these bonds was \$941,061 on Series 2008 bonds, \$8,495,951 on Series 2009 bonds and \$8,094,678 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, 2022, \$30,605,000 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, 2022, \$49,780,000 remains outstanding.

On October 29, 2020, the IDA issued \$26,650,000 in Revenue Bonds and \$11,230,000 in Refunding Bonds for the benefit of Arlington County (the "2020 IDA Bonds"). The 2020 IDA Bonds are due in annual installments of \$100,000 to 10,190,000 through 2033, interest from 0.39% to 5% and were for the payment of the line of credit and acquisition of equipments. The County has agreed under a Cooperation Agreement between the County and the IDA that subject to appropriation by the County Board, the County will deliver to the IDA sufficient funds to make payments with respect to the 2020 IDA Bonds. As of June 30, 2022, \$27,590,000 remains outstanding.

D. Line of Credit

On June 1, 2019 a credit agreement was signed between IDA and the PNC bank national association. Based on this agreement PNC bank national association agreed to provide a revolving line of credit in aggregate principal amount up to \$30,000,000. The loan is to be used as an interim financing for the costs of planning, developing, acquiring, constructing, improving, renovating and equipping facilities described in the County's adopted capital improvement program or similar projects which

ARLINGTON COUNTY, VIRGINIA

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may be subsequently approved by the County Board. In FY22, the County's balance for the credit line for capital was \$10,309,884.

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

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E. Changes in Long-Term Liabilities

During the year ended June 30, 2022, the following changes occurred in liabilities reported in the County and Schools long-term obligations:

	Balance July 1	Additions	Reductions	Balance June 30	Due in one Year
General Government:					
Compensated absences*	\$42,947,251	\$40,642,156	(\$40,012,234)	\$43,577,173	\$4,357,717
Workers' compensation	3,395,101	3,775,238	(3,523,110)	3,647,229	364,723
General obligation bonds - County	451,045,000	-	(20,115,000)	430,930,000	19,695,000
General obligation refunding bonds - County	216,555,000	-	(19,615,000)	196,940,000	22,465,000
General obligation bonds - Schools	301,595,001	-	(21,515,000)	280,080,001	17,970,000
General obligation refunding bonds - Schools	218,994,999	-	(17,110,000)	201,884,999	20,075,000
IDA revenue bonds - 2020	37,880,000	-	(3,040,000)	34,840,000	3,055,000
IDA revenue bonds - 2013	33,645,000	-	(2,805,000)	30,840,000	2,855,000
IDA revenue bonds - 2017	52,585,000	-	(10,290,000)	42,295,000	6,320,000
IDA skating facility bond***	19,710,000	-	-	19,710,000	-
Credit line for capital	8,287,200	5,234,436	(3,211,752)	10,309,884	7,567,877
Leases****	-	136,717,643	-	136,717,643	15,531,079
Line of credit	-	150,000,000	-	150,000,000	-
Bond premiums - County	119,640,315	-	(7,589,584)	112,050,731	7,589,583
Bond premiums - Schools	77,702,508	-	(5,128,132)	72,574,376	5,128,131
Net OPEB liability	100,246,159	-	(31,711,135)	68,535,024	-
Totals General Government	\$1,684,228,534	\$336,369,473	(\$185,665,947)	\$1,834,932,060	\$132,974,110
Internal Service:					
Compensated absence*	\$504,023	\$745,570	(\$703,865)	\$545,728	\$54,573
Credit line for capital	454,478	-	(225,618)	228,860	228,860
Leases****	-	654,035	-	654,035	557,320
Total Governmental Activities	\$1,685,187,035	\$337,769,078	(\$186,595,430)	\$1,836,360,683	\$133,814,863
Component Unit - Schools:					
Compensated absences*	\$45,285,633	\$20,652,377	(18,142,857)	\$47,795,153	4,779,515
Credit line for capital	-	6,225,235	-	6,225,235	6,225,235
Leases****	-	55,072,714	-	55,072,714	4,845,630
Net pension liability**	539,445,984	-	(262,636,995)	276,808,989	-
Net OPEB liability	174,077,610	3,906,589	-	177,984,199	-
Total Schools Activities	\$758,809,227	\$85,856,915	(\$280,779,852)	\$563,886,290	\$15,850,380
Business-type Activities					
Compensated absences - Utilities*	\$2,045,001	\$2,708,190	(\$2,789,970)	\$1,963,221	\$196,322
Compensated absences - CPHD	1,174,358	1,236,570	(1,055,031)	1,355,897	135,590
GO bonds - Utilities	1,314,999	-	(415,000)	899,999	150,000
Refunding bonds - Utilities	58,600,001	-	(6,735,000)	51,865,001	7,300,000
Mortgage payable - Ballston	3,429,679	-	-	3,429,679	3,429,679
Mortgage and interest payable - Ballston	39,955,703	2,588,846	-	42,544,549	42,544,549
VRA loan payable	127,354,028	-	(16,688,169)	110,665,859	17,023,231
Leases****	-	23,657,928	-	23,657,928	2,311,516
Bond and mortgage interest payable - Utilities	1,783,997	1,792,251	(1,783,997)	1,792,251	1,792,251
Bond premium - Utilities	2,847,312	-	(314,980)	2,532,332	314,981
Total Business-type Activities	\$238,505,078	\$31,983,785	(\$29,782,147)	\$240,706,716	\$75,198,119

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

** Pension assets netted with Pension Liabilities

*** Rollforward includes GASB 84 IDA.

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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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 \$495,640,264 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 \$495,640,264 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 \$495,640,264 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	514,274,489	910,234,485	1,424,508,974	920,373,797	14,311,055	2,359,193,827
Restricted for:						
Capital projects	81,166,962	-	81,166,962	84,024,278	-	165,191,240
Seized assets	1,994,486	-	1,994,486	-	-	1,994,486
Grants/Donations	20,678,774	-	20,678,774	4,227,846	-	24,906,620
Unrestricted	384,242,769	3,981,381	388,224,150	(549,935,016)	5,665,634	(156,045,233)
Net position	<u>\$1,002,357,480</u>	<u>\$914,215,866</u>	<u>\$1,916,573,346</u>	<u>\$458,690,905</u>	<u>\$19,976,689</u>	<u>\$2,395,240,940</u>

NOTE 11. Inter-fund Receivables, Payables and Transfers

The County has numerous transactions among funds and component units to finance operations, provide services, and construct assets. Activity between funds that are representative of lending/ borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of inter-fund loans). The amounts of such transactions not received or paid at June 30, 2022 are reflected in current due to/from accounts of each fund/component unit, as summarized below:

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Due to/ from other funds

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$2,375,538	\$-
Printing Fund	-	\$2,375,538
	<u>\$2,375,538</u>	<u>\$2,375,538</u>

Due to/from primary government and component unit

	<u>Receivables Entity</u>	<u>Payables Entity</u>
General Fund	\$-	\$77,203,364
School Funds:		
Operating		
Primary Government	63,079,651	-
Community Activities		
Primary Government	1,283,296	-
Pay-As-You-Go		
Primary Government	12,808,498	-
CSA		
Primary Government	31,919	-
	<u>\$77,203,364</u>	<u>\$77,203,364</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, 2022 are as follows:

Transfer	General Fund	Special Revenue Funds	Capital Projects Funds	Internal Service Funds	Total Transfers Out
General Fund*	\$-	\$396,816	\$10,478,484	\$254,979	\$11,130,279
Special Revenue Fund*	200,773	-	-	-	200,773
Transportation Capital Fund*	3,193,851	-	-	-	3,193,851
Non-major Capital Projects Funds*	312,189	-	-	-	312,189
Internal Service Funds*	130,000	-	-	-	130,000
Total Transfers In	<u>\$3,836,813</u>	<u>\$396,816</u>	<u>\$10,478,484</u>	<u>\$254,979</u>	<u>\$14,967,092</u>

*Transfers in governmental funds in Exhibit 4.

Transportation Capital Fund - \$35,721 of transfers reported as expenditure on capital projects statements.

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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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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.

The County has committed a general fund balance self-insurance reserve of \$5,000,000 and a stabilization reserve equal to 1% of the General Fund Budget as of June 30, 2022. Due to utilization of the stabilization reserve during FY 2020 to fund cybersecurity investments (\$1.71 million) and in the FY 2021 Adopted Budget for revenue declines, the stabilization reserve was partially replenished at the end of FY 2021 and fully replenished in the FY 2022 Adopted Budget. The proposed addition results in an available balance of \$13,929,644 as of June 30, 2022. 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 2022 to FY 2027 Agreement for FY 2023 total \$280 million for all jurisdictions, 3 percent more than FY2021. The six-year program assumes annual 3 percent increases and a total of \$1.8 billion.

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

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Arlington County contributes approximately 8.2% of the local jurisdictional funding in the WMATA CIP. In FY 2022, the County’s contribution was \$22.9 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 2022, the County paid \$46.6 million from its General Fund to subsidize WMATA's Metrobus, Metrorail and MetroAccess operating costs.

B. Construction Commitments

As of June 30, 2022, contractual commitments were outstanding in the following funds for the amounts indicated:

Capital Project Funds	\$76,827,643
Utilities Funds	<u>22,964,205</u>
	<u>\$99,791,848</u>

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

C. Waste-to-Energy Facility

Arlington Solid Waste Authority

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

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

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

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

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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 capital lease, the capital assets completed and covered by the lease and the promissory note are removed from the County records and are now considered a part of the plant.

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

On December 31, 2012, Arlington County and the City of Alexandria entered into a new Inter-local agreement and established the Waste To Energy Facility Monitoring Group Trust "WTE-FMG" and terminated the Alexandria/Arlington Waste Disposal Trust fund. The new trust oversees the operation of the facility and it has been used to pay consulting fees to the engineering firm for operations and maintenance audits of the facility, professional association fees and other payments related to the WTE facility. The Trust derives its revenue mainly from contributions by both jurisdictions and interest on invested funds. The funds are invested by Arlington County in First Virginia Community Bank, the carrying value of the funds totaled \$269,556,730 and \$220,730 and the bank balance totaled \$268,621 and \$220,730 at June 30, 2022 and June 30, 2021 respectively. During FY 2021, the WTE-FMG had \$118,691 as revenues and project-related expenditures of \$89,742.

E. Industrial Development Authority Ice Skating Facility

The County is committed to encouraging continuing economic development, including the area around Ballston, including 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").

ARLINGTON COUNTY, VIRGINIA

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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.

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, 2021, \$19,710,000 was outstanding under these Taxable Revenue Refunding bonds.

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

The IDA owns the Skating Facility and is currently leasing it to the Capitals, or an affiliate, pursuant to a Deed of Lease (the "Capitals Lease"), between the IDA and the Capitals, under which the Capitals have furnished, equip and operate the Skating Facility. Under the Capitals Lease, the Capitals will make payments of rent that are equal to debt service on the Bonds. Under the Cooperation Agreement, the IDA will agree to remit to the County all revenues received from the leasing of the Skating Facility, including those derived under the Capitals Lease. In FY 2022, \$1.8 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

ARLINGTON COUNTY, VIRGINIA

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(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. 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 2022, 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.

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NOTE 15. Deferred Compensation Plan

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

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

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

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

Plan Membership

At June 30, 2022, System membership consisted of the following:

	<u>General</u>	<u>Uniformed</u>	<u>School</u>	<u>Total</u>
Active Employees:				
Vested	1,669	517	3	2,189
Non-Vested	<u>1,132</u>	<u>363</u>	-	<u>1,495</u>
Total Active Employees	2,801	880	3	3,684
Vested Deferred	606	129	18	753
Retirees and Beneficiaries	2,515	950	785	4,250
Total Members	<u>5,922</u>	<u>1,959</u>	<u>806</u>	<u>8,687</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, 2022 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.

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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.

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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, 2022, 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 \$61,248,511 and employee contributions were \$14,836,453 for FY2022.

Rate of Return

For the year ending June 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -10.1%. 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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual Money-Weighted Rate of Return								
Net of Investment Expense	-9.19%	28.30%	6.60%	6.80%	7.80%	12.70%	0.01%	1.90%

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

Net Pension Liability (Asset)

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

Actuarial Assumptions

The total pension liability as of June 30, 2022 was determined by an actuarial valuation and measurement date as of June 30, 2021, using the following actuarial assumptions:

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

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

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

Discount Rate

The discount rate used to measure the total pension liability as of June 30, 2021 was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that employer contributions will be made at rates determined by the Retirement Board, actuarially determined. Based on those

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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.

Changes in the Net Pension Asset

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

	<u>Increase (Decrease) (\$ in millions)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Asset (a) - (b)</u>
FY2022 Beginning balance - Measurement date of June 30, 2020	\$2,463.1	\$2,527.2	(\$64.1)
Changes for the year:			
Service cost	60.8	-	60.8
Interest	166.3	-	166.3
Differences between expected and actual experience	(29.4)	-	(29.4)
Contributions - employer	-	59.7	(59.7)
Contributions - employee	-	14.8	(14.8)
Net investment income	-	708.1	(708.1)
Benefit payments, including refunds of employee contributions	(119.9)	(119.9)	0.0
Administrative expense	-	(2.0)	2.0
Net changes	<u>\$77.8</u>	<u>\$660.7</u>	<u>(\$582.9)</u>
FY2022 Ending Balance - Measurement date of June 30, 2021	<u>\$2,540.9</u>	<u>\$3,187.9</u>	<u>(\$647.0)</u>

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:

	<u>(\$ in millions)</u>		
	<u>1% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
County's net pension asset	(\$284.5)	(\$647.0)	(\$941.6)

The System's Fiduciary Net Position as of June 30, 2021 and June 30, 2020 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, 2021, the County recognized pension expense of \$-86.6 million calculated as of the measurement date of June 30, 2021. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$-	\$44,800,000
Changes of assumptions	28,000,000	-
Net difference between projected and actual earning on the System's investments	-	431,800,000
Employer contributions subsequent to measurement date	<u>61,200,000</u>	<u>-</u>
Total	<u>\$89,200,000</u>	<u>\$476,600,000</u>

The amount of \$61,200,000 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, 2023. 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>
2023	(\$105.3)
2024	(121.5)
2025	(113.9)
2026	(107.9)
Thereafter	<u>-</u>
	<u>(\$448.6)</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.

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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, 2022 (measurement date June 30, 2021) was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. 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 \$51,688,310 and \$50,731,932 for the years ended June 30, 2022 and June 30, 2021, respectively.

In June 2021, the Commonwealth made a special contribution on approximately \$61.3 million to the VRS Teacher Employee plan. This special payment was authorized by a budget amendment included in Chapter 552 of the 2021 Appropriation Act, and is classified as a non-employer contribution.

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

At June 30, 2022, Schools reported a liability of \$279,486,255 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, Schools' proportion was 3.60% as compared to 3.67% at June 30, 2020.

For the year ended June 30, 2022, Schools recognized pension expense of \$6,158,838. 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, 2022, 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 of Resources</u>
Differences between expected and actual experience	\$-	\$23,804,948
Net difference between projected and actual earnings on pension plan investments	-	176,124,759
Change in assumptions	48,965,261	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	4,246,867	9,940,588
Employer contributions subsequent to the measurement date	<u>51,688,310</u>	<u>-</u>
Total	<u>\$104,900,438</u>	<u>\$209,870,295</u>

The \$51,688,310 reported as deferred outflows of resources related to pensions resulting from the Schools' contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (NPL) in the year ended June 30, 2023. 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:

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For the Fiscal Years Ending June 30,

	<u>Balances</u>
2023	\$34,670,423
2024	32,880,235
2025	37,761,826
2026	51,375,652
2027	<u>(29,969)</u>
	<u>\$156,658,167</u>

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2020, 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, 2021.

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.

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

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

Net Pension Liability (NPL)

The NPL is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position. As of June 30, 2021, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	Teacher Employee Retirement Plan
Total Pension Liability	\$53,381,141
Plan Fiduciary Net Position	<u>45,617,878</u>
Employers' Net Pension Liability	<u>\$7,763,263</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.46%
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The total pension liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The NPL is disclosed in accordance with the requirements of GAAP in the System's notes to the financial statements and required supplementary information.

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

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expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS-Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP-Private Investment Partnership	3.00%	6.84%	0.21%
Total	<u>100.00%</u>		<u>4.89%</u>
		Inflation	<u>2.50%</u>
		* Expected arithmetic nominal return	<u>7.39%</u>

* The above allocation provides a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2021, the rate contributed by the school division for the VRS Teacher Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2021 on, school divisions are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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:

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	1.00% Decrease <u>(5.75%)</u>	Current Discount Rate (6.75%)	1.00% Increase <u>(7.75%)</u>
School division's proportionate share of their VRS Teacher Employee Retirement Plan Net Pension Liability	\$539,393,340	\$279,486,255	\$65,677,964

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2021 ACFR. A copy of the 2021 VRS ACFR may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2021-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 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 – 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, 2022, System membership consisted of the following:

Inactive members or their beneficiaries currently receiving benefits	<u>Number</u> 140
Inactive Members:	
Vested inactive members	55
Non-vested inactive members	211
Inactive members active elsewhere in VRS	<u>97</u>
VRS Total inactive members	363
Active Members	<u>632</u>
Total Covered employees	<u><u>1,135</u></u>

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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, 2022 was 5.98% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

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 the County were \$1,341,028 and \$1,291,914 for the years ended June 30, 2022 and June 30, 2021, respectively.

Net Pension Liability

The political subdivisions net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2020, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

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, 2020, 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, 2021.

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*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

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:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

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

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

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

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:

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Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS-Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP-Private Investment Partnership	3.00%	6.84%	0.21%
Total	<u>100.00%</u>		<u>4.89%</u>
		Inflation	<u>2.50%</u>
		* Expected arithmetic nominal return	<u>7.39%</u>

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, 2021, 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, 2017, actuarial valuations, whichever was greater. From July 1, 2021 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.

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

Changes in Net Pension Liability

(measurement date)	<u>Increase (Decrease)</u>		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances at June 30, 2020	<u>\$57,940,081</u>	<u>\$52,252,409</u>	<u>\$5,687,672</u>
Changes for the year:			
Service cost	2,149,359	-	2,149,359
Interest	3,840,216	-	3,840,216
Differences between expected and actual experience	948,813	-	948,813
Change in assumptions	1,461,151	-	-
Contributions - employer	-	1,261,144	(1,261,144)
Contributions - employee	-	1,116,321	(1,116,321)
Net investment income	-	14,421,795	(14,421,795)
Benefit payments, including refunds	(2,095,971)	(2,095,971)	-
Administrative expenses	-	(34,612)	34,612
Other changes	-	(171)	171
Net changes	<u>6,303,568</u>	<u>14,668,506</u>	<u>(8,364,938)</u>
Balances at June 30, 2021	<u>\$64,243,649</u>	<u>\$66,920,915</u>	<u>(\$2,677,266)</u>

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:

	<u>1.00% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1.00% Increase (7.75%)</u>
Political subdivision's Net Pension Liability/(Asset)	\$6,180,984	(\$2,677,266)	(\$9,943,406)

For the year ended June 30, 2022, the political subdivision recognized pension expense of \$566,679. At June 30, 2022, the political subdivision reported deferred inflows of resources related to pensions from the following sources:

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	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Employer contributions subsequent to the measurement date	\$1,341,028	\$-
Difference between expected and actual experience	897,468	148,602
Net difference between projected and actual earnings on plan investments	-	7,216,580
Change in assumptions	1,556,127	-
Total	<u>\$3,794,623</u>	<u>\$7,365,182</u>

The amount \$1,341,028 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, 2023. 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
2023	(\$558,032)
2024	(1,044,107)
2025	(1,132,161)
2026	(2,177,287)
2027	-
Thereafter	-
	<u>(\$4,911,587)</u>

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2021 ACFR. A copy of the 2021 VRS ACFR may be downloaded from the VRS website at <http://www.varetire.org/pdg/publications/2021-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA. 23218-2500.

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

NOTE 17. Other Postemployment Benefits (OPEB)

A. County OPEB

Plan Description

In addition to the pension benefits described in Note 16, the County administers a single-employer defined benefit healthcare plan, The Arlington County Retiree Welfare Benefit Trust. The plan provides postemployment health care benefits to all eligible

ARLINGTON COUNTY, VIRGINIA

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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, 2021 (valuation date), the following employees were covered by the benefit terms:

Total Active employees with coverage	3,079
Total Active employees without coverage	579
Total Retirees with coverage	1,751
Total Retirees without coverage	<u>321</u>
Total Members	<u>5,730</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 2022, the County contributed \$10,370,247 towards benefit payments and an additional \$6,500,000 in pre-funding contributions towards health and life plans for retirees.

Investment Policy

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

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

Concentrations

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

Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return on the County's OPEB investments, net of investment expense was -10.1%. 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, 2022. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021.

Actuarial Assumptions

The total OPEB liability in the June 30, 2021 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, 2022
Salary Increases	3.00% per year for general salary inflation as of June 30, 2022
Discount Rate	6.75% for accounting and funding disclosures as of June 30, 2022
Investment Rate of Return	6.75% as of June 30, 2022

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

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

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

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The Long-Term Expected Rate of Return on OPEB Plan investments is 6.75% as of June 30, 2022.

Discount Rate

This Plan uses the Bond Buyer GO 20-Bond Municipal Bond Index to satisfy the requirements under GAAP. As this index is issued weekly, the value closest to but not after the reporting date is used in determining the appropriate rate. Based on this practice, the municipal bond rate at June 26, 2021 was 2.16% and the municipal bond rate at June 30, 2022 was 3.54%.

However, the depletion test as of the most recent actuarial valuation of July 1, 2021, 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, 2021	\$296,362,992	\$215,061,321	\$81,301,671
Changes for the year:			
Service cost	6,012,315	-	6,012,315
Interest	20,066,052	-	20,066,052
Changes of benefits	-	-	-
Difference between expected and actual experience	(15,708,120)	-	(15,708,120)
Changes in assumptions	(46,185,968)	-	(46,185,968)
Contributions-employer	-	16,870,247	(16,870,247)
Net investment income	-	(19,792,200)	19,792,200
Benefit payments	(10,370,247)	(10,370,247)	-
Net changes:	(46,185,968)	(13,292,200)	(32,893,768)
Balances at June 30, 2022	\$250,177,024	\$201,769,121	\$48,407,903

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

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

1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
\$74,233,028	\$48,407,903	\$26,401,727

ARLINGTON COUNTY, VIRGINIA

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

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

1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
<u>6.40% decreasing to 2.78%</u>	<u>7.40% decreasing to 3.78%</u>	<u>8.40% decreasing to 4.78%</u>
\$31,036,482	\$48,407,903	\$65,882,174

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

For the year ended June 30, 2022, the County will recognize OPEB expense in the amount of (\$10,401,250). At June 30, 2022, 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	\$-	\$29,254,003
Changes of assumptions	13,056,747	50,839,569
Net difference between projected and actual earnings on OPEB plan investments	8,487,611	-
Total	<u>\$21,544,358</u>	<u>\$80,093,572</u>

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

For the Fiscal Years Ending June 30,

	<u>Balances</u>
2023	(\$20,110,370)
2024	(19,166,049)
2025	(16,401,135)
2026	(4,194,355)
2027	1,322,695
Thereafter	-
	<u>(\$58,549,214)</u>

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NOTES TO FINANCIAL STATEMENTS

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OPEB Trust Financial Statements

ARLINGTON COUNTY, VIRGINIA
STATEMENT OF FIDUCIARY NET POSITION
OPEB TRUST
JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	<u>2022</u>	<u>2021</u>
ASSETS		
Equity in pooled cash and investments	\$ -	\$ -
Investments, at fair value		
Foreign, Municipal and U.S. Government Obligations, including Fixed Instruments in Pooled Funds	70,619,191	75,271,462
Domestic and Foreign Equities, including Equities in Pooled Funds	131,149,928	139,789,858
Total assets	<u>201,769,120</u>	<u>215,061,320</u>
LIABILITIES		
Accounts payable and accrued liabilities	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>
NET POSITION RESTRICTED FOR OPEB	<u>\$201,769,120</u>	<u>\$215,061,320</u>

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ARLINGTON COUNTY, VIRGINIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
OPEB TRUST
FOR THE YEAR ENDED JUNE 30, 2022
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2021)

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
ADDITIONS:		
Employer contributions	\$6,500,000	\$7,500,000
Other Contributions	75,271	57,589
Investment income:		
Interest and dividends	18,693,658	14,003,414
Net appreciation (depreciation) in fair value	(38,485,858)	29,016,458
Total Additions	<u>(13,216,929)</u>	<u>50,577,461</u>
DEDUCTIONS:		
Other consulting expenses	<u>75,271</u>	<u>57,589</u>
Total Deductions	<u>75,271</u>	<u>57,589</u>
Net Increase/(Decrease)	(13,292,200)	50,519,872
Net Position Restricted for OPEB, beginning of year:	<u>215,061,320</u>	<u>164,541,448</u>
Net Position Restricted for OPEB, end of year:	<u>\$201,769,120</u>	<u>\$215,061,320</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.

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

General Information about the LODA Program

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

Plan Description

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

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

LODA PLAN PROVISIONS

Eligible Employees

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

Benefit Amounts

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

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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

- **Health Insurance** – The LODA program provides health insurance benefits.
 - Prior to July 1, 2017, these benefits were managed through the various employer plans and maintained the benefits that existed prior to the employee’s death or disability. These premiums were reimbursed to the employer by the LODA Program.

Beginning July 1, 2017, the health insurance benefits are managed through the Virginia Department of Human Resource Management (DHRM). The health benefits are modeled after the State Employee Health benefits Program plans and provide consistent, premium-free continued health plan coverage for LODA-eligible disabled individuals, survivors and family members. Individuals receiving the health insurance benefits must continue to meet eligibility requirements as defined by the Line of Duty Act.

Contributions

The contribution requirements for the LODA program are governed by §9.1-400.1 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each employer’s contractually required employer contribution rate for the program for the year ended June 30, 2022 was \$722.55 per covered full-time-equivalent employee. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019 and represents the pay-as-you-go funding rate and not the full actuarial cost of the benefits under the program. The actuarially determined pay-as-you-go rate was expected to finance the costs and related expenses of benefits payable during the year. Contributions to the program from the entity were \$660,284 and \$628,364 for the years ended June 30, 2022 and June 30, 2021, 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, 2022, the entity reported a liability of \$20,127,121 for its proportionate share of the net LODA OPEB liability. The net LODA OPEB liability was measured as of June 30, 2021 and the total LODA OPEB liability used to calculate the net LODA OPEB liability was determined by an actuarial valuation as of that date. 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, 2021 relative to the total of the actuarially determined pay-as-you-go employer contributions for all participating employers. At June 30, 2021, the County’s proportion was 4.56406% as compared to 4.52335% at June 30, 2020.

For the year ended June 30, 2022, the entity recognized LODA OPEB expense of \$1,935,351. 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, 2022, the agency reported deferred outflows of resources and deferred inflows of resources related to the LODA OPEB Program from the following sources:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$1,678,061	\$3,047,422
Net difference between projected and actual earnings on LODA OPEB plan investments	-	116,550
Change in assumptions	5,569,842	962,773
Change in proportionate share	1,008,457	237,339
Employer Contributions subsequent to the measurement date	<u>660,284</u>	<u>-</u>
Total	<u>\$8,916,644</u>	<u>\$4,364,084</u>

An amount of \$660,284 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the LODA OPEB plan will be recognized as an expense in future reporting periods as follows:

For the Fiscal Years Ending June 30,

	<u>Balances</u>
2023	\$544,321
2024	549,677
2025	551,254
2026	552,933
2027	649,869
Thereafter	<u>1,044,222</u>
	<u>\$3,892,276</u>

Actuarial Assumptions

The total LODA OPEB liability was based on an actuarial valuation as of June 30, 2020, 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, 2021.

Inflation - 2.50 percent

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

Medical cost trend rates assumption: -

- Under age 65: 7.00 percent - 4.75 percent

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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- Ages 65 and older: 5.375 percent – 4.75 percent

Investment rate of return 2.16 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 2.16% was used since it approximates the risk-free rate of return.

Mortality rates – Largest Ten Locality Employers With Public Safety Employees

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

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

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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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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, 2021, NOL amounts for the LODA Program is as follows (amounts expressed in thousands):

Total LODA OPEB liability	\$448,542
Plan Fiduciary Net position	<u>\$7,553</u>
Employers' Net OPEB liability	<u>\$440,989</u>

Plan Fiduciary Net Position as a Percentage of the Total LODA OPEB Liability 1.68%

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 2.16% 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 2.16% was used since it approximates the risk-free rate of return. This Single Equivalent Interest Rate (SEIR) is the applicable municipal bond index rate based on the Bond Buyer General Obligation 20-year Municipal Bond Index published monthly by the Board of Governors of the Federal Reserve System as of the measurement date of June 30, 2021.

Discount Rate

The discount rate used to measure the total LODA OPEB liability was 2.16%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made per the VRS Statutes and that they will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2021, 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 2.16%, 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 (1.16%) or one percentage point higher (3.16%) than the current rate:

1% Decrease	Current Discount Rate	1% Increase
1.16%	2.16%	3.16%
<u>\$23,153,569</u>	<u>\$20,127,121</u>	<u>\$17,722,357</u>

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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

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

1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
6.00% decreasing to 3.75%	7.00% decreasing to 4.75%	8.00% decreasing to 5.75%
\$16,514,811	\$20,127,121	\$24,758,846

LODA OPEB Plan Fiduciary Net Position

Detailed information about the LODA Program’s Fiduciary Net Position is available in the separately issued VRS 2021 ACFR. A copy of the 2021 VRS ACFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2021-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

C. Schools OPEB

Plan Description

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

Plan Administration

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

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

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

Plan Membership

At June 30, 2021 (valuation date), the following employees were covered by the benefit terms:

Total Active employees with coverage	3,619
Total Active employees without coverage	1,511
Total Retirees with coverage	<u>1,397</u>
Total Plan Members	<u>6,527</u>

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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 2022 the Schools' contributed \$8,709,473 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%

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, 2022, the annual money-weighted rate of return on investments, net of investment expense for the Schools Trust was -10.1%. 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, 2022. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

Actuarial Assumptions

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

Inflation	3.00% per year as of June 30, 2022
Salary Increases	3.00% per year for general salary inflation as of June 30, 2022
Discount Rate	6.75% for accounting and funding disclosures as of June 30, 2022
Investment Rate of Return	6.75% as of June 30 2022

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, 2022.

Discount rate

This Plan uses the Bond Buyer GO 20-Bond Municipal Index to satisfy the requirements under paragraph 48 of GASB No. 74. As this index is issued weekly, the value closest to but not after the reporting date is used in determining the appropriate rate. Based on this practice, the municipal bond rate at June 24, 2021 was 2.16% and the municipal bond rate at June 30, 2022 was 3.54%. However, the depletion test as of the most recent actuarial valuation of July 1, 2022, reflecting known contributions after that date as well as the current funding policy, showed that the projected assets are expected to cover future benefit payments for current participants and as such the single rate used as the discount rate for this report, as required by GASB No. 74, is the long-term expected rate of return, 6.75%.

Changes in Net OPEB Liability-Arlington Public Schools

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2021	\$186,963,026	\$89,289,359	\$97,673,667
Changes for the year:			
Service cost	4,386,787	-	4,386,787
Interest	12,626,967	-	12,626,967
Change of benefit terms	-	-	-
Difference between expected and actual experience	5,838,729	-	5,838,729
Changes in assumptions	(6,013,896)	-	(6,013,896)
Contributions-employer	-	11,309,473	(11,309,473)
Net investment income	-	(8,176,707)	8,176,707
Benefit payments	(8,709,473)	(8,709,473)	-
Net changes:	8,129,114	(5,576,707)	13,705,821
Balances at June 30, 2022	\$195,092,140	\$83,712,652	\$111,379,488

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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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%
\$137,755,346	\$111,379,488	\$89,558,187

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

The following presents the net OPEB liability of the Schools, as well as what the Schools' net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1- percentage-point lower (6.0% decreasing an ultimate rate of 2.78%) or 1-percentage-point higher (8.00% decreasing to an ultimate rate of 4.78%) than the current healthcare cost trend rates:

1% Decrease 6.00% decreasing to 2.78%	Current Healthcare Cost Trend Rates 7.00% decreasing to 3.78%	1% Increase 8.00% decreasing to 4.78%
\$91,005,974	\$111,379,488	\$131,092,607

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

For the year ended June 30, 2022, the Schools will recognize OPEB expense in the amount of \$9,668.672. At June 30, 2022, the Schools reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$12,206,675	\$539,365
Changes of assumptions	12,361,568	22,474,176
Net difference between projected and actual earnings on OPEB plan investments	3,430,065	-
Total:	<u>\$27,998,308</u>	<u>\$23,013,541</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,

2023	(\$1,303,462)
2024	(886,356)
2025	(1,132,604)
2026	2,875,940
2027	443,572
Thereafter	4,987,677
	<u>\$4,984,767</u>

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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OPEB Trust Statements-Arlington Public Schools

ARLINGTON COUNTY, VIRGINIA
OPEB TRUST FUND - SCHOOLS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	<u>JUNE 30, 2022</u>	<u>JUNE 30, 2021</u>
ASSETS		
Cash and Investments	\$83,712,652	\$89,289,359
Accounts Receivable	<u>-</u>	<u>-</u>
Total assets	<u>83,712,652</u>	<u>89,289,359</u>
LIABILITIES	<u>-</u>	<u>-</u>
NET POSITION RESTRICTED FOR OPEB	<u>\$83,712,652</u>	<u>\$89,289,359</u>

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

ARLINGTON COUNTY, VIRGINIA
OPEB TRUST FUND - SCHOOLS
STATEMENT OF CHANGES IN PLAN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	<u>2022</u>	<u>2021</u>
ADDITIONS:		
Employer contributions	\$ 2,600,000	\$ 2,600,000
Investment Income:		
Interest and dividends	7,761,250	5,847,155
Net appreciation (depreciation) in fair value	<u>(15,937,957)</u>	<u>12,137,574</u>
Total additions	<u>(5,576,707)</u>	<u>20,584,729</u>
Net Increase/(Decrease)	(5,576,707)	20,584,729
Net Position Held in Trust for Plan Benefits, beginning of year	<u>89,289,359</u>	<u>68,704,630</u>
Net Position Held in Trust for Plan Benefits, end of year:		
Restricted	<u><u>\$83,712,652</u></u>	<u><u>\$89,289,359</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.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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D. Arlington Public Schools Health Insurance Credit (“HIC”) Program OPEB-Teachers

Summary of Significant Accounting Policies

The VRS Teacher Employee HIC Program is a multiple-employer, cost-sharing plan. The Teacher Employee HIC Program was established pursuant to §51.1-1400 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The Teacher Employee HIC program is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. For purposes of measuring the net Teacher Employee HIC Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC Program OPEB, and the Teacher Employee HIC Program OPEB expense, information about the fiduciary net position of the VRS Teacher Employee HIC Program; and the additions to/deductions from the VRS Teacher Employee HIC Program’s net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Teacher Employee Health Insurance Credit Program

Plan Description

All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee HIC Program. This plan is administered by VRS, along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree’s death.

The specific information for the Teacher HIC Program OPEB, including eligibility, coverage, and benefits is set out in the table below:

TEACHER EMPLOYEE HIC PROGRAM PLAN PROVISIONS
<p>Eligible Employees</p> <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.
<p>Benefit Amounts</p> <p>The Teacher Employee Retiree HIC Program provides the following benefits for eligible employees:</p> <ul style="list-style-type: none">• At Retirement – For Teacher and other professional school employees who retire, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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| <ul style="list-style-type: none">• 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. |
|--|

<p>HIC Program Notes:</p> <ul style="list-style-type: none">• The monthly HIC benefit cannot exceed the individual premium amount.• Employees who retire after being on long-term disability under VLDP must have at least 15 year of service credit to qualify for the health insurance credit as a retiree.

Contributions

The contribution requirement for active employees is governed by §51.1-1401(E) of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2022 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, 2019. 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 \$3,957,685 and \$3,869,056 for the years ended June 30, 2022 and June 30, 2021, respectively.

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, 2022, Schools' reported a liability of \$46,392,938 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, 2021 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 2020 and rolled forward to the measurement date of June 30, 2021. 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, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, Schools' proportion of the VRS Teacher Employee HIC Program was 3.61437% as compared to 3.68316% at June 30, 2020.

For the year ended June 30, 2022, Schools' recognized VRS Teacher Employee HIC Program OPEB expense of \$3,824,214. Since there was a change in proportionate share between June 30, 2020 and June 30, 2021 a portion of the VRS Teacher Employee HIC program net OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2022, 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

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	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$-	\$809,553
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	611,135
Change in assumptions	1,254,086	186,450
Change in proportionate share	925,496	1,137,382
Employer Contributions subsequent to the measurement date	<u>3,957,685</u>	<u>-</u>
Total	<u><u>\$6,137,267</u></u>	<u><u>\$2,744,520</u></u>

An amount of \$3,957,685 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, 2023. 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>
2023	\$10,881
2024	17,820
2025	51,647
2026	199,018
2027	135,762
Thereafter	<u>149,810</u>
	<u><u>\$564,938</u></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, 2020, 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, 2021.

Inflation - 2.5 percent

Salary increases, including inflation – Teacher Employees: 3.5 percent – 5.95 percent

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Investment rate of return - 6.75 percent, net of plan investment expenses, including inflation*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GAAP purposes of slightly more than the assumed 6.75. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75 to simplify preparation of OPEB liabilities.

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

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid, changed 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

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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, 2021, 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	\$1,477,874
Plan Fiduciary Net Position	194,305
Teacher Employee net HIC OPEB liability	<u>\$1,283,569</u>

Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB liability 13.15%

The total Teacher Employee HIC OPEB liability is calculated by the System's actuary, and the plan's fiduciary net position is reported in the System's financial statements. The net Teacher Employee HIC OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS-Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP-Private Investment Partnership	3.00%	6.84%	0.21%
Total	<u>100.00%</u>		<u>4.89%</u>
		Inflation	<u>2.50%</u>
		* Expected arithmetic nominal return	<u>7.39%</u>

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* The above allocation provides a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11% including 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, 2021, the rate contributed by each school division for the VRS Teacher Employee HIC Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2021 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 Rate	1% Increase
	5.75%	6.75%	7.75%
Teacher HIC Net OPEB Liability	\$52,225,590	\$46,392,938	\$41,457,124

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 2021 ACFR. A copy of the 2021 VRS ACFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2021-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

E. Arlington Public Schools Health Insurance Credit (“HIC”) Program OPEB-Non-Professional Employees

The Political Subdivision Health Insurance Credit Program is a multiple-employer, agent defined benefit plan that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers. The Political Subdivision Health Insurance Credit Program was established pursuant to § 51.1-1400 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. For purposes of measuring the net Political Subdivision Health Insurance Credit Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the Political Subdivision Health Insurance Credit Program OPEB, and the Political Subdivision Health Insurance Credit Program OPEB expense, information about the fiduciary net position of the Virginia Retirement System (VRS)

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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.

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 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 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.

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Health Insurance Credit Program Notes:

- 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.

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, 2022, was 1.21% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2020. 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 \$60,987 and pre-funding of \$58,222 for the years ended June 30, 2022, and June 30, 2021, respectively.

During the 2020 session, House Bill 1513 was enacted. This bill required the addition of Health Insurance Credit benefits for non-teacher employees effective July 1, 2021. While benefit payments became effective July 1, 2021, employers were required to pre-fund the benefits beginning July 1, 2020. The bill impacted the Arlington Public Schools and 94 other employers and resulted in approximately \$2.5 million of additional employer contributions in FY 2021.

Net HIC OPEB Liability

The Schools Non-professional Employee net Health Insurance Credit OPEB liability was measured as of June 30, 2021. The total Health Insurance Credit OPEB liability was determined by an actuarial valuation performed as of June 30, 2020, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2020, 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, 2021.

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

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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:

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

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

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified MortalityImprovement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Long-Term Expected Rate of Return

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

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<u>Asset Class (Strategy)</u>	<u>Target Allocation</u>	<u>Arithmetic Long-Term Expected Rate of Return</u>	<u>Weighted Average Long-Term Expected Rate of Return</u>
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS-Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP-Private Investment Partnership	3.00%	6.84%	0.21%
Total	<u>100.00%</u>		<u>4.89%</u>
		Inflation	<u>2.50%</u>
		* Expected arithmetic nominal return	<u>7.39%</u>

*The above allocation provides a one-year return of 7.39%. 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 6.94%, including expected inflation of 2.50%.

*On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2021, the rate contributed by the entity for the HIC OPEB was 100% of the actuarially determined contribution rate. From July 1, 2021, 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.

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Changes in HIC Non-Professional Net OPEB Liability

(measurement date)	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2020	\$623,954	\$-	\$623,954
Changes for the year:			
Service cost	20,893	-	20,893
Interest	42,117	-	42,117
Change in assumptions	9,537		-
Contributions - employer		58,222	(58,222)
Net investment income	-	7,245	(7,245)
Administrative expenses	-	(256)	256
Net changes	72,547	65,211	7,336
Balances at June 30, 2021	\$696,501	\$65,211	\$631,290

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:

	Current Discount		
	1% Decrease 5.75%	Rate 6.75%	1% Increase 7.75%
Non-Professional HIC Net OPEB Liability	\$720,297	\$631,290	\$556,588

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 2021 Annual Comprehensive Financial Report (ACFR). A copy of the 2021 VRS ACFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2021-annual-report.pdf>, 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

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GLI Program is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers. For purposes of measuring the net GLI program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the GLI Program OPEB, and GLI Program OPEB expense, information about the fiduciary net position of the VRS GLI Program OPEB and the additions to/deductions from the VRS GLI Program OPEB's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the GLI Program

Plan Description

All full-time, salaried permanent employees of the state agencies, teachers and employees of participating political subdivisions are automatically covered by the VRS GLI Program upon employment. This plan is administered by the VRS (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

In addition to the basic GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI Program. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the GLI Program OPEB.

The specific information for GLI Program OPEB, including eligibility, coverage and benefits is set out in the table below:

GLI PROGRAM PLAN PROVISIONS
<p>Eligible Employees</p> <p>The GLI Program was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program, including the following employers that do not participate in VRS for retirement:</p> <ul style="list-style-type: none">• City of Richmond• City of Portsmouth• City of Roanoke• City of Norfolk• Roanoke City Schools Board <p>Basic group life insurance coverage is automatic upon employment. Coverage end for employees who leave their position before retirement eligibility or who take a refund of their member contributions and accrued interest.</p>
<p>Benefit Amounts</p> <p>The benefits payable under the GLI Program have several components.</p>

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- **Natural Death Benefit** – The natural death benefit is equal to the employee’s covered compensation rounded to the next highest thousand and then doubled.
- **Accidental Death Benefit** – The accidental death benefit is double the natural death benefit.
- **Other Benefit Provisions** – In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include:
 - Accidental dismemberment benefit
 - Safety belt benefit
 - Repatriation benefit
 - Felonious assault benefit
 - Accelerated death benefit option

Reduction in benefit Amounts

The benefit amounts provided to members covered under the GLI Program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.

Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)

For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the GLI Program. The minimum benefit was set at \$8,000 by statute. This amount is increased annually based on the VRS Plan 2 cost-of-living adjustment and is currently \$8,722 as of June 30, 2022.

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, 2022 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contribution to the GLI Program from the entity were \$1,741,898 and \$1,741,898 for the years ended June 30, 2022 and June 30, 2021, respectively.

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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, 2022, Schools' reported a liability of \$18,186,850 for its proportionate share of the net GLI OPEB liability. The net GLI OPEB liability was measured as of June 30, 2021 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, 2020 and rolled forward to the measurement date of June 30, 2021. 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, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021 the participating employer's proportion was 1.56208% as compared to 1.57832% at June 30, 2020.

For the year ended June 30, 2022, the participating employer recognized GLI OPEB expense of \$845,643. 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, 2022, 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	\$2,074,274	\$138,573
Net difference between projected and actual earnings on GLI OPEB program investments	-	4,340,811
Change in assumptions	1,002,636	2,488,349
Change in proportionate share	372,467	411,001
Employer Contributions subsequent to the measurement date	<u>1,787,652</u>	-
Total	<u>\$5,237,029</u>	<u>\$7,378,734</u>

The amount of \$1,787,652 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, 2023. 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:

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For the Fiscal Year Ending June 30,

	<u>Balances</u>
2023	\$795,395
2024	656,965
2025	749,423
2026	1,424,621
2027	302,953
Thereafter	-
	<u>\$3,929,357</u>

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2019, 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, 2020.

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*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75 to simplify preparation of the OPEB liabilities.

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.

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

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid, changed changed final retirement from 75 to 80 for all.
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount rate	No change

Net GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position.

As of June 30, 2021, NOL amounts for the GLI Program is as follows (amounts expressed in thousands):

	<u>Group Life Insurance OPEB Program</u>
Total GLI OPEB liability	\$3,577,346
Plan Fiduciary Net Position	<u>2,413,074</u>
Employers' Net GLI OPEB liability	<u>\$1,164,272</u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB liability	67.45%

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.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS-Multi-Asset Public Strategies	6.00%	3.29%	0.20%
<u>PIP-Private Investment Partnership</u>	<u>3.00%</u>	<u>6.84%</u>	<u>0.21%</u>
Total	<u>100.00%</u>		<u>4.89%</u>
	Inflation		<u>2.50%</u>
	* Expected arithmetic nominal return		<u>7.39%</u>

* The above allocation provides a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including inflation of 2.5%.

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2020, 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, 2021 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.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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Sensitivity of Schools' Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate

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

1% Decrease	Current Discount Rate	1% Increase
5.75%	6.75%	7.75%
\$26,571,647	\$18,186,850	\$11,415,746

GLI Program's Fiduciary Net Position

Detailed information about the GLI Program's Fiduciary Net Position is available in the separately issued VRS 2021 ACFR. A copy of the 2021 VRS ACFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2021-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

G. Arlington County Schools GLI-Non-Professional OPEB Plan

Summary of Significant Accounting Policies

The VRS GLI Program is a multiple-employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The GLI Program was established pursuant to §51.1-500 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The GLI Program is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers. For purposes of measuring the net GLI Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the GLI Program OPEB, and GLI Program OPEB expense, information about the fiduciary net position of the VRS GLI Program and the additions to/deductions from the VRS GLI Program OPEB's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the GLI Program

Plan Description

All full-time, salaried permanent employees of the state agencies, teachers and employees of participating political subdivisions are automatically covered by the VRS GLI Program upon employment. This plan is administered by the VRS (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

In addition to the basic group life insurance benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI Program. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the GLI Program.

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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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:

- City of Richmond
- City of Portsmouth
- City of Roanoke
- City of Norfolk
- Roanoke City Schools Board

Basic group life insurance coverage is automatic upon employment. Coverage end for employees who leave their position before retirement eligibility or who take a refund of their member contributions and accrued interest.

Benefit Amounts

The benefits payable under the GLI Program have several components.

- **Natural Death Benefit** – The natural death benefit is equal to the employee’s covered compensation rounded to the next highest thousand and then doubled.
- **Accidental Death Benefit** – The accidental death benefit is double the natural death benefit.
- **Other Benefit Provisions** – In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include:
 - Accidental dismemberment benefit
 - Safety belt benefit
 - Repatriation benefit
 - Felonious assault benefit
 - Accelerated death benefit option

Reduction in benefit Amounts

The benefit amounts provided to members covered under the GLI Program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.

Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the GLI Program. The minimum benefit was set at \$8,000 by statute in 2015. This amount is increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$8,722 as of June 30, 2022.

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, 2022 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. 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 \$139,932 and \$133,171 for the years ended June 30, 2022 and June 30, 2021, respectively.

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, 2022, Schools reported a liability of \$1,393,633 for its proportionate share of the net GLI OPEB liability. The net GLI OPEB liability was measured as of June 30, 2021 and the total GLI OPEB liability used to calculate the net GLI OPEB liability was determined by an actuarial valuation as of June 30, 2020 and rolled forward to the measurement date of June 30, 2021. 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, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, Schools' proportion was 0.11970% as compared to 0.12086% at June 30, 2020.

For the year ended June 30, 2022, Schools recognized GLI OPEB expense of \$99,134. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2022, Schools' reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB Program from the following sources:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$158,949	\$10,619
Net difference between projected and actual earnings on GLI OPEB program investments	-	332,630
Change in assumptions	76,831	190,679
Change in proportionate share	118,335	14,284
Employer Contributions subsequent to the measurement date	139,932	-
Total	<u>494,047</u>	<u>548,212</u>

An amount of \$139,932 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB Program will be recognized in the GLI OPEB expense in future reporting periods as follows:

For the Fiscal Years ending June 30th:

	<u>Balances</u>
2023	\$26,617
2024	18,691
2025	33,739
2026	94,679
2027	20,371
Thereafter	-
	<u>\$194,097</u>

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2020, 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, 2021.

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*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of the OPEB liabilities.

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

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; Set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all.
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service decrement through 9 years of service.
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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, 2021, NOL amounts for the Group Life Insurance Program is as follows (amounts expressed in thousands):

	<u>GLI OPEB Program</u>
Total GLI OPEB Liability	\$3,577,346
Plan Fiduciary Net Position	<u>2,413,074</u>
Employers' Net GLI OPEB Liability	<u>\$1,164,272</u>
 Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	 67.45%

The total GLI OPEB liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net GLI OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and RSI.

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS-Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP-Private Investment Partnership	3.00%	6.84%	0.21%
Total	<u>100.00%</u>		<u>4.89%</u>
		Inflation	<u>2.50%</u>
		* Expected arithmetic nominal return	<u>7.39%</u>

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

* The above allocation provides a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%. On October 10, 2019 the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing median return of 7.11% including inflation of 2.5%.

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2021, 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, 2021 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB’s fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

Sensitivity of Schools’ Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate

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

1% Decrease	Current Discount Rate	1% Increase
5.75%	6.75%	7.75%
\$2,036,149	\$1,393,633	\$874,773

GLI Program Fiduciary Net Position

Detailed information about the GLI program’s Fiduciary Net Position is available in the separately issued VRS 2021 ACFR. A copy of the 2021 VRS ACFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2021-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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, 2022.

**Arlington County Government
OPEB and Pension Components-Primary Government
For the Period Ending June 30, 2022**

	County OPEB	LODA OPEB	Total Primary Government OPEB	County Pension	Total OPEB & Pension
Net OPEB Liability	48,407,903	20,127,121	68,535,024	-	68,535,024
Net Pension Asset	-	-	-	647,000,000	647,000,000
Deferred Inflows	80,093,572	4,364,084	84,457,656	476,600,000	561,057,656
Deferred Outflows	21,544,358	8,256,360	29,800,718	28,000,000	57,800,718
Deferred Outflows-Contributions*	-	660,284	660,284	61,200,000	61,860,284
OPEB/Pension Expense	(10,401,250)	1,935,351	(8,465,899)	(86,600,000)	(95,065,899)

*The County Pension and LODA OPEB Plan have measurement dates of the previous fiscal year end. Therefore, current year deferred 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, 2022

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, 2022**

<u>APS OPEB Plans</u>	<u>APS OPEB</u>	<u>APS Teachers HIC OPEB</u>	<u>APS Teachers GLI OPEB</u>	<u>APS Non-Prof HIC OPEB</u>	<u>APS Non-Prof GLI OPEB</u>	<u>Total OPEB</u>
Net OPEB Liability	111,379,488	46,392,938	18,186,850	631,290	1,393,633	177,984,199
Deferred Inflows	23,013,541	2,744,520	7,378,734	4,231	548,212	33,689,238
Deferred Outflows	27,998,308	2,179,582	3,449,377	8,072	354,115	33,989,454
Deferred Outflows-Contributions*	-	3,957,685	1,787,652	60,987	139,932	5,946,256
OPEB Expense	9,668,672	3,824,214	845,643	61,717	99,134	14,499,380

<u>APS Pension Plans</u>	<u>APS Teachers Pension</u>	<u>APS Political Sub- Division Pension</u>	<u>Total APS Pension</u>
Net Pension Liability	279,486,255	-	279,486,255
Net Pension Asset	-	(2,677,266)	(2,677,266)
Deferred Inflows	209,870,295	7,365,182	217,235,477
Deferred Outflows	53,212,128	2,453,595	55,665,723
Deferred Outflows-Contributions*	51,688,310	1,341,028	53,029,338
Pension Expense	6,158,838	566,679	6,725,517

*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
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ARLINGTON COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
REVENUES:				
General Property taxes:				
Real estate	\$804,233,860	\$804,233,860	\$830,318,888	\$26,085,028
Personal	118,052,147	118,052,147	127,071,165	9,019,018
Other local taxes	199,195,525	199,195,525	227,006,714	27,811,189
Licenses, permits and fees	12,541,524	12,541,524	14,678,868	2,137,344
Charges for services	63,795,327	63,795,327	54,163,697	(9,631,630)
Fines and forfeitures	7,559,368	7,559,368	5,765,432	(1,793,936)
Grants:				
State grants	79,228,761	86,739,171	83,711,767	(3,027,404)
Federal grants	38,994,904	46,814,782	55,105,568	8,290,786
Use of money and property	31,878,412	31,878,412	26,067,463	(5,810,949)
Miscellaneous revenue	7,561,778	203,402,344	182,662,415	(20,739,929)
Total revenues	1,363,041,606	1,574,212,460	1,606,551,977	32,339,517
EXPENDITURES:				
General Government Administration:				
County Board	1,647,110	1,742,955	1,677,209	65,746
County Manager	5,285,643	5,444,391	4,792,298	652,093
Financial Management	8,821,699	9,143,233	8,860,644	282,589
Human Resources	10,267,515	10,421,205	10,104,056	317,149
Technology Services	26,804,333	26,917,208	43,426,363	(16,509,155)
County Attorney	3,676,928	3,698,999	3,240,554	458,445
Commissioner of Revenue	5,958,479	6,007,104	5,679,612	327,492
Treasurer	7,487,664	7,543,369	6,884,012	659,357
Electoral Board	1,895,762	1,919,844	1,418,773	501,071
Total General Government	71,845,133	72,838,308	86,083,521	(13,245,213)
Judicial Administration:				
Circuit Court & Circuit Court Judiciary	5,217,193	5,330,618	5,466,832	(136,214)
General District Court	410,721	411,740	348,993	62,747
Juvenile & Domestic Relations Court	7,375,354	7,560,514	6,420,517	1,139,997
Commonwealth Attorney	5,246,727	5,879,390	5,336,884	542,506
Sheriff & Jail	45,394,888	46,880,768	49,246,586	(2,365,818)
Office of the Public Defender	336,310	336,310	309,327	26,983
Magistrate's Office	29,986	29,986	28,220	1,766
Total Judicial Administration	64,011,179	66,429,326	67,157,359	(728,033)
Public Safety:				
Police	72,607,864	77,245,005	73,127,540	4,117,465
Public Safety Communications and Emergency Management	13,499,472	13,940,438	15,310,185	(1,369,747)
Fire	67,701,216	68,691,832	68,759,267	(67,435)
Total Public Safety	153,808,552	159,877,275	157,196,992	2,680,283
Environmental Services	108,156,680	112,787,099	107,392,616	5,394,483
Health & Welfare	159,189,172	174,580,231	208,010,638	(33,430,407)
Libraries	14,975,725	15,083,993	13,938,064	1,145,929

ARLINGTON COUNTY, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 11-A
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ARLINGTON COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Planning & Community Development:				
Economic Development	8,917,852	9,625,852	9,602,373	23,479
Community Planning, Housing & Development	<u>11,551,945</u>	<u>11,707,038</u>	<u>11,492,426</u>	<u>214,612</u>
Total Planning & Community Development	<u>20,469,797</u>	<u>21,332,890</u>	<u>21,094,799</u>	<u>238,091</u>
Parks and Recreation	<u>49,912,920</u>	<u>50,449,165</u>	<u>44,340,809</u>	<u>6,108,356</u>
Education	<u>529,914,260</u>	<u>589,152,842</u>	<u>558,477,881</u>	<u>30,674,961</u>
Non-Departmental:				
Non-Departmental	86,637,230	323,098,476	320,835,968	2,262,508
Debt Service				
Principal payment	42,797,819	42,797,819	50,321,380	(7,523,561)
Interest payment	30,641,891	30,641,891	28,928,670	1,713,221
Other costs	125,000	125,000	58,011	66,989
Regionals/Contributions	7,060,129	7,324,429	6,940,842	383,587
METRO	<u>46,622,208</u>	<u>46,622,208</u>	<u>46,622,208</u>	<u>-</u>
Total Non-Departmental	<u>213,884,277</u>	<u>450,609,823</u>	<u>453,707,079</u>	<u>(3,097,256)</u>
Total expenditures	<u>1,386,167,695</u>	<u>1,713,140,952</u>	<u>1,717,399,758</u>	<u>(4,258,806)</u>
Excess (deficiency) of revenues over expenditures	<u>(23,126,089)</u>	<u>(138,928,492)</u>	<u>(110,847,781)</u>	<u>28,080,711</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	335,016	3,528,867	3,836,813	307,946
Transfers out	(6,810,996)	(14,615,375)	(11,130,279)	3,485,096
Sale of Land	-	15,000	1,062,156	1,047,156
Issuance of debt	-	150,000,000	150,000,000	150,000,000
Total other financing sources/(uses)	<u>(6,475,980)</u>	<u>138,928,492</u>	<u>143,768,690</u>	<u>154,840,198</u>
Net change in fund balance*	(29,602,069)	-	32,920,909	182,920,909
Fund Balance - beginning of year	<u>329,886,147</u>	<u>329,886,148</u>	<u>329,886,148</u>	<u>-</u>
Fund Balance - end of year	<u>\$300,284,078</u>	<u>\$329,886,148</u>	<u>\$362,807,057</u>	<u>\$32,920,909</u>

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, 2022**

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 2022*
(\$ in millions)

	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability								
Service cost	\$60.8	\$59.8	\$59.3	\$57.8	\$56.5	\$53.8	\$54.8	\$52.1
Interest	166.3	161.4	149.5	143.5	139.1	143.6	135.6	131.6
Differences between expected and actual experience	(29.4)	(30.1)	(31.1)	(13.7)	(27.1)	(47.3)	(16.2)	(11.0)
Changes of assumptions	-	-	112.6	-	-	27.2	-	29.4
Benefit payments including refunds of employee contributions	(119.9)	(115.5)	(110.8)	(105.0)	(99.7)	(95.3)	(90.8)	(86.3)
Net change in total pension liability	77.8	75.6	179.5	85.7	68.8	82.0	83.4	115.8
Total pension liability -- beginning	<u>2,463.1</u>	<u>2,387.5</u>	<u>2,208.0</u>	<u>2,122.3</u>	<u>2,053.5</u>	<u>1,971.5</u>	<u>1,888.1</u>	<u>1,772.3</u>
Total pension liability -- ending	<u>\$2,540.9</u>	<u>\$2,463.1</u>	<u>\$2,387.5</u>	<u>\$2,208.0</u>	<u>\$2,122.3</u>	<u>\$2,053.5</u>	<u>\$1,971.5</u>	<u>\$1,888.1</u>
Plan fiduciary net position								
Contributions - employer	\$59.7	\$59.9	\$56.7	\$54.9	\$51.8	\$54.5	\$58.2	\$53.7
Contributions - employee	14.8	14.7	13.0	12.9	12.7	12.3	12.2	11.9
Net investment income	708.1	156.8	152.1	167.3	246.3	(1.3)	37.3	304.2
Benefit payments including refunds of employee contributions	(119.9)	(115.5)	(110.8)	(105.0)	(99.7)	(95.3)	(90.8)	(86.3)
Administrative expense	(2.0)	(2.0)	(0.8)	(0.8)	(0.8)	(1.7)	(1.5)	(0.7)
Net change in plan fiduciary net position	660.7	113.9	110.2	129.3	210.3	(31.5)	15.4	282.8
Plan fiduciary net position - beginning	<u>2,527.2</u>	<u>2,413.3</u>	<u>2,303.1</u>	<u>2,173.8</u>	<u>1,963.5</u>	<u>1,995.0</u>	<u>1,979.6</u>	<u>1,696.8</u>
Plan fiduciary net position - ending	<u>\$3,187.9</u>	<u>\$2,527.2</u>	<u>\$2,413.3</u>	<u>\$2,303.1</u>	<u>\$2,173.8</u>	<u>\$1,963.5</u>	<u>\$1,995.0</u>	<u>\$1,979.6</u>
County's net pension liability (asset) - ending	<u>(\$647.0)</u>	<u>(\$64.1)</u>	<u>(\$25.8)</u>	<u>(\$95.1)</u>	<u>(\$51.5)</u>	<u>\$90.0</u>	<u>(\$23.5)</u>	<u>(\$91.5)</u>
Plan fiduciary net position as a percentage of the total pension liability	125.5%	102.6%	101.1%	104.3%	102.4%	95.6%	101.2%	104.85%
Covered payroll	\$285.6	\$285.2	\$270.0	\$261.4	\$236.5	\$248.9	\$243.5	\$252.4
County's net position liability (asset) as a percentage of covered-payroll	-226.5%	-22.5%	-9.6%	-36.4%	-21.8%	36.2%	-9.7%	-36.3%

* 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 2022 is the eighth year for this presentation, there are only eight years of information available. Additional years will be displayed as they become available.

ARLINGTON COUNTY, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 11-D

Arlington County Retirement System
Schedule of Employer Contributions-County
Last 10 Fiscal Years
(\$ in millions)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$61.2	\$59.7	\$59.9	\$56.7	\$54.9	\$51.8	\$54.5	\$58.2	\$53.7	\$48.0
County contributions in relation to the actuarially determined contributions	61.2	59.9	59.9	56.7	54.9	51.8	54.5	58.2	53.7	48.0
Contribution deficiency/ (excess)	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Covered Payroll	\$297.1	\$285.6	\$285.2	\$270.0	\$261.4	\$236.5	\$248.9	\$243.5	\$252.4	\$233.0
Contributions as a percentage of covered payroll	20.6%	20.9%	21.0%	21.0%	21.0%	21.9%	21.9%	23.9%	22.6%	20.6%

Exhibit 11-E

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

Valuation date	June 30, 2020
Timing	Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the System year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal cost method
Asset valuation method	Five year, smoothed
Amortization method	Level percent open
Discount rate	6.75%
Amortization growth rate	3.00%
Inflation	3.00%
Salary increases	3.00% plus merit/seniority component which vary by year of service and are compounded annually

Mortality	<u>General and Uniformed</u> RP-2000 Combined Mortality with generational mortality improvements using Scale AA for active employees and non-disabled inactive members; for Uniformed members, 50% of deaths assumed to be service-connected. RP-2000 Disabled Mortality projected with generational mortality improvements using Scale AA for disabled lives.
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	<u>School</u> RP-2000 Employee Mortality with White Collar adjustment with generational improvements using Scale BB for active and non-disabled inactive members; no deaths assumed to be service-connected. RP-2000 Disabled Mortality projected with generational mortality improvements using Scale AA for disabled lives.
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ARLINGTON COUNTY, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 11-F

Schedule of Employer's Share of Net Pension Liability
VRS Teacher Retirement Plan
For the Years Ended June 30, 2015 through 2022*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's Proportion of the Net Pension Liability	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	\$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	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	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	85.46%	71.47%	73.51%	74.81%	72.92%	68.28%	70.68%	70.88%

* The amounts presented in this schedule have a measurement date of the previous fiscal year end. Furthermore, this schedule is intended to show information for 10 years. Since 2022 is the eighth year for this presentation, there are only eight years of information available. Additional years will be displayed as they become available.

ARLINGTON COUNTY, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 11-G

VRS Teachers Retirement Plan
Schedule of Employer Contributions
For the Years Ended 2015 through 2022 *

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2022	\$51,688,310	\$51,688,310	\$-	\$331,046,582	15.61%
2021	50,731,932	50,731,932	-	322,573,631	15.73%
2020	48,195,875	48,195,875	-	322,899,378	14.93%
2019	47,023,129	47,023,129	-	299,004,021	15.73%
2018	47,818,256	47,818,256	-	293,004,021	16.32%
2017	40,828,976	41,192,000	(363,024)	278,505,978	14.66%
2016	41,482,179	41,585,081	(102,902)	295,036,838	14.06%
2015	38,409,525	37,194,010	1,215,515	264,893,277	14.04%

*This schedule is intended to show information for 10 years. Since 2022 is the eighth year for this presentation, there are only eight years of information available. Additional years will be displayed as they become available.

Exhibit 11-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, 2020 valuation were based on the results of the most recent actuarial experience study of the System for the four- year period ending June 30, 2020, except for the change in discount rate, which was based on VRS Board action effective July 1, 2019. Changes in the assumptions based on the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. 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
Discount Rate	No change

ARLINGTON COUNTY, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 11-I

**Arlington Public Schools VRS Political Subdivision Pension Plan
Schedule of Changes in Net Pension Liability and Related Ratios
For the Years ended June 30, 2015 through 2021***

	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability								
Service cost	\$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	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	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	(2,095,971)	(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	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	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>\$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	\$1,261,144	\$1,233,076	\$1,207,932	\$1,151,875	\$1,077,379	\$1,225,860	\$954,339	\$1,725,606
Contributions - employee	1,116,321	1,107,945	1,064,709	1,008,648	935,848	884,066	722,556	1,003,574
Net investment income	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	(2,095,971)	(1,740,387)	(1,517,186)	(1,342,405)	(1,160,059)	(1,069,403)	(881,977)	(643,241)
Administrative expense	(34,612)	(31,921)	(29,714)	(26,286)	(25,371)	(21,338)	(20,294)	(21,639)
Other	(171)	(1,178)	(2,024)	(2,904)	(4,184)	(273)	(332)	232
Net change in plan fiduciary net position	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	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>\$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>
Net pension liability/(asset)	<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	104.17%	90.18%	93.43%	96.91%	97.94%	90.86%	91.23%	94.46%
Covered payroll	\$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	-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. Furthermore, this schedule is intended to show information for 10 years. Since 2022 is the eighth year for this presentation, there are only eight years of information available. Additional years will be displayed as they become available.

ARLINGTON COUNTY, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 11-J

VRS Political Subdivisions
Schedule of Employer Contributions
For the Years Ended 2015 through 2022 *

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2022	\$1,341,028	\$1,341,028	\$-	\$25,913,299	5.18%
2021	1,291,914	1,291,914	-	24,662,305	5.24%
2020	1,255,049	1,255,049	-	24,495,341	5.12%
2019	1,218,540	1,218,540	-	21,082,014	5.78%
2018	1,251,977	1,251,977	-	18,170,928	6.89%
2017	1,082,587	1,077,379	5,208	18,633,172	5.81%
2016	1,234,142	1,199,863	34,279	17,912,069	6.89%
2015	1,302,210	1,709,102	(406,892)	18,922,234	9.12%

* This schedule is intended to show information for 10 years. Since 2022 is the eighth year for this presentation, there are only eight years of information available. Additional years will be displayed as they become available.

Exhibit 11-K

Notes to Schedule-VRS Political Subdivisions

Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions – The actuarial assumptions used in the June 30, 2020 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 2022*

	2022	2021	2020	2019	2018	2017
Total OPEB liability						
Service cost	\$6,012,315	\$6,488,331	\$7,186,201	\$6,542,420	\$7,045,072	\$6,789,601
Interest	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	(15,708,120)	(14,017,999)	7,679,137	(16,439,988)	(855,957)	21,967,205
Difference between expected and actual experience	(46,185,968)	(15,102,579)	(7,043,612)	(4,310,682)	(4,316,370)	(7,417,570)
Benefit Payments	(10,370,247)	(12,682,715)	(13,791,000)	(13,349,194)	(15,838,142)	(12,672,328)
Net change in total OPEB liability	(46,185,968)	(14,326,511)	5,105,243	(6,493,744)	6,603,842	28,244,160
Total OPEB liability - beginning	296,362,992	310,689,503	305,584,260	312,078,004	305,474,162	277,230,002
Total OPEB liability - ending (a)	<u>\$250,177,024</u>	<u>\$296,362,992</u>	<u>\$310,689,503</u>	<u>\$305,584,260</u>	<u>\$312,078,004</u>	<u>\$305,474,162</u>
Plan fiduciary net position						
Contributions - employer	\$16,870,247	\$20,182,715	\$20,291,000	\$20,349,194	\$19,237,827	\$19,522,328
Net investment income	(19,792,200)	43,019,873	7,340,191	13,509,558	7,935,995	11,825,989
Benefit payments	(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	(13,292,200)	50,519,873	13,840,191	20,509,558	15,130,967	18,675,989
Plan fiduciary net position - beginning	215,061,321	164,541,448	150,701,257	130,191,699	115,060,732	96,384,743
Plan fiduciary net position - ending (b)	<u>\$201,769,121</u>	<u>\$215,061,321</u>	<u>\$164,541,448</u>	<u>\$150,701,257</u>	<u>\$130,191,699</u>	<u>\$115,060,732</u>
Net OPEB Liability - ending	<u>\$48,407,903</u>	<u>\$81,301,671</u>	<u>\$146,148,055</u>	<u>\$154,883,003</u>	<u>\$181,886,305</u>	<u>\$190,413,430</u>
Plan fiduciary net position as a % of the total OPEB liability	80.7%	72.6%	53.0%	49.3%	42.7%	37.7%
**Covered-employee payroll	\$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	16.11%	27.52%	51.37%	55.07%	66.82%	N/A

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**Contributions to the OPEB Plan are not based on a measure of pay but are a function of benefits covered, family status, and demographics. Therefore, the relevant measure is "covered-employee payroll", or the payroll of employees provided with OPEB through the OPEB plan.

ARLINGTON COUNTY, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 11-M

Schedule of Employer Contributions - County OPEB Plan
For the Years Ended June 30, 2013 through 2022

Date	Actuarially Determined Contribution (ADC)	Contributions in relation to ADC	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contribution as a Percentage of Covered Employee Payroll
2022	\$14,834,010	\$16,870,247	(\$2,036,237)	\$300,453,925	5.61%
2021	16,880,221	20,182,715	(3,302,494)	295,476,884	6.83%
2020	18,450,712	20,291,000	(1,840,288)	284,480,517	7.13%
2019	18,525,231	20,349,194	(1,823,963)	281,226,164	7.24%
2018	19,316,113	19,237,827	78,286	272,210,858	7.07%
2017	17,836,375	19,522,328	(1,685,953)	-	-
2016	18,448,969	19,706,851	(1,257,882)	-	-
2015	18,935,237	19,480,852	(545,615)	-	-
2014	19,871,609	20,942,046	(1,070,437)	-	-
2013	20,013,479	19,879,203	134,276	257,540,000	7.72%

Exhibit 11-N

Notes to Schedules-County OPEB

Valuation Date: June 30, 2021

Actuarially determined contribution rates are calculated as of June 30, 2021, prior to the fiscal year in when they are reported, and have been rolled forward to June 30, 2022.

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry age normal level % of salary

Amortization method/period Level % of salary, 22 years

Asset valuation method Set equal to the market value of assets

Inflation: 3.00% annual increase

Medical trend rate: The medical trend rate assumption starts at 7.40% in 2022 and gradually declines to 3.78% by the year 2040.

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, 2022

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) projected with generational mortality improvements from 2010 using Scale MP-2018.

ARLINGTON COUNTY, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 11-O

County OPEB Plan
Schedule of Investment Returns
Last Six Fiscal Years

	<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	-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 2022***

	2022	2021	2020	2019	2018
Employer's Proportion of the Net LODA OPEB Liability	4.56%	4.52%	4.44%	4.14%	4.10%
Employer's Proportionate Share of the Net LODA OPEB Liability	\$20,127,121	\$18,944,488	\$15,923,862	\$12,992,000	\$10,773,000
Covered-Employee Payroll	\$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 Percentage of its Covered-Employee Payroll	6.59%	6.66%	5.55%	4.77%	3.48%
Plan Fiduciary Net Position as a Percentage of the Total LODA OPEB Liability	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 five years of information available. Additional years will be displayed as they become available.

**The contributions for the Line of Duty Act Program are based on the number of participants in the Program using a per capita-based contribution versus a payroll-based contribution. Therefore, covered-employee payroll is the relevant measurement, which is the total payroll of the employees in the OPEB plan.

ARLINGTON COUNTY, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 11-Q

**Schedule of Employer Contributions
Line of Duty Act Program (LODA)
For the Years Ended June 30, 2013 through 2022**

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a % of Covered- Employee Payroll
2022	\$660,284	\$660,284	\$-	\$303,409,917	0.22%
2021	628,364	628,364	-	305,574,785	0.21%
2020	614,726	614,726	-	284,480,517	0.22%
2019	595,670	595,670	-	286,986,839	0.21%
2018	441,414	441,414	-	272,210,858	0.16%
2017	442,123	442,123	-	309,889,759	0.14%
2016	418,315	418,315	-	300,085,853	0.14%
2015	409,235	409,235	-	292,004,396	0.14%
2014	435,192	435,192	-	271,739,851	0.16%
2013	365,562	365,562	-	273,314,371	0.13%

* The contributions for the Line of Duty Act Program are based on the number of participants in the Program using a per capita-based contribution versus a payroll-based contribution. Therefore, covered-employee payroll is the relevant measurement, which is the total payroll of employees in the OPEB plan.

Exhibit 11-R

**Notes to Required Supplementary Information
Line of Duty Act Program (LODA)
For the Year Ended June 30, 2022**

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, 2020 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 2022

Total OPEB Liability	2022	2021	2020	2019	2018	2017
Service cost	\$4,386,787	\$4,642,415	\$4,444,683	\$4,335,321	\$4,514,868	\$3,724,642
Interest	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	(6,013,896)	(14,977,786)	2,277,620	(2,188,349)	(13,025,339)	18,230,091
Diff between expected and actual experience	5,838,729	527,435	2,220,971	(1,078,733)	2,312,548	7,411,499
Benefit payments	(8,709,473)	(8,734,220)	(7,918,493)	(7,810,271)	(6,774,239)	(6,227,027)
Net change in total OPEB liability	8,129,114	(5,525,766)	11,896,904	5,134,672	(982,617)	33,295,397
Total OPEB liability - beginning	186,963,026	192,488,792	180,591,888	175,457,216	176,439,833	143,144,436
Total OPEB liability - ending (a)	<u>\$195,092,140</u>	<u>\$186,963,026</u>	<u>\$192,488,792</u>	<u>\$180,591,888</u>	<u>\$175,457,216</u>	<u>\$176,439,833</u>
Plan fiduciary net position						
Contributions-employer	\$11,309,473	\$11,334,220	\$7,918,493	\$10,410,271	\$9,374,239	\$8,827,027
Contributions-retired members	-	-	-	-	-	-
Net investment income	-8,176,707	17,984,729	3,190,968	5,931,810	3,506,989	5,287,676
Benefit payments	(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	-5,576,707	20,584,729	3,190,968	8,531,810	6,106,989	7,887,676
Plan fiduciary net position - beginning	89,289,359	68,704,630	65,513,662	56,981,852	50,874,863	42,987,187
Plan fiduciary net position - ending (b)	<u>\$83,712,652</u>	<u>\$89,289,359</u>	<u>\$68,704,630</u>	<u>\$65,513,662</u>	<u>\$56,981,852</u>	<u>\$50,874,863</u>
Net OPEB Liability-ending (a) - (b)	<u>\$111,379,488</u>	<u>\$97,673,667</u>	<u>\$123,784,162</u>	<u>\$115,078,226</u>	<u>\$118,475,364</u>	<u>\$125,564,970</u>
Plan Fiduciary net position as % of total OPEB liability	42.9%	47.8%	35.7%	36.3%	32.5%	28.8%
Covered-employee payroll	\$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	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
For the Years Ended June 30, 2013 through 2022

Date	Actuarially Determined Contribution (ADC)	Contributions in relation to ADC	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contribution as a Percentage of Covered-Employee Payroll
2022	\$10,880,564	\$11,309,473	(\$428,909)	\$287,223,413	3.9%
2021	12,623,808	11,334,220	1,289,588	323,771,732	3.5%
2020	11,713,825	7,918,493	3,795,332	331,556,331	2.4%
2019	11,651,099	10,410,271	1,240,828	313,758,720	3.3%
2018	11,712,327	9,374,239	2,338,088	305,435,909	3.1%
2017	9,448,250	8,827,027	621,223	294,660,463	3.0%
2016	9,072,082	8,033,056	1,039,026	275,631,084	2.9%
2015	7,516,603	8,000,708	(484,105)	211,917,981	3.8%
2014	7,631,362	7,910,729	(279,367)	204,258,295	3.9%
2013	8,062,374	9,352,970	(1,290,596)	267,192,229	3.5%

Exhibit 11-U

Notes to Schedules-Arlington Public Schools

Valuation Date:	June 30, 2022
<i>Methods and assumptions used to determine contribution rates:</i>	
Actuarial cost method:	Entry age normal level % of salary
Amortization method	Level % of salary
Amortization period	Remaining amortization period is 24 years
Asset valuation method	Fair market value of assets
Inflation:	3.00% per year as of June 30, 2022
Medical trend rate:	Medical trends assumptions for this valuation were developed using the Society of Actuaries (SOA) Long-run Medical Cost trend model version 2021_b.
Salary increases	3.00% salary scale as of June 30, 2022
Investment rate of return	6.75% per year as of June 30, 2022
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 Six Fiscal Years

	<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	-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 2022*

	2022	2021	2020	2019	2018
Employer's Proportion of the Net HIC OPEB Liability	3.61%	3.68%	3.71%	3.72%	3.63%
Employer's Proportionate Share of the Net HIC OPEB Liability	\$46,392,938	\$48,047,430	\$48,569,733	\$47,295,000	\$46,108,000
Covered Payroll	\$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	14.51%	14.99%	15.62%	15.71%	15.35%
Plan Fiduciary Net Position as a Percentage of the Total HIC OPEB Liability	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 five 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, 2013 through 2022**

Date	Contractually Required Contribution	Contributions in Relation to		Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
		Contractually Required Contribution	Contractually Required Contribution			
2022	\$3,957,685	\$3,957,685	\$-	\$327,081,398	1.21%	
2021	3,869,056	3,869,056	-	319,756,685	1.21%	
2020	3,845,725	3,845,725	-	320,477,047	1.20%	
2019	3,730,540	3,730,540	-	310,878,333	1.20%	
2018	3,704,004	3,704,004	-	301,138,537	1.23%	
2017	3,183,887	3,183,887	-	300,366,698	1.06%	
2016	2,867,346	2,867,346	-	270,504,340	1.06%	
2015	2,819,847	2,819,847	-	266,023,302	1.06%	
2014	2,757,249	2,757,249	-	250,659,000	1.10%	
2013	2,724,123	2,724,123	-	247,647,545	1.10%	

Exhibit 11-Y

**Notes to Schedules
Arlington Public Schools HIC-Teachers Plan
For the Year Ended June 30, 2022**

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

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; Changed final retirement from 75 to 80 for all.
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

ARLINGTON COUNTY, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 11-Z

VRS Political Subdivisions
Schedule of Changes in HIC Net OPEB Liability and Related Ratios
For the Year ended June 30, 2022*

	2022	2021
Total HIC OPEB liability		
Service cost	\$20,893	\$-
Interest	42,117	-
Benefit changes	-	623,954
Changes in assumptions	9,537	-
Net change in total OPEB liability	72,547	623,954
Total OPEB liability - beginning	623,954	-
Total OPEB liability - ending	\$696,501	\$623,954
 Plan fiduciary net position		
Contributions - employer	\$58,222	\$-
Net investment income	7,245	-
Administrative expense	(256)	-
Net change in plan fiduciary net position	65,211	-
Plan fiduciary net position - beginning	-	-
Plan fiduciary net position - ending	\$65,211	\$-
 Political subdivision's net OPEB liability	\$631,290	\$623,954
 Plan fiduciary net position as a percentage of the total OPEB liability	9.36%	0.00%
 Covered payroll	\$24,662,305	N/A
 Political subdivision's net OPEB liability as a percentage of covered payroll	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 2022

Date	Contributions in Relation to			Contributions as a % of	
	Contractually Required Contribution	Contractually Required Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Covered-Employee Payroll
	(1)	(2)	(3)	(4)	(5)
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, 2022

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

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	PUB2010 public sector mortality tables. For future use modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; Changed final retirement from 75 to 80 for all.
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

ARLINGTON COUNTY, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 11-AC

Schedule of Employer's Share of Net OPEB Liability
Arlington Public Schools-Teachers Plan
Group Life Insurance Program
For the Years Ended June 30, 2018 through 2022*

	2022	2021	2020	2019	2018
Employer's Proportion of the Net GLI OPEB Liability	1.56%	1.58%	1.60%	1.60%	1.57%
Employer's Proportionate Share of the Net GLI OPEB Liability	\$18,186,850	\$26,339,577	\$26,016,243	\$24,253,000	\$23,574,000
Covered Payroll	\$322,573,631	\$322,163,165	\$312,990,048	\$334,144,790	\$288,942,885
Employer's Proportionate Share of the Net GLI OPEB Liability as a Percentage of its Covered Payroll	5.64%	8.18%	8.31%	7.26%	8.16%
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	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 five years of information available. Additional years will be displayed as they become available.

ARLINGTON COUNTY, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 11-AD

**Schedule of Employer Contributions
Arlington Public Schools-Teachers Plan
General Life Insurance (GLI) Program
For the Years Ended June 30, 2013 through 2022**

Date	Contributions in			Covered Payroll	Contributions as a % of Covered Payroll
	Contractually Required Contribution	Relation to Contractually Required Contribution	Contribution Deficiency (Excess)		
2022	\$1,787,652	\$1,787,652	\$-	\$331,046,582	0.54%
2021	1,741,898	1,741,898	-	322,573,631	0.54%
2020	1,675,248	1,675,248	-	322,163,165	0.52%
2019	1,627,548	1,627,548	-	312,990,048	0.52%
2018	1,737,553	1,737,553	-	334,144,790	0.52%
2017	1,655,136	1,502,503	152,633	288,942,885	0.52%
2016	1,573,752	1,314,583	259,169	252,804,423	0.52%
2015	1,386,596	1,386,596	-	266,653,025	0.52%
2014	1,304,982	1,304,982	-	250,957,983	0.52%
2013	1,170,864	1,170,864	-	225,166,134	0.52%

Exhibit 11-AE

**Notes to Schedules
For the Year Ended June 30, 2022
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, 2020 valuation were based on the most recent experience study of the System for the four-year period ending June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective July 1, 2019. Changes to the actuarial assumptions resulting from the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables.
Retirement Rates	Adjusted to better fit experience for Plan 1; set separate rates for Plan 2/Hybrid; changed final retirement from 75 to 80 for all.
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

ARLINGTON COUNTY, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 11-AF

**Schedule of Employer's Share of Net OPEB Liability
Arlington Public Schools-Non-Professional Employees
Group Life Insurance Program
For the Years Ended June 30, 2018 through 2022***

	2022	2021	2020	2019	2018
Employer's Proportion of the Net GLI OPEB Liability	0.11970%	0.12086%	0.11772%	0.11420%	0.10838%
Employer's Proportionate Share of the Net GLI OPEB Liability	\$1,393,633	\$2,016,956	\$1,915,618	\$1,735,000	\$1,631,000
Covered Payroll	\$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	5.65%	8.26%	8.30%	9.57%	8.81%
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	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 five 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, 2013 through 2022**

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2022	\$139,932	\$139,932	\$-	\$25,913,299	0.54%
2021	133,171	133,171	-	24,662,305	0.54%
2020	126,983	126,983	-	24,419,844	0.52%
2019	119,981	119,981	-	23,073,185	0.52%
2018	94,275	94,275	-	18,129,748	0.52%
2017	96,244	103,950	(7,706)	18,508,403	0.56%
2016	105,446	89,114	16,332	20,277,983	0.44%
2015	113,430	113,430	-	21,813,445	0.52%
2014	114,226	114,226	-	21,966,555	0.52%
2013	123,909	123,909	-	23,828,655	0.52%

Exhibit 11-AH

**Notes to Schedules
For the Year Ended June 30, 2022
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, 2020 based on the most recent experience study of the System for the four-year period ending June 30, 2020, except for the discount rate which was based on VRS Board action effective July 1, 2019. Changes to the actuarial assumptions due to the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to PUB2010 public sector mortality tables.
Retirement Rates	Adjusted to better fit experience for Plan 1; set separate rates for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all.
Withdrawal Rates	Adjusted rates to better fit experience at each age and service year through nine years of service.
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change



OTHER SUPPLEMENTARY INFORMATION

The supplemental schedules are presented to reflect finance-related legal and contractual compliance, details of data summarized in the preceding financial statements and other information deemed useful for financial statements users in the analysis of the County's financial activities.

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Combined Financial Statements - Overview

The combined financial statements provide a summary level of reporting for the operating results and financial position of the County's various fund types.

These "general purpose financial statements" provide a broad financial overview for users requiring less detailed information than is presented in the individual statements for each separate fund.

ARLINGTON COUNTY, VIRGINIA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	SPECIAL REVENUE FUNDS							Street and Highway Bond Fund	Neighborhood Conservation Bond Fund	Government Facility Bond
	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			
ASSETS										
Equity in pooled cash and investments	\$1,487,202	\$1,396,167	\$992,705	\$2,278,974	\$2,296,650	\$2,270,194	\$1,194,921	\$5,636,151	\$4,268,411	\$54,550,707
Receivables, net	-	102,842	-	-	-	-	-	-	-	-
Receivables from other governments	-	-	-	-	-	154,217	19,130	-	-	-
Receivables leases	-	-	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	1,721,082	-	4,275	-
Total assets	\$1,487,202	\$1,509,009	\$992,705	\$2,278,974	\$2,296,650	\$2,424,411	\$2,935,133	\$5,636,151	\$4,272,686	\$54,550,707
LIABILITIES										
Vouchers payable	\$-	\$270,108	\$-	\$-	\$-	\$12,646	\$22,029	\$5,789,600	\$190,014	\$2,143,104
Contracts payable - retainage	-	-	-	-	-	-	-	-	288,350	161,040
Unearned revenue	-	1,235,593	767,334	2,179,873	2,296,650	2,376,891	2,913,104	-	-	-
Other liabilities	-	-	-	-	-	34,874	-	-	3,200	-
Total liabilities	-	1,505,701	767,334	2,179,873	2,296,650	2,424,411	2,935,133	5,789,600	481,564	2,304,144
DEFERRED INFLOW OF RESOURCES										
Leases	-	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	-	-	-
FUND BALANCES										
Nonspendable - prepaid items	-	-	-	-	-	-	1,721,082	-	4,275	-
Restricted	1,487,202	3,308	225,371	99,101	-	-	-	-	3,786,847	52,246,563
Committed	-	-	-	-	-	-	-	(153,449)	-	-
Unassigned	-	-	-	-	-	-	(1,721,082)	-	-	-
Total fund balances (deficit)	1,487,202	3,308	225,371	99,101	-	-	-	(153,449)	3,791,122	52,246,563
Total liabilities, deferred inflow of resources and fund balances (deficit)	\$1,487,202	\$1,509,009	\$992,705	\$2,278,974	\$2,296,650	\$2,424,411	\$2,935,133	\$5,636,151	\$4,272,686	\$54,550,707

CAPITAL PROJECTS FUNDS									
Stormwater Fund	Public Recreation Bond Fund	Fire Station Bond Fund	Library Bond Fund	Transit Facility Bond Fund	National Landing TIF	Columbia Pike TIF	IDA Bond Fund	Total Non-Major Governmental Funds	ASSETS
\$26,822,190	\$22,193,241	\$4,625	\$44	\$82,585	\$23,290,785	\$2,879,962	\$5,814,076	\$157,459,590	Equity in pooled cash and investments
52,852	-	-	-	-	452,154	-	3,778,675	4,386,523	Receivables, net
-	-	-	-	-	305,957	-	-	489,304	Receivables from other governments
-	-	-	-	-	-	-	20,874,073	20,874,073	Receivables leases
-	-	-	-	-	-	-	-	1,725,357	Prepaid
<u>\$26,875,042</u>	<u>\$22,193,241</u>	<u>\$4,625</u>	<u>\$44</u>	<u>\$82,585</u>	<u>\$24,048,896</u>	<u>\$2,879,962</u>	<u>\$30,466,824</u>	<u>\$184,934,847</u>	Total assets
									LIABILITIES
\$1,400,750	\$1,001,778	\$-	\$-	\$-	\$888,966	\$-	\$-	\$11,718,995	Vouchers payable
177,264	2,153,722	-	-	-	59,000	-	-	2,839,376	Contracts payable - retainage
-	-	-	-	-	-	-	3,778,675	11,769,445	Unearned revenue
-	-	-	-	-	-	-	-	3,816,749	Other liabilities
<u>1,578,014</u>	<u>3,155,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>947,966</u>	<u>-</u>	<u>3,778,675</u>	<u>30,144,565</u>	Total liabilities
									DEFERRED INFLOW OF RESOURCES
-	-	-	-	-	-	-	20,679,592	20,679,592	Leases
-	-	-	-	-	-	-	20,679,592	20,679,592	Total deferred inflows of resources
									FUND BALANCES
-	-	-	-	-	-	-	-	1,725,357	Nonspendable - prepaid items
-	19,037,741	4,625	44	82,585	-	-	6,008,557	82,981,944	Restricted
25,297,028	-	-	-	-	23,100,930	2,879,962	-	51,124,471	Committed
-	-	-	-	-	-	-	-	(1,721,082)	Unassigned
<u>25,297,028</u>	<u>19,037,741</u>	<u>4,625</u>	<u>44</u>	<u>82,585</u>	<u>23,100,930</u>	<u>2,879,962</u>	<u>6,008,557</u>	<u>134,110,690</u>	Total fund balances(deficit)
<u>\$26,875,042</u>	<u>\$22,193,241</u>	<u>\$4,625</u>	<u>\$44</u>	<u>\$82,585</u>	<u>\$24,048,896</u>	<u>\$2,879,962</u>	<u>\$30,466,824</u>	<u>\$184,934,847</u>	Total liabilities, deferred inflows of resources and fund balances(deficit)

ARLINGTON COUNTY, VIRGINIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022

	SPECIAL REVENUE FUNDS							Street and Highway Bond Fund	Neighborhood Conservation Bond Fund
	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		
REVENUES:									
Other local taxes	\$2,913,249	\$1,153,141	\$1,520,499	\$4,014,457	\$4,512,195	\$-	\$-	\$-	\$-
Real estate taxes	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	2,010,872	23,753,874	-	-
Interest earnings	-	-	868	1,221	-	-	-	27,488	17,576
Charges for services	-	-	-	-	-	-	-	-	-
Miscellaneous revenues	-	-	-	-	-	-	-	-	-
Total revenues	2,913,249	1,153,141	1,521,367	4,015,678	4,512,195	2,010,872	23,753,874	27,488	17,576
EXPENDITURES:									
Current:									
General government	-	-	-	-	-	-	-	55,560	-
Planning and community development	2,822,008	1,549,957	1,405,390	4,024,962	4,421,951	2,010,872	-	-	20,916
Health and welfare	-	-	-	-	-	-	23,753,874	-	-
Intergovernmental:									
Community development	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	16,100,634	3,806,371
Total expenditures	2,822,008	1,549,957	1,405,390	4,024,962	4,421,951	2,010,872	23,753,874	16,156,194	3,827,287
Revenues over (under) expenditures	91,241	(396,816)	115,977	(9,284)	90,244	-	-	(16,128,706)	(3,809,711)
OTHER FINANCING SOURCES(USES):									
Transfers in (out)	-	396,816	(30,410)	(80,119)	(90,244)	-	-	(27,488)	(17,576)
Total other financing sources (uses), net	-	396,816	(30,410)	(80,119)	(90,244)	-	-	(27,488)	(17,576)
Net change in fund balances	91,241	-	85,567	(89,403)	-	-	-	(16,156,194)	(3,827,287)
FUND BALANCE (Deficit), beginning of year	1,395,961	3,308	139,804	188,504	-	-	-	16,002,745	7,618,409
FUND BALANCE (Deficit), end of year	\$1,487,202	\$3,308	\$225,371	\$99,101	\$-	-	\$-	(\$153,449)	\$3,791,122

CAPITAL PROJECTS FUNDS

Government Facility Bond Fund	Stormwater Fund	Public Recreation Bond Fund	Fire Station Bond Fund	Library Bond Fund	Transit Facility Fund	National Landing TIF	Columbia Pike TIF	IDA Bond Fund*	Total Non-Major Governmental Funds	REVENUES:
\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$14,113,541	Other local taxes
-	14,050,448	-	-	-	-	4,134,537	1,233,140	-	19,418,125	Real estate taxes
-	-	-	-	-	-	470,681	-	-	26,235,427	Intergovernmental
159,108	15,673	80,355	-	-	8,680	-	-	462,369	773,338	Interest income
-	1,903,913	-	-	-	-	-	-	1,832,744	3,736,657	Charges for services
-	38,775	-	-	-	-	942,509	-	-	981,284	Miscellaneous revenues
159,108	16,008,809	80,355	-	-	8,680	5,547,727	1,233,140	2,295,113	65,258,372	Total revenues
EXPENDITURES:										
Current:										
67,652	8,975,671	2,171	-	-	-	357,521	-	-	9,458,575	General government
-	400	-	-	-	-	-	406,654	-	16,663,110	Planning and community development
-	-	-	-	-	-	-	-	-	23,753,874	Health and welfare
-	-	-	-	-	21,888,502	-	-	-	21,888,502	Intergovernmental: Community development
-	290,000	-	-	-	-	-	-	-	290,000	Debt Service: Principal
-	645,333	-	-	-	-	-	-	310,460	955,793	Interest
10,220,865	14,573,879	18,466,596	-	-	-	5,479,765	-	-	68,648,110	Capital outlay
10,288,517	24,485,283	18,468,767	-	-	21,888,502	5,837,286	406,654	310,460	141,657,964	Total expenditures
(10,129,409)	(8,476,474)	(18,388,412)	-	-	(21,879,822)	(289,559)	826,486	1,984,653	(76,399,592)	Revenues over (under) expenditures
OTHER FINANCING SOURCES(USES):										
(159,108)	-	(80,355)	-	-	(8,680)	-	-	(18,982)	(116,146)	Transfers in (out)
(159,108)	-	(80,355)	-	-	(8,680)	-	-	(18,982)	(116,146)	Total other financing sources (uses), net
(10,288,517)	(8,476,474)	(18,468,767)	-	-	(21,888,502)	(289,559)	826,486	1,965,671	(76,515,738)	Net change in fund balances
62,535,080	33,773,502	37,506,508	4,625	44	21,971,087	23,390,489	2,053,476	4,042,886	210,626,428	FUND BALANCE (Deficit), beginning of year
\$52,246,563	\$25,297,028	\$19,037,741	\$4,625	\$44	\$82,585	\$23,100,930	\$2,879,962	\$6,008,557	\$134,110,690	FUND BALANCE (Deficit), end of year

* includes all IDA funds.

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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, 2022

	2022	2021
ASSETS		
Equity in pooled cash and investments	472,278,561	455,222,658
Petty cash	-	1,987
Cash with fiscal agents	270,456	270,456
Receivables(net, where applicable, of allowance for uncollectibles):		
Taxes	467,025,778	456,266,779
Accounts receivable - other	16,102,807	13,561,861
Accounts receivable - development loan	380,182	380,182
Receivables leases	219,300,576	-
Accrued interest	1,480,892	1,238,229
Due from other governments	22,728,174	15,585,245
Temporary loan to other funds	2,375,538	1,966,485
Prepaid items and other assets	2,023,792	1,576,719
Total assets	1,203,966,756	946,070,601
LIABILITIES		
Accrued payroll liabilities	25,184,164	22,623,117
Vouchers payable	21,350,160	26,494,270
Current maturities of interest payable	267,304	267,304
Other current liabilities	2,152,034	1,003,364
Unearned revenue	39,040,037	1,005,064
Due to component unit	77,203,364	83,383,815
Total liabilities	165,197,063	134,776,934
DEFERRED INFLOWS OF RESOURCES		
Leases	215,621,911	-
Unavailable revenues	-	27,826,011
Unavailable revenue - community development	-	380,182
Unavailable revenue - taxes	460,340,725	453,201,326
Total deferred inflows of resources	675,962,636	481,407,519
FUND BALANCES:		
Non spendable:		
Prepaid items	1,678,224	806,719
Mark to Market Investment reserve	(25,284,273)	4,882,159
Leases	3,678,665	-
Restricted:		
Grants	18,863,792	19,702,462
Seized assets	1,994,486	1,599,972
Mark to Market Investment reserve	25,284,273	-
Committed:		
Self insurance reserve	5,000,000	5,000,000
Stabilization reserve	13,929,644	13,929,644
Operating reserve	76,613,044	76,613,044
Subsequent years' County budget	31,606,919	11,050,030
Subsequent years' capital projects	1,884,484	4,527,882
Prior year encumbrances	346,377	344,463
Affordable Housing Investment Fund - allocated	67,317,758	44,892,810
Subsequent years' School's budget	20,484,857	62,056,522
Assigned:		
Subsequent years' County budget	5,981,558	6,128,748
Subsequent years' capital projects	9,800,334	13,878,031
Subsequent years' School budget	35,506,738	-
Operating stabilization reserve true-up	6,883,654	-
Incomplete projects	3,075,923	1,089,187
Affordable Housing Investment Fund - Unallocated	31,631,761	46,840,865
Unassigned	26,528,839	16,543,609
Total fund balances	362,807,057	329,886,147
Total liabilities, deferred inflows of resources and fund balances	1,203,966,756	946,070,600

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, 2022

	2022		VARIANCE POSITIVE (NEGATIVE)	2021 ACTUALS
	BUDGET	ACTUAL		
REVENUES:				
Taxes	\$1,121,481,532	\$1,184,396,767	\$62,915,235	\$1,120,021,010
Licenses and permits	12,541,524	14,678,868	2,137,344	13,002,084
From the Commonwealth of Virginia	86,739,171	83,711,767	(3,027,404)	80,446,925
From the federal government	46,814,782	55,105,568	8,290,786	53,110,553
Charges for services	63,795,327	54,163,697	(9,631,630)	46,139,224
Fines and forfeitures	7,559,368	5,765,432	(1,793,936)	5,484,417
Use of money and property	31,878,412	26,067,463	(5,810,949)	7,059,228
Miscellaneous revenues	198,020,299	182,737,636	(15,282,663)	33,729,139
Total revenues	1,568,830,415	1,606,627,198	37,796,783	1,358,992,580
EXPENDITURES:				
Current:				
General government	72,838,308	86,083,521	(13,245,213)	68,582,839
Judicial administration	66,429,326	67,157,359	(728,033)	62,876,061
Public safety	159,877,275	157,196,992	2,680,283	149,796,459
Environmental services	112,787,099	107,392,616	5,394,483	101,837,787
Health and welfare	174,580,231	208,010,638	(33,430,407)	143,077,533
Parks and recreation	50,449,165	44,340,809	6,108,356	35,489,121
Libraries	15,083,993	13,938,064	1,145,929	12,861,819
Planning and community development	21,332,890	21,094,799	238,091	19,717,583
Non-departmental	323,098,476	320,835,968	2,262,508	85,329,314
Contributions to regional agencies	53,946,637	53,563,050	383,587	54,209,379
Debt service:				
Principal	42,797,819	50,321,380	(7,523,561)	41,827,178
Interest on serial bonds	30,641,891	28,928,670	1,713,221	24,624,754
Other costs	125,000	58,011	66,989	29,480
Total expenditures	1,123,988,110	1,158,921,877	(34,933,767)	800,259,307
Revenues over expenditures	444,842,305	447,705,321	2,863,016	558,733,273
OTHER FINANCING SOURCES (USES):				
Transfers in	8,910,912	3,836,863	(5,074,049)	8,331,458
Transfers from component unit	-	196,402	196,402	132,138
Transfers out	(14,615,375)	(11,205,550)	3,409,825	(11,889,016)
Transfers to component unit	(589,152,842)	(558,674,283)	30,478,559	(500,696,675)
Proceeds from line of credit	150,000,000	150,000,000	-	-
Proceeds from sale of land	15,000	1,062,156	1,047,156	8,095,928
Total other financing sources (uses)	(444,842,305)	(414,784,412)	30,057,893	(496,026,167)
Revenues over expenditures and other sources (uses)	-	32,920,909	32,920,909	62,707,106
FUND BALANCE, beginning of year	329,886,148	329,886,148	-	267,179,042
FUND BALANCE, end of year	\$329,886,148	\$362,807,057	\$32,920,909	\$329,886,148

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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, 2022
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2021)

	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, 2022	June 30, 2021
ASSETS									
Equity in pooled cash and investments	\$1,487,202	\$1,396,167	\$992,705	\$2,278,974	\$2,296,650	\$2,270,194	\$1,194,921	\$11,916,813	\$7,381,255
Receivable from other governments	-	10,000	-	-	-	154,217	19,130	183,347	1,283,380
Receivables-community development	-	102,842	-	-	-	-	-	102,842	49,288,592
Prepaid items	-	-	-	-	-	-	1,721,082	1,721,082	2,475,098
Total assets	\$1,487,202	\$1,509,009	\$992,705	\$2,278,974	\$2,296,650	\$2,424,411	\$2,935,133	\$13,924,084	\$60,428,325
LIABILITIES									
Vouchers payable	\$-	\$270,108	\$-	\$-	\$-	\$12,646	\$22,029	\$304,783	\$427,158
Temporary loan - General Fund	-	-	-	-	-	34,874	-	\$34,874	34,874
Total liabilities	-	270,108	-	-	-	47,520	22,029	339,657	462,032
DEFERRED INFLOWS OF RESOURCES									
Deferred revenues-community development	-	1,235,593	-	-	-	1,614,712	-	2,850,305	50,854,670
Unavailable revenues-taxes	-	-	767,334	2,179,873	2,296,650	-	-	5,243,857	4,902,864
Deferred revenues	-	-	-	-	-	762,179	2,913,104	3,675,283	2,481,184
Total deferred inflows of resources	-	1,235,593	767,334	2,179,873	2,296,650	2,376,891	2,913,104	11,769,445	58,238,717
FUND BALANCES									
Nonspendable-prepaid items	-	-	-	-	-	-	1,721,082	1,721,082	854,724
Restricted	1,487,202	3,308	225,371	99,101	-	-	-	1,814,982	2,537,763
Unassigned	-	-	-	-	-	-	(1,721,082)	(1,721,082)	(1,664,911)
Total fund balances	1,487,202	3,308	225,371	99,101	-	-	-	1,814,982	1,727,576
Total liabilities, deferred inflows of resources and fund balances	\$1,487,202	\$1,509,009	\$992,705	\$2,278,974	\$2,296,650	\$2,424,411	\$2,935,133	\$13,924,084	\$60,428,326

ARLINGTON COUNTY, VIRGINIA
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2021)

	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, 2022	June 30, 2021
REVENUES:									
Other local taxes	\$2,913,249	\$1,153,141	\$1,520,499	\$4,014,457	\$4,512,195	\$-	\$-	\$14,113,541	\$12,716,950
From the federal government	-	-	-	-	-	2,010,872	23,753,874	25,764,746	27,721,793
Interest earnings	-	-	868	1,221	-	-	-	2,089	2,558
Total revenues	2,913,249	1,153,141	1,521,367	4,015,678	4,512,195	2,010,872	23,753,874	39,880,376	40,441,301
EXPENDITURES:									
Current -									
Planning and community development	2,822,008	1,549,957	1,405,390	4,024,962	4,421,951	2,010,872	-	16,235,140	18,995,680
Health and welfare	-	-	-	-	-	-	23,753,874	23,753,874	21,001,637
Total expenditures	2,822,008	1,549,957	1,405,390	4,024,962	4,421,951	2,010,872	23,753,874	39,989,014	39,997,317
Revenues over (under) expenditures	91,241	(396,816)	115,977	(9,284)	90,244	-	-	(108,638)	443,984
OTHER FINANCING SOURCES (USES):									
Transfers out	-	-	(30,410)	(80,119)	(90,244)	-	-	(200,773)	(197,894)
Transfers in	-	396,816	-	-	-	-	-	396,816	246,700
Total other financing sources(uses)	-	396,816	(30,410)	(80,119)	(90,244)	-	-	196,043	48,806
Revenues and other financing sources (uses) over (under) expenditures	91,241	-	85,567	(89,403)	-	-	-	87,405	492,790
FUND BALANCES, beginning of year	1,395,961	3,308	139,804	188,504	-	-	-	1,727,577	1,234,786
FUND BALANCES, end of year	\$1,487,202	\$3,308	\$225,371	\$99,101	\$-	\$-	\$-	\$1,814,982	\$1,727,576

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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Other local taxes	<u>\$3,324,124</u>	<u>\$2,913,249</u>	<u>(\$410,875)</u>
Total revenues	<u>3,324,124</u>	<u>2,913,249</u>	<u>(410,875)</u>
EXPENDITURES:			
Planning and community development	<u>3,324,124</u>	<u>2,822,008</u>	<u>502,116</u>
Revenues over expenditures *	<u>-</u>	<u>91,241</u>	<u>91,241</u>
FUND BALANCE, beginning of year	<u>1,395,961</u>	<u>1,395,961</u>	<u>-</u>
FUND BALANCE, end of year	<u><u>\$1,395,961</u></u>	<u><u>\$1,487,202</u></u>	<u><u>\$91,241</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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Other local taxes	<u>\$1,150,000</u>	<u>\$1,153,141</u>	<u>\$3,141</u>
Total revenues	<u>1,150,000</u>	<u>1,153,141</u>	<u>3,141</u>
EXPENDITURES:			
Planning and community development	<u>1,747,884</u>	<u>1,549,957</u>	<u>197,927</u>
Revenues under expenditures	<u>(597,884)</u>	<u>(396,816)</u>	<u>(201,068)</u>
OTHER FINANCING SOURCES:			
Transfers in	<u>597,884</u>	<u>396,816</u>	<u>201,068</u>
Total other financing sources	<u>597,884</u>	<u>396,816</u>	<u>201,068</u>
Revenues and other financing sources over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, beginning of year	<u>3,308</u>	<u>3,308</u>	<u>-</u>
FUND BALANCE, end of year	<u><u>\$3,308</u></u>	<u><u>\$3,308</u></u>	<u><u>\$-</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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Other local taxes	\$1,471,612	\$1,520,499	\$48,887
Interest earnings	-	868	868
Total revenues	<u>1,471,612</u>	<u>1,521,367</u>	<u>49,755</u>
EXPENDITURES:			
Planning and community development	<u>1,405,390</u>	<u>1,405,390</u>	-
Revenues over expenditures	<u>66,222</u>	<u>115,977</u>	<u>49,755</u>
OTHER FINANCING USES:			
Transfers Out	<u>(29,432)</u>	<u>(30,410)</u>	<u>(978)</u>
Total other financing uses	<u>(29,432)</u>	<u>(30,410)</u>	<u>(978)</u>
Revenues over other financing uses and expenditures	<u>36,790</u>	<u>85,567</u>	<u>48,777</u>
FUND BALANCE, beginning of year	<u>139,804</u>	<u>139,804</u>	-
FUND BALANCE, end of year	<u><u>\$176,594</u></u>	<u><u>\$225,371</u></u>	<u><u>\$48,777</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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Other local taxes	\$4,208,809	\$4,014,457	(\$194,352)
Interest earnings	1,290	1,221	(69)
Total revenues	<u>4,210,099</u>	<u>4,015,678</u>	<u>(194,421)</u>
EXPENDITURES:			
Planning and community development	<u>4,020,703</u>	<u>4,024,962</u>	<u>4,259</u>
Revenues over (under) expenditures	<u>189,396</u>	<u>(9,284)</u>	<u>(198,680)</u>
OTHER FINANCING USES:			
Transfers Out	<u>(84,176)</u>	<u>(80,119)</u>	<u>4,057</u>
Total other financing uses	<u>(84,176)</u>	<u>(80,119)</u>	<u>4,057</u>
Revenues over (under) other financing uses and expenditures	<u>105,220</u>	<u>(89,403)</u>	<u>(194,623)</u>
FUND BALANCE, beginning of year	<u>188,504</u>	<u>188,504</u>	<u>-</u>
FUND BALANCE, end of year	<u><u>\$293,724</u></u>	<u><u>\$99,101</u></u>	<u><u>(\$194,623)</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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Other local taxes	<u>\$4,570,394</u>	<u>\$4,512,195</u>	<u>(\$58,199)</u>
Total revenues	<u>4,570,394</u>	<u>4,512,195</u>	<u>(58,199)</u>
EXPENDITURES:			
Planning and community development	<u>4,478,986</u>	<u>4,421,951</u>	<u>57,035</u>
Revenues over expenditures	<u>91,408</u>	<u>90,244</u>	<u>(1,164)</u>
OTHER FINANCING USES:			
Transfers Out	<u>(91,408)</u>	<u>(90,244)</u>	<u>1,164</u>
Total other financing uses	<u>(91,408)</u>	<u>(90,244)</u>	<u>1,164</u>
Revenues over other financing uses and 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>

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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
From the federal government	<u>\$8,407,104</u>	<u>\$2,010,872</u>	<u>(\$6,396,232)</u>
Total revenues	<u>8,407,104</u>	<u>2,010,872</u>	<u>(6,396,232)</u>
EXPENDITURES:			
Planning and community development	<u>8,407,104</u>	<u>2,010,872</u>	<u>6,396,232</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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
From the federal government	<u>\$24,268,638</u>	<u>\$23,753,874</u>	<u>(\$514,764)</u>
EXPENDITURES:			
Health and welfare	<u>24,147,156</u>	<u>23,753,874</u>	<u>393,282</u>
Revenues over expenditures	<u>121,482</u>	<u>-</u>	<u>(121,482)</u>
FUND BALANCE, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, end of year	<u><u>\$121,482</u></u>	<u><u>\$-</u></u>	<u><u>(\$121,482)</u></u>



Capital Projects Funds

The Capital Projects Funds are used to account for the purchase and/or construction of major capital facilities, including buildings, roads and other long-lived improvements, which are not financed by proprietary funds. Financing is provided primarily by general obligation bonds and IDA revenue bonds, Federal and State grants, general fund transfers, revenues from sanitary district tax and special incremental tax on real property.

The capital projects for general government functions which are financed under the County's pay-as-you-go capital programs are accounted for in the General Capital Projects Funds. As required by law, separate funds are used to account for the capital project expenditures financed by the proceeds of general obligation bonds, IDA revenue bonds, revenues from sanitary district tax and special incremental tax on real property.

ARLINGTON COUNTY, VIRGINIA
 CAPITAL PROJECTS FUNDS
 COMBINING BALANCE SHEET SCHEDULE
 JUNE 30, 2022
 (WITH SUMMARIZED COMPARATIVE TOTALS FOR 2021)

	General Capital Projects Fund	Street and Highway Bond Fund	Neighborhood Conservation Bond Fund	Government Facility Bond	Stormwater Fund	Public Recreation Bond Fund	Fire Station Bond Fund	Library Bond Fund
ASSETS:								
Equity in pooled cash and investments	\$117,975,487	\$5,636,151	\$4,268,411	\$54,550,707	\$26,822,190	\$22,193,241	\$4,625	\$44
Receivables	738,793	-	-	-	52,852	-	-	-
Receivables from other governments	1,976,636	-	-	-	-	-	-	-
Receivables - leases	-	-	-	-	-	-	-	-
Prepaid expenses	114,369	-	4,275	-	-	-	-	-
Total assets	\$120,805,285	\$5,636,151	\$4,272,686	\$54,550,707	\$26,875,042	\$22,193,241	\$4,625	\$44
LIABILITIES AND FUND BALANCES								
LIABILITIES:								
Vouchers payable	\$5,362,712	\$5,789,600	\$190,014	\$2,143,104	\$1,400,750	\$1,001,778	\$-	\$-
Contracts payable-retainage	832,749	-	288,350	161,040	177,264	2,153,722	-	-
Unearned revenues	6,755,463	-	-	-	-	-	-	-
Other liabilities	2,571,959	-	3,200	-	-	-	-	-
Total liabilities	15,522,883	5,789,600	481,564	2,304,144	1,578,014	3,155,500	-	-
Deferred Inflows of resources - leases	-	-	-	-	-	-	-	-
FUND BALANCES:								
<u>Non-spendable</u>								
Prepaid	114,369	-	4,275	-	-	-	-	-
<u>Restricted</u>								
Capital projects Committed to	-	-	3,786,847	52,246,563	-	19,037,741	4,625	44
Capital projects	105,168,033	(153,449)	-	-	25,297,028	-	-	-
Total fund balances	105,282,402	(153,449)	3,791,122	52,246,563	25,297,028	19,037,741	4,625	44
Total liabilities and fund balances	\$120,805,285	\$5,636,151	\$4,272,686	\$54,550,707	\$26,875,042	\$22,193,241	\$4,625	\$44

* IDA Fund includes Skating Facility & Signature Loan.

Transportation Capital Fund	Transit Facility Bond Fund	National Landing BID	Columbia Pike TIF	IDA Bond Fund *	Totals		
					June 30, 2022	June 30, 2021	
ASSETS:							
\$193,233,823	\$82,585	\$23,290,785	\$2,879,962	\$5,814,076	\$456,752,087	\$537,418,555	Equity in pooled cash and investments
3,279,153	-	452,154	-	3,778,675	8,301,627	9,242,500	Receivables
7,843,697	-	305,957	-	-	10,126,290	6,760,672	Receivables from other governments
2,436,672	-	-	-	20,874,073	23,310,745	-	Receivable leases
51,526	-	-	-	-	170,170	3,118,321	Prepaid expenses
\$206,844,871	\$82,585	\$24,048,896	\$2,879,962	\$30,466,824	\$498,660,919	\$556,540,048	Total assets
LIABILITIES AND FUND BALANCES							
LIABILITIES:							
\$10,168,430	\$-	\$888,966	\$-	\$-	\$26,945,354	\$12,542,747	Vouchers payable
1,543,707	-	59,000	-	-	5,215,832	4,401,877	Contracts payable-retainage
-	-	-	-	-	6,755,463	6,425,921	Unearned revenues
-	-	-	-	3,778,675	6,353,834	7,493,628	Other liabilities
11,712,137	-	947,966	-	3,778,675	45,270,483	30,864,173	Total liabilities
2,414,794	-	-	-	20,679,592	23,094,386	-	Deferred Inflows of resources - leases
FUND BALANCES:							
<u>Non-spendable</u>							
51,526	-	-	-	-	170,170	3,118,321	Prepaid
<u>Restricted:</u>							
-	82,585	-	-	6,008,557	81,166,962	133,674,364	Capital projects
<u>Committed to:</u>							
192,666,414	-	23,100,930	2,879,962	-	348,958,918	388,883,190	Capital projects
192,717,940	82,585	23,100,930	2,879,962	6,008,557	430,296,050	525,675,875	Total fund balances
\$206,844,871	\$82,585	\$24,048,896	\$2,879,962	\$30,466,824	\$498,660,919	\$556,540,048	Total liabilities and fund balances

ARLINGTON COUNTY, VIRGINIA
 CAPITAL PROJECT FUNDS
 COMBINING STATEMENT OF REVENUES
 EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2022
 (WITH SUMMARIZED COMPARATIVE TOTALS FOR 2021)

	General Capital Projects Fund	Street and Highway Bond Fund	Neighborhood Conservation Bond Fund	Government Facility Bond	Stormwater Fund	Public Recreation Bond Fund	Fire Station Bond Fund	Library Bond Fund
REVENUES:								
From the Commonwealth of Virginia	\$1,112,920	\$-	\$-	\$-	\$-	\$-	\$-	\$-
From the Federal government	2,169,385	-	-	-	-	-	-	-
Charges for services	2,412,019	-	-	-	1,903,913	-	-	-
Real estate taxes	-	-	-	-	14,050,448	-	-	-
Interest	-	27,488	17,576	159,108	15,673	80,355	-	-
Miscellaneous revenues	1,762,949	-	-	-	38,775	-	-	-
Total revenues	7,457,273	27,488	17,576	159,108	16,008,809	80,355	-	-
EXPENDITURES:								
Inter Governmental:								
Community development	-	-	-	-	-	-	-	-
Current operating:								
General Government	9,621,074	55,560	-	67,652	8,975,671	-	-	-
Planning and Community Development	548,476	-	20,916	-	400	-	-	-
Parks, Recreation and Cultural Development	777,820	-	-	-	-	2,171	-	-
Public Safety	553,601	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	290,000	-	-	-
Interest	-	-	-	-	645,333	-	-	-
Capital outlay	36,874,852	16,100,634	3,806,371	10,220,865	14,573,879	18,466,596	-	-
Total expenditures	48,375,823	16,156,194	3,827,287	10,288,517	24,485,283	18,468,767	-	-
Revenues over/(under) expenditures	(40,918,550)	(16,128,706)	(3,809,711)	(10,129,409)	(8,476,474)	(18,388,412)	-	-
OTHER FINANCING SOURCES/(USES):								
Proceeds from line of credit	5,234,436	-	-	-	-	-	-	-
Proceeds for bond premium	-	-	-	-	-	-	-	-
Proceeds from sale of bonds	-	-	-	-	-	-	-	-
Transfers in	10,478,484	-	-	-	-	-	-	-
Transfers out	-	(27,488)	(17,576)	(159,108)	-	(80,355)	-	-
Total other financing sources/(uses), net	15,712,920	(27,488)	(17,576)	(159,108)	-	(80,355)	-	-
Revenues and other financing sources/(uses) over/(under) expenditures	(25,205,630)	(16,156,194)	(3,827,287)	(10,288,517)	(8,476,474)	(18,468,767)	-	-
FUND BALANCE, beginning of year	130,488,032	16,002,745	7,618,409	62,535,080	33,773,502	37,506,508	4,625	44
FUND BALANCE, end of year	\$105,282,402	(\$153,449)	\$3,791,122	\$52,246,563	\$25,297,028	\$19,037,741	\$4,625	\$44

* IDA Fund includes Skating Facility & Signature Loan.

Transportation Capital Fund	Transit Facility Bond Fund	National Landing TIF	Columbia Pike TIF	IDA Bond Fund *	Totals		
					June 30, 2022	June 30, 2021	
\$5,678,478	\$-	\$-	\$-	\$-	\$6,791,398	\$3,885,057	REVENUES:
2,027,703	-	470,681	-	-	4,667,769	3,000,978	From the Commonwealth of Virginia
559,956	-	-	-	1,832,744	6,708,632	5,177,442	From the Federal government
23,682,129	-	4,134,537	1,233,140	-	43,100,254	43,056,183	Charges for services
-	8,680	-	-	462,369	771,249	218,345	Real estate taxes
17,698,901	-	942,509	-	-	20,443,134	16,780,653	Interest
							Miscellaneous revenues
49,647,167	8,680	5,547,727	1,233,140	2,295,113	82,482,436	72,118,658	Total Revenues
							EXPENDITURES:
-	21,888,502	-	-	-	21,888,502	19,931,498	Inter Governmental:
							Community development
6,539,342	-	357,521	-	-	25,616,820	31,662,854	Current operating:
-	-	-	406,654	-	976,446	676,583	General Government
-	-	-	-	-	779,991	610,372	Planning and Community Development
-	-	-	-	-	553,601	1,883,038	Parks, Recreation and Cultural Development
							Public Safety
							Debt Service
-	-	-	-	-	290,000	-	Principal
-	-	-	-	310,460	955,793	-	Interest
33,520,747	-	5,479,765	-	-	139,043,709	120,098,879	Capital outlay
40,060,089	21,888,502	5,837,286	406,654	310,460	190,104,862	174,863,224	Total expenditures
9,587,078	(21,879,822)	(289,559)	826,486	1,984,653	(107,622,426)	(102,744,566)	Revenues over/ (under) expenditures
							OTHER FINANCING SOURCES/(USES):
-	-	-	-	-	5,234,436	-	Proceeds from line of credit
-	-	-	-	-	-	51,017,714	Proceeds for bond premium
-	-	-	-	-	-	198,790,000	Proceeds from sale of bonds
-	-	-	-	-	10,478,484	9,299,317	Transfers in
(3,158,130)	(8,680)	-	-	(18,982)	(3,470,319)	(8,003,565)	Transfers out
(3,158,130)	(8,680)	-	-	(18,982)	12,242,601	251,103,466	Total other financing sources/(uses), net
6,428,948	(21,888,502)	(289,559)	826,486	1,965,671	(95,379,825)	148,358,900	Revenues and other financing sources/(uses) over/(under) expenditures
186,288,992	21,971,087	23,390,489	2,053,476	4,042,886	525,675,875	377,316,975	FUND BALANCE, beginning of year
\$192,717,940	\$82,585	\$23,100,930	\$2,879,962	\$6,008,557	\$430,296,050	\$525,675,875	FUND BALANCE, end of year

ARLINGTON COUNTY, VIRGINIA
CAPITAL PROJECT FUNDS
COMBINING SCHEDULE OF REVENUES
EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	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	\$455,091	\$1,112,920	\$657,829	\$-	\$-	\$-	\$-	\$-	\$-
From the Federal government	-	2,169,385	2,169,385	-	-	-	-	-	-
Charges for services	-	2,412,019	2,412,019	-	-	-	-	-	-
Real estate taxes	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	27,488	27,488	-	17,576	17,576
Miscellaneous revenues	849,798	1,762,949	913,151	-	-	-	-	-	-
Total revenues	1,304,889	7,457,273	6,152,384	-	27,488	27,488	-	17,576	17,576
Inter governmental:									
Community development	-	-	-	-	-	-	-	-	-
Current operating:									
General government	-	9,621,074	9,621,074	-	55,560	55,560	-	-	-
Planning and community development	-	548,476	548,476	-	-	-	-	20,916	20,916
Parks, recreation and cultural developmen	-	777,820	777,820	-	-	-	-	-	-
Public safety	-	553,601	553,601	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Capital outlay	192,322,512	36,874,852	(155,447,660)	28,180,907	16,100,634	(12,080,273)	10,062,729	3,806,371	(6,256,358)
Total expenditures	192,322,512	48,375,823	(143,946,689)	28,180,907	16,156,194	(12,024,713)	10,062,729	3,827,287	(6,235,442)
Revenues over/(under) expenditures	(191,017,623)	(40,918,550)	150,099,073	(28,180,907)	(16,128,706)	12,052,201	(10,062,729)	(3,809,711)	6,253,018
OTHER FINANCING SOURCES/(USES):									
Proceeds from line of credit	-	5,234,436	5,234,436	-	-	-	-	-	-
Proceeds for bond premium	13,650,900	-	(13,650,900)	-	-	-	-	-	-
Proceeds from sale of bonds	-	-	-	11,000,000	-	(11,000,000)	2,000,000	-	(2,000,000)
Transfers in	8,397,300	10,478,484	2,081,184	-	-	-	-	-	-
Transfers out	(20,067)	-	20,067	-	(27,488)	(27,488)	-	(17,576)	(17,576)
Total other financing sources/(uses), net	22,028,133	15,712,920	(6,315,213)	11,000,000	(27,488)	(11,027,488)	2,000,000	(17,576)	(2,017,576)
Revenues and other financing sources (Uses) Over/(Under) Expenditures	(168,989,490)	(25,205,630)	143,783,860	(17,180,907)	(16,156,194)	1,024,713	(8,062,729)	(3,827,287)	4,235,442
FUND BALANCE, beginning of year	168,989,490	130,488,032	(38,501,458)	17,180,907	16,002,745	(1,178,162)	8,062,729	7,618,409	(444,320)
FUND BALANCE, end of year	\$-	\$105,282,402	\$105,282,402	\$-	(\$153,449)	(\$153,449)	\$-	\$3,791,122	\$3,791,122

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, 2022

	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	-	-	-	1,318,750	1,903,913	585,163	-	-	-
Real estate taxes	-	-	-	13,746,952	14,050,448	303,496	-	-	-
Interest income	-	159,108	159,108	-	15,673	-	-	80,355	80,355
Miscellaneous revenues	-	-	-	500,000	38,775	-	-	-	-
Total revenues	-	159,108	159,108	15,565,702	16,008,809	443,107.00	-	80,355	80,355.0
Inter governmental:									
Community development	-	-	-	-	-	-	-	-	-
Current operating:									
General government	-	67,652	67,652	13,430,603	8,975,671	(4,454,932)	-	-	-
Planning and community development	-	-	-	-	400	-	-	-	-
Parks, recreation and cultural developmen	-	-	-	-	-	-	-	2,171	2,171
Public safety	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	290,000	-	-	-	-
Interest	-	-	-	-	645,333	-	-	-	-
Capital outlay	70,872,400	10,220,865	(60,651,535)	41,969,214	14,573,879	(27,395,335)	39,983,513	18,466,596	(21,516,917)
Total expenditures	70,872,400	10,288,517	(60,583,883)	55,399,817	24,485,283	(30,914,534)	39,983,513	18,468,767	(21,514,746)
Revenues over/(under) expenditures	(70,872,400)	(10,129,409)	60,742,991	(39,834,115)	(8,476,474)	31,357,641	(39,983,513)	(18,388,412)	21,595,101
OTHER FINANCING SOURCES/(USES):									
Proceeds from line of credit	-	-	-	-	-	-	-	-	-
Proceeds for bond premium	-	-	-	-	-	-	-	-	-
Proceeds from sale of go bonds	8,335,000	-	(8,335,000)	12,554,171	-	-	1,800,000	-	(1,800,000)
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	(159,108)	(159,108)	-	-	-	-	(80,355)	(80,355)
Total other financing sources/(uses), net	8,335,000	(159,108)	(8,494,108)	12,554,171	-	(12,554,171)	1,800,000	(80,355)	(1,880,355)
Revenues and other financing sources (Uses) Over/(Under) Expenditures	(62,537,400)	(10,288,517)	52,248,883	(27,279,944)	(8,476,474)	18,803,470	(38,183,513)	(18,468,767)	19,714,746
FUND BALANCE, beginning of year	62,537,400	62,535,080	(2,320)	27,279,944	33,773,502	6,493,558	38,183,513	37,506,508	(677,005)
FUND BALANCE, end of year	\$-	\$52,246,563	\$52,246,563	\$-	\$25,297,028	\$25,297,028	\$-	\$19,037,741	\$19,037,741

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, 2022

	Fire Station Bond Fund			Library Bond Fund			Transportation Capital Fund		
	Budget	Actual	Variance- Positive (Negative)	Budget	Actual	Variance- Positive (Negative)	Budget	Actual	Variance- Positive (Negative)
REVENUES:									
From the Commonwealth of Virginia	\$-	\$-	\$-	\$-	\$-	\$-	\$36,304,006	\$5,678,478	(\$30,625,528)
From the Federal government	-	-	-	-	-	-	384,809	2,027,703	1,642,894
Charges for services	-	-	-	-	-	-	-	559,956	559,956
Real estate taxes	-	-	-	-	-	-	24,882,492	23,682,129	(1,200,363)
Interest income	-	-	-	-	-	-	-	-	-
Miscellaneous revenues	-	-	-	-	-	-	9,791,345	17,698,901	7,907,556
Total revenues	-	-	-	-	-	-	71,362,652	49,647,167	(21,715,485)
Inter governmental:									
Community development	-	-	-	-	-	-	-	-	-
Current operating:									
General government	-	-	-	-	-	-	3,620,954	6,539,342	2,918,388
Planning and community development	-	-	-	-	-	-	-	-	-
Parks, recreation and cultural developmen	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	389,543,256	33,520,747	(356,022,509)
Total expenditures	-	-	-	-	-	-	393,164,210	40,060,089	(353,104,121)
Revenues over/(under) expenditures	-	-	-	-	-	-	(321,801,558)	9,587,078	331,388,636
OTHER FINANCING SOURCES/(USES):									
Proceeds from line of credit	-	-	-	-	-	-	-	-	-
Proceeds for bond premium	-	-	-	-	-	-	-	-	-
Proceeds from sale of go bonds	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(3,158,130)	(3,158,130)	-
Total other financing sources/(uses), net	-	-	-	-	-	-	(3,158,130)	(3,158,130)	-
Revenues and other financing sources (Uses) Over/(Under) Expenditures	-	-	-	-	-	-	(324,959,688)	6,428,948	331,388,636
FUND BALANCE, beginning of year	4,625	4,625	-	44	44	-	324,887,036	186,288,992	(138,598,044)
FUND BALANCE, end of year	\$4,625	\$4,625	\$-	\$44	\$44	\$-	(\$72,652)	\$192,717,940	\$192,790,592

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, 2022

	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	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
From the Federal government	-	-	-	-	470,681	470,681	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Real estate taxes	-	-	-	4,303,230	4,134,537	(168,693)	627,960	1,233,140	605,180
Interest income	-	8,680	8,680	-	-	-	-	-	-
Miscellaneous revenues	-	-	-	-	942,509	942,509	-	-	-
Total revenues	-	8,680	8,680	4,303,230	5,547,727	1,244,497	627,960	1,233,140	605,180
Inter governmental:									
Community development	-	21,888,502	21,888,502	-	-	-	-	-	-
Current operating:									
General government	-	-	-	372,821	357,521	(15,300)	-	-	-
Planning and community development	-	-	-	-	-	-	2,681,436	406,654	(2,274,782)
Parks, recreation and cultural developmen	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Capital outlay	42,588,502	-	(42,588,502)	47,053,706	5,479,765	(41,573,941)	-	-	-
Total expenditures	42,588,502	21,888,502	(20,700,000)	47,426,527	5,837,286	(41,589,241)	2,681,436	406,654	(2,274,782)
Revenues over/(under) expenditures	(42,588,502)	(21,879,822)	20,708,680	(43,123,297)	(289,559)	42,833,738	(2,053,476)	826,486	2,879,962
OTHER FINANCING SOURCES/(USES):									
Proceeds from line of credit	-	-	-	-	-	-	-	-	-
Proceeds for bond premium	-	-	-	-	-	-	-	-	-
Proceeds from sale of go bonds	20,700,000	-	(20,700,000)	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	(8,680)	(8,680)	-	-	-	-	-	-
Total other financing sources/(uses), net	20,700,000	(8,680)	(20,708,680)	-	-	-	-	-	-
Revenues and other financing sources (Uses) Over/(Under) Expenditures	(21,888,502)	(21,888,502)	-	(43,123,297)	(289,559)	42,833,738	(2,053,476)	826,486	2,879,962
FUND BALANCE, beginning of year	21,888,502	21,971,087	82,585	43,123,297	23,390,489	(19,732,808)	2,053,476	2,053,476	-
FUND BALANCE, end of year	\$-	\$82,585	\$82,585	\$-	\$23,100,930	\$23,100,930	\$-	\$2,879,962	\$2,879,962

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, 2022

	IDA Bond Fund		
	Budget	Actual	Variance- Positive (Negative)
REVENUES:			
From the Commonwealth of Virginia	\$-	\$-	\$-
From the Federal government	-	-	-
Charges for services	-	1,832,744	1,832,744
Real estate taxes	-	-	-
Interest income	-	462,369	462,369
Miscellaneous revenues	-	-	-
Total revenues	-	2,295,113	2,295,113.00
Inter governmental:			
Community development	-	-	-
Current operating:			
General government	-	-	-
Planning and community development	-	-	-
Parks, recreation and cultural developmen	-	-	-
Public safety	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	310,460	310,460
Capital outlay	16,340,665	-	(16,340,665)
Total expenditures	16,340,665	310,460	(16,030,205)
Revenues over/(under) expenditures	(16,340,665)	1,984,653	18,325,318
OTHER FINANCING SOURCES/(USES):			
Proceeds from line of credit	-	-	-
Proceeds for bond premium	-	-	-
Proceeds from sale of go bonds	-	-	-
Transfers in	-	-	-
Transfers out	-	(18,982)	(18,982)
Total other financing sources/(uses), net	-	(18,982)	(18,982)
Revenues and other financing sources (Uses) Over/(Under) Expenditures	(16,340,665)	1,965,671	18,306,336
FUND BALANCE, beginning of year	16,340,665	4,042,886	(12,297,779)
FUND BALANCE, end of year	\$-	\$6,008,557	\$6,008,557



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, 2022
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2021)

	Utilities	Ballston Public Parking Garage	8th Level Ballston Public Parking Garage	CPHD Development Fund	Totals	
					June 30, 2022	June 30, 2021
ASSETS						
CURRENT ASSETS:						
Equity in pooled cash and investments	\$44,586,956	\$1,511,693	\$1,687,790	\$11,237,360	\$59,023,799	\$62,955,476
Cash with fiscal agents	25,221	-	-	-	25,221	25,221
Accounts receivable:						
Water-sewer charges	706,276	-	-	-	706,276	884,918
Estimated unbilled service charges	12,372,762	-	-	-	12,372,762	13,242,484
Other	4,709,079	-	-	-	4,709,079	4,508,152
Lease receivable	126,175	-	-	-	126,175	-
Prepaid expenses	2,575,177	-	-	-	2,575,177	2,568,524
Inventories	3,031,951	-	-	-	3,031,951	2,407,298
Total current assets	68,133,597	1,511,693	1,687,790	11,237,360	82,570,440	86,592,073
NON-CURRENT ASSETS						
Right to use leases, net	18,157	11,131,918	-	12,143,442	23,293,517	-
CAPITAL ASSETS:						
Land	6,161,255	-	-	-	6,161,255	6,161,255
Sewer system	439,733,980	-	-	-	439,733,980	431,228,520
Water system	875,340,520	-	-	-	875,340,520	867,077,906
Equipment	4,254,510	1,652,860	73,900	2,906,351	8,887,621	7,922,555
Building	-	32,732,601	3,511,471	-	36,244,072	36,244,072
Intangible assets	6,375,894	-	-	1,116,969	7,492,863	7,426,771
Construction in progress	15,119,251	-	-	16,878,295	31,997,546	25,974,469
Less accumulated depreciation-intangible assets	(3,419,967)	-	-	(1,116,969)	(4,536,936)	(3,324,973)
Less accumulated depreciation	(297,259,607)	(19,194,236)	(822,869)	(2,902,790)	(320,179,502)	(301,346,134)
Total capital assets (net of accumulated depreciation)	1,046,305,836	15,191,225	2,762,502	16,881,856	1,081,141,419	1,077,364,441
Total assets	\$1,114,457,590	\$27,834,836	\$4,450,292	\$40,262,658	\$1,187,005,376	\$1,163,956,514

ARLINGTON COUNTY, VIRGINIA
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2021)

	Utilities	Ballston Public Parking Garage	8th Level Ballston Public Parking Garage	CPHD Development Fund	Totals	
					June 30, 2022	June 30, 2021
LIABILITIES						
CURRENT LIABILITIES:						
Payable from current assets:						
General obligation bonds payable	\$7,764,981	\$-	\$-	\$-	\$7,764,981	\$7,464,981
VRA loan payable	17,023,231	-	-	-	17,023,231	16,688,168
Interest payable	1,792,251	42,544,549	-	-	44,336,800	41,739,701
Vouchers payable	5,870,721	726,273	21,770	370,624	6,989,388	9,492,934
Contracts payable - retainage	198,930	-	-	-	198,930	197,779
Mortgage /notes payable	-	3,429,679	-	-	3,429,679	3,429,679
Leases	3,109	1,087,880	-	1,220,527	2,311,516	-
Other accrued liabilities	646,808	23,235,575	-	61,370	23,943,753	22,468,187
Compensated absences	196,322	-	-	135,590	331,912	321,936
Total current liabilities	33,496,354	71,023,956	21,770	1,788,111	106,330,191	101,803,365
LONG-TERM LIABILITIES:						
Compensated absences	1,766,899	-	-	1,220,307	2,987,206	2,897,423
Leases	14,912	10,148,532	-	11,182,968	21,346,412	-
VRA loan payable	93,642,628	-	-	-	93,642,628	110,665,859
General obligation bonds payable	47,532,351	-	-	-	47,532,351	55,297,331
Total long-term liabilities	142,956,790	10,148,532	-	12,403,275	165,508,597	168,860,613
Total liabilities	176,453,144	81,172,488	21,770	14,191,386	271,838,788	270,663,978
DEFERRED INFLOWS OF RESOURCES						
Leases	122,791	-	-	-	122,791	-
Deferred Cost of Refunding	827,931	-	-	-	827,931	991,424
NET POSITION						
Net investment in capital assets	879,193,128	11,657,052	2,762,502	16,621,803	910,234,485	882,629,220
Unrestricted (deficit)	57,860,596	(64,994,704)	1,666,020	9,449,469	3,981,381	9,671,892
Total net position (deficit)	937,053,724	(53,337,652)	4,428,522	26,071,272	914,215,866	892,301,112
Total liabilities, deferred inflows of resources and net position	\$1,114,457,590	\$27,834,836	\$4,450,292	\$40,262,658	\$1,187,005,376	\$1,163,956,514

ARLINGTON COUNTY, VIRGINIA
ENTERPRISE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITIONS
FOR THE YEAR ENDED JUNE 30, 2022
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2021)

					Totals	
	Utilities	Ballston Public Parking Garage	8th Level Ballston Public Parking Garage	CPHD Development Fund	June 30, 2022	June 30, 2021
OPERATING REVENUES:						
Water-sewer service charges	\$95,040,998	\$-	\$-	\$-	\$95,040,998	\$92,364,661
Water-service hook-up charges	9,290,895	-	-	-	9,290,895	3,413,611
Water-service connection charges	1,093,059	-	-	-	1,093,059	975,831
Sewage treatment service charges	4,471,682	-	-	-	4,471,682	5,088,780
Permits and fees	-	-	-	21,595,268	21,595,268	18,265,892
Other	5,384,181	-	-	-	5,384,181	4,514,112
Parking charges	-	2,153,760	203,329	-	2,357,089	1,512,293
Total operating revenues	<u>115,280,815</u>	<u>2,153,760</u>	<u>203,329</u>	<u>21,595,268</u>	<u>139,233,172</u>	<u>126,135,180</u>
OPERATING EXPENSES:						
Personnel services	19,084,527	-	-	10,500,418	29,584,945	28,240,610
Fringe benefits	6,954,030	-	-	3,760,606	10,714,636	10,458,226
Contractual services	11,769,252	579,803	38,108	4,015,614	16,402,777	18,153,491
Purchases of water	7,231,090	-	-	-	7,231,090	7,729,701
Materials and supplies	9,364,700	167,127	18,934	127,467	9,678,228	9,862,376
Rent	-	1,279,992	-	-	1,279,992	1,279,992
Depreciation and amortization	18,547,925	2,083,513	95,177	1,441,482	22,168,097	19,204,151
Equipment (construction contracts)	4,358,972	-	-	(\$4,193,630)	165,342	(612,770)
Internal services	-	-	-	3,687,705	3,687,705	2,830,563
Miscellaneous	7,442,686	369,086	23,944	-	7,835,716	7,285,615
Total operating expenses	<u>84,753,182</u>	<u>4,479,521</u>	<u>176,163</u>	<u>19,339,662</u>	<u>108,748,528</u>	<u>104,431,955</u>
Operating income (loss)	<u>30,527,633</u>	<u>(2,325,761)</u>	<u>27,166</u>	<u>2,255,606</u>	<u>30,484,644</u>	<u>21,703,225</u>
NON-OPERATING REVENUES(EXPENSES):						
Interest income and other income	(1,203,342)	-	-	(447,627)	-1,650,969	107,450
Interest expense and fiscal charges	(4,265,281)	(2,588,846)	-	(244,575.00)	(7,098,702)	(8,077,064)
Total non-operating expenses, net	<u>(5,468,623)</u>	<u>(2,588,846)</u>	<u>-</u>	<u>(692,202)</u>	<u>(8,749,671)</u>	<u>(7,969,614)</u>
Net Income before contributions and net transfers	<u>25,059,010</u>	<u>(4,914,607)</u>	<u>27,166</u>	<u>1,563,404</u>	<u>21,734,973</u>	<u>13,733,611</u>
CONTRIBUTIONS						
Contributions from developers and other sources	<u>179,780</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>179,780</u>	<u>2,457,070</u>
Change in net position	25,238,790	(4,914,607)	27,166	1,563,404	21,914,753	16,190,681
Net position (deficit), beginning of year	<u>911,814,935</u>	<u>(48,423,045)</u>	<u>4,401,356</u>	<u>24,507,868</u>	<u>892,301,113</u>	<u>876,110,431</u>
Net position (deficit), end of year	<u>\$937,053,724</u>	<u>(\$53,337,652)</u>	<u>\$4,428,522</u>	<u>\$26,071,272</u>	<u>\$914,215,866</u>	<u>\$892,301,112</u>

ARLINGTON COUNTY, VIRGINIA
ENTERPRISE FUNDS
COMBINING SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2021)

	Utilities	Ballston Public Parking Garage	8th Level Ballston Public Parking Garage	CPHD Development Fund	Totals	
					June 30 2022	June 30 2021
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash received from customers	\$116,315,095	\$2,153,760	\$203,329	\$21,595,268	\$140,267,452	\$126,314,036
Cash paid to suppliers	(43,670,640)	(623,696)	(63,813)	(3,771,061)	(48,129,210)	(41,855,228)
Cash paid to employees	(26,120,338)	-	-	(14,079,485)	(40,199,823)	(38,049,205)
Net cash provided by operating activities	46,524,117	1,530,064	139,516	3,744,722	51,938,419	46,409,603
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest income	(1,203,342)	-	-	(447,627)	(1,650,969)	107,450
Net cash provided by (used for) investing activities	(1,203,342)	-	-	(447,627)	(1,650,969)	107,450
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Principal payments - bonds	(7,150,000)	-	-	-	(7,150,000)	(7,750,216)
Payment of VRA loan	(16,688,169)	-	-	-	(16,688,169)	(15,991,799)
Interest and other loan expenses	(4,256,848)	-	-	(244,575)	(4,501,423)	(5,966,824)
Right to use lease	(1,711)	(1,067,287)	-	(1,168,009)	(2,237,007)	-
Purchase of property	(19,448,899)	-	-	(4,193,630)	(23,642,529)	(23,507,855)
Net cash used for capital and related financing activities	(47,545,627)	(1,067,287)	-	(5,606,214)	(54,219,128)	(53,216,694)
Net increase(decrease) in cash and cash equivalents	(2,224,852)	462,777	139,516	(2,309,119)	(3,931,678)	(6,699,641)
Cash and cash equivalents at beginning of year	46,811,808	1,048,916	1,548,274	13,546,479	62,955,477	69,655,117
Cash and cash equivalents at end of year	\$44,586,956	\$1,511,693	\$1,687,790	\$11,237,360	\$59,023,799	\$62,955,475
Reconciliation of operating income (loss) to net cash provided by (used for) operations:						
Operating Income (loss)	\$30,527,633	(\$2,325,761)	\$27,166	\$2,255,606	\$30,484,644	\$21,703,225
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation and amortization expense	18,547,925	2,083,513	95,177	1,441,482	22,168,097	19,204,151
Effect of changes in operating assets and liabilities:						
Accounts receivable	721,261	-	-	-	721,261	(16,602)
Inventories	(624,653)	-	-	-	(624,653)	30,832
Vouchers payable	(2,873,787)	492,320	17,173	(133,905)	(2,498,199)	3,225,752
Compensated absences	(81,780)	-	-	181,539	99,759	649,631
Contract retainage	1,151	-	-	-	1,151	114,889
Prepaid expenses	(6,653)	-	-	-	(6,653)	-
Accrued rent liability	-	1,279,992	-	-	1,279,992	1,279,992
Unearned revenues	\$313,019	-	-	-	313,019	195,458
Net cash provided by operating activities	\$46,524,117	\$1,530,064	\$139,516	\$3,744,722	\$51,938,419	\$46,409,603
Schedule of non-cash capital and related financing activities:						
Contributions from developers and other sources	\$179,780	\$-	\$-	\$-	\$179,780	\$1,512,140

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Internal Service Funds

Automotive Equipment Fund – to account for the costs related to the operation and maintenance of automotive equipment used by County departments and agencies. The acquisition and replacement of automotive equipment is accounted for in this fund. Revenue is derived primarily from user charges to recover actual costs which include depreciation of equipment.

Printing Fund – to account for the costs of operating a central print shop which provides printing and duplicating services to County departments and agencies. Revenue is derived principally from user charges and specific services.

ARLINGTON COUNTY, VIRGINIA
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET SCHEDULE
JUNE 30, 2022
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2021)

	Automotive Equipment	Printing	Totals	
			June 30, 2022	June 30, 2021
ASSETS				
CURRENT ASSETS:				
Equity in pooled cash and investments	\$14,696,039	\$-	\$14,696,039	\$9,132,529
Accounts receivable	-	13,316	13,316	35,998
Inventories	759,261	35,510	794,771	783,423
Total current assets	15,455,300	48,826	15,504,126	9,951,950
CAPITAL ASSETS:				
Equipment and other capital assets	90,309,190	35,633	90,344,823	89,333,117
Right to use leased assets	3,632	1,421,521	1,425,153	-
Less-lease amortization	(296)	(776,935)	(777,231)	-
Less-accumulated depreciation	(56,526,987)	(28,343)	(56,555,330)	(51,950,055)
Net capital assets	33,785,539	651,876	34,437,415	37,383,062
Total assets	\$49,240,839	\$700,702	\$49,941,541	\$47,335,012
LIABILITIES AND NET POSITION				
CURRENT LIABILITIES:				
Vouchers payable	\$236,000	\$121,110	\$357,110	\$431,686
Compensated absences	44,817	9,756	54,573	50,402
Obligations under lease	228,860	-	228,860	225,618
Due to other funds	-	2,375,538	2,375,538	1,966,485
Lease	580	556,740	557,320	-
Accounts payable	132,585	289,540	422,125	-
Total current liabilities	642,842	3,352,684	3,995,526	2,674,191
LONG-TERM LIABILITIES:				
Compensated absences	403,350	87,805	491,155	453,621
Lease	2,711	94,004	96,715	-
Obligations under lease	-	-	-	228,860
Total long-term liabilities	406,061	181,809	587,870	682,481
Total liabilities	1,048,903	3,534,493	4,583,396	3,356,672
NET POSITION:				
Net investment in capital assets	33,553,388	1,132	34,208,555	36,928,584
Unrestricted (deficit)	14,638,548	(2,834,923)	11,149,590	7,049,756
Total net position (deficit)	48,191,936	(2,833,791)	45,358,145	43,978,340
Total liabilities and net position	\$49,240,839	\$700,702	\$49,941,541	\$47,335,012

ARLINGTON COUNTY, VIRGINIA
INTERNAL SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITIONS
FOR THE YEAR ENDED JUNE 30, 2022
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2021)

	Automotive Equipment	Printing	Totals	
			June 30, 2022	June 30, 2021
OPERATING REVENUES:				
Charges for services	\$21,174,940	\$1,685,331	\$22,860,271	\$20,990,937
OPERATING EXPENSES:				
Cost of store issuances	4,971,469	458,879	5,430,348	2,885,680
Personnel services	4,371,934	488,581	4,860,515	4,954,757
Fringe benefits	1,729,397	197,801	1,927,198	2,035,209
Material and supplies	959,443	126,912	1,086,355	1,550,424
Utilities	101,165	10,351	111,516	168,378
Operating equipment	5,413	228	5,641	56,720
Outside services	711,788	585,163	1,296,951	2,455,436
Amortization of lease	296	776,936	777,232	-
Depreciation	6,221,495	3,563	6,225,058	6,207,096
Total operating expenses	19,072,400	2,648,414	21,720,814	20,313,700
Operating income (loss)	2,102,540	(963,083)	1,139,457	677,237
NON-OPERATING REVENUES (EXPENSES):				
Interest payment on leases	(268,950)	(19,196)	(288,146)	(16,133)
Gain on disposal of assets	403,515	-	403,515	1,202,219
Total non-operating revenues (expenses)	134,565	(19,196)	115,369	1,186,086
Income (loss) before transfers	2,237,105	(982,279)	1,254,826	1,863,323
CONTRIBUTIONS AND NET TRANSFERS				
Transfers in	-	254,979	254,979	741,178
Transfers out	(130,000)	-	(130,000)	(130,000)
Total transfers	(130,000)	254,979	124,979	611,178
Change in net position	2,107,105	(727,300)	1,379,805	2,474,501
Net position, beginning of year	46,084,831	(2,106,491)	43,978,340	41,503,839
Net position, end of year	\$48,191,936	(\$2,833,791)	\$45,358,145	\$43,978,340

ARLINGTON COUNTY, VIRGINIA
INTERNAL SERVICE FUNDS
COMBINING SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2021)

			Totals	
	Automotive Equipment	Printing	June 30, 2022	June 30, 2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from interfund charges for fleet management services	\$21,205,615	\$-	\$21,205,615	\$20,346,538
Receipts from interfund charges for print services	-	1,677,338	1,677,338	2,171,212
Payments to suppliers and providers	(6,727,383)	(867,227)	(7,594,610)	(8,440,879)
Payments to employees for salaries and benefits	(6,061,838)	(684,170)	(6,746,008)	(7,055,376)
Net cash provided by operating activities	<u>8,416,394</u>	<u>125,941</u>	<u>8,542,335</u>	<u>7,021,495</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Temporary loan from general fund	-	2,375,538	2,375,538	1,966,485
Repayment of prior year temp loan	-	(1,966,485)	(1,966,485)	(1,523,467)
Operating transfers in	-	254,979	254,979	741,178
Operating transfers out	(130,000)	-	(130,000)	(130,000)
Net cash provided by (used for) non-capital financing activities	<u>(130,000)</u>	<u>664,032</u>	<u>534,032</u>	<u>1,054,196</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Principal payment on capital lease	(225,618)	-	(225,618)	(601,852)
Payment of interest on leases	(268,950)	(19,196)	(288,146)	(16,133)
Purchases of equipment	(2,703,361)	-	(2,703,361)	(11,822,082)
Lease	(341)	(770,777)	(771,118)	-
Proceeds from line of credit	-	-	-	(1,486,887)
Proceeds from sale of equipment	475,386	-	475,386	2,479,097
Net cash used for capital and related financing activities	<u>(2,722,884)</u>	<u>(789,973)</u>	<u>(3,512,857)</u>	<u>(11,447,857)</u>
Net increase (decrease) in cash and cash equivalents	<u>5,563,510</u>	<u>-</u>	<u>5,563,510</u>	<u>(3,372,166)</u>
Cash and cash equivalents at beginning of year	<u>9,132,529</u>	<u>-</u>	<u>9,132,529</u>	<u>12,504,694</u>
Cash and cash equivalents at end of period	<u>\$14,696,039</u>	<u>\$-</u>	<u>\$14,696,039</u>	<u>\$9,132,528</u>
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$2,102,540	(\$963,083)	\$1,139,457	\$677,237
Adjustments to reconcile operating income(loss) to net cash provided by operating activities:				
Depreciation and amortization	6,221,791	780,499	7,002,290	6,207,096
Effect of changes in operating assets and liabilities:				
Accounts receivable	30,675	(7,993)	22,682	1,526,813
Inventories	(20,078)	8,730	(11,348)	(156,438)
Vouchers payables	41,973	305,576	347,549	(1,167,803)
Compensated absences	39,493	2,212	41,705	(65,410)
Net cash provided by operating activities	<u>\$8,416,394</u>	<u>\$125,941</u>	<u>\$8,542,335</u>	<u>\$7,021,495</u>



Fiduciary Funds

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

Pension Trust Fund – to account for the operations of the Arlington Employee’s Supplemental Retirement System.

Other Postemployment Benefits (OPEB) Fund – to account for the assets held in trust by the County for the employees / beneficiaries of its OPEB plan.

Private Purpose Trust Fund:

Alexandria/Arlington Waste To Energy–Facility Monitoring Group “WTE-FMG” Trust Fund – to account for the WTE-FMG Trust Fund set up by the County and the City of Alexandria for supervision and oversight of the Waste To Energy facility.

Custodial Funds:

Commonwealth of Virginia Fund – to account for the collection and remittance of State taxes and fees by the County as an agency for the Commonwealth of Virginia.

Other Custodial Funds – to account for assets held in a trustee capacity for individuals, other organizations, or other governments.

ARLINGTON COUNTY, VIRGINIA
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 TRUST FUNDS
 JUNE 30, 2022

	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	\$275,209,632	\$-	\$275,209,632	\$269,556
Contributions receivable:				
Employer	2,186,281	-	2,186,281	-
Employee	518,594	-	518,594	-
Accrued interest and other receivables	55,831	-	55,831	-
Investments, at fair value:				
Foreign, municipal and U.S. Government Obligations, including Fixed Instruments in Pooled Funds	102,473,146	70,619,192	173,092,338	-
Corporate fixed income obligations	149,389,861	-	149,389,861	-
Domestic and foreign equities, including equities in pooled funds	733,099,247	131,149,928	864,249,175	-
Other investments	203,019,171	-	203,019,171	-
Real estate funds	19,288,758	-	19,288,758	-
Pooled equity	897,341,913	-	897,341,913	-
Pooled fixed income	438,582,168	-	438,582,168	-
Total assets	2,821,164,602	201,769,120	3,022,933,722	269,556
LIABILITIES				
Accounts payable and accrued liabilities	7,264,686	-	7,264,686	29,512
Total liabilities	7,264,686	-	7,264,686	29,512
NET POSITION RESTRICTED FOR PLAN BENEFITS AND OTHER PURPOSES	\$2,813,899,916	\$201,769,120	\$3,015,669,036	\$240,044

ARLINGTON COUNTY, VIRGINIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2022

	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>691</u>
Net investment earnings	<u>691</u>
Total additions	<u>118,691</u>
DEDUCTIONS	
Administrative expenses	<u>89,742</u>
Total deductions	<u>89,742</u>
Change in net position	<u>28,949</u>
Net position - beginning of the year	<u>211,095</u>
Net position - ending of the year	<u><u>\$240,044</u></u>

ARLINGTON COUNTY, VIRGINIA
PENSION AND OPEB TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2021)

	Pension Trust	OPEB Trust	June 30, 2022	June 30, 2021
ADDITIONS:				
Employer contributions	\$61,248,511	\$6,500,000	\$67,748,511	\$67,157,891
Members' contributions	14,836,453	-	14,836,453	14,792,219
Other contributions	-	75,271	75,271	57,589
Investment income:				
Interest and dividends	29,901,364	18,693,658	48,595,022	36,934,503
Net appreciation (depreciation) in fair value	(342,037,223)	(38,485,858)	(380,523,081)	722,379,431
Gross income from securities lending	289,805	-	289,805	159,790
Bank fees and expenses from securities lending	(71,992)	-	(71,992)	(40,504)
Investment expense	(9,496,497)	-	(9,496,497)	(8,277,361)
Total Additions	(245,329,579)	(13,216,929)	(258,546,508)	833,163,558
DEDUCTIONS:				
Members' benefits	125,120,746	-	125,120,746	119,479,669
Refund of members' contributions	1,338,300	-	1,338,300	395,298
Administrative expenses	992,955	-	992,955	923,242
Other consulting expenses	1,215,342	75,271	1,290,613	1,184,164
Total Deductions	128,667,343	75,271	128,742,614	121,982,373
Net (Decrease)/Increase	(373,996,922)	(13,292,200)	(387,289,122)	711,181,185
Net Position Held in Trust for Plan Benefits, beginning of year	3,187,896,838	\$215,061,320	3,402,958,158	2,691,776,974
Net Position Held in Trust for Plan Benefits, end of year:	<u>\$2,813,899,916</u>	<u>\$201,769,120</u>	<u>\$3,015,669,036</u>	<u>\$3,402,958,159</u>

ARLINGTON COUNTY, VIRGINIA
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUND
 JUNE 30, 2022

	Commonwealth of Virginia	Other Custodial Funds	Total Custodial Funds
ASSETS			
Equity in pooled cash and investments	\$95,758	\$49,942	\$145,700
Total assets	95,758	49,942	145,700
LIABILITIES			
Accounts payable and accrued liabilities	\$95,758	\$49,942	145,700
Total liabilities	95,758	49,942	145,700
NET POSITION	<u><u>\$-</u></u>	<u><u>\$-</u></u>	<u><u>\$-</u></u>

ARLINGTON COUNTY, VIRGINIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Commonwealth of Virginia</u>	<u>Other Custodial Funds</u>	<u>Total Custodial Funds</u>
ADDITIONS:			
Contributions and revenues:			
Tax collections for other governments	\$8,328,664	\$-	\$8,328,664
Collections for Other Organizations	-	41,094	41,094
Total Collections for Others	<u>8,328,664</u>	<u>41,094</u>	<u>8,369,758</u>
Total additions	<u>8,328,664</u>	<u>41,094</u>	<u>8,369,758</u>
DEDUCTIONS:			
Tax payments to other governments	8,328,664	-	8,328,664
Payments to other organizations	<u>-</u>	<u>41,094</u>	<u>41,094</u>
Total deductions	<u>8,328,664</u>	<u>41,094</u>	<u>8,369,758</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, 2022
 (WITH SUMMARIZED COMPARATIVE TOTALS FOR 2021)

	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 Comprehensive Services Act	School Activities Fund *	June 30, 2022	June 30, 2021
ASSETS											
Equity in pooled cash and investments	\$54,577,991	\$11,550,569	\$-	\$657,712	\$63,454,208	\$33,873,958	\$-	\$-	\$2,905,632	\$167,020,070	\$176,779,407
Petty cash	-	4,690	375	-	-	-	-	-	-	5,065	715
Accounts receivable	26,021,034	1,025,702	61,667	2,902,840	-	3,660,000	-	-	29,245	33,700,488	12,006,375
Lease Receivable	1,061,285	-	-	-	-	-	-	-	-	1,061,285	-
Due from primary government	63,079,650	-	1,283,296	-	-	12,808,498	-	31,919	-	77,203,364	83,383,817
Right to use leases, net	54,011,428	-	-	-	-	-	-	-	-	54,011,428	-
Inventories and other assets	98,150	122,833	-	-	-	-	-	-	2,995	223,978	237,205
Total assets	\$198,849,539	\$12,703,794	\$1,345,338	\$3,560,552	\$63,454,208	\$50,342,456	\$-	\$31,919	\$2,937,872	\$333,225,679	\$272,407,519
LIABILITIES AND FUND BALANCES											
LIABILITIES											
Accrued salaries payable	\$58,758,561	\$306,753	\$648,027	\$1,314,110	\$432	\$258	-	-	-	61,028,141	\$61,800,764
Vouchers payable	6,072,893	348,708	216,359	927,138	3,544,084	2,234,180	-	31,919	26,334	13,401,616	10,423,053
Contracts payable - retainage	-	-	-	-	2,316,734	-	-	-	-	2,316,734	3,831,863
Other liabilities	6,444,488	-	-	-	-	-	-	-	-	6,444,488	5,902,326
Deferred revenue	67,899	-	-	-	-	-	-	-	-	67,899	2,302,911
Non- Current Liabilities:											
Due within one year - leases	4,845,630	-	-	-	-	-	-	-	-	4,845,630	-
Due in more than one year - leases	50,227,084	-	-	-	-	-	-	-	-	50,227,084	-
Total liabilities	126,416,555	655,461	864,386	2,241,249	5,861,250	2,234,438	-	31,919	\$26,334	\$138,331,592	84,260,917
FUND BALANCES											
Non spendable:											
Inventory	-	122,833	-	-	-	-	-	-	2,995	\$125,828	\$131,759
Restricted for:											
Capital projects	-	-	-	-	50,150,320	33,873,957	-	-	-	84,024,278	107,776,617
Grants	-	-	-	1,319,303	-	-	-	-	-	1,319,303	1,447,520
Student Activities	-	-	-	-	-	-	-	-	2,908,543	2,908,543	2,802,930
Committed to:											
Incomplete projects	17,854,993	290,026	480,952	-	7,442,638	14,234,061	-	-	-	40,302,670	40,898,219
Next years' School budget	24,584,631	-	-	-	-	-	-	-	-	24,584,631	25,159,933
Assigned to:											
Operating reserve	-	11,635,474	-	-	-	-	-	-	-	11,635,474	5,882,385
Unfunded liabilities	2,000,000	-	-	-	-	-	-	-	-	2,000,000	2,000,000
Subsequent years' debt service	1,255,490	-	-	-	-	-	-	-	-	1,255,490	-
Health insurance reserve	1,000,000	-	-	-	-	-	-	-	-	1,000,000	1,000,000
Future year budget reserve	24,567,631	-	-	-	-	-	-	-	-	24,567,631	-
VRS reserve	1,047,239	-	-	-	-	-	-	-	-	1,047,239	1,047,239
Compensation reserve	123,000	-	-	-	-	-	-	-	-	123,000	-
Total fund balances	72,432,984	12,048,333	480,952	1,319,303	57,592,958	48,108,018	-	-	2,911,538	194,894,086	188,146,602
Total liabilities and fund balance	\$198,849,539	\$12,703,794	\$1,345,338	\$3,560,552	\$63,454,208	\$50,342,456	\$-	\$31,919	\$2,937,872	\$333,225,678	\$272,407,519

* School Activities Fund included with School Operating Fund.

ARLINGTON COUNTY, VIRGINIA
 RECONCILIATION OF THE FUND BALANCES OF COMPONENT UNIT - SCHOOLS TO
 NET POSITION OF COMPONENT UNIT - SCHOOLS
 JUNE 30, 2022

Total - component unit - Schools' fund balances	\$194,894,086
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	874,904,338
Net OPEB liabilities are not due and payable in the current period and are not reported in the funds	(177,984,199)
Deferred outflows of resources from pensions are not available to pay for current period expenditures and are not reported in the funds	108,695,061
Deferred outflows of resources from OPEB are not available to pay for current period expenditures and are not reported in the funds	\$39,935,710
Net pension liabilities are not due and payable in the current period and are not reported in the funds	(276,808,989)
Deferred inflows of resources from pension are not due and payable in the current period and are not reported in the funds	(217,235,477)
Deferred inflows of resources from OPEB are not due and payable in the current period and are not reported in the funds	(33,689,238)
Long-term liabilities, including leases, are not due and payable in the current period and are not reported in the funds	<u>(54,020,388)</u>
Net position (deficit) of component unit - Schools	<u><u>\$458,690,905</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, 2022
 (WITH SUMMARIZED COMPARATIVE TOTALS FOR 2021)

	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 Comprehensive Services Act	School Activities Fund *	June 30, 2022	June 30, 2021
REVENUES:											
Sales tax	\$ 40,479,170	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,479,170	\$ 34,044,649
State/local government	45,792,638	1,332,708	-	4,296,248	-	-	-	2,389,716	-	53,811,310	51,764,460
Federal	29,239,118	15,596,560	-	11,381,182	-	3,660,000	-	-	-	59,876,860	43,153,373
Charges for services	2,921,641	(50,304)	10,529,483	2,108,939	-	-	-	-	3,151,525	18,661,284	4,691,492
Use of money and property	-	-	-	-	196,402	-	-	-	-	196,402	132,138
Total revenues	118,432,567	16,878,964	10,529,483	17,786,369	196,402	3,660,000	-	2,389,716	3,151,525	173,025,026	133,786,112
EXPENDITURES:											
Current:											
Community Activities	-	-	15,505,567	-	-	-	-	-	-	15,505,567	13,546,993
Education	639,671,122	11,309,072	-	17,914,586	-	-	-	4,924,638	3,052,292	676,871,710	561,206,278
Capital projects	-	-	-	-	32,151,767	7,581,537	-	-	-	39,733,304	61,592,417
Debt service:											
Principal	-	-	-	-	-	-	38,625,000	-	-	38,625,000	36,593,751
Interest	-	-	-	-	-	-	19,700,805	-	-	19,700,805	18,235,935
Total expenditures	639,671,122	11,309,072	15,505,567	17,914,586	32,151,767	7,581,537	58,325,805	4,924,638	3,052,292	790,436,386	691,175,374
Excess (deficiency) of revenues over (under) expenditures	(521,238,555)	5,569,892	(4,976,084)	(128,217)	(31,955,365)	(3,921,537)	(58,325,805)	(2,534,922)	99,233	(617,411,361)	(557,389,262)
Other financing sources(uses):											
Transfers in	489,971,415	-	5,387,261	-	-	4,188,901	57,911,331	2,534,922	-	559,993,831	493,196,675
Transfers out	(2,600,000)	-	-	-	(196,402)	-	-	-	-	(2,796,402)	(2,732,138)
Proceeds from Leases	-	-	-	-	-	-	-	-	-	-	615,840.00
Interfund transfers	(414,474)	-	-	-	-	-	414,474	-	-	-	6,369,279.00
Bond proceeds	-	-	-	-	-	-	-	-	-	-	100,074,188.00
Proceeds from line of credit	6,225,235	-	-	-	-	-	-	-	-	6,225,235	-
Misc. revenues - leases	60,736,181	-	-	-	-	-	-	-	-	60,736,181	4,331,000
Total other financing sources(uses), net	553,918,358	-	5,387,261	-	(\$196,402)	4,188,901	58,325,805	2,534,922	\$-	624,158,845	601,854,844
Excess (deficiency) of revenues and other sources over (under) expenditures and other financing (uses)	32,679,802	5,569,892	411,177	(128,217)	(32,151,767)	267,364	-	-	99,233	\$6,747,484	44,465,582
FUND BALANCES, beginning of year	39,753,182	6,478,441	69,775	1,447,520	89,744,725	47,840,654	-	-	\$2,812,305	\$188,146,602	\$143,681,020
FUND BALANCES, end of year	\$72,432,984	\$12,048,333	\$480,952	\$1,319,303	\$57,592,958	\$48,108,018	\$-	\$-	\$2,911,538	\$194,894,086	\$188,146,602

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, 2022

Net change in fund balances - component unit-Schools \$6,747,484

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	\$57,195,001	
Less Depreciation expense	(35,117,161)	22,077,840

OPEB expenses

Add: FY 2022 OPEB contributions deferred	5,946,256	
Less: OPEB expense	(14,499,380)	(8,553,124)

Pension expenses

Add: FY 2022 pension contributions deferred	53,029,338	
Less: Pension expense	(6,725,517)	46,303,821

Some expenses reported in the Statement of Activities do not
require the use of current financial resources and
are not reported as expenditures in governmental funds
such as compensated absences
and transfers to OPEB
and lease receivables from primary government
and right-to-use leases
and miscellaneous other activities

	(2,509,520)	
	(2,600,000)	
	1,061,285	
	5,663,467	
	20,404	1,635,637

Change in net position of component unit-Schools \$68,211,658

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, 2022

	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	\$33,919,294	\$40,479,170	\$6,559,876	\$-	\$-	\$-	\$-	\$-	\$-
Intergovernmental									
State	45,390,106	45,792,638	402,532	217,942	1,332,708	1,114,766	-	-	-
Federal	19,755,118	29,239,118	9,484,000	5,500,000	15,596,560	10,096,560	-	-	-
Charges for services	3,675,300	2,921,641	(753,659)	4,495,000	(50,304)	(4,545,304)	14,439,659	10,529,483	(3,910,176)
Use of money and property	-	-	-	-	-	-	-	-	-
Total revenues	<u>102,739,818</u>	<u>118,432,567</u>	<u>15,692,749</u>	<u>10,212,942</u>	<u>16,878,964</u>	<u>6,666,022</u>	<u>14,439,659</u>	<u>10,529,483</u>	<u>(3,910,176)</u>
EXPENDITURES:									
Education	653,876,707	573,271,473	80,605,234	10,686,614	11,309,072	(622,458)	-	-	-
Community Activities	-	-	-	-	-	-	20,742,505	15,505,567	5,236,938
GASB 87 Lease Principal	-	4,602,182	(4,602,182)	-	-	-	-	-	-
GASB 87 Lease Interest	-	1,061,285	(1,061,285)	-	-	-	-	-	-
Expenditures - Capital outlay	-	60,736,181	(60,736,181)	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Total expenditures	<u>653,876,707</u>	<u>639,671,122</u>	<u>14,205,585</u>	<u>10,686,614</u>	<u>11,309,072</u>	<u>(622,458)</u>	<u>20,742,505</u>	<u>15,505,567</u>	<u>5,236,938</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(551,136,889)</u>	<u>(521,238,555)</u>	<u>29,898,334</u>	<u>(473,672)</u>	<u>5,569,892</u>	<u>6,043,564</u>	<u>(6,302,846)</u>	<u>(4,976,084)</u>	<u>1,326,762</u>
Other financing sources(uses):									
Transfers in	518,445,421	489,971,415	(28,474,006)	-	-	-	6,233,071	5,387,261	(845,810)
Transfers out	(2,600,000)	(2,600,000)	-	-	-	-	-	-	-
Interfund transfers	(414,474)	(414,474)	-	-	-	-	-	-	-
Misc. revenues - GASB	-	\$60,736,181	60,736,181	-	-	-	-	-	-
Proceeds from line of credit	-	6,225,235	6,225,235	-	-	-	-	-	-
Total other financing sources(uses), net	<u>515,430,947</u>	<u>553,918,358</u>	<u>38,487,411</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,233,071</u>	<u>5,387,261</u>	<u>(845,810)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other financing uses	<u>(35,705,942)</u>	<u>32,679,802</u>	<u>68,385,744</u>	<u>(473,672)</u>	<u>5,569,892</u>	<u>6,043,564</u>	<u>(69,775)</u>	<u>411,177</u>	<u>480,952</u>
FUND BALANCES, beginning of year	<u>39,753,182</u>	<u>39,753,182</u>	<u>-</u>	<u>6,478,441</u>	<u>6,478,441</u>	<u>-</u>	<u>69,775.00</u>	<u>69,775</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$4,047,240</u>	<u>\$72,432,984</u>	<u>\$68,385,744</u>	<u>\$6,004,769</u>	<u>\$12,048,333</u>	<u>\$6,043,564</u>	<u>\$-</u>	<u>\$480,952</u>	<u>\$480,952</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, 2022

	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	2,332,196	4,296,248	1,964,052	-	-	-	-	-	-
Federal	13,845,920	11,381,182	(2,464,738)	-	-	-	-	-	-
Charges for services	1,552,084	2,108,939	556,855	-	-	-	-	-	-
Use of money and property	-	-	-	-	-	-	-	196,402	196,402
Total revenues	<u>17,730,200</u>	<u>17,786,369</u>	<u>56,169</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>196,402</u>	<u>196,402</u>
EXPENDITURES:									
Education	19,177,720	17,914,586	1,263,134	-	-	-	-	-	-
Community Activities	-	-	-	-	-	-	-	-	-
GASB 87 Lease Principal	-	-	-	-	-	-	-	-	-
GASB 87 Lease Interest	-	-	-	-	-	-	-	-	-
Expenditures - Capital outlay	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	89,744,725	32,151,767	57,592,958
Debt service:									
Principal	-	-	-	38,625,000	38,625,000	-	-	-	-
Interest and fiscal charges	-	-	-	19,742,805	19,700,805	42,000	-	-	-
Total expenditures	<u>19,177,720</u>	<u>17,914,586</u>	<u>1,263,134</u>	<u>58,367,805</u>	<u>58,325,805</u>	<u>42,000</u>	<u>89,744,725</u>	<u>32,151,767</u>	<u>57,592,958</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,447,520)</u>	<u>(128,217)</u>	<u>1,319,303</u>	<u>(58,367,805)</u>	<u>(58,325,805)</u>	<u>42,000</u>	<u>(89,744,725)</u>	<u>(31,955,365)</u>	<u>57,789,360</u>
Other financing sources(uses):									
Transfers in	-	-	-	57,953,331	57,911,331	(42,000)	-	-	-
Transfers out	-	-	-	-	-	-	-	(\$196,402)	(196,402)
Interfund transfers	-	-	-	414,474	414,474	-	-	-	-
Misc. revenues - GASB	-	-	-	-	-	-	-	-	-
Proceeds from line of credit	-	-	-	-	-	-	-	-	-
Total other financing sources(uses), net	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,367,805</u>	<u>58,325,805</u>	<u>(42,000)</u>	<u>-</u>	<u>(196,402)</u>	<u>(196,402)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other financing uses	<u>(1,447,520)</u>	<u>(128,217)</u>	<u>1,319,303</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(89,744,725)</u>	<u>(32,151,767)</u>	<u>57,592,958</u>
FUND BALANCES, beginning of year	<u>1,447,520</u>	<u>1,447,520</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>89,744,725</u>	<u>89,744,725</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$-</u>	<u>\$1,319,303</u>	<u>\$1,319,303</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$57,592,958</u>	<u>\$57,592,958</u>

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, 2022

	School Capital Projects (Pay-as-you-go) Fund			School Comprehensive Services Act			School Activities	Totals		Variance- Positive (Negative)
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Actual	Budget	Actual	
REVENUES:										
Sales tax	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$33,919,294	\$40,479,170	\$6,559,876
Intergovernmental										
State	-	-	-	2,043,250	2,389,716	346,466	-	49,983,494	53,811,310	3,827,816
Federal	-	3,660,000	3,660,000	-	-	-	-	39,101,038	59,876,860	20,775,822
Charges for services	-	-	-	-	-	-	\$3,151,525	24,162,043	18,661,284	(5,500,759)
Use of money and property	(\$448,933)	-	-	-	-	-	-	(448,933)	196,402	645,335
Total revenues	<u>(448,933)</u>	<u>3,660,000</u>	<u>4,108,933</u>	<u>2,043,250</u>	<u>2,389,716</u>	<u>346,466</u>	<u>\$3,151,525</u>	<u>146,716,936</u>	<u>173,025,026</u>	<u>26,308,090</u>
EXPENDITURES:										
Education	-	-	-	4,375,000	4,924,638	(549,638)	\$3,052,292	688,116,041	610,472,061	77,643,980
Community Activities	-	-	-	-	-	-	-	20,742,505	15,505,567	5,236,938
GASB 87 Lease Principal	-	-	-	-	-	-	-	-	4,602,182	(4,602,182)
GASB 87 Lease Interest	-	-	-	-	-	-	-	-	1,061,285	(1,061,285)
Expenditures - Capital outlay	-	-	-	-	-	-	-	-	60,736,181	(60,736,181)
Capital projects	51,580,622	7,581,537	43,999,085	-	-	-	-	141,325,347	39,733,304	101,592,043
Debt service:										
Principal	-	-	-	-	-	-	-	38,625,000	38,625,000	-
Interest and fiscal charges	-	-	-	-	-	-	-	19,742,805	19,700,805	42,000
Total expenditures	<u>51,580,622</u>	<u>7,581,537</u>	<u>43,999,085</u>	<u>4,375,000</u>	<u>4,924,638</u>	<u>(549,638)</u>	<u>3,052,292</u>	<u>908,551,698</u>	<u>790,436,386</u>	<u>118,115,312</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(52,029,555)</u>	<u>(3,921,537)</u>	<u>48,108,018</u>	<u>(2,331,750)</u>	<u>(2,534,922)</u>	<u>(203,172)</u>	<u>99,233</u>	<u>(761,834,762)</u>	<u>(617,411,361)</u>	<u>144,423,401</u>
Other financing sources(uses):										
Transfers in	4,188,901	4,188,901	-	2,331,750	2,534,922	203,172	-	589,152,474	559,993,831	(29,158,643)
Transfers out	-	-	-	-	-	-	-	(2,600,000)	(2,796,402)	(196,402)
Interfund transfers	-	-	-	-	-	-	-	-	-	-
Misc. revenues - GASB	-	-	-	-	-	-	-	-	60,736,181	60,736,181
Proceeds from line of credit	-	-	-	-	-	-	-	-	6,225,235	6,225,235
Total other financing sources(uses), net	<u>4,188,901</u>	<u>4,188,901</u>	<u>-</u>	<u>2,331,750</u>	<u>2,534,922</u>	<u>203,172</u>	<u>-</u>	<u>586,552,474</u>	<u>624,158,845</u>	<u>37,606,371</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other financing uses	<u>(47,840,654)</u>	<u>267,364</u>	<u>48,108,018</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$99,233</u>	<u>(175,282,288)</u>	<u>6,747,484</u>	<u>182,029,772</u>
FUND BALANCES, beginning of year	<u>47,840,654</u>	<u>47,840,654</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,812,305</u>	<u>185,334,297</u>	<u>188,146,602</u>	<u>2,812,305</u>
FUND BALANCES, end of year	<u>\$-</u>	<u>\$48,108,018</u>	<u>\$48,108,018</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$2,911,538</u>	<u>10,052,009</u>	<u>\$194,894,086</u>	<u>\$184,842,077</u>

ARLINGTON COUNTY, VIRGINIA
 OPEB TRUST FUND - SCHOOLS
 STATEMENT OF PLAN NET POSITION
 JUNE 30, 2022
 (WITH COMPARATIVE TOTALS FOR 2021)

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and Investments	<u>\$83,712,652</u>	<u>\$89,289,359</u>
Total assets	<u>83,712,652</u>	<u>89,289,359</u>
LIABILITIES	<u>-</u>	<u>-</u>
NET POSITION	<u><u>\$83,712,652</u></u>	<u><u>\$89,289,359</u></u>

ARLINGTON COUNTY, VIRGINIA
 OPEB TRUST FUND - SCHOOLS
 STATEMENT OF CHANGES IN PLAN NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2022
 (WITH COMPARATIVE TOTALS FOR 2021)

	<u>2022</u>	<u>2021</u>
ADDITIONS:		
Employer contributions	\$2,600,000	\$2,600,000
Investment Income:		
Interest and dividends	7,761,250	5,847,155
Net appreciation (depreciation) in fair value	<u>(15,937,957)</u>	<u>12,137,574</u>
Total additions	<u>(5,576,707)</u>	<u>20,584,729</u>
Net Increase (decrease)	(5,576,707)	20,584,729
Net Position Held in Trust for Plan Benefits, beginning of year	<u>89,289,359</u>	<u>68,704,630</u>
Net Position Held in Trust for Plan Benefits, end of year:		
Restricted	<u><u>\$83,712,652</u></u>	<u><u>\$89,289,359</u></u>



Supplemental Schedules

The supplemental schedules are presented to reflect finance-related legal and contractual compliance, details of data summarized in the preceding financial statements and other information deemed useful for financial statement users in the analysis of the County's financial activities.

ARLINGTON COUNTY, VIRGINIA
 SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022

	Governmental Funds			Proprietary Funds		Fiduciary Funds	Component Unit	Total (Memorandum Only)
	General	Special Revenue	Capital Projects	Enterprise	Internal Service	Custodial	Schools	
BALANCES, beginning of year	\$455,222,658	\$6,980,615	\$537,418,555	\$62,955,476	\$9,132,529	\$330,084	\$176,779,407	1,248,819,324
Receipts (net):								
Taxes	1,184,396,767	14,113,541	43,100,254	-	-	-	40,479,170	1,282,089,732
Licenses and permits	14,678,868	-	-	-	-	-	-	14,678,868
Fines and forfeitures	5,765,432	-	-	-	-	-	-	5,765,432
Revenue from use of money and property	26,067,463	2,089	771,249	(1,650,969)	-	-	196,402	25,386,234
Charges for services	54,163,697	-	6,708,632	139,233,172	22,860,271	44,448	18,661,284	241,671,503
Miscellaneous	182,737,636	-	20,443,134	179,780	-	41,094	-	203,401,644
Intergovernmental	138,817,335	25,764,746	11,459,167	-	-	8,284,215	113,688,170	298,013,633
Proceeds from sale of assets	1,062,156	-	-	-	475,386	-	60,736,181	62,273,723
Total Receipts	<u>1,757,689,354</u>	<u>39,880,376</u>	<u>82,482,436</u>	<u>137,761,983</u>	<u>23,335,657</u>	<u>8,369,757</u>	<u>233,761,207</u>	<u>2,283,280,770</u>
Total Receipts and Balance	<u>2,212,912,012</u>	<u>46,860,991</u>	<u>619,900,991</u>	<u>200,717,459</u>	<u>32,468,186</u>	<u>8,699,841</u>	<u>410,540,614</u>	<u>3,532,100,093</u>
Disbursements (net):								
Warrants(checks)issued	1,095,478,822	35,140,222	168,911,276	113,354,068	17,383,362	8,320,881	742,392,167	2,180,980,798
Retirement of indebtedness	50,321,380	-	290,000	23,838,169	225,618	-	38,625,000	113,300,167
Interest and other debt costs	28,986,681	-	955,793	4,501,423	288,146	-	19,700,805	54,432,848
Total Disbursements	<u>1,174,786,883</u>	<u>35,140,222</u>	<u>170,157,069</u>	<u>141,693,660</u>	<u>17,897,126</u>	<u>8,320,881</u>	<u>800,717,972</u>	<u>2,348,713,813</u>
Interfund Transfers:								
Transfers in	4,033,265	396,816	10,478,484	-	254,979	-	559,993,831	575,157,375
Transfers out	(569,879,833)	(200,773)	(3,470,319)	-	(130,000)	(50)	(2,796,402)	(576,477,377)
BALANCES, end of year	<u>\$472,278,561</u>	<u>\$11,916,812</u>	<u>\$456,752,087</u>	<u>\$59,023,799</u>	<u>\$14,696,039</u>	<u>\$378,910</u>	<u>\$167,020,071</u>	<u>\$1,182,066,278</u>

ARLINGTON COUNTY, VIRGINIA
SCHEDULE OF CASH AND INVESTMENTS
ADJUSTED CASH IN BANKS (BOOK BALANCE)
JUNE 30, 2022

Assets held by the Treasurer	
Cash on hand	\$18,000
Cash in banks:	
Checking	
Wells Fargo	(5,620,762)
Truist Bank	277,901
Citibank	465,090
Bank of America	21,614
First Va. Community Bank	197,822
United Bank	17,319
U. S. Bank	10,450
Total Checking Account	(\$4,630,566)
Savings :	
Wells Fargo	5,535,050
Bank of America	3,083,063
Total Savings Account	\$8,618,113
Money Markets :	
John Marshall Money Market - ICS	19,121,592
John Marshall Money Market	2,500
Sandy Spring Money Market	932,962
First Virginia Community Bank Money Market	17,472
Eagle Money Market	161,309
JP Morgan Chase Money Market	7,504,578
Total Money Markets	27,740,413
Total Cash in Banks	31,745,960
Investments:	
Held with Trustee :	
Negotiable Certificate of Deposit	\$8,341,183
Corporate Notes	154,025,601
Commercial Paper	38,532,647
United States Treasury Notes	26,519,440
Fed Agency Bonds/Notes	295,653,984
Municipal Investments	39,052,055
Total Held with Trustee	\$562,124,910
State Treasurer's Local Government Investment Pool	225,519,383
Virginia Investment Pool Daily Liquidity	100,202,835
State Non Arbitrage Investment Program (SNAP)	242,689,318
Total Investments	\$1,130,536,446
Total Cash and Investments held by the Treasurer	\$1,162,282,406
Assets held with Trustees	
Mellon - IDA Ballston Skating Facility	746,245
Mellon - IDA Lease Revenue Bonds	17,251,432
Total Assets held with Trustees	\$17,997,677
Total Cash & Investment Balances, June 30, 2022	\$1,180,280,083

ARLINGTON COUNTY, VIRGINIA
SCHEDULE OF CASH AND INVESTMENTS
CASH IN BANKS
JUNE 30, 2022

Assets Held by the Treasurer	
Cash on Hand	<u>\$18,000</u>
Cash in Banks:	
Checking	
Wells Fargo	2,679,071
Truist Bank	277,901
Citibank	465,090
Bank of America	21,614
First Va. Community Bank	197,822
United Bank	14,424
U. S. Bank	10,450
Total Checking Account	<u>3,666,372</u>
Savings:	
Wells Fargo	31,851,086
Bank of America	3,083,063
Total Savings Account	<u>34,934,149</u>
Money Markets:	
John Marshall Money Market - ICS	19,121,592
John Marshall Money Market	2,500
Sandy Spring Money Market	932,962
First Virginia Community Bank Money Market	17,472
Eagle Money Market	161,309
JP Morgan Chase Money Market	7,504,578
Total Money Markets	<u>27,740,413</u>
Total Cash in Banks	<u>66,358,934</u>
Investments:	
Held with Trustee :	
Negotiable Certificate of Deposit	\$8,341,183
Corporate Notes	154,025,601
Commercial Paper	38,532,647
United States Treasury Notes	26,519,440
Federal Agency Bonds/ Notes	295,653,984
Municipal Investments	39,052,055
Total Held with Trustee	<u>562,124,910</u>
State Treasurer's Local Government Investment Pool	225,519,383
Virginia Investment Pool Daily Liquidity	100,202,835
State Non Arbitrage Investment Program (SNAP)	242,689,318
Total Investments	<u>1,130,536,446</u>
Total Cash and Investments held by the Treasurer	<u>1,196,895,380</u>
Assets held with Trustees	
Mellon - IDA Ballston Skating Facility	746,245
Mellon - IDA Lease Revenue Bonds	17,251,432
Total Assets held with Trustees	<u>17,997,677</u>
Total Cash & Investment Balances	<u>\$1,214,893,057</u>

ARLINGTON COUNTY, VIRGINIA
COMBINED SCHEDULE OF INVESTMENTS-ALL FUNDS
JUNE 30, 2022

	Interest Rate	Maturity Date	Market Value
Corporate Notes;			
PROVINCE OF ALBERTA	2.20%	7/26/2022	450,005
APPLE INC	1.70%	9/11/2022	495,272
NATIONAL AUSTRALIA BK	2.00%	1/13/2023	497,485
NATIONAL AUSTRALIA BK	3.00%	1/20/2023	1,000,840
TORONTO-DOMINION BANK MED TERM NOTE	0.91%	2/15/2023	4,994,200
APPLE INC	2.85%	2/23/2023	1,584,586
BERKSHIRE HATHAWAY INC	2.75%	3/15/2023	4,506,504
NEW YORK LIFE INSURANCE	1.10%	5/5/2023	2,450,750
ROYAL BANK OF CANADA MED TERM NOTE	2.83%	5/22/2023	997,800
ROYAL BANK OF CANADA MED TERM NOTE	2.74%	6/25/2023	1,988,740
TRUSTEES OF BOSTON COLL	2.91%	7/1/2023	1,239,438
PRINCETON THEOLOGICAL	4.11%	7/1/2023	2,002,920
MET LIFE GLOB FUNDING PRIV PLCMT	0.45%	9/1/2023	1,402,487
CANADIAN IMPERIAL BANK	2.38%	9/13/2023	1,996,040
PACIFIC LIFE GF PRIV PLCMT	0.50%	9/23/2023	2,076,492
PRVDNC HLTH & SVC OBL GR	4.38%	10/1/2023	3,733,226
INTL FINANCE CORP MED TERM NOTE	0.39%	10/20/2023	2,414,800
PROVINCE OF ALBERTA	3.35%	11/1/2023	3,011,130
INTL BK RECON & DEVELOP	0.25%	11/24/2023	2,409,575
MET LIFE GLOB FUNDING PRIV PLCMT	0.40%	1/7/2024	1,904,680
PROVINCE OF ALBERTA	2.95%	1/23/2024	2,492,375
UBS AG LONDON PRIV PLCMT	0.45%	2/9/2024	4,740,100
ALPHABET INC	3.38%	2/25/2024	2,011,180
WESTPAC BANKING CORP	3.30%	2/26/2024	2,994,660
NORTHWESTERN MUTUAL GLBL PRIV PLCMT	0.60%	3/25/2024	1,235,858
MET TOWER GLOBAL FUNDING PRIV PLCMT	0.70%	4/5/2024	1,516,928
MASSMUTUAL GLOBAL FUNDIN PRIV PLCMT	3.60%	4/9/2024	2,498,825
CREDIT AGRICOLE LONDON PRIV PLCMT	3.88%	4/15/2024	2,986,560
USAA CAPITAL CORP PRIV PLCMT	0.50%	5/1/2024	2,693,052
NOVARTIS CAPITAL CORP	3.40%	5/6/2024	3,316,179
APPLE INC	3.45%	5/6/2024	2,152,207
FLORIDA POWER & LIGHT CO	3.25%	6/1/2024	4,996,550
PRINCETON THEOLOGICAL	4.28%	7/1/2024	981,407
PROTECTIVE LIFE PRIV PLCMT	0.78%	7/5/2024	2,910,094
WALMART INC	2.85%	7/8/2024	1,990,420
AMAZON.COM INC	2.80%	8/22/2024	2,976,210
SOUTHERN CALIF GAS CO	3.15%	9/15/2024	1,988,740
MET LIFE GLOB FUNDING PRIV PLCMT	0.70%	9/27/2024	2,334,200
PROVINCE OF ALBERTA	1.88%	11/13/2024	1,468,076
BANQUE FED CRED MUTUEL PRIV PLCMT	2.38%	11/21/2024	1,221,833
APPLE INC DTD	2.75%	1/13/2025	3,456,285
JOHNSON & JOHNSON	2.63%	1/15/2025	5,412,605
US BANK NA CINCINNATI	2.80%	1/27/2025	3,221,423
MICROSOFT CORP	2.70%	2/12/2025	2,981,640
WESTPAC BANKING CORP	2.35%	2/19/2025	964,740
CME GROUP INC	3.00%	3/15/2025	2,682,829
PROTECTIVE LIFE GLOBAL	3.22%	3/28/2025	977,590
YALE UNIVERSITY	0.87%	4/15/2025	1,009,361
NATIONAL SECS CLEARING PRIV PLCMT	1.50%	4/23/2025	2,105,039
APPLE INC	3.20%	5/13/2025	1,913,000
RABOBANK NEDERLAND NY MED TERM NOTE	3.38%	5/21/2025	3,906,480
SOUTHERN CALIF GAS CO	3.20%	6/15/2025	2,546,359
GUARDIAN LIFE GLOB FUND PRIV PLCMT	1.10%	6/23/2025	4,153,860
PACIFIC LIFE GF PRIV PLCMT	1.20%	6/24/2025	2,755,200
EMORY UNIVERSITY	1.57%	9/1/2025	93,025
PRICOA GLOBAL FUNDING PRIV PLCMT	0.80%	9/1/2025	912,730
AUTOMATIC DATA PROCESSNG	3.38%	9/15/2025	1,999,980
NESTLE HOLDINGS INC PRIV PLCMT	3.50%	9/24/2025	2,639,551
MICROSOFT CORP	3.13%	11/3/2025	249,803
ROCHE HOLDING INC PRIV PLCMT	3.00%	11/10/2025	1,964,840
AUST & NZ BANKING GRP NY	3.70%	11/16/2025	998,210
NATIONAL SECS CLEARING PRIV PLCMT	0.75%	12/7/2025	2,340,255
GUARDIAN LIFE GLOB FUND PRIV PLCMT	0.88%	12/10/2025	1,107,489
NESTLE HOLDINGS INC PRIV PLCMT	0.63%	1/15/2026	1,719,535
INTL BK RECON & DEVELOP	0.65%	2/10/2026	3,257,493
APPLE INC	3.25%	2/23/2026	1,174,435
BERKSHIRE HATHAWAY INC	3.13%	3/15/2026	1,959,820
GUARDIAN LIFE GLOB FUND PRIV PLCMT	1.25%	5/13/2026	817,013
COMMONWEALTH BANK AUST PRIV PLCMT	1.13%	6/15/2026	2,684,010
MET LIFE GLOB FUNDING PRIV PLCMT	1.88%	1/11/2027	1,358,580
			\$154,025,601
Total Corporate Notes			
Government Agency Bonds;			
FED FARM CREDIT BANK	0.26%	2/24/2023	1,966,560
FED FARM CREDIT BANK	0.11%	3/1/2023	2,217,174
FED FARM CREDIT BANK	0.22%	3/15/2023	2,451,375
FED HOME LOAN BANK	0.22%	4/5/2023	3,435,740
FED NATL MTG ASSN	0.25%	7/10/2023	1,342,443
FED NATL MTG ASSN	0.30%	8/3/2023	2,912,820
FED NATL MTG ASSN	0.30%	8/10/2023	2,433,350
FED FARM CREDIT BANK	0.15%	8/10/2023	290,103
FED FARM CREDIT BK	0.32%	8/10/2023	4,850,000
FED NATL MTG ASSN	0.36%	8/18/2023	2,426,925

ARLINGTON COUNTY, VIRGINIA
COMBINED SCHEDULE OF INVESTMENTS-ALL FUNDS
JUNE 30, 2022

	Interest Rate	Maturity Date	Market Value
INT DEVELOPMENT FIN CORP ZERO CPN	0.00%	8/21/2023	4,869,100
FED NATL MTG ASSN	0.32%	8/25/2023	2,424,175
FED HOME LN BK	0.32%	8/25/2023	860,222
FED HOME LN MTG CORP	0.25%	9/8/2023	2,422,425
FEDERAL HOME LOAN BANK	2.50%	9/13/2023	2,682,882
FED FARM CREDIT BK	0.27%	10/5/2023	2,413,925
FED HOME LN BK	0.22%	10/5/2023	5,332,965
FED FARM CREDIT BK	0.28%	10/13/2023	2,885,749
FED NATL MTG ASSN	0.30%	10/24/2023	965,050
FED FARM CREDIT BK	0.29%	11/2/2023	2,408,825
FED HOME LN MTG CORP	0.30%	11/13/2023	2,408,225
FED HOME LN MTG CORP	0.30%	11/16/2023	2,408,725
FED FARM CREDIT BK	0.21%	12/21/2023	5,753,640
FED HOME LN MTG CORP	0.30%	12/29/2023	3,150,243
FED HOME LN MTG CORP MED TERM NOTE	0.31%	12/29/2023	3,843,960
FED HOME LN MTG CORP MED TERM NOTE	0.30%	12/29/2023	1,440,765
FED HOME LN MTG CORP MED TERM NOTE	0.38%	2/14/2024	2,397,900
FED HOME LN MTG CORP MED TERM NOTE	0.40%	2/26/2024	479,365
FED FARM CREDIT BK	0.36%	3/4/2024	4,967,007
FED HOME LN BK	0.37%	3/8/2024	2,723,204
FED NATL MTG ASSN	0.32%	3/28/2024	2,292,096
FED FARM CREDIT BK	0.27%	4/5/2024	2,859,480
FED HOME LN BK	0.70%	5/15/2024	153,712
FED HOME LN BK	0.45%	6/10/2024	2,869,650
FED FARM CREDIT BK	0.39%	6/17/2024	6,179,550
FED FARM CREDIT	0.58%	6/17/2024	2,857,290
FEDERAL HOME LOAN BANK VAR CPN	2.38%	6/21/2024	1,985,040
FED HOME LN BK	0.42%	6/24/2024	954,240
FED HOME LN BK	0.38%	6/28/2024	1,191,400
FED FARM CREDIT BK	0.57%	7/2/2024	2,604,452
FED HOME LN BK	0.50%	7/12/2024	868,677
FED HOME LN MTG CORP MED TERM NOTE	0.38%	7/15/2024	2,364,100
FED HOME LN BK	0.57%	7/29/2024	3,339,840
FED HOME LN BK	0.41%	8/1/2024	3,568,125
FED HOME LN MTG CORP MED TERM NOTE	0.45%	8/5/2024	4,552,944
FED NATL MTG ASSN	0.41%	8/12/2024	3,507,933
FED FARM CREDIT BK	0.48%	9/3/2024	762,907
FED HOME LN BK	0.57%	9/3/2024	952,640
FED FARM CREDIT BK	0.43%	9/10/2024	2,357,800
FED NATL MTG ASSN	0.40%	9/16/2024	330,551
FED HOME LN MTG CORP MED TERM NOTE	0.42%	9/17/2024	2,735,164
FED HOME LN BK	0.50%	9/24/2024	2,367,425
FED HOME LN MTG CORP MED TERM NOTE	0.40%	9/30/2024	835,879
FED HOME LN BK	0.18%	9/30/2024	1,895,480
FED FARM CREDIT BK	0.40%	10/15/2024	5,877,250
FED HOME LN BK	0.63%	10/15/2024	2,371,550
FED NATL MTG ASSN	0.50%	11/26/2024	1,880,240
FED HOME LN BK	0.75%	12/17/2024	1,689,100
FED HOME LN MTG CORP MED TERM NOTE	0.38%	12/30/2024	4,683,300
FED HOME LN MTG CORP MED TERM NOTE	0.40%	12/30/2024	1,874,500
FED HOME LN BK	0.63%	12/30/2024	2,513,090
FED HOME LN BK	0.50%	1/21/2025	1,660,785
FED HOME LN BK	0.55%	1/28/2025	2,808,240
FED HOME LN MTG CORP MED TERM NOTE	0.45%	1/29/2025	1,802,589
FED FARM CREDIT BK	0.32%	2/10/2025	2,324,800
FED NATL MTG ASSN	0.50%	2/18/2025	1,865,240
FED HOME LN MTG CORP MED TERM NOTE	0.55%	2/26/2025	480,304
FED HOME LN BK	0.63%	2/26/2025	2,931,844
FED HOME LN BK	0.63%	2/27/2025	900,557
FED HOME LN MTG CORP MED TERM NOTE	0.45%	3/24/2025	929,630
FED HOME LN BK	0.65%	3/24/2025	421,965
FED HOME LN MTG CORP MED TERM NOTE	0.45%	3/28/2025	1,855,960
FED HOME LN MTG CORP MED TERM NOTE	0.48%	3/28/2025	1,346,804
FED HOME LN BK	0.70%	4/29/2025	2,336,500
FED HOME LN BK	0.70%	4/29/2025	1,873,240
FED HOME LN MTG CORP MED TERM NOTE	0.75%	4/30/2025	935,050
FED HOME LN BK	0.75%	5/12/2025	2,341,100
FED HOME LN MTG CORP MED TERM NOTE	0.75%	5/28/2025	929,920
FED HOME LN MTG CORP	0.75%	5/28/2025	559,026
FED HOME LN MTG CORP MED TERM NOTE	0.48%	5/29/2025	484,286
FED HOME LN BK	0.75%	6/16/2025	2,335,550
FED HOME LN BK	0.50%	6/27/2025	1,874,240
FED HOME LN MTG CORP MED TERM NOTE	0.65%	6/30/2025	927,280
FED FARM CREDIT BK	0.39%	7/14/2025	3,923,082
FED HOME LN BK	0.72%	7/14/2025	4,447,005
FED HOME LN MTG CORP	0.38%	7/21/2025	1,844,900
FED NATL MTG ASSN	0.70%	7/21/2025	931,270
FED NATL MTG ASSN	0.50%	7/21/2025	1,851,080
FED HOME LN BK	0.80%	7/21/2025	2,796,300
FED HOME LN MTG CORP MED TERM NOTE	0.50%	7/23/2025	926,280
FED FARM CREDIT BK	0.67%	8/4/2025	2,016,965
FED NATL MTG ASSN	0.55%	8/5/2025	740,864
FED FARM CREDIT BK	0.57%	8/12/2025	922,530
FED HOME LN BK	0.38%	8/12/2025	3,178,465
FED HOME LN MTG CORP MED TERM NOTE	0.50%	8/13/2025	1,849,840
FED NATL MTG ASSN	0.50%	8/14/2025	231,045
INT DEVELOPMENT FIN CORP ZERO CPN	0.00%	8/16/2025	5,603,460
FED HOME LN BK	0.70%	8/18/2025	1,653,780

ARLINGTON COUNTY, VIRGINIA
COMBINED SCHEDULE OF INVESTMENTS-ALL FUNDS
JUNE 30, 2022

	Interest Rate	Maturity Date	Market Value
FED HOME LN MTG CORP MED TERM NOTE	0.63%	8/19/2025	928,270
FED FARM CREDIT BK	0.61%	8/25/2025	4,455,550
FED FARM CREDIT BK	0.55%	9/16/2025	3,233,230
FED HOME LN BK	0.50%	9/22/2025	2,297,200
FED HOME LN MTG CORP	0.60%	9/30/2025	1,842,060
FED HOME LN BK	0.70%	9/30/2025	890,266
FED HOME LN BK	0.88%	10/22/2025	2,293,507
FED HOME LN MTG CORP	0.65%	10/27/2025	918,190
FED HOME LN MTG CORP MED TERM NOTE	0.45%	10/29/2025	400,271
FED NATL MTG ASSN	0.50%	11/7/2025	1,836,200
FED NATL MTG ASSN	0.56%	11/17/2025	1,609,213
FED HOME LN MTG CORP	0.64%	11/24/2025	1,312,268
FED HOME LN BK	0.57%	11/25/2025	1,072,513
FED HOME LN BK	0.85%	12/15/2025	5,065,339
FED HOME LN BK	0.90%	12/26/2025	1,858,200
FED HOME LN BK	0.38%	1/26/2026	1,851,880
FED HOME LN BK	0.30%	1/28/2026	1,616,563
FED HOME LN BK	0.65%	1/28/2026	646,310
FED HOME LN BK	0.52%	2/12/2026	905,600
FED FARM CREDIT BK	0.70%	2/18/2026	2,764,230
FED HOME LN BK	0.38%	2/24/2026	2,770,650
FED HOME LN BK	0.60%	2/24/2026	174,810
FED HOME LN BK	0.25%	2/26/2026	1,208,116
FED HOME LN BK	0.60%	2/26/2026	1,494,870
FED HOME LN BK	0.45%	3/3/2026	923,330
FED HOME LN BK	0.50%	3/23/2026	2,336,775
FED HOME LN BK	0.75%	3/30/2026	940,100
FED HOME LN BK	0.75%	4/15/2026	1,097,776
FED HOME LN BK	0.70%	5/27/2026	934,910
FED HOME LN BK	0.63%	6/10/2026	1,869,300
FED HOME LN BK	1.00%	6/30/2026	463,315
FED HOME LN BK	1.03%	6/30/2026	2,319,175
FED HOME LN BK	0.75%	7/15/2026	2,323,225
FED HOME LN BK	0.63%	7/22/2026	1,871,900
FED HOME LN BK	1.10%	7/27/2026	2,321,775
FED HOME LN BK	0.50%	7/29/2026	1,880,040
FED HOME LN BK	0.50%	7/29/2026	931,730
FED HOME LN BK	0.50%	8/18/2026	1,489,072
FED HOME LN BK	1.00%	8/25/2026	924,310
FED HOME LN BK	0.55%	8/26/2026	516,267
FED HOME LN BK	1.02%	9/17/2026	992,423
FED HOME LN BK	0.60%	9/23/2026	405,233
FED HOME LN BK	0.75%	9/28/2026	1,334,885
FED HOME LN BK	1.13%	9/29/2026	1,828,520
FED HOME LN BK	0.55%	10/27/2026	1,222,598
Total Government Agency Bonds			\$295,653,984
Municipal Obligations;			
VIRGINIA ST PORT AUTH CMWLTH	0.42%	7/1/2022	275,000
GEORGIA STATE GENERAL OBLIGATION	1.25%	8/1/2022	234,955
TEXAS ST	0.31%	10/1/2022	498,285
RHODE ISLAND INFRASTRUCTURE	0.24%	10/1/2022	273,897
VIRGINIA ST RESOURCES AUTH INF	0.33%	11/1/2022	442,183
CONNECTICUT ST HSG FIN AUTH HS AMT	0.55%	11/15/2022	467,946
VIRGINIA ST CLG BLDG AUTH EDUC	0.62%	2/1/2023	720,481
SUSSEX CNTY DE	0.36%	3/15/2023	1,183,382
VIRGINIA ST HSG DEV AUTH	0.25%	4/1/2023	392,148
VIRGINIA ST HSG DEV AUTH	1.77%	4/1/2023	183,280
UNIV OF NORTH CAROLINA NC	0.55%	4/1/2023	293,817
MONTGOMERY CNTY MD COPS	2.00%	4/1/2023	650,690
VIRGINIA ST	1.00%	6/1/2023	981,760
LOUISIANA ST	0.48%	6/1/2023	244,588
VIRGINIA ST HSG DEV AUTH	0.84%	7/1/2023	268,846
VIRGINIA ST PORT AUTH CMWLTH P	0.57%	7/1/2023	194,898
UPPER OCCOQUAN VA SEWAGE AUTH	0.53%	7/1/2023	487,950
VIRGINIA ST PUBLIC SCH AUTH SC	0.55%	8/1/2023	1,947,340
VIRGINIA ST HSG DEV AUTH	0.61%	9/1/2023	582,726
HAMPTON VA	0.53%	9/1/2023	486,255
RHODE ISLAND INFRASTRUCTURE	0.31%	10/1/2023	1,295,767
NEW YORK NY	2.32%	10/1/2023	1,632,098
VIRGINIA ST RESOURCES AUTH	0.44%	11/1/2023	627,029
VIRGINIA ST RESOURCES AUTH	0.50%	11/1/2023	829,504
VIRGINIA ST RESOURCES AUTH	0.39%	11/1/2023	322,950
CURATORS OF THE UNIV OF MISSOURI	1.47%	11/1/2023	643,018
VIRGINIA COLLEGE BLDG AUTH EDUCATION REVENUE	2.91%	2/1/2024	994,470
VIRGINIA ST CLG BLDG AUTH EDUC	0.78%	2/1/2024	384,808
TEXAS ST PUBLIC FIN AUTH LEASE	0.50%	2/1/2024	296,515
NEW YORK CITY NY TRANSITIONAL	2.46%	2/1/2024	493,740
SUSSEX CNTY DE	0.52%	3/15/2024	769,789
NEW YORK ST URBAN DEV CORP REV	2.86%	3/15/2024	252,825
VIRGINIA ST HSG DEV AUTH -RENTAL HSG	0.47%	4/1/2024	476,485
UNIV OF NORTH CAROLINA NC	0.97%	4/1/2024	238,763
MONTGOMERY CNTY MD COPS	2.00%	4/1/2024	417,320
LOUISIANA ST	0.65%	6/1/2024	1,908,160
FLORIDA ST BRD OF EDU PUBLIC E TXLB	0.39%	6/1/2024	947,070
VIRGINIA ST HSG DEV AUTH	1.15%	7/1/2024	310,824

ARLINGTON COUNTY, VIRGINIA
COMBINED SCHEDULE OF INVESTMENTS-ALL FUNDS
JUNE 30, 2022

	Interest Rate	Maturity Date	Market Value
RICHMOND VA	2.00%	7/15/2024	1,609,806
VIRGINIA ST HSG DEV AUTH	0.45%	8/1/2024	202,423
MCKINNEY TX	1.00%	8/15/2024	894,166
VIRGINIA ST HSG DEV AUTH	0.87%	9/1/2024	567,372
HAMPTON VA	0.70%	9/1/2024	473,890
RAPPAHANNOCK VA REGL JAIL AUTH	0.62%	10/1/2024	396,392
JEA FL DIST ENERGY SYS REVENUE	3.39%	10/1/2024	478,454
VIRGINIA ST RESOURCES AUTH INF	0.64%	11/1/2024	938,720
VIRGINIA ST RESOURCES AUTH INF	2.00%	11/1/2024	237,383
VIRGINIA ST RESOURCES AUTH INF -MORAL OBLG	1.00%	11/1/2024	335,507
VIRGINIA ST HSG DEV AUTH	0.90%	11/1/2024	758,792
HOUSTON TX	2.11%	3/1/2025	948,748
SUSSEX CNTY DE	0.62%	3/15/2025	1,130,412
NEW YORK NY	3.15%	4/1/2025	350,957
MONTGOMERY CNTY MD COPS	2.00%	4/1/2025	416,795
WISCONSIN ST GEN FUND ANNUAL A	1.90%	5/1/2025	1,092,964
VIRGINIA ST HSG DEV AUTH	1.35%	7/1/2025	375,244
VIRGINIA ST PORT AUTH CMWLTH	3.52%	7/1/2025	199,226
NEW YORK NY	2.28%	8/1/2025	1,105,737
MARYLAND ST	0.67%	8/1/2025	925,840
VIRGINIA ST HSG DEV AUTH	1.07%	9/1/2025	510,444
RAPPAHANNOCK VA REGL JAIL AUTH	1.00%	10/1/2025	395,688
VIRGINIA ST HSG DEV AUTH	1.24%	11/1/2025	325,465
VIRGINIA ST HSG DEV AUTH	1.44%	11/1/2026	730,072
Total Municipal Obligations			<u>\$39,052,054</u>
US TREASURY;			
T-NOTE	0.25%	9/30/2023	9,670,300
T-NOTE	0.38%	4/15/2024	4,773,050
T-NOTE	0.25%	6/15/2024	2,844,840
T-NOTE	0.38%	4/30/2025	4,640,450
T-NOTE	0.25%	7/31/2025	4,590,800
TOTAL US TREASURY			<u>26,519,440.00</u>
DISC CERTIFICATES OF DEPOSIT;			
BANK OF NOVA SCOTIA CERTIFICATE OF DEPOSIT	1.76%	2/17/2023	4,991,000
CANADIAN IMPERIAL BK COMM CERTIFICATE OF DEPOSIT	2.01%	5/5/2023	3,350,183
TOTAL CERTIFICATES OF DEPOSIT			<u>8,341,183</u>
Discount Commercial Paper;			
LLOYDS BK CORPORATE MKTS PLC		7/1/2022	5,000,000
MUFG BANK LTD		7/28/2022	4,489,381
J P MORGAN SECS LLC		8/15/2022	7,234,703
CREDIT SUISSE		9/23/2022	3,086,763
LLOYDS BK CORPORATE MKTS PLC		11/14/2022	2,970,300
BARCLAYS CAP INC		12/15/2022	4,939,250
CITIGROUP GLOBAL MKTS INC		2/1/2023	984,350
CREDIT SUISSE FIRST BOSTON		2/16/2023	4,916,300
CITIGROUP GLOBAL MKTS INC		3/1/2023	4,911,600
TOTAL COMMERCIAL PAPER			<u>38,532,646.75</u>
Money Market Funds;			
EAGLE BANK	0.12%		161,309
FIRST VIRGINIA COMMUNITY BANK	0.45%		17,471
JOHN MARSHALL BANK	0.90%		19,121,592
JOHN MARSHALL BANK	0.05%		2,500
JPMORGAN CHASE BANK	0.30%		7,504,578
SANDY SPRING BANK	0.05%		932,962
Total Money Market Funds			<u>\$27,740,413</u>
VIRGINIA STATE NON-ARBITRAGE PROGRAM (SNAP)			242,689,318
VIRGINIA INVESTMENT POOL DAILY LIQUIDITY			100,202,835
STATE TREASURER'S LOCAL GOVERNMENT INVESTMENT POOL (LGIP)			225,519,384
MELLON-IDA BALLSTON SKATING FACILITY			746,245
MELLON-IDA LEASE REVENUE BONDS			17,251,432
TOTAL SECURITIES			<u>\$1,176,274,535</u>

ARLINGTON COUNTY, VIRGINIA
COMBINED SCHEDULE OF LONG-TERM OBLIGATIONS
JUNE 30, 2022

Amount Authorized and Sold	Date of Bonds	Interest Rate- %	Bonds Outstanding: (Relates to total amount authorized and sold)		Payments: (Relates to total amount authorized and sold)	
			Principal	Annual Amount	Maturity Date	
General obligation debt:						
Serviced by general fund:						
G.O. Public improvement refunding (\$106,445,000) 2/22/12						
Street & Highway	\$6,073,372					
Neighborhood conservation	4,851,013	5.00	11,955,000	11,955,000	08/01/22	
Government facility bond	959,373					
Parks and recreation	15,124,026					
Fire Station	1,349,591					
Library	1,152,494					
Metro	10,065,131					
	<u>\$39,575,000</u>		<u>\$11,955,000</u>			
G.O. Public improvement refunding (\$81,255,000) 5/9/13						
Street & Highway	\$10,194,261	2.075	2,245,000	2,245,000	08/01/22	
Neighborhood conservation	6,878,456	2.225	1,345,000	1,345,000	08/01/23	
Parks and recreation	15,956,083	2.320	880,000	880,000	08/01/24	
Fire station	1,564,102	2.470	860,000	860,000	08/01/25	
Library	1,591,281	2.620	635,000	635,000	08/01/26	
Metro	8,060,817					
	<u>\$44,245,000</u>		<u>\$5,965,000</u>			
G.O. Public improvement refunding (\$40,455,000) 5/28/14						
Street & Highway	\$3,177,905	5.000	1,885,000	1,885,000	08/15/22	
Neighborhood conservation	1,633,800	5.000	8,720,000	4,360,000	08/15/23-24	
Parks and recreation	7,423,080					
Government facility bond	2,326,465					
Metro	3,403,750					
	<u>\$17,965,000</u>		<u>\$10,605,000</u>			
G.O. Public improvement (\$77,440,000) 6/17/15						
Street & Highway	\$9,370,000	4.000	9,260,000	2,315,000	08/15/21-25	
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>\$13,890,000</u>			
G.O. Public improvement (\$55,200,000) 5/4/16						
Street & Highway	\$3,075,000	5.000	9,440,000	1,180,000	08/15/22-29	
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>\$9,440,000</u>			
G.O. Public improvement refunding (\$161,530,000) 5/4/16						
Street & Highway	\$13,758,132					
Neighborhood conservation	9,438,268					
Parks and recreation	27,586,418	5.000	3,730,000	3,730,000	08/15/22	
Government facility bond	7,093,846	5.000	3,520,000	3,520,000	08/15/23	
Metro	17,419,589	5.000	4,120,000	4,120,000	08/15/24	
Higher Education	548,993	5.000	6,190,000	6,190,000	08/15/25	
Fire Station	2,524,864	5.000	8,195,000	8,195,000	08/15/26	
Libraries	519,890	5.000	5,985,000	5,985,000	08/15/27	
	<u>78,890,000</u>	2.500	8,970,000	8,970,000	08/15/28	
		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>\$64,470,000</u>			
G.O. Public improvement (\$185,095,000) 5/31/17						
Street & Highway	\$15,670,000					
Neighborhood conservation	9,600,000					

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
Parks and recreation	11,900,000					
Government facility bond	26,125,000		2.000	5,720,000	5,720,000	08/15/22
Metro	46,600,000		5.000	28,600,000	5,720,000	08/15/23-27
	<u>\$109,895,000</u>		5.000	17,145,000	5,715,000	08/15/28-30
			4.000	34,290,000	5,715,000	08/15/31-36
				<u>\$85,755,000</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		5.000	1,000,000	1,000,000	08/15/22
Government facility bond	18,220,000		5.000	2,000,000	2,000,000	08/15/23
Metro	18,000,000		5.000	2,250,000	2,250,000	08/15/24
	<u>\$61,155,000</u>		5.000	2,500,000	2,500,000	08/15/25
			5.000	3,000,000	3,000,000	08/15/26
			5.000	3,250,000	3,250,000	08/15/27
			5.000	3,500,000	3,500,000	08/15/28
			5.000	3,750,000	3,750,000	08/15/29
			5.000	8,290,000	4,145,000	8/15/2030-31
			5.000	12,420,000	4,140,000	8/15/2032-34
			5.000	8,280,000	4,140,000	8/15/2036-37
				<u>\$50,240,000</u>		
G.O. Public improvement (\$169,480,000)		6/19/2019				
Street & Highway	\$13,215,000					
Neighborhood conservation	3,700,000					
Parks and recreation	28,550,000		5.000	43,320,000	5,415,000	6/15/2023-30
Government facility bond	33,485,000		4.000	48,735,000	5,415,000	6/15/2031-39
Metro	27,400,000					
	<u>\$106,350,000</u>					
				<u>\$92,055,000</u>		
G.O. Public improvement refunding (\$32,335,000)		10/24/2019				
Street & Highway	\$3,199,039					
Neighborhood conservation	3,087,185		5.000	1,045,000	1,045,000	08/15/22
Government facility bond	568,221		5.000	1,060,000	1,060,000	08/15/23
Parks and recreation	671,127		5.000	1,080,000	1,080,000	08/15/24
Metro	3,374,427		5.000	1,090,000	1,090,000	08/15/25
	<u>\$10,900,000</u>		5.000	1,100,000	1,100,000	08/15/26
			5.000	1,105,000	1,105,000	08/15/27
			5.000	1,120,000	1,120,000	08/15/28
			5.000	1,135,000	1,135,000	08/15/29
			5.000	1,140,000	1,140,000	08/15/30
				<u>\$9,875,000</u>		
G.O. Public improvement (\$166,480,000)		10/27/2020				
Street & Highway	\$24,535,000		5.000	2,000,000	2,000,000	08/01/22
Neighborhood conservation	6,000,000		5.000	3,000,000	3,000,000	08/01/23
Parks and recreation	31,380,000		5.000	5,000,000	5,000,000	08/01/24
Government facility bond	41,695,000		5.000	49,490,000	7,070,000	08/01/25-31
Metro	20,520,000		4.000	49,490,000	7,070,000	08/01/32-38
	<u>\$124,130,000</u>		4.000	14,150,000	7,075,000	08/01/39-40
				<u>\$123,130,000</u>		
G.O. Public improvement refunding (\$17,210,000)		10/27/2020				
Street & Highway	\$1,665,636					
Neighborhood conservation	855,227					
Government facility bond	343,537		5.000	1,605,000	1,605,000	08/01/22
Parks and recreation	3,271,943					
Fire	437,432					
Library	648,523					
Metro	1,052,702					
	<u>\$8,275,000</u>					
				<u>\$1,605,000</u>		
G.O. Public improvement refunding (\$219,310,000)		10/27/2020				
	<u>\$92,465,000</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)	
			Interest Rate- %	Principal	Annual Amount	Maturity Date
			5.000	12,040,000	12,040,000	08/15/23
			5.000	10,575,000	10,575,000	08/15/24
			5.000	9,845,000	9,845,000	08/15/25
			5.000	7,615,000	7,615,000	08/15/26
			5.000	7,570,000	7,570,000	08/15/27
			5.000	4,615,000	4,615,000	08/15/28
			5.000	4,535,000	4,535,000	08/15/29
			5.000	5,630,000	5,630,000	08/15/30
			5.000	7,960,000	7,960,000	08/15/31
			5.000	7,805,000	7,805,000	08/15/32
			5.000	5,190,000	5,190,000	08/15/33
			5.000	3,685,000	3,685,000	08/15/34
			5.000	5,400,000	5,400,000	08/15/35
				\$92,465,000		
G.O. Public improvement (\$95,395,000)		6/23/2021				
Street & Highway	\$5,640,000					
Government facility bond	9,985,000		5.000	1,775,000	1,775,000	06/15/23
Parks and recreation	7,470,000		5.000	11,575,000	2,315,000	6/15/2024-28
Metro	21,300,000		5.000	30,160,000	2,320,000	6/15/2029-41
	<u>\$44,395,000</u>					
				\$43,510,000		
SUBTOTAL:				\$ 614,960,000		
FY 2004 Bond premium to be amortized				221,234		
FY 2005 Bond premium to be amortized				632,565		
FY 2006 Bond premium to be amortized				328,871		
FY 2007 Bond premium to be amortized				112,628		
FY 2008 Bond premium to be amortized				447,450		
FY 2010 Bond premium to be amortized				375,745		
FY 2011 Bond premium to be amortized				2,906,449		
FY 2012 Bond premium to be amortized				3,229,526		
FY 2013 Bond premium to be amortized				5,540,453		
FY 2014 Bond premium to be amortized				1,465,244		
FY 2015 Bond premium to be amortized				2,220,287		
FY 2016 Bond premium to be amortized				3,404,104		
FY 2017 Bond premium to be amortized				13,264,791		
FY 2018 Bond premium to be amortized				13,840,639		
FY 2019 Bond premium to be amortized				15,636,967		
FY 2021 Bond premium to be amortized				44,310,071		
Total GO Bonds serviced by general fund:				722,897,022		
IDA Revenue bond (\$76,315,000)		5/9/13				
Refunding 2004 IDA	\$23,930,000		5.00/2.58	3,055,000	3,055,000	12/15/22
\$2,020	20,250,000		5.00/2.73	3,060,000	3,060,000	12/15/23
Buckingham Village 3	32,135,000		5.00/2.93	3,080,000	3,080,000	12/15/24
	<u>\$76,315,000</u>		3.08	1,955,000	1,955,000	12/15/25
			3.48	1,985,000	1,985,000	12/15/26
			3.48	2,015,000	2,015,000	12/15/27
			3.48	2,050,000	2,050,000	12/15/28
			4.11	1,255,000	1,255,000	12/15/34
			4.11	1,310,000	1,310,000	12/15/35
			4.11	1,365,000	1,365,000	12/15/36
			4.11	1,420,000	1,420,000	12/15/37
			4.11	1,480,000	1,480,000	12/15/38

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
		4.11	1,545,000	1,545,000	12/15/39
		4.11	1,610,000	1,610,000	12/15/40
		4.11	1,675,000	1,675,000	12/15/41
		4.11	1,745,000	1,745,000	12/15/42
			\$30,605,000		
2017 IDA Revenue and refunding bonds (\$57,865,000)					
Refunding 2009B IDA	20,035,000	5.00	2,855,000	2,855,000	02/15/23
2011 IDA	6,115,000	5.00	2,900,000	2,900,000	02/15/24
Buckingham Village 3	31,715,000	5.00	2,950,000	2,950,000	02/15/25
	\$57,865,000	5.00	2,995,000	2,995,000	02/15/26
		5.00	3,050,000	3,050,000	02/15/27
		5.00	3,105,000	3,105,000	02/15/28
		5.00	3,160,000	3,160,000	02/15/29
		5.00	3,215,000	3,215,000	02/15/30
		5.00	3,275,000	3,275,000	02/15/31
		5.00	2,790,000	2,790,000	02/15/32
		5.00	2,860,000	2,860,000	02/15/33
		5.00	2,930,000	2,930,000	02/15/34
		5.00	3,005,000	3,005,000	02/15/35
		5.00	2,680,000	1,340,000	2/15/2036-37
		5.00	8,010,000	1,335,000	2/15/2038-43
			\$49,780,000		
2020 IDA Revenue bonds (\$26,650,000)					
		5.00	6,170,000	6,170,000	08/01/22
		5.00	4,720,000	4,720,000	08/01/23
	\$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
			\$16,460,000		
2020 IDA Revenue and refunding bonds (\$57,865,000)					
Refunding 2013 IDA	11,230,000	0.49	150,000	150,000	08/01/22
		0.62	150,000	150,000	08/01/23
		0.85	155,000	155,000	08/01/24
	\$11,230,000	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
			\$11,130,000		
Total IDA revenue bonds serviced by general fund			\$107,975,000		
Compensated absences			43,577,173		
Estimated liability for workers' compensation claims			3,647,229		
Serviced by general fund-capital leases			10,309,884		
IDA Skating Facility			19,710,000		
Line of Credits			150,000,000		
Leases			136,717,644		
Net OPEB liability			68,535,024		
Total general obligation debt serviced by general fund:			1,263,368,976		
Due in one year			(84,105,138)		
Total long-term liabilities -general fund			1,179,263,838		
Serviced by School Operating Fund:					
Schools- QSCB (\$3,380,000)		7/6/10			
School Improvements	\$3,380,000	5.31	1,000,000	200,000	06/01/22-27
			\$1,000,000		

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
G.O. Public improvement refunding (\$106,445,000) School Improvements	<u>\$39,255,000</u>	2/22/12	5.00	9,015,000	9,015,000	08/01/22
				<u>\$9,015,000</u>		
G.O. Public improvement refunding (\$81,255,000) School Improvements	<u>\$33,505,000</u>	5/9/13	2.075	1,325,000	1,325,000	08/01/22
			2.225	525,000	525,000	08/01/23
			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
				<u>\$4,345,000</u>		
G.O. Public improvement refunding (\$40,455,000) School Improvements	\$19,725,000	5/28/14	5.000	3,135,000	3,135,000	08/15/22
			5.000	10,170,000	5,085,000	08/15/2023-24
				<u>\$13,305,000</u>		
G.O. Public improvement (\$77,440,000) School Improvements	\$30,000,000	6/17/15	4.000	6,000,000	1,500,000	08/15/21-25
			3.000	3,000,000	1,500,000	08/15/26-27
				<u>\$9,000,000</u>		
G.O. Public improvement (\$55,200,000) School Improvements	\$32,550,000	5/4/16	5.000	8,150,000	1,630,000	08/15/21-26
			5.000	4,875,000	1,625,000	08/15/27-29
				<u>\$13,025,000</u>		
G.O. Public improvement refunding (\$161,530,000) School Improvements	\$72,220,000	5/4/16	5.000	3,810,000	3,810,000	08/15/22
			5.000	2,120,000	2,120,000	08/15/23
			5.000	2,935,000	2,935,000	08/15/24
			5.000	4,155,000	4,155,000	08/15/25
			5.000	7,460,000	7,460,000	08/15/26
			5.000	7,135,000	7,135,000	08/15/27
			2.500	8,685,000	8,685,000	08/15/28
			2.500	8,555,000	8,555,000	08/15/29
			2.500	7,225,000	7,225,000	08/15/30
			2.750	5,180,000	5,180,000	08/15/31
			2.750	2,755,000	2,755,000	08/15/32
				<u>\$60,015,000</u>		
G.O. Public improvement (\$185,095,000) School Improvements	\$75,200,000	5/31/17	2.000	3,760,000	3,760,000	08/15/22
			5.000	30,080,000	3,760,000	08/15/23-30
			2.000	22,560,000	3,760,000	08/15/31-36
				<u>\$56,400,000</u>		
G.O. Public improvement (\$153,555,000) School Improvements	\$92,400,000	6/20/2018	5.000	7,400,000	3,700,000	8/15/2022-23
			5.000	4,000,000	4,000,000	08/15/24
			5.000	4,200,000	4,200,000	08/15/25
			5.000	4,400,000	4,400,000	08/15/26
			5.000	4,500,000	4,500,000	08/15/27
			5.000	30,720,000	5,120,000	8/15/2028-33
			5.000	5,115,000	5,115,000	8/15/2034
			5.000	10,230,000	5,115,000	8/15/2036-37

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
				<u>\$70,565,000</u>		
G.O. Public improvement (\$169,480,000) School Improvements	\$63,130,000	6/19/2019				
			5.000	25,400,000	3,175,000	6/15/2022-30
			4.000	9,525,000	3,175,000	6/15/2031-33
			4.000	19,020,000	3,170,000	6/15/2034-39
				<u>\$53,945,000</u>		
G.O. Public improvement refunding (\$32,335,000) School Improvements	\$13,210,000	10/24/2019				
			5.000	1,265,000	1,265,000	08/15/22
			5.000	1,285,000	1,285,000	08/15/23
			5.000	1,300,000	1,300,000	08/15/24
			5.000	1,320,000	1,320,000	08/15/25
			5.000	1,330,000	1,330,000	08/15/26
			5.000	1,345,000	1,345,000	08/15/27
			5.000	1,360,000	1,360,000	08/15/28
			5.000	1,370,000	1,370,000	08/15/29
			5.000	1,390,000	1,390,000	08/15/30
				<u>\$11,965,000</u>		
G.O. Public improvement (\$166,480,000) School Improvements	\$42,350,000	10/27/2020				
			5.000	19,035,000	2,115,000	8/1/2021-30
			5.000	2,120,000	2,120,000	08/01/31
			4.000	19,080,000	2,120,000	8/1/2032-40
				<u>\$40,235,000</u>		
G.O. Public improvement refunding (\$17,210,000) School Improvements	\$8,640,000	10/27/2020				
			5.000	1,525,000	1,525,000	08/01/22
			5.000	1,340,000	1,340,000	08/01/23
				<u>\$2,865,000</u>		
G.O. Public improvement refunding (\$219,310,000) School Improvements	\$100,375,000	10/27/2020				
			5.000	10,820,000	10,820,000	08/01/23
			5.000	11,705,000	11,705,000	08/01/24
			5.000	13,015,000	13,015,000	08/01/25
			5.000	12,185,000	12,185,000	08/01/26
			5.000	8,085,000	8,085,000	08/01/27
			5.000	4,255,000	4,255,000	08/01/28
			5.000	4,200,000	4,200,000	08/01/29
			5.000	5,730,000	5,730,000	08/01/30
			5.000	7,520,000	7,520,000	08/01/31
			5.000	7,350,000	7,350,000	08/01/32
			5.000	5,310,000	5,310,000	08/01/33
			5.000	3,360,000	3,360,000	08/01/34
			5.000	6,840,000	6,840,000	08/01/35
				<u>\$100,375,000</u>		
G.O. Public improvement (\$95,395,000) School Improvements	\$37,800,000	6/23/2021				
			5.000	35,910,000	1,890,000	6/15/2022-6/15/2041
				<u>\$35,910,000</u>		
SUB TOTAL				<u>\$481,965,000</u>		
FY 2004 Bond Premium to be amortized				145,238		
FY 2005 Bond Premium to be amortized				439,077		
FY 2006 Bond Premium to be amortized				116,535		
FY 2007 Bond Premium to be amortized				64,305		

ARLINGTON COUNTY, VIRGINIA
COMBINED SCHEDULE OF LONG-TERM OBLIGATIONS
JUNE 30, 2022

	Amount Authorized and Sold	Date of Bonds	Interest Rate- %	Bonds Outstanding:	Payments:	
				(Relates to total amount authorized and sold)	(Relates to total amount authorized and sold)	Annual Amount
				Principal		
FY 2008 Bond Premium to be amortized				722,352		
FY 2010 Bond Premium to be amortized				593,161		
FY 2011 Bond Premium to be amortized				1,952,050		
FY 2012 Bond Premium to be amortized				5,467,347		
FY 2013 Bond Premium to be amortized				3,478,342		
FY 2014 Bond Premium to be amortized				1,956,478		
FY 2015 Bond Premium to be amortized				1,450,469		
FY 2016 Bond Premium to be amortized				5,046,465		
FY 2017 Bond Premium to be amortized				8,906,409		
FY 2018 Bond Premium to be amortized				12,353,971		
FY 2019 Bond Premium to be amortized				9,188,624		
FY 2021 Bond Premium to be amortized				20,693,555		
Total serial bonds serviced by school operating fund:				\$554,539,376		
Compensated absences				47,795,153		
Capital leases serviced by schools				6,225,235		
Leases by schools				55,072,714		
Net pension liability schools				276,808,989		
Net OPEB liability schools				177,984,199		
Total general obligation debt serviced by school operating fund:				1,118,425,666		
Due in one year				(48,018,761)		
Total long-term liabilities - schools				1,070,406,905		
Total general obligation debt serviced by general fund and school operating fund:				2,249,670,743		
<u>Serviced by StormWater fund:</u>						
G.O. Public improvement (\$95,395,000)		6/23/2021				
Stormwater	13,200,000		5.000	290,000	290,000	6/15/2022-2023
			5.000	305,000	305,000	06/15/24
	<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>\$12,910,000</u>		
SUBTOTAL:				<u>\$12,910,000</u>		
FY 2021 Bond premium to be amortized				4,113,709		
Total serial bonds serviced by stormwater fund:				17,023,709		

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
Due in one year						(461,405)
Total general obligation debt serviced by StormWater fund						<u>16,562,304</u>
Serviced by utilities fund:						
G.O. Public improvement refunding (\$106,445,000)		2/22/12				
Water share	\$2,696,098					
Sewer share	2,944,245	5.00		5,910,000	5,910,000	08/01/22
Advanced Water Treatment	21,974,657					
	<u>\$27,615,000</u>					<u>\$5,910,000</u>
G.O. Public improvement refunding (\$81,255,000)		5/9/13				
Water share	\$697,476	2.225		15,000	15,000	08/01/23
Sewer share	1,641,858	2.320		615,000	615,000	08/01/24
Advanced Water Treatment	1,165,666	2.470		600,000	600,000	08/01/25
	<u>\$3,505,000</u>	2.620		450,000	450,000	08/01/26
						<u>\$1,680,000</u>
G.O. Public improvement refunding (\$40,455,000)		5/28/14				
Water share	\$348,335	5.000		370,000	370,000	08/15/22
Advanced Water Treatment	2,416,665	5.000		1,110,000	555,000	08/15/2023-24
	<u>\$2,765,000</u>					<u>\$1,480,000</u>
G.O. Public improvement (\$77,440,000)		6/17/15				
Advanced Water Treatment	<u>\$3,000,000</u>	4.000		600,000	150,000	08/15/21-25
		3.000		300,000	150,000	08/15/26-27
						<u>\$900,000</u>
G.O. Public improvement refunding (\$161,530,000)		5/4/16				
Water share	\$1,987,360	5.000		235,000	235,000	08/15/22
Sewer share	31,547	5.000		585,000	585,000	08/15/23
Advanced Water Treatment	8,401,093	5.000		605,000	605,000	08/15/24
	<u>\$10,420,000</u>	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
						<u>\$8,875,000</u>
G.O. Public improvement refunding (\$32,335,000)		10/24/2019				
Water share	\$1,792,916					
Advanced Water Treatment	6,432,084	5.000		785,000	785,000	08/15/22
	<u>\$8,225,000</u>	5.000		800,000	800,000	08/15/23
		5.000		810,000	810,000	08/15/24
		5.000		820,000	820,000	08/15/25
		5.000		830,000	830,000	08/15/26
		5.000		840,000	840,000	08/15/27
		5.000		845,000	845,000	08/15/28
		5.000		855,000	855,000	08/15/29
		5.000		865,000	865,000	08/15/30
						<u>\$7,450,000</u>
G.O. Public improvement refunding (\$219,310,000)		10/27/2020				
Water share	\$4,190,464					
Sewer share	2,021,109	5.000		6,190,000	6,190,000	08/01/23
Advanced Water Treatment	20,258,427	5.000		5,770,000	5,770,000	08/01/24
	<u>\$26,470,000</u>	5.000		5,965,000	5,965,000	08/01/25
		5.000		3,725,000	3,725,000	08/01/26
		5.000		2,760,000	2,760,000	08/01/27
		5.000		270,000	270,000	08/01/28
		5.000		270,000	270,000	08/01/29
		5.000		260,000	260,000	08/01/30

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	435,000	435,000	08/01/31
		5.000	430,000	430,000	08/01/32
		5.000	240,000	240,000	08/01/33
		5.000	155,000	155,000	08/01/34
			<u>\$26,470,000</u>		
SUBTOTAL:			<u>\$52,765,000</u>		
FY 2005 Bond premium to be amortized			72,715		
FY 2007 Bond premium to be amortized			228,573		
FY 2008 Bond premium to be amortized			329,766		
FY 2011 Bond premium to be amortized			699,578		
FY 2012 Bond premium to be amortized			639,326		
FY 2013 Bond premium to be amortized			326,167		
FY 2014 Bond premium to be amortized			91,160		
FY 2015 Bond premium to be amortized			145,047		
Total serial bonds serviced by utilities fund:			<u>55,297,331</u>		
Compensated absences - utilities fund			1,963,221		
Bond and VRA interest payable - utilities fund			1,792,251		
Leases - utilities			18,021		
VRA loans payable			<u>110,665,859</u>		
Total long-term obligations serviced by utilities fund:			<u>169,736,684</u>		
Compensated absences - Internal service funds			545,728		
Compensated absences - CPHD Development fund			1,355,897		
Capital leases serviced by auto equipment fund			228,860		
Leases - CPHD and Internal Service			<u>13,057,530</u>		
Subtotal:			<u>184,924,698</u>		
Bond and mortgage interest payable			42,544,549		
Leases - ballston public parking garage			11,236,412		
Mortgage payable-ballston public garage fund			<u>3,429,679</u>		
Total business-type activities obligations:			<u>242,135,339</u>		
Due in one year			<u>(76,038,872)</u>		
Total business-type activities long-term obligations:			<u>166,096,467</u>		
Total long-term obligations:			<u>2,432,329,514</u>		

ARLINGTON COUNTY, VIRGINIA
 SCHEDULE OF DELINQUENT PROPERTY TAXES RECEIVABLE
 JUNE 30, 2022

FISCAL YEAR	REAL ESTATE	PERSONAL PROPERTY	TOTAL
2022	\$45,506	\$488,194	\$533,700
2021	39,469	298,788	338,257
2020	8,292	253,281	261,573
2019	276	269,224	269,500
2018	142	229,976	230,118
2017	167	-	167
2016	1,901	-	1,901
2015	3,671	-	3,671
2014	-	-	\$0
2013	-	-	\$0
2012	-	-	\$0
2011	-	-	\$0
2010	-	-	\$0
2009	-	-	\$0
2008	-	-	\$0
2007	-	-	\$0
2006	-	-	\$0
2005	-	-	\$0
2004	-	-	\$0
2003	-	-	\$0
TOTAL	<u>\$99,424</u>	<u>\$1,539,463</u>	<u>\$1,638,887</u>

NOTES:

Figures are rounded to the nearest dollar.

The amounts of delinquent real and personal property taxes receivable at June 30, 2022 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 \$7,362 and \$349,941, respectively.

ARLINGTON COUNTY, VIRGINIA
REAL ESTATE AND PERSONAL PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Total Current Tax Levy	Current Taxes Not Collected	Current Taxes Collected	Percent of Levy Collected	Collection of Prior Year's Taxes In Current Year	Total Taxes Collected	Total Collections As % of Current Levy	Write-Offs and Adjustments	Deferred Taxes	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as % of Total Levy
2013	\$754,569,203	\$4,983,622	\$749,585,581	99.34%	\$2,803,775	\$752,389,356	99.71%	\$720,244	\$2,097,357	\$3,107,347	0.41%
2014	787,485,043	1,730,821	785,754,221	99.78%	2,736,519	788,490,740	100.13%	1,016,011	2,303,573	2,623,869	0.33%
2015	812,023,501	1,379,131	810,644,370	99.83%	2,588,689	813,233,059	100.15%	848,789	2,394,515	2,197,169	0.27%
2016	837,718,155	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%

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, 2022

	<u>Governmental Funds Total Cost</u>
Governmental funds capital assets:	
Land	\$260,094,636
Infrastructure	1,094,349,482
Buildings	661,573,086
Furniture, fixtures and equipment	314,836,549
Construction in Progress	166,246,442
Intangibles	<u>13,487,221</u>
Total governmental funds capital assets	<u><u>\$2,510,587,416</u></u>
Governmental funds right to use leased assets:	
Buildings	138,785,222
Equipment	974,034
Subscription	<u>20,560,378</u>
Total governmental funds right to use leased assets	<u><u>\$160,319,634</u></u>
Investments in governmental funds' capital assets by source:	
General fund	\$263,711,180
Special revenue funds	135,506
Capital projects funds	2,239,210,635
State literary loans	1,680,040
Donated assets	<u>5,850,055</u>
Total investment in general capital assets	<u><u>\$2,510,587,416</u></u>
Investments in governmental funds' right to use leased assets by source:	
General fund	\$159,238,495
Special revenue funds	<u>1,081,139</u>
Total investment in right to use lease assets	<u><u>\$160,319,634</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, 2022

FUNCTION AND ACTIVITY:	General Capital Assets			
	6/30/2021 Beginning Balance	Additions	Deletions	6/30/2022 Ending Balance
Governmental funds:				
General Government	\$409,435,512	\$14,363,549	\$-	\$423,799,061
Public Safety	131,043,969	3,164,435	-	134,208,404
Environmental Services	1,317,765,654	124,408,126	965,723	1,441,208,057
Health and Public Welfare	36,102,296	629,805	-	36,732,101
Libraries	30,664,131	13,136	-	30,677,267
Parks and Recreation	327,132,149	21,794,782	-	348,926,931
Planning and Community Development	90,603,743	4,487,275	55,423	95,035,595
Total governmental funds	<u>2,342,747,454</u>	<u>168,861,108</u>	<u>1,021,146</u>	<u>2,510,587,416</u>
Right to use assets				
General Government	-	160,319,634	-	160,319,634
Total governmental funds right to use leased assets	<u>-</u>	<u>160,319,634</u>	<u>-</u>	<u>160,319,634</u>
Internal Services Fund				
Auto Equipment Fund	89,333,117	2,703,360	1,691,654	90,344,823
Total Internal Services Fund	<u>89,333,117</u>	<u>2,703,360</u>	<u>1,691,654</u>	<u>90,344,823</u>
Right to use assets				
Auto Equipment and Printing Funds	-	1,425,154	-	1,425,154
Total Internal Services Fund right to use assets	<u>-</u>	<u>1,425,154</u>	<u>-</u>	<u>1,425,154</u>
Component Unit: Schools	<u>1,271,250,304</u>	<u>57,195,001</u>	<u>-</u>	<u>1,328,445,305</u>
Total general capital assets	<u>\$3,703,330,875</u>	<u>\$228,759,469</u>	<u>\$2,712,800</u>	<u>\$3,929,377,544</u>
Total general right to use assets	<u>\$-</u>	<u>\$161,744,788</u>	<u>\$-</u>	<u>\$161,744,788</u>

ARLINGTON COUNTY, VIRGINIA
 SCHEDULE OF GENERAL CAPITAL ASSETS - BY FUNCTION AND ACTIVITY
 JUNE 30, 2022

FUNCTION AND ACTIVITY:	Total	Land	Infrastructure	Buildings	Equipment	Intangibles	CIP
General Government:							
Control-							
Legislative	\$ 1,313,232	\$-	\$-	\$-	\$1,313,232	\$-	\$-
Executive	532,598	-	-	-	532,598	-	-
Judicial	8,126,083	-	-	1,050,170	6,121,003	954,910	-
Total Control	9,971,913	-	-	1,050,170	7,966,833	954,910	-
Staff Agencies-							
Elections	1,129,595	-	-	-	1,129,595	-	-
Management and Finance	1,610,532	-	-	-	1,610,532	-	-
Human Resources	414,403	-	-	-	331,135	83,268	-
Office of County Attorney	1,092,069	-	-	-	972,247	119,822	-
Commissioner of the Revenue	629,149	-	-	-	629,149	-	-
Treasurer	349,169	-	-	244,884	72,199	32,086	-
Department of Technology Services	81,004,021	-	16,193,753	991,860	55,297,939	3,380,137	5,140,332
General government	327,598,210	152,376,031	88,148,773	65,782,953	17,539,063	1,001,390	2,750,000.00
Total Staff Agencies	413,827,148	152,376,031	104,342,526	67,019,697	77,581,859	4,616,703	7,890,332
Total General Government	423,799,061	152,376,031	104,342,526	68,069,867	85,548,692	5,571,613	7,890,332
Public Safety:							
Police	25,527,028	-	1,000,312	11,057,900	12,252,919	1,215,897	-
Fire	84,759,221	5,499,264	32,569,290	7,125,394	38,105,115	378,691	1,081,467
Public Safety Communications and Emergency Management	23,922,155	-	-	-	22,316,510	794,936	810,709
Total Public Safety	134,208,404	5,499,264	33,569,602	18,183,294	72,674,544	2,389,524	1,892,176
Community Services:							
Environmental Services	1,441,208,057	70,146,796	751,361,854	363,510,001	117,983,223	2,969,541	135,236,642
Health and Public Welfare	36,732,101	-	-	14,127,700	19,683,241	2,189,941	731,219
Libraries	30,677,267	-	11,857,686	18,349,791	469,790	-	-
Recreation	348,926,931	22,561,892	127,059,143	164,093,655	16,970,466	-	18,241,775
Community Development	95,035,595	9,510,653	66,158,671	15,238,778	1,506,591	366,604	2,254,298
Total Community Service	1,952,579,951	102,219,341	956,437,354	575,319,925	156,613,311	5,526,086	156,463,934
Total General Capital Assets	\$2,510,587,416	\$260,094,636	\$1,094,349,482	\$661,573,086	\$314,836,547	\$13,487,223	\$166,246,442
Governmental funds right to use leased assets:							
General Government				138,785,222	974,034		
Total governmental funds right to use leased assets	\$160,319,634	\$-	\$-	\$ 138,785,222	\$974,034	\$-	\$-
Internal Services Fund:							
Auto Equipment Fund	\$90,344,823	\$-	\$-	\$-	\$90,344,823	\$-	\$-
Total Internal Services Fund	\$90,344,823	\$-	\$-	\$-	\$90,344,823	\$-	\$-
Internal Services Fund right to use leased assets							
Auto Equipment	-	-	-	-	1,425,154	-	-
Total governmental funds right to use leased assets	\$1,425,154	\$-	\$-	\$ -	\$1,425,154	\$-	\$-
Component Unit: Schools	\$1,328,445,305	\$4,697,946	\$-	\$1,133,704,602	\$168,292,324	\$-	\$21,750,433
Total General Capital Assets	\$3,929,377,544	\$264,792,582	\$1,094,349,482	\$1,795,277,688	\$573,473,694	\$13,487,223	\$187,996,875

ARLINGTON COUNTY, VIRGINIA
GENERAL AND SPECIAL REVENUE FUNDS
DETAIL SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2021)

	2022		Variance - Positive (Negative)	2021 Actuals
	Budget	Actual		
GENERAL FUND				
General property taxes:				
Real estate	\$804,233,860	\$830,318,888	\$26,085,028	\$811,117,306
Personal	118,052,147	127,071,165	9,019,018	121,056,721
Total general property taxes	922,286,007	957,390,053	35,104,046	932,174,027
Other local taxes:				
Business, professional and occupational license (BPOL) tax	72,500,000	77,913,433	5,413,433	75,582,278
Sales tax	43,800,000	47,967,779	4,167,779	38,944,668
Meals tax	31,480,525	39,302,301	7,821,776	26,738,896
Transient tax	10,000,000	15,070,995	5,070,995	5,668,798
Utility tax	17,200,000	16,770,948	(429,052)	16,177,645
Recordation, car rental and other local taxes	24,215,000	29,981,258	5,766,258	24,734,698
Total other local taxes	199,195,525	227,006,714	27,811,189	187,846,983
Total taxes	1,121,481,532	1,184,396,767	62,915,235	1,120,021,010
License, permits and fees	12,541,524	14,678,868	2,137,344	13,002,084
Fines and forfeitures	7,559,368	5,765,432	(1,793,936)	5,484,417
Charges for services	63,795,327	54,163,697	(9,631,630)	46,139,224
Grants:				
State grants	86,739,171	83,711,767	(3,027,404)	80,446,925
Federal grants	46,814,782	55,105,568	8,290,786	53,110,553
Total grants	133,553,953	138,817,335	5,263,382	133,557,478
Use of money and property	31,878,412	26,067,463	(5,810,949)	7,059,228
Sale of land and buildings	15,000	1,062,156	1,047,156	8,095,928
Miscellaneous revenue	348,020,299	332,737,636	(15,282,663)	33,729,139
GRAND TOTALS FOR GENERAL FUND	\$1,718,845,415	\$1,757,689,354	\$38,843,939	\$1,367,088,508
GENERAL FUND TRANSFERS FROM OTHER FUNDS:				
Rosslyn Business Improvement District	\$84,176	\$80,119	(\$4,057)	\$78,976
National Landing Business Improvement District	91,408	90,244	(1,164)	87,729
Automotive Equipment Fund	130,000	130,000	-	130,000
General Capital Projects	-	-	-	5,065,281
Street & Highway Bond Fund	-	27,488	27,488	22,309
Neighborhood Conservation Bond Fund	-	17,576	17,576	16,620
Government Facility Bond	-	159,108	159,108	83,110
Ballston Business Improvement District	29,432	30,410	978	31,189
Public Recreation Bond Fund	-	80,355	80,355	67,092
Stormwater Bond Fund	-	-	-	686
TCF – NVTA 30%	1,391,154	-	(1,391,154)	1,182,768
TCF C&I Tax	1,802,697	3,193,851	1,391,154	1,538,015
Transit Facilities Bond Fund	-	8,680	8,680	11,089
IDA Bond Funds	-	18,982	18,982	16,594
IDA Skating Facility	2,400,000	-	(2,400,000)	-
Emergency Community Center	-	-	-	-
School Capital Improvement Bond Fund	-	196,402	196,402	132,138
Utilities - Construction (Pay as U Go)	-	-	-	-
Custodial Funds	2,982,045	50	(2,981,995)	-
Total transfers	\$8,910,912	\$4,033,265	(\$4,877,647)	\$8,463,596
GRAND TOTALS	\$1,727,756,327	\$1,761,722,619	\$33,966,292	\$1,375,552,104

ARLINGTON COUNTY, VIRGINIA
GENERAL AND SPECIAL REVENUE FUNDS
DETAIL SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2021)

	2022			2021 Actuals
	Budget	Actual	Variance - Positive (Negative)	
SPECIAL REVENUE FUNDS:				
Ballston BID	\$1,471,612	\$1,521,367	\$49,755	\$1,560,179
Ballston Quarter CDA	1,928,165	2,913,249	985,084	2,302,221
Travel & Tourism Fund	1,150,000	1,153,141	3,141	302,656
Rosslyn BID	4,210,099	4,015,678	(194,421)	3,975,670
National Landing BID	4,570,394	4,512,195	(58,199)	4,386,978
Community Development Block Grant Fund	8,407,104	2,010,872	(6,396,232)	5,909,969
Housing Choice Vouchers	24,268,638	23,753,874	(514,764)	21,001,637
Total Special Revenue Funds	\$46,006,012	\$39,880,376	(\$6,125,636)	\$39,439,310
BREAKDOWN OF REVENUE BY FUNCTION:				
	Charges for services includes licenses & fees	Operating grants/Contributions		Capital Grants Contributions
		State	Federal	
General government	\$21,093,605	\$36,719,613	\$36,182,075	\$-
Public safety	10,047,810	11,480,392	1,057,753	-
Environmental services	27,122,306	13,841,643	-	-
Health & welfare	4,490,176	21,369,429	17,833,779	-
Libraries	81,713	211,774	-	-
Economic development	47,596	4,500	-	-
Planning & community development	1,638,787	-	-	-
Parks & recreation	10,086,004	84,416	31,961	-
Total General Fund	\$74,607,997	\$83,711,767	\$55,105,568	\$-

ARLINGTON COUNTY, VIRGINIA
GENERAL AND SPECIAL REVENUE FUNDS
DEETAIL SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2021)

	2022		Variance - Positive (Negative)	2021 Actuals
	Budget	Actual		
General Government Administration:				
County Board	\$1,742,955	\$1,677,209	\$65,746	\$1,637,299
County Manager	5,444,391	4,792,298	652,093	4,969,190
Management and Finance	9,143,233	8,860,644	282,589	8,509,283
Human Resources	10,421,205	10,104,056	317,149	9,587,817
Technology Services	26,917,208	43,426,363	(16,509,155)	26,336,532
County Attorney	3,698,999	3,240,554	458,445	3,160,392
Commissioner of Revenue	6,007,104	5,679,612	327,492	5,705,839
Treasurer	7,543,369	6,884,012	659,357	6,573,176
Electoral Board	1,919,844	1,418,773	501,071	2,103,311
Total General Government	72,838,308	86,083,521	(13,245,213)	68,582,839
Judicial Administration:				
Circuit Court Judiciary	1,338,311	1,322,947	15,364	1,246,916
Circuit Court Clerk	3,992,307	4,143,885	(151,578)	3,615,714
District Court	411,740	348,993	62,747	343,081
Juvenile & Domestic Relations Court	7,560,514	6,420,517	1,139,997	6,724,375
Commonwealth Attorney	5,879,390	5,336,884	542,506	4,457,250
Sheriff & Jail	46,880,768	49,246,586	(2,365,818)	46,294,060
Magistrate's Office	29,986	28,220	1,766	28,861
Office of the Public Defender	336,310	309,327	26,983	165,804
Total Judicial Administration	66,429,326	67,157,359	(728,033)	62,876,061
Public Safety:				
Police	77,245,005	73,127,540	4,117,465	71,085,018
Public Safety Communications and Emergency Management	13,940,438	15,310,185	(1,369,747)	14,044,644
Fire	68,691,832	68,759,267	(67,435)	64,666,797
Total Public Safety	159,877,275	157,196,992	2,680,283	149,796,459
Department of Environmental Services:				
DES-Environmental Services	112,787,099	107,392,616	5,394,483	101,837,787
Health & Welfare:				
Human Services	174,580,231	208,010,638	(33,430,407)	143,077,533
Libraries:				
	15,083,993	13,938,064	1,145,929	12,861,819
Planning & Community Development:				
Economic Development	9,625,852	9,602,373	23,479	8,605,409
Community Planning, Housing & Development	11,707,038	11,492,426	214,612	11,112,174
Total Planning & Community Development	21,332,890	21,094,799	238,091	19,717,583
Parks & Recreation:				
	50,449,165	44,340,809	6,108,356	35,489,121
Non-Departmental:				
Non-Departmental Debt Service	323,098,476	320,835,968	2,262,508	85,329,314
Principal payment	42,797,819	50,321,380	(7,523,561)	41,827,178
Interest payment	30,641,891	28,928,670	1,713,221	24,624,754
Other costs	125,000	58,011	66,989	29,480
Regionals/Contributions	7,324,429	6,940,842	383,587	6,400,615
METRO	46,622,208	46,622,208	-	47,808,764
Total Non-Departmental	450,609,823	453,707,079	(3,097,256)	206,020,105
Total expenditures before transfers-out	1,123,988,110	1,158,921,877	(34,933,767)	800,259,307

ARLINGTON COUNTY, VIRGINIA
GENERAL AND SPECIAL REVENUE FUNDS
DEETAIL SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2021)

	2022		Variance - Positive (Negative)	2021 Actuals
	Budget	Actual		
Transfers-Out;				
Travel & Tourism	597,884	396,816	201,068	246,700
Auto Equipment Fund	33,000	-	33,000	494,796
Printing Fund	254,979	254,979	-	246,382
General Capital Projects Fund	10,478,484	10,478,484	-	9,299,317
OPEB Trust Fund	-	75,271	(75,271)	57,589
Schools				
General Operating	589,152,842	489,278,577	99,874,265	429,583,217
Community Activities/Cable TV	-	4,800,513	(4,800,513)	10,300,446
Pay-As-You-Go	-	3,732,044	(3,732,044)	3,480,600
Debt Service	-	58,325,804	(58,325,804)	54,829,686
Comprehensive Services Act	-	2,537,345	(2,537,345)	2,502,726
Custodial	3,251,028		3,251,028	1,544,232
Total transfers-out	<u>\$603,768,217</u>	<u>\$569,879,833</u>	<u>\$33,888,384</u>	<u>\$512,585,691</u>
GRAND TOTALS EXPENDITURES	<u>\$1,727,756,327</u>	<u>\$1,728,801,710</u>	<u>(\$1,045,383)</u>	<u>\$1,312,844,998</u>
SPECIAL REVENUE FUNDS:				
Ballston Quarter CDA	3,324,124	2,822,008	502,116	2,087,226
Travel & Tourism Promotion	1,747,884	1,549,957	197,927	549,240
Ballston Business Improvement District	1,442,180	1,405,390	36,790	1,499,288
Rosslyn Business Improvement District	4,125,923	4,024,962	100,961	3,888,675
Crystal City Business Improvement District	4,478,986	4,231,263	247,723	4,526,288
Community Development Block Grant	8,407,104	2,010,872	6,396,232	6,720,156
Section 8 Housing	24,147,156	23,753,874	393,282	21,001,637
Total Special Revenue Funds	<u>\$47,673,357</u>	<u>\$39,798,326</u>	<u>\$7,875,031</u>	<u>\$40,272,510</u>
TOTAL GENERAL AND SPECIAL REVENUE FUNDS	<u>\$1,775,429,684</u>	<u>\$1,768,600,036</u>	<u>\$6,829,648</u>	<u>\$1,353,117,508</u>

ARLINGTON COUNTY, VIRGINIA
 SCHEDULE OF CAPITAL OUTLAYS AND CAPITAL PROJECTS
 GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 2022

<u>FUND AND FUNCTION</u>	<u>AMOUNT</u>
GENERAL FUND:	
Capital Outlays:	
Public Safety	\$189,613
Public Works	160,430
Health & Public Welfare	6,616
Parks & Recreation	62,273
Planning & Community development	162,400
 Total General Fund	 \$581,332
CAPITAL PROJECTS FUNDS:	
General Capital Projects Fund:	
Public Works:	
Transportation Projects	22,509,562
Government Facilities	8,471,739
Cultural & Recreation - Community Affairs:	
Government Facilities	2,742,973
Parks	3,150,579
 Total General Capital Projects Funds	 36,874,852
 NVRTA	 33,520,747
NOVA Transportation Authority	
Street & Highway Bond Fund:	
Capital Projects - Public Works/Transportation/ Street & Highway Improvements	16,100,634
Neighborhood Conservation Bond Fund:	
Neighborhood Capital Projects	3,806,371
Government Facility Bond	10,220,865
Stormwater Fund	14,573,879
Public Recreation Bond Fund:	
Public Recreation	18,466,596
TIF Tax Increment Finance Fund:	
Crystal City	5,479,765
 TOTAL ALL OTHER GOVERNMENTAL FUNDS	 <u>68,648,110</u>
 GRAND TOTAL	 <u><u>\$139,625,041</u></u>

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STATISTICAL (Unaudited)

This part of the Arlington County Annual Comprehensive Financial Report (“ACFR”) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County’s overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time (Table A, Table B, Table C, Table C1, Table D, Table D1, Table D2, Table E and Table F.)

Revenue Capacity

These schedules contain information to help the reader assess the County’s most significant local revenue source, the property tax (Table G, and Table H.)

Debt Capacity

These schedules present information to help the reader assess the affordability of the County’s current levels of outstanding debt and its ability to issue additional debt in the future (Table I, Table I1, and Table J.)

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County’s financial activities take place (Table K and Table L.)

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the County’s ACFR relates to the services the County provides and the activities it performs (Table M, Table N, Table O, and Table P.)

Other

These schedules contain information needed for the Nationally Recognized Municipal Securities Information Repository (NRMSIR) and other disclosures (Tables Q-W.)

TABLE A

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

	<u>2013</u>	<u>Restated 2014</u>	<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>
Governmental Activities										
Net investment in capital assets	\$474,696,280	\$535,062,341	\$574,586,273	\$635,380,832	\$680,734,809	\$709,263,105	\$731,027,923	\$794,000,992	\$817,971,527	\$514,274,489
Restricted	227,995,685	269,842,611	330,023,604	334,149,978	173,130,986	138,358,959	150,067,653	49,261,389	157,514,561	103,840,222
Unrestricted	49,538,622	79,773,920	81,902,773	117,459,284	68,643,510	69,423,556	155,826,816	340,792,351	300,860,321	384,242,769
Total governmental activities net position	\$752,230,587	\$884,678,872	\$986,512,650	\$1,086,990,094	\$922,509,305	\$917,045,620	\$1,036,922,392	\$1,184,054,732	\$1,276,346,408	\$1,002,357,480
Business-Type Activities										
Net investment in capital assets	\$635,958,255	\$665,755,045	\$690,358,957	\$716,480,873	\$745,082,642	\$782,955,479	\$820,779,039	\$852,241,713	\$860,599,018	\$910,234,485
Unrestricted	74,065,947	68,677,574	66,850,074	61,732,336	56,239,617	41,338,610	27,698,991	23,868,719	31,702,094	3,981,381
Total business-type activities net position	\$710,024,202	\$734,432,619	\$757,209,031	\$778,213,209	\$801,322,259	\$824,294,089	\$848,478,030	\$876,110,432	\$892,301,112	\$914,215,866
Primary government										
Net investment in capital assets	\$1,110,654,535	\$1,200,817,386	\$1,264,945,229	\$1,351,861,705	\$1,425,817,450	\$1,492,218,584	\$1,551,806,962	\$1,646,242,705	\$1,678,570,545	\$1,424,508,974
Restricted	227,995,685	269,842,611	330,023,604	334,149,978	173,130,986	138,358,959	150,067,653	49,261,389	157,514,561	103,840,222
Unrestricted	123,604,569	148,451,494	148,752,848	179,191,620	124,883,128	110,762,166	183,525,807	364,661,070	332,562,415	388,224,150
Total primary government activities net position	\$1,462,254,789	\$1,619,111,491	\$1,743,721,681	\$1,865,203,303	\$1,723,831,564	\$1,741,339,709	\$1,885,400,422	\$2,060,165,164	\$2,168,647,520	\$1,916,573,346
School Component Unit										
Net investment in capital assets	\$514,336,832	\$530,311,199	\$556,749,155	\$581,646,003	\$609,275,690	\$669,586,313	\$760,308,386	\$805,410,072	\$848,994,635	\$920,373,797
Restricted	56,593,162	60,416,507	72,843,131	75,799,932	136,786,090	161,881,887	134,160,068	84,516,880	109,224,137	88,252,124
Unrestricted	16,013,663	14,011,637	(406,303,553)	(463,796,368)	(563,004,285)	(540,914,359)	(551,814,383)	(579,729,281)	(567,739,525)	(549,935,016)
Total schools component unit activities net position	\$586,943,657	\$604,739,343	\$223,288,733	\$193,649,567	\$183,057,495	\$290,553,841	\$342,654,071	\$310,197,671	\$390,479,247	\$458,690,905
Other Component Units										
Net investment in capital assets	\$23,930,078	\$23,120,590	\$22,012,946	\$20,877,403	\$21,156,037	\$20,059,291	\$19,196,157	\$18,468,717	\$17,476,187	\$14,311,055
Unrestricted	3,123,030	4,052,943	5,317,754	5,797,323	4,218,609	4,543,551	4,522,787	4,614,972	5,447,089	5,665,634
Total other component units activities net position	\$27,053,108	\$27,173,533	\$27,330,700	\$26,674,726	\$25,374,646	\$24,602,842	\$23,718,944	\$23,083,689	\$22,923,276	\$19,976,689
Total reporting entity										
Net investment in capital assets	\$1,287,156,290	\$1,404,633,540	\$1,488,963,284	\$1,594,563,029	\$1,870,742,636	\$1,766,689,820	\$1,849,492,385	\$1,996,756,863	\$2,067,947,862	\$2,359,193,827
Restricted	284,588,847	330,259,118	402,866,735	409,949,910	309,917,076	298,915,290	282,617,828	132,080,730	267,951,031	192,092,346
Unrestricted	504,506,417	516,131,709	102,511,095	81,014,657	(248,396,007)	(10,434,274)	118,053,331	262,911,391	244,551,179	(156,045,233)
Total reporting entity net position	\$2,076,251,554	\$2,251,024,367	\$1,994,341,114	\$2,085,527,596	\$1,932,263,705	\$2,056,496,392	\$2,251,773,437	\$2,393,446,524	\$2,582,050,043	\$2,395,240,940

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	2013	Restated 2014	2015	Restated 2016	Restated 2017	2018	2019	2020	2021	Restated 2022
Primary government:										
Governmental activities:										
General government	\$197,890,282	\$246,530,409	\$231,359,735	\$394,484,321	\$279,284,619	\$256,738,339	\$255,269,010	\$270,906,963	\$302,449,114	\$606,401,430
Public safety	120,977,618	130,260,142	122,974,380	129,088,522	144,637,250	137,159,492	138,494,296	152,716,730	148,412,748	172,335,459
Environmental services	84,444,970	92,633,746	92,336,816	100,110,934	112,310,807	109,706,002	107,778,851	117,736,981	122,046,894	140,373,042
Health & welfare	113,901,082	121,333,852	115,512,691	121,129,960	139,912,548	151,108,894	143,381,298	158,419,693	156,367,688	247,433,161
Libraries	12,464,589	13,191,542	12,479,621	12,570,917	14,451,289	14,303,753	13,717,698	14,514,949	12,515,129	15,078,270
Parks, recreation & culture	36,105,159	38,608,095	36,436,310	39,197,586	45,591,640	43,938,152	54,858,577	47,785,625	41,513,470	56,942,448
Planning & community development	60,359,027	63,669,222	58,062,841	54,600,221	63,855,173	79,827,438	5,674,421	60,764,706	52,489,386	64,678,958
Education	462,562,274	418,066,409	457,765,814	464,731,408	475,698,480	498,407,581	495,754,509	518,411,207	798,734,277	558,477,881
Interest and other charges	28,131,683	16,786,171	18,380,254	18,435,458	16,537,709	18,647,406	22,827,210	26,748,943	24,654,234	29,942,474
Total governmental activities expenses	<u>1,116,836,685</u>	<u>1,141,079,588</u>	<u>1,145,308,461</u>	<u>1,334,349,327</u>	<u>1,292,279,515</u>	<u>1,309,837,057</u>	<u>1,288,795,870</u>	<u>1,368,005,797</u>	<u>1,659,182,940</u>	<u>1,891,663,123</u>
Business-type activities:										
Utilities	93,564,517	85,448,387	85,965,153	83,764,431	83,798,393	89,266,685	90,118,824	85,613,163	88,026,308	89,018,463
Ballston Public Parking Garage	5,750,518	5,315,660	6,307,728	6,215,496	6,218,247	7,875,701	7,817,622	6,672,400	6,799,304	7,068,367
8th Level Ballston Public Parking Garage	53,085	157,097	174,141	193,955	172,755	168,660	171,869	159,682	176,396	176,163
CPHD Development Fund	12,173,696	13,762,118	14,948,371	16,355,916	17,484,785	16,982,009	15,221,250	16,505,036	17,507,011	19,584,237
Total business-type activities expenses	<u>111,541,816</u>	<u>104,683,282</u>	<u>107,395,393</u>	<u>106,529,798</u>	<u>107,674,180</u>	<u>114,293,055</u>	<u>113,329,565</u>	<u>108,950,281</u>	<u>112,509,019</u>	<u>115,847,230</u>
Total primary government expenses	<u>\$1,228,378,501</u>	<u>\$1,245,762,870</u>	<u>\$1,252,703,854</u>	<u>\$1,440,879,125</u>	<u>\$1,399,953,695</u>	<u>\$1,424,130,112</u>	<u>\$1,402,125,435</u>	<u>\$1,476,956,078</u>	<u>\$1,771,691,959</u>	<u>\$2,007,510,353</u>
Component units:										
Schools	485,061,915	930,311,090	487,285,239	603,030,183	645,639,200	\$608,191,193	\$641,033,391	673,478,381	\$663,592,424	730,517,369
Other	7,375,441	7,468,573	7,480,926	8,268,201	8,235,021	8,457,705	8,609,075	8,714,010	8,456,037	10,478,834
Total component units activities expenses	<u>\$492,437,356</u>	<u>\$937,779,663</u>	<u>\$494,766,165</u>	<u>\$611,298,384</u>	<u>\$653,874,221</u>	<u>\$616,648,898</u>	<u>\$649,642,466</u>	<u>\$682,192,391</u>	<u>\$672,048,461</u>	<u>\$740,996,203</u>
Program Revenues										
Primary government:										
Governmental activities:										
Charges for services:										
General government	\$20,219,252	\$20,009,810	\$20,223,240	\$18,696,900	\$20,352,884	\$20,559,698	\$20,310,840	\$20,837,413	\$20,050,004	\$21,093,604
Environmental services	26,049,002	26,811,532	25,683,556	27,222,714	29,865,144	30,188,869	33,895,719	31,245,172	26,699,645	27,122,306
Public safety	10,793,294	11,590,616	10,621,445	11,010,776	11,064,477	10,696,452	11,327,279	10,267,596	8,532,279	10,047,810
Other activities	14,154,588	20,447,573	32,491,876	16,911,503	19,770,277	21,501,442	24,015,358	20,317,849	14,521,238	23,052,908
Operating grants and contributions	120,764,535	134,856,589	129,818,926	136,159,090	124,013,804	128,647,415	130,008,830	144,769,078	168,165,306	176,041,248
Total governmental activities program revenues	<u>191,980,671</u>	<u>213,716,120</u>	<u>218,839,043</u>	<u>210,000,983</u>	<u>205,066,586</u>	<u>211,593,876</u>	<u>219,558,026</u>	<u>227,437,108</u>	<u>237,968,472</u>	<u>257,357,876</u>
Business-type activities:										
Charges for services:										
Water-sewer service charges	86,768,619	88,880,766	94,542,664	93,056,953	97,263,095	94,465,528	92,757,659	96,130,683	92,364,661	95,040,998
Water-service hook-up charges	5,672,805	5,499,780	6,273,269	5,474,991	4,822,363	8,710,176	6,158,068	6,515,147	3,413,611	9,290,895
Other activities	34,594,120	30,649,078	27,925,859	27,473,298	27,291,713	31,591,667	33,179,774	31,590,358	30,356,908	34,901,279
Capital grants and contributions	6,322,423	3,789,066	1,065,000	906,855	985,385	1,068,855	2,734,420	1,512,140	2,457,070	179,780
Total business-type activities program revenues	<u>133,357,967</u>	<u>128,818,690</u>	<u>129,806,792</u>	<u>126,912,097</u>	<u>130,362,556</u>	<u>135,836,227</u>	<u>134,829,921</u>	<u>135,748,328</u>	<u>128,592,250</u>	<u>139,412,952</u>
Total primary government program revenues	<u>\$325,338,638</u>	<u>\$342,534,810</u>	<u>\$348,645,835</u>	<u>\$336,913,080</u>	<u>\$335,429,142</u>	<u>\$347,430,103</u>	<u>\$354,387,947</u>	<u>\$363,185,436</u>	<u>\$366,560,722</u>	<u>\$396,770,828</u>
Component units:										
Charges for services	\$31,354,968	\$28,565,024	\$28,974,950	\$34,839,210	\$40,966,481	\$29,786,395	\$31,829,095	\$27,229,601	\$12,868,450	\$26,802,518
Operating grants and contributions	507,003,321	465,682,654	505,002,526	54,346,672	58,222,744	61,670,606	68,242,922	70,288,414	94,917,833	113,688,170
Total component units program revenues	<u>\$538,358,289</u>	<u>\$494,247,678</u>	<u>\$533,977,476</u>	<u>\$89,185,882</u>	<u>\$99,189,225</u>	<u>\$91,457,001</u>	<u>\$100,072,017</u>	<u>\$97,518,015</u>	<u>\$107,786,283</u>	<u>\$140,490,688</u>

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

	<u>2013</u>	<u>2014</u>	<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>
Net (Expense) Revenues										
Primary government:										
Governmental activities	(\$924,856,014)	(\$927,363,468)	(\$926,469,418)	(\$1,124,348,344)	(\$1,087,212,929)	(\$1,279,181,052)	(\$1,069,237,844)	(\$1,140,568,689)	(\$1,421,214,468)	(\$1,634,305,248)
Business-type activities	21,816,151	24,135,428	22,411,399	20,382,299	22,688,376	21,543,172	21,500,356	26,798,047	16,083,231	23,565,722
Total primary government net expense	<u>(\$903,039,863)</u>	<u>(\$903,228,040)</u>	<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>
Component units:										
Component unit activities	\$45,920,933	(\$443,531,985)	\$39,211,311	(\$522,112,502)	(\$554,684,996)	(\$525,191,897)	(\$549,570,449)	(\$584,674,376)	(\$564,262,178)	(\$600,505,516)
Total component units' net expense	<u>\$45,920,933</u>	<u>(\$443,531,985)</u>	<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>
General Revenues and Changes in Net Position										
Governmental activities:										
Property taxes:										
Real estate property taxes	\$648,659,020	\$683,987,883	\$701,941,723	\$722,486,477	\$753,992,522	\$768,501,925	\$808,086,871	\$844,941,780	\$865,127,001	\$873,419,142
Personal property taxes	106,957,213	110,688,939	108,913,548	111,768,494	114,836,050	115,869,128	117,994,659	120,480,341	121,056,721	127,071,165
Other local taxes:										
Business, professional occupancy license taxes	61,341,154	62,752,491	58,970,752	60,181,386	63,837,926	62,986,320	69,913,867	71,999,176	75,582,278	77,913,433
Other local taxes	143,631,442	139,621,783	144,447,846	146,376,918	153,982,204	154,166,783	160,330,029	146,624,193	124,981,655	163,206,822
Investment and interest earnings	4,287,344	6,578,889	7,895,921	9,852,799	7,998,391	10,397,487	30,470,487	22,066,092	7,280,131	26,840,801
Miscellaneous	50,223,986	34,381,768	27,933,406	10,662,537	(8,417,776)	(29,142,147)	2,318,704	81,589,446	294,953,062	537,342,702
Total governmental activities	<u>\$1,015,100,159</u>	<u>1,038,011,753</u>	<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>\$1,805,794,065</u>
Business-type activities:										
Investment and interest earnings	\$39,733	\$272,989	\$365,013	\$621,879	\$420,674	\$543,957	\$2,283,585	\$1,135,374	\$107,450	(\$1,650,969)
Revenue from General Fund	-	-	-	-	-	884,701	400,000	(301,019)	-	-
Total business-type activities	<u>\$39,733</u>	<u>\$272,989</u>	<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>
Total primary government	<u>\$1,015,139,892</u>	<u>\$1,038,284,742</u>	<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>
Component units activities:										
Other local taxes										
Other local taxes	\$18,171,301	\$19,368,052	\$21,198,389	\$23,067,985	\$24,458,713	\$26,332,866	\$28,417,611	\$30,735,856	\$34,044,649	\$40,479,170
Revenue from the general fund/miscellaneous	137,253	172,798	204,103	468,749,277	519,085,091	605,583,573	572,369,170	520,420,698	607,526,387	625,291,416
Total primary government	<u>\$18,308,554</u>	<u>\$19,540,850</u>	<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>
Changes in Net Position										
Primary government:										
Governmental activities	\$90,244,145	\$110,648,285	\$123,633,778	(\$63,019,733)	(\$983,612)	(\$5,463,685)	\$119,876,773	\$147,132,339	\$67,766,380	\$171,488,817
Business-type activities	21,855,884	24,408,417	22,776,412	21,004,178	23,109,050	22,971,830	24,183,941	27,632,402	16,190,681	21,914,753
Total primary government net expense	<u>\$112,100,029</u>	<u>\$135,056,702</u>	<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>
Component units:										
Component units activities	\$64,229,487	(\$423,991,135)	\$60,613,803	(\$30,295,140)	(\$10,973,165)	106,724,542	51,216,332	(\$33,091,655)	77,308,858	\$65,265,071
Total component units' net expense	<u>\$64,229,487</u>	<u>(\$423,991,135)</u>	<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>\$65,265,071</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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
<u>Nonspendable:</u>										
Prepaid	\$-	\$-	\$-	\$-	\$35,036	\$61,626	\$147,830	\$299,252	\$806,719	\$1,678,224
Leases	-	-	-	-	-	-	-	-	-	3,678,665
Mark to Market investment reserve	-	-	-	-	-	-	-	-	-	(25,284,273)
<u>Restricted for:</u>										
Seized assets	2,272,448	2,522,979	2,459,482	1,515,487	1,599,616	1,325,556	1,609,893	1,697,539	1,599,972	1,994,486
Grants	-	-	-	-	255,110	144,268	6,556	105,530	19,702,462	18,863,792
Mark to Market investment reserve	-	-	-	-	-	-	-	-	-	25,284,273
<u>Committed to:</u>										
Self insurance reserve	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Economic & revenue stabilization contingent	3,000,000	3,000,000	8,599,377	3,000,000	4,000,000	4,000,000	6,700,000	20,812,837	13,929,644	13,929,644
Operating reserve	52,605,487	54,575,340	57,385,360	57,997,382	62,635,601	63,791,653	74,593,507	73,999,445	76,613,044	76,613,044
Subsequent years' County budget	5,208,794	4,860,024	4,529,331	7,165,939	4,643,563	4,407,475	5,395,806	6,099,018	11,050,030	31,606,919
Subsequent years' capital projects	8,403,862	14,831,642	2,833,146	2,057,099	6,636,589	195,358	16,776,098	-	4,527,882	1,884,484
Incomplete projects	130,223	412,220	281,390	562,321	664,991	-	488,256	342,706	344,463	346,377
Affordable Housing Investment Fund-Allocated	21,838,549	45,631,924	36,914,040	36,834,387	44,073,880	46,121,170	33,369,718	42,910,772	44,892,810	67,317,758
Subsequent years' School's budget	26,269,900	46,735,944	29,898,607	25,164,263	24,217,093	9,989,113	24,720,333	27,253,775	62,056,522	20,484,857
<u>Assigned to:</u>										
Subsequent years' County budget	19,649,922	15,593,759	8,904,967	5,950,000	5,860,000	2,115,131	3,742,270	25,833,581	6,128,748	5,981,558
Subsequent years' capital projects	12,162,577	11,782,428	16,289,709	17,248,521	10,279,343	8,900,209	15,968,901	15,138,549	13,878,031	9,800,334
Economic & revenue stabilization contingent	5,000,000	-	-	-	-	-	6,781,228	-	-	6,883,654
Subsequent years' School's budget	-	-	-	-	-	-	-	-	-	35,506,738
Operating reserve	1,969,853	2,810,020	612,022	1,887,880	-	6,379,165	-	-	-	-
Mark to Market Investment Reserve	-	-	-	-	-	-	4,882,157	4,882,159	4,882,159	-
Fresh AIRE program	1,224,867	1,480,249	1,029,381	652,621	156,301	-	-	-	-	-
Incomplete projects	5,215,352	3,772,275	2,562,778	2,531,501	2,532,004	5,258,062	3,273,950	3,957,960	1,089,187	3,075,923
Affordable Housing Investment Fund-Unallocated	29,647,093	20,045,133	22,960,486	23,676,458	13,841,061	7,898,390	15,313,904	18,531,863	46,840,865	31,631,761
<u>Unassigned:</u>										
Total General Fund Balance	\$199,598,927	\$233,053,937	\$200,260,076	\$191,243,859	\$186,430,188	\$181,910,989	\$233,013,737	\$246,864,985.25	\$329,886,147.80	\$362,807,057
General Fund Balance as Percent of General Fund Expenditures and Other Financing Uses										
	18.44%	21.16%	17.07%	16.15%	15.26%	14.49%	18.47%	18.65%	25.13%	20.99%
Other Governmental Funds										
<u>Special Revenue funds</u>										
<u>Nonspendable:</u>										
Prepaid	\$1,299,658	\$1,288,591	\$1,265,793	\$1,382,728	\$1,351,822	\$1,438,170	\$1,457,500	\$1,634,883	\$854,724	\$1,721,082
<u>Restricted for:</u>										
Grants	1,257,426	1,002,099	178,471	261,829	489,837	203,901	700,734	1,234,786	2,537,763	1,814,982
<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)
Capital Project funds										
<u>Nonspendable:</u>										
Prepaid	4,275.00	4,275	4,275	4,275	4,275	204,275	325,660	90,614	3,118,321	170,170
<u>Restricted for:</u>										
Debt Service	35,790,356	29,790,565	27,117,029	22,682,341	13,529,817	-	-	-	-	-
Capital Project	-	-	-	-	157,256,606	136,685,234	147,750,470	46,223,534	133,674,364	81,166,962
<u>Committed to:</u>										
Capital Projects	228,964,200	271,072,724	332,569,683	335,752,062	291,701,436	315,695,204	324,266,277	327,963,248	388,883,190	348,958,918
<u>Unassigned:</u>										
Total Other Governmental Fund Balance	\$267,315,915	\$303,158,254	\$361,135,251	\$358,609,635	\$462,891,099	\$452,788,614	\$473,043,141	\$374,334,020	\$527,403,451	\$432,111,032
Component unit - Schools										
<u>Nonspendable:</u>										
Inventory	\$-	\$-	\$-	\$-	\$65,361	\$47,853	\$65,361	\$183,594	\$131,759	\$125,828
<u>Restricted for:</u>										
Capital projects	54,583,825	57,977,311	69,833,117	72,212,556	132,830,419	157,543,728	129,085,720	79,922,641	107,776,617	84,024,278
Grants	2,009,337	2,439,196	3,010,014	3,587,376	3,955,671	4,338,159	5,074,348	4,594,239	1,447,520	1,319,303
Student Activities	-	-	-	-	-	-	-	-	2,802,930	2,908,543
<u>Committed to:</u>										
Incomplete projects	26,082,805	25,505,075	16,152,851	24,234,549	21,980,077	41,625,717	27,351,735	23,802,612	40,898,219	40,302,670
Subsequent years' School budget	16,749,704	15,121,892	7,179,001	16,689,537	17,317,655	25,319,573	15,149,258	19,974,087	25,159,933	24,584,631
<u>Assigned to:</u>										
Operating reserve	2,843,426	3,208,571	3,716,159	4,429,512	5,485,560	4,216,675	5,420,295	3,905,137	5,882,385	11,635,474
Unfunded liabilities	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Subsequent years' debt service	3,625,000	3,360,000	5,260,000	4,610,000	3,310,000	643,621	684,474	414,474	-	1,255,490
Health insurance reserve	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
General reserve	-	1,201,283	20,824,898	21,593,920	19,204,667	9,495,442	10,941,029	(233,182)	-	24,567,631
VRS reserve	7,387,239	5,637,239	5,637,239	4,637,239	2,512,239	2,512,239	2,512,239	1,412,239	1,047,239	1,047,239
Compensation reserve	-	-	2,000,000	5,200,000	4,650,000	4,700,000	-	3,812,296	-	123,000
Total Component Unit - Schools	\$116,281,336	\$117,450,567	\$136,613,279	\$160,194,689	\$214,294,838	\$253,443,007	\$199,284,459	\$140,788,137	\$188,146,602	\$194,894,086

TABLE D

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
REVENUES:										
General property taxes:										
Real estate property taxes	\$632,709,421	\$668,556,176	\$688,841,170	\$713,443,705	\$739,206,924	\$760,072,030	\$785,896,658	\$825,774,860	\$854,173,489	\$873,419,142
Personal property taxes	106,957,213	110,688,939	108,913,548	111,768,494	114,836,050	115,869,128	117,994,659	120,480,341	121,056,721	127,071,165
Other Local taxes:										
BPOL	61,341,154	62,752,491	58,970,752	60,181,386	63,837,926	62,986,320	69,913,867	71,999,176	75,582,278	77,913,433
Other local taxes	143,631,442	139,621,783	144,447,846	146,376,918	153,982,204	154,166,783	160,330,029	146,624,193	124,981,655	163,206,822
Fines and forfeitures	8,468,253	8,113,863	7,941,007	7,059,138	7,059,743	7,295,337	7,637,315	6,781,552	5,484,417	5,765,432
Licenses, permits and fees	10,502,137	12,396,844	11,231,202	9,846,558	11,459,159	10,500,494	12,150,581	14,136,969	13,002,084	14,678,868
Intergovernmental	124,506,820	130,888,641	129,818,926	136,159,090	124,013,804	128,647,415	130,008,830	144,769,078	168,165,306	176,041,248
Charges for services	52,245,746	58,348,824	69,847,908	56,936,197	62,533,880	65,150,630	69,761,300	61,749,509	51,316,666	60,872,329
Interest and rent	4,287,344	6,578,890	7,895,921	9,852,799	7,998,391	10,397,487	30,470,487	22,066,092	7,280,131	26,840,801
Miscellaneous revenues	23,192,304	31,320,765	16,519,366	9,987,188	36,435,080	34,419,599	25,556,067	22,676,638	48,907,971	43,323,994
Total revenues	1,167,841,834	1,229,267,216	1,244,427,646	1,261,611,473	1,321,363,161	1,349,505,223	1,409,719,793	1,437,058,408	1,469,950,718	1,569,133,234
EXPENDITURES:										
Current operating:										
General government	184,333,469	225,143,159	231,403,533	227,511,625	242,249,446	248,875,917	258,405,036	255,816,798	301,806,204	553,256,718
Public safety	118,725,350	123,709,905	128,312,548	132,891,285	135,910,402	137,242,067	144,393,475	148,923,715	151,489,414	157,560,980
Environmental services	76,672,481	80,154,573	84,449,239	90,475,552	92,794,551	93,942,044	93,770,027	96,104,905	101,572,922	107,232,186
Health and welfare	113,418,239	117,309,171	122,873,986	127,311,224	134,083,906	155,041,903	153,617,662	159,064,487	163,858,541	231,757,896
Libraries	12,366,401	12,486,165	13,007,081	12,934,327	13,604,095	14,430,897	14,444,988	14,333,511	12,861,819	13,938,064
Parks, recreation and culture	32,686,242	34,197,295	35,811,989	37,839,728	40,102,122	40,584,735	42,195,997	41,158,699	36,050,849	45,058,527
Planning and community development	48,773,039	48,990,317	48,475,367	48,076,861	52,064,879	31,007,188	34,096,463	37,030,766	32,082,498	38,143,985
Debt service										
Principal	35,841,532	38,600,630	41,173,105	40,178,151	44,310,598	52,504,298	44,859,170	45,298,185	41,827,178	50,611,380
Interest and other charges	19,715,860	17,958,561	18,380,254	18,703,765	16,537,709	18,647,406	22,827,210	26,748,943	24,654,234	29,942,474
Bond issuance costs	8,415,823	(1,172,390)	-	(55,934)	-	-	-	-	-	-
Community development	10,052,960	11,504,210	11,286,794	7,596,576	8,300,000	48,000,000	23,244,376	22,155,624	19,931,498	21,888,502
Education	479,997,640	443,783,010	485,542,768	497,281,408	562,773,691	606,250,044	569,694,655	518,411,207	857,139,407	558,477,881
Capital outlay	144,985,816	77,111,549	86,217,132	103,529,116	102,738,956	137,977,942	148,209,754	171,587,564	128,984,691	139,625,041
Total expenditures	1,285,984,852	1,229,776,155	1,306,933,796	1,344,273,684	1,445,470,355	1,584,504,441	1,549,758,813	1,536,634,404	1,872,259,255	1,947,493,634
Deficiency of revenues under expenditures	(118,143,018)	(508,939)	(62,506,150)	(82,662,211)	(124,107,194)	(234,999,218)	(140,039,020)	(99,575,996)	(402,308,537)	(378,360,400)
OTHER FINANCING SOURCES(USES):										
Transfers in	33,382,459	29,921,732	30,328,278	21,548,610	24,794,452	18,497,120	19,169,562	33,312,939	17,877,475	14,712,113
Transfers out	(33,527,183)	(30,054,131)	(30,466,776)	(21,706,445)	(25,406,721)	(19,446,220)	(17,060,213)	(33,704,514)	(18,488,654)	(14,801,371)
Capital leases	4,473,803	5,459,005	6,383,803	5,418,570	9,530,658	3,759,718	1,871,651	3,220,352	-	5,234,436.0
Issuance of Line of Credit	-	-	-	-	-	-	-	6,837,029	-	150,000,000
Refunding bonds issued	127,097,545	37,690,000	-	151,110,000	-	-	-	-	-	-
Payments to refunded bond escrow agent	(118,681,722)	(38,862,390)	-	(151,165,934)	-	(29,785,000)	-	4,862,630	8,095,928	1,062,156
Deferred cost of refunding	-	-	-	-	-	3,635,000.00	-	-	-	-
Premium from sale of bonds	11,594,033	2,442,072	5,647,316	12,072,242	29,561,598	32,439,884	29,206,577	189,686	72,762,584	-
Issuance of debt	110,625,000	63,210,000	74,440,000	55,200,000	185,095,000	185,270,000	169,480,000	-	533,620,000	-
Total other financing sources, net	134,963,935	69,806,288	86,332,621	72,477,043	223,574,987	220,520,502	211,353,326	14,718,122	613,867,333	156,207,334
Net change in fund balances	\$16,820,917	\$69,297,349	\$23,826,471	(\$10,185,168)	\$99,467,793	(\$14,478,716)	\$71,214,306	(\$84,857,874)	\$211,558,796	(\$222,153,066)
Debt service as a percentage of noncapital expenditures	4.9%	4.9%	4.7%	4.7%	4.5%	4.9%	4.8%	5.3%	3.8%	4.5%

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-Departmental	Debt Service(3)	Contributions to Regional Agencies		Total
									Transit	Other	
2013	\$102,029,048	\$119,744,336	\$77,419,666	\$113,479,716	\$108,495,964	\$430,523,375	\$43,851,605	\$92,980,788	\$25,475,000	\$8,352,183	\$1,122,351,681
2014	105,703,611	124,205,497	80,533,785	117,358,298	110,126,685	436,028,377	76,452,328	99,504,576	28,194,000	7,854,224	1,185,961,381
2015	111,169,816	128,820,489	85,161,962	122,965,470	112,125,804	440,895,526	73,575,715	103,652,359	29,885,640	7,821,061	1,216,073,842
2016	116,780,112	133,129,820	90,929,047	127,949,353	114,633,008	475,846,878	63,067,532	103,412,767	30,328,935	6,182,977	1,262,260,429
2017	119,544,153	135,737,313	93,100,334	134,525,749	121,896,497	499,528,735	69,607,342	107,091,436	30,343,315	7,550,062	1,318,924,936
2018	124,042,899	137,855,697	94,573,460	136,105,243	122,093,842	530,772,539	65,329,008	121,463,580	36,239,655	7,019,804	1,375,495,727
2019	127,535,140	144,778,022	94,053,743	135,256,946	126,201,967	548,327,485	64,270,266	126,047,790	42,601,029	7,356,516	1,416,428,904
2020	131,334,864	149,210,523	96,197,295	140,082,502	127,063,764	563,940,012	52,773,126	131,227,588	47,597,637	7,337,677	1,446,764,988
2021	131,458,900	149,796,459	101,837,787	143,077,533	121,612,833	561,206,278	85,329,314	121,311,098	47,808,764	6,400,615	1,469,839,581
2022	153,240,880	157,196,992	107,392,616	208,010,638	134,868,253	676,871,710	320,835,968	138,879,659	46,622,208	6,940,842	1,950,859,766

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
2013	\$926,920,232	\$10,502,137	\$151,775,127	\$75,576,387	\$8,468,253	\$37,260,396	\$1,210,502,532
2014	963,946,680	12,396,844	156,810,777	74,212,578	8,113,863	37,374,435	1,252,855,177
2015	985,665,544	11,231,202	153,311,932	74,135,262	7,941,007	25,291,766	1,257,576,713
2016	1,017,112,658	9,846,558	162,131,804	81,787,347	7,059,138	26,824,880	1,304,762,385
2017	1,056,016,422	11,459,159	174,008,895	90,929,060	7,059,743	21,168,364	1,360,641,643
2018	1,080,066,898	10,500,494	174,975,857	81,490,726	7,295,337	31,878,659	1,386,207,971
2019	1,122,527,318	12,150,581	185,672,159	86,596,540	7,637,315	43,501,526	1,458,085,439
2020	1,153,909,860	14,136,969	205,990,246	74,898,497	6,781,552	28,867,887	1,484,585,011
2021	1,166,782,609	13,002,084	256,197,104	50,830,716	5,484,417	40,923,063	1,533,219,993
2022	1,238,989,478	14,678,868	278,270,251	72,824,981	5,765,432	209,003,590	1,819,532,600

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
2013	\$703,847,389	\$39,447,636	\$3,109,154	\$22,270,627	\$2,915,557	\$6,974,187	\$6,173,823	\$10,093,508	\$34,707,200	\$47,895	\$64,011	\$829,650,987
2014	742,255,176	39,046,328	2,902,811	20,784,241	3,275,105	5,318,784	5,270,912	10,310,369	34,951,030	50,698	67,790	864,233,244
2015	761,105,054	39,590,910	2,503,451	23,343,314	3,523,174	5,298,205	5,936,666	10,256,548	36,508,911	51,292	72,860	888,190,385
2016	787,537,662	39,683,462	2,412,224	24,106,373	3,341,220	6,049,810	6,222,399	9,869,041	37,332,584	64,907	69,902	916,689,584
2017	813,816,937	41,197,357	2,384,533	26,530,904	3,699,383	7,048,071	6,890,584	9,773,431	39,047,018	52,244	64,757	950,505,219
2018	836,627,052	42,007,601	2,370,175	26,277,948	3,845,928	6,022,870	6,528,308	10,021,776	39,469,397	49,489	57,618	973,278,162
2019	863,925,881	44,047,335	2,115,530	25,855,177	4,125,274	5,750,294	6,188,708	11,171,563	40,168,158	57,337	58,682	1,003,463,939
2020	904,607,797	43,718,554	1,922,066	17,381,151	3,630,492	6,835,497	5,918,313	11,050,120	32,772,936	57,258	54,649	1,027,948,833
2021	932,281,040	38,944,668	1,696,090	5,951,454	3,911,424	9,189,171	3,324,825	10,123,240	26,738,896	63,066	77,536	1,032,301,410
2022	957,488,676	47,967,779	2,155,666	15,824,729	3,935,984	10,716,857	6,753,431	10,404,321	39,302,301	56,467	67,182	1,094,673,393

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		
2013	\$62,891,330,300	\$62,891,330,300	\$2,134,754,992	\$2,134,754,992	\$758,819,988	\$758,819,988	\$65,784,905,280	\$65,784,905,280	.971/1.006	5.00%
2014	66,399,525,600	66,399,525,600	2,222,369,095	2,222,369,095	801,404,536	801,404,536	69,423,299,231	69,423,299,231	1.006/.996	5.00%
2015	69,269,138,400	69,269,138,400	2,152,448,649	2,152,448,649	823,361,286	823,361,286	72,244,948,335	72,244,948,335	.996/.996	5.00%
2016	71,275,163,280	71,275,163,280	2,187,502,318	2,187,502,318	915,737,900	915,737,900	74,378,403,498	74,378,403,498	.996/.991	5.00%
2017	73,388,290,300	73,388,290,300	2,233,412,227	2,233,412,227	949,109,098	949,109,098	76,570,811,625	76,570,811,625	.991/1.006	5.00%
2018	74,983,635,100	74,983,635,100	2,250,358,804	2,250,358,804	760,481,473	760,481,473	77,994,475,377	77,994,475,377	1.006/1.006	5.00%
2019	77,590,138,200	77,590,138,200	2,319,811,269	2,319,811,269	942,812,221	942,812,221	80,852,761,690	80,852,761,690	1.006/1.026	5.00%
2020	81,139,153,900	81,139,153,900	2,374,133,461	2,374,133,461	950,789,542	950,789,542	84,464,076,903	84,464,076,903	1.026/1.026	5.00%
2021	83,049,154,800	83,049,154,800	2,345,618,833	2,345,618,833	956,482,215	956,482,215	86,351,255,848	86,351,255,848	1.026/1.030	5.00%
2022	85,975,360,100	85,975,360,100	2,454,853,888	2,454,853,888	997,692,454	997,692,454	89,427,906,442	89,427,906,442	1.030/1.030	5.00%

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

2022				2013			
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	\$3,740,851,300	1	4.35%	Vornado Realty Trust Office buildings, apartartments, hotel, land	\$3,710,223,700	1	5.90%
Albrittain Interests Apartments, general commercial	\$1,682,763,600	2	1.95%	Albrittain interests Apartment, general commercial	1,297,417,300	2	2.06%
Shirley Park Leasing LP Office Buildings	\$1,488,446,300	3	1.73%	Arland Towers Co Office building, land	1,265,343,100	3	2.01%
Tishman Speyer Apartments	\$1,357,420,300	4	1.57%	JBG Companies Office building, land, apts, retail, res	1,230,995,600	4	1.95%
Arland Towers Company Office Building, land	\$1,297,587,700	5	1.50%	Paradigm Managed Properties Apartments, general commercial	1,103,215,800	5	1.75%
Paradigm Managed Properties Apartments, general commercial	\$1,265,401,600	6	1.47%	Beacon Capital Office buildings, land	808,546,800	6	1.28%
Beacon Capital Partners Office buildings, land	\$822,473,400	7	0.95%	Shirley Park Leasing Office Building, apartment	769,142,200	7	1.22%
Caruthers Retail, Office Apartment	\$777,184,700	8	0.90%	Caruthers Interests Retail, Office buildings, land, hotel	653,501,100	8	1.03%
Street Retail Inc Retail office	\$623,469,400	9	0.72%	Fashion Centre Assoc Mixed use retail, hotel	650,283,000	9	1.03%
Fashion Centre Assoc Mixed use retail, Hotel	\$600,265,300	10	0.69%	Street Retail Inc Retail, office buildings, land, hotel	644,676,200	10	1.02%
Total	\$13,655,863,600		15.83%		\$12,133,344,800		19.25%

NOTES:

(1) Source - County Department of Management & Finance - Real Estate Assessments

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
2013	\$753,000,473	\$748,656,080	99.42%	\$4,344,394	\$753,000,474	100.00%
2014	788,216,587	784,483,188	99.53%	3,733,399	788,216,587	100.00%
2015	812,903,416	809,269,205	99.55%	3,630,540	812,899,745	100.00%
2016	838,491,264	835,542,405	99.65%	2,946,958	838,489,363	100.00%
2017	870,585,651	867,494,501	99.64%	3,090,982	870,585,483	100.00%
2018	901,376,925	898,402,475	99.67%	2,744,332	901,146,807	99.97%
2019	932,524,308	929,826,270	99.71%	2,428,539	932,254,809	99.97%
2020	973,773,179	968,914,354	99.50%	4,597,251	973,511,605	99.97%
2021	995,163,438	994,296,343	99.91%	528,838	994,825,181	99.97%
2022	1,019,581,465	1,017,699,592	99.82%	-	1,017,699,592	99.82%

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
2013	\$644,486,517	\$642,101,576	99.63%	\$2,384,941	\$644,486,517	100.00%
2014	676,543,144	674,587,922	99.71%	1,955,222	676,543,144	100.00%
2015	701,717,377	699,630,645	99.70%	2,083,060	701,713,705	100.00%
2016	724,866,154	723,726,055	99.84%	1,138,198	724,864,253	100.00%
2017	753,087,688	751,657,270	99.81%	1,430,251	753,087,521	100.00%
2018	780,071,500	779,012,815	99.86%	1,058,543	780,071,358	100.00%
2019	807,946,543	807,017,246	99.88%	929,021	807,946,267	100.00%
2020	844,815,882	841,600,625	99.62%	3,206,965	844,807,590	100.00%
2021	871,003,635	871,432,100	100.05%	(467,934)	870,964,166	100.00%
2022	889,907,346	888,513,667	99.84%	-	888,513,667	99.84%

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
2013	\$108,513,956	\$106,554,504	98.19%	\$1,959,453	\$108,513,957	100.00%
2014	111,673,443	109,895,266	98.41%	1,778,177	111,673,443	100.00%
2015	111,186,040	109,638,560	98.61%	1,547,480	111,186,040	100.00%
2016	113,625,111	111,816,350	98.41%	1,808,761	113,625,111	100.00%
2017	117,497,962	115,837,231	98.59%	1,660,731	117,497,962	100.00%
2018	121,305,425	119,389,660	98.42%	1,685,788	121,075,448	99.81%
2019	124,577,766	122,809,024	98.58%	1,499,518	124,308,542	99.78%
2020	128,957,296	127,313,729	98.73%	1,390,286	128,704,015	99.80%
2021	124,159,803	122,864,243	98.96%	996,771	123,861,014	99.76%
2022	129,674,119	129,185,925	99.62%	-	129,185,925	99.62%

* 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

Fiscal Year	Governmental Activities				Business-type activities							Total Primary Government	Pct. Of Personal Income (1)	Debt Per Capita (1)
	General Obligation Bonds (2)	Bond Premiums	IDA Revenue Bonds (3)	Capital Leases	Utilities General Obligation Bonds (4)	Bond Premiums	BPPG Revenue Bonds (4)	BPPG Note Payable	VRA Bonds (4)	Capital Leases				
2013	\$776,934,905	\$57,387,895	\$125,285,000	\$17,262,270	\$119,765,096	\$4,977,984	\$9,400,000	\$3,429,679	\$246,193,772	\$173,932	\$1,360,810,533	7.12%	5,874	
2014	779,454,489	59,689,141	116,500,000	19,983,772	112,630,511	4,830,753	8,900,000	3,429,679	233,282,935	144,301	1,274,325,637	6.99%	5,765	
2015	791,622,939	61,649,694	106,855,000	20,463,505	107,467,060	4,747,140	7,000,000	3,429,679	219,832,909	113,814	1,256,784,906	6.89%	5,686	
2016	780,605,263	69,752,807	101,925,000	21,467,996	97,974,737	4,429,224	5,800,000	3,429,679	205,816,282	82,446	1,217,101,402	6.67%	5,506	
2017	893,276,266	94,741,666	96,980,000	24,807,058	89,873,734	4,111,309	4,600,000	3,429,679	191,314,640	50,170	1,403,184,522	6.56%	5,854	
2018	972,959,914	121,130,730	110,930,000	17,863,828	82,170,086	3,793,394	-	3,429,679	174,046,269	16,962	1,486,340,862	6.87%	6,045	
2019	1,061,136,528	142,725,170	106,305,000	13,899,427	74,498,472	3,477,274	-	3,429,679	158,905,982	-	1,568,358,895	7.02%	6,282	
2020	981,566,629	133,652,705	101,835,000	12,828,440	67,008,371	3,162,293	-	3,429,679	143,345,827	-	1,446,828,944	5.94%	5,651	
2021	1,188,196,500	197,342,823	124,110,000	8,741,678	59,915,000	2,847,312	-	3,429,679	127,354,028	-	1,711,937,020	6.65%	6,335	
2022	1,109,835,000	184,625,107	107,975,000	10,538,744	52,765,000	2,532,332	-	3,429,679	110,665,859	-	1,582,366,721	6.14%	5,846	

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)			
2013	221,045	\$65,627,006,417	\$776,934,905	\$119,765,096	\$125,285,000	\$1,021,985,001	1.56%	\$4,623
2014	215,000	69,423,299,231	779,454,489	112,630,511	116,500,000	1,008,585,000	1.45%	4,691
2015	216,700	72,244,948,335	791,622,939	107,467,060	106,855,000	898,477,939	1.24%	4,146
2016	220,400	74,378,403,498	780,605,263	97,974,737	101,925,000	980,505,000	1.36%	4,449
2017	222,800	76,570,811,625	893,276,266	89,873,734	96,980,000	1,080,130,000	1.45%	4,848
2018	225,200	77,994,475,377	972,959,914	82,170,086	110,930,000	1,166,060,000	1.57%	5,178
2019	226,400	80,852,761,690	1,061,136,528	74,498,472	106,305,000	1,241,940,000	1.67%	5,486
2020	238,643	84,464,076,903	981,566,629	67,008,371	101,835,000	1,150,410,000	1.55%	4,821
2021	240,200	86,351,255,848	1,188,196,500	59,915,000	124,110,000	1,372,221,500	1.84%	5,713
2022	235,500	89,427,906,442	1,109,835,000	52,765,000	107,975,000	1,270,575,000	1.71%	5,395

NOTES:

- (1) Population estimates are from Arlington County Planning Division.
- (2) The assessed value figures are based on County tax years, which end December 31st.
- (3) Amounts for bonds are reported gross, excluding premiums and/or discounts and deferred amounts on refundings. Amounts do not include revenue bonds.
- (4) These amounts are IDA Revenue notes and bonds issued as subject to appropriation obligations of the County.

TABLE J

ARLINGTON COUNTY, VIRGINIA
 PLEDGED - REVENUE COVERAGE
 UTILITIES BOND COVERAGE
 LAST TEN FISCAL YEARS

Fiscal Year	Gross Revenue (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirement			Coverage (3)
				Principal	Interest	Total	
2013	\$107,453,634	\$59,471,356	\$47,982,278	\$8,523,845	\$14,061,159	\$22,585,004	2.12
2014	105,668,151	58,743,860	46,924,291	8,741,975	12,863,094	21,605,069	2.17
2015	110,141,975	59,505,522	50,636,453	8,163,452	11,679,095	19,842,547	2.55
2016	106,693,535	57,993,775	48,699,760	8,423,257	10,595,245	19,018,502	2.56
2017	109,908,071	59,263,440	50,644,631	8,101,003	9,409,421	17,510,424	2.89
2018	112,331,598	64,510,288	47,821,310	7,703,648	9,170,354	16,874,002	2.83
2019	109,693,016	65,056,021	44,636,995	7,671,614	7,948,419	15,620,033	2.86
2020	112,915,415	61,360,929	51,554,486	7,490,101	7,155,828	14,645,929	3.52
2021	106,356,995	64,372,463	41,984,532	7,750,216	5,966,824	13,717,040	3.06
2022	115,280,815	66,205,257	49,075,558	7,150,000	4,256,848	11,406,848	4.30

NOTES:

- (1) The bonds issued to finance construction of the County's water and sewer system are recorded as a liability of the County's Utilities Fund (Exhibit D-1). The debt service on these bonds is financed by the operation of the Utilities Fund while these bonds are also classified as a general obligation of the County.
- (2) Excludes depreciation.
- (3) The Utilities Fund will maintain debt service coverage of at least 1.25 times on all debt service obligations.

TABLE K

ARLINGTON COUNTY, VIRGINIA
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Personal Income (thousands of dollars)	Per Capita Income (2)	School Enrollment (3)	Unemployment Rate (4)
2013	221,045	\$18,234,223	\$82,491	22,763	4.0%
2014	215,000	18,554,500	86,300	23,612	3.5%
2015	216,700	18,614,530	85,900	24,664	3.4%
2016	220,400	18,601,760	84,400	25,463	2.9%
2017	222,800	19,896,040	89,300	26,405	2.6%
2018	225,200	19,814,447	87,986	26,983	2.5%
2019	226,400	20,259,857	89,487	27,521	2.0%
2020	238,643	22,718,336	95,198	28,142	1.9%
2021	235,500	23,410,349	99,407	26,502	4.3%
2022	237,800	23,975,709	100,823	27,228	2.3%

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

2022		2013	
<u>Employers</u>	<u>Rank</u>	<u>Employers</u>	<u>Rank</u>
Federal Government	1	Federal Government	1
Local Government	2	Local Government	2
Accenture	3	Deloitte	3
Deloitte	4	Accenture	4
Amazon	5	SAIC	5
Virginia Hospital Center	6	Virginia Hospital Center	6
Booz Allen Hamilton	7	Mariott International, Inc.	7
Gartner	8	Booz Allen Hamilton	8
Lidl	9	Lockheed Martin Corporation	9
BNA Bloomberg	10	Corporate Executive Board	10
Grant Thornton	11	CACI	11
Metropolitan Washington Airports Authority	12	SRA International, Inc	12
Nestle	13	BNA Bloomberg	13
Marymount University	14	BAE Systems	14
Politico	15	Marymount University	15
PBS	16	State Government	16
CNA Corporation	17	The Boeing Company	17
NRECA	18	NRECA	18
George Mason University	19	Starwood Hotels	19
Boeing	20	Nordstrom	20

Source: Arlington County Planning Division; Arlington Economic Development; Bureau of Labor Statistics (BLS), Quarterly Census of Employment and Wages (QCEW).

TABLE M

ARLINGTON COUNTY, VIRGINIA
FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

<u>Department</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
County Board	8.0	7.8	8.3	9.3	10.0	10.0	10.0	10.0	10.0	10.0
County Manager	37.1	35.9	35.9	37.4	33.4	36.0	33.0	31.0	31.0	31.0
Management and Finance	55.0	55.5	56.5	57.5	57.5	58.5	58.5	58.5	59.5	60.5
Technology Services	74.0	73.0	72.0	78.0	78.0	77.0	74.0	80.0	85.0	90.0
Human Resources	52.0	52.0	52.0	52.0	53.0	53.0	53.0	53.0	53.0	54.2
County Attorney	14.0	14.0	14.0	15.0	15.0	16.0	16.0	16.0	16.0	18.0
Circuit Court	32.3	32.3	33.8	36.8	36.8	37.3	37.3	38.3	39.3	43.9
General District Court	1.5	1.5	1.5	1.5	1.5	1.5	1.0	1.0	1.0	1.0
Juvenile and Domestic Relations Court	55.8	55.8	55.8	55.8	55.8	57.8	59.8	60.3	60.3	59.3
Commonwealth's Attorney	35.0	35.0	35.0	36.0	34.0	35.0	35.0	36.0	38.0	42.0
Sheriff	271.0	271.0	272.0	279.0	286.0	293.0	293.0	295.0	296.0	297.0
Commissioner of Revenue	52.0	52.0	52.0	52.0	52.0	53.0	53.0	53.0	53.0	53.0
Treasurer	59.8	61.8	61.8	62.4	62.7	62.7	62.7	62.7	62.7	62.7
Electoral Board	8.4	8.4	8.4	8.4	8.4	8.4	8.4	8.8	9.8	9.8
Office of Emergency Management	79.5	76.5	74.5	74.5	74.5	76.5	74.5	74.5	75.5	74.5
Police	466.0	466.0	470.0	472.0	478.0	478.0	477.0	479.0	481.0	490.0
Fire	320.0	321.0	321.0	319.0	332.0	332.0	340.0	349.0	359.0	374.0
Public Works/Environmental Services	721.2	730.2	765.0	774.5	783.5	793.5	799.0	799.5	809.5	809.5
Human Services	685.8	680.5	681.5	705.9	717.9	725.6	710.2	713.5	726.2	745.1
Libraries	135.6	133.9	133.9	133.9	133.9	134.9	133.9	130.7	130.7	130.7
Economic Development	61.6	61.6	63.6	56.7	60.0	63.2	59.9	58.9	57.9	58.9
Community Planning, Housing & Development	197.1	198.6	198.6	184.5	188.5	194.5	194.0	199.5	200.0	201.5
Parks, Recreation & Cultural Resources	345.9	365.9	371.2	370.9	379.0	379.1	368.1	359.9	368.7	404.2
Total County Positions	3,768.6	3,790.0	3,838.2	3,872.8	3,931.3	3,976.4	3,951.2	3,967.9	4,023.0	4,120.7
Total School Positions	4,047.1	4,109.0	4,159.3	4,371.7	4,544.9	4,674.5	4,788.5	4,897.4	4,988.6	5,046.7
TOTAL POSITIONS	7,815.7	7,898.9	7,997.5	8,244.5	8,476.2	8,650.9	8,739.7	8,865.3	9,011.6	9,167.4

Sources: Arlington County FY2022 Adopted Budget and Arlington County School Board's Adopted Budget FY 2022.

TABLE N

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

Form of Government Date of Adoption January 1, 1932	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Area (square miles)	26	26	26	26	26	26	26	26	26	26
Lane Miles	974	974	974	974	974	1,051	1,059	1,059	1,059	1,061
Number of Street Lights	17,796	18,708	19,642	18,349	18,493	18,500	18,625	18,655	19,297	18,141
Fire Protection:										
Number of Stations	10	10	10	10	10	10	10	9	9	9
Training Academy	1	1	1	1	1	1	1	1	1	1
Education:										
Attendance Centers	37	37	38	39	39	39	39	38	38	40
Number of Classrooms (1)	1,740	1,760	1,780	1,851	1,913	1,797	1,781	1,828	1,831	1,677
Number of Teachers	2,295	2,406	2,501	2,628	2,736	2,828	2,980	2,990	2,899	3,008
Number of Students	22,763	23,612	24,664	25,463	26,405	26,983	27,521	28,020	26,614	27,228
County Water System:										
Number of consumer service locations	37,189	37,343	37,464	37,658	37,577	37,487	37,479	37,739	37,847	37,807
Average daily consumption (gallons)	22,220,000	22,010,000	22,190,000	22,390,000	22,040,000	21,160,000	21,300,000	20,610,000	20,120,000	20,540,000
Miles of water mains	525	525	525	525	525	525	529	529	529	529
County Sewer System:										
Miles of sanitary sewers	470	470	470	470	470	470	466	466	466	466
Average gallons per day treated	20,273,507	23,139,205	23,019,096	23,320,000	21,590,000	21,970,000	25,600,000	21,330,000	21,780,000	21,110,000
Building Permits:										
Construction Permits	3,019	3,035	3,250	3,702	3,376	3,082	3,325	2,936	2,732	2,419
Plumbing, Electrical & Mechanical Permits	8,264	8,338	8,873	10,288	9,477	9,083	9,558	9,128	8,325	8,347
Fire Permits	953	997	1,064	1,214	1,192	942	1,170	1,004	746	740
Elevator Permits	99	95	115	106	110	89	98	117	100	154
Recreation and Culture:										
Number of Parks and Playgrounds (2)	236	236	210	213	214	220	220	220	222	222
Number of Libraries	8	8	8	8	8	8	8	8	8	8
Number of Items (e-materials) (3)	653,092	633,127	675,924	687,584	690,700	40,274	56,109	75,285	89,806	126,385
Number of Community Centers	14	14	14	14	13	13	13	13	14	15
Number of Nature Centers	2	2	2	2	2	2	2	2	2	2
Number of Historical Districts	34	34	36	38	40	40	40	40	41	41

- (1) Beginning in FY 2019, Arlington Public Schools revised how classrooms are counted per grade level. The following methodology was utilized for FY 2019:
- (a) Elementary classroom counts shall include pre-kindergarten through grade five, special education, small and large group instruction, art, music, and relocatable classrooms.
 - (b) Middle, High School, and Program classroom counts shall include grade six through twelve, special education, small and large group instruction, lab, art, music, theater, technical, gymnasium, physical education stations, and relocatable classrooms.
- (2) Prior to FY 2015, the parks and playground count included 26 areas not under the Department of Parks and Recreation maintenance responsibilities such as playgrounds owned and maintained by Arlington Public Schools. In FY 2015, the count was updated to include only parks and playgrounds maintained by the Department of Parks and Recreation.
- (3) Beginning in FY 2018, Libraries will report number of items in terms of e-materials instead of print and audiovisual materials as e-materials is a more relevant measure.

ARLINGTON COUNTY, VIRGINIA
CAPITAL ASSET STATISTICS BY FUNCTION/ PROGRAM
LAST TEN FISCAL YEARS

Primary Government

FUNCTION AND ACTIVITY:	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government:										
Control-										
Legislative	\$114,522	\$114,522	\$694,222	\$694,222	\$1,190,662	\$1,190,662	\$1,190,662	\$1,190,662	\$1,313,232	\$1,313,232
Executive	480,663	492,215	497,308	532,598	532,598	532,598	532,598	532,598	532,598	532,598
Judicial	4,700,614	5,334,523	5,622,649	5,738,322	5,822,409	6,600,515	7,327,958	7,750,928	7,833,212	8,126,083
Total Control	5,295,799	5,941,260	6,814,179	6,965,142	7,545,669	8,323,775	9,051,218	9,474,188	9,679,042	9,971,913
Staff Agencies-										
Elections	270,396	1,129,595	1,129,595	1,129,595	1,129,595	1,129,595	1,129,595	1,129,595	1,129,595	1,129,595
Management and Finance	1,588,298	1,610,532	1,610,532	1,610,532	1,610,532	1,610,532	1,610,532	1,610,532	1,610,532	1,610,532
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	953,687	966,128	1,092,069	1,092,069	1,092,069	1,092,069	1,092,069	1,092,069	1,092,069	1,092,069
Commissioner of the Revenue	595,054	595,054	595,054	607,454	607,454	607,454	629,149	629,149	629,149	629,149
Treasurer	65,114	65,114	65,114	283,967	349,169	349,169	349,169	349,169	349,169	349,169
Department of Technology Service:	18,195,395	29,114,164	36,702,653	45,702,921	50,630,621	59,877,714	66,026,395	75,878,425	79,063,733	81,004,021
General government buildings	327,604,012	263,901,049	265,310,754	267,110,754	267,127,519	267,127,519	267,127,519	275,485,130	286,630,154	327,598,210
Total Staff Agencies	349,686,359	297,796,039	306,920,174	317,951,695	322,961,362	332,208,455	338,378,831	356,588,472	370,918,804	413,827,148
Total General Government	354,982,158	303,737,299	313,734,353	324,916,837	330,507,031	340,532,230	347,430,049	366,062,660	380,597,846	423,799,061
Public Safety:										
Police	15,073,584	15,273,434	16,965,207	18,117,833	18,892,893	21,735,178	22,535,937	22,880,851	24,413,028	25,527,028
Fire	85,829,937	79,368,941	79,413,215	79,644,908	81,537,998	81,664,498	81,801,467	82,809,006	83,390,736	84,759,221
Emergency management	5,681,058	5,864,294	9,088,294	9,876,843	13,975,990	16,476,814	17,628,556	21,114,978	23,240,205	23,922,155
Total Public Safety	106,584,579	100,506,669	105,466,716	107,639,584	114,406,881	119,876,490	121,965,960	126,804,835	131,043,969	134,208,404
Environmental Services	632,215,203	732,287,767	793,284,160	863,240,831	939,856,784	1,043,027,591	1,151,821,116	1,249,846,227	1,317,765,654	1,441,208,057
Health and Public Welfare	33,322,630	33,767,799	33,916,913	33,990,233	34,260,585	34,456,402	34,700,657	34,989,070	36,102,296	36,732,101
Libraries	30,442,689	30,420,141	30,420,141	30,432,892	30,465,610	30,500,606	30,589,131	30,664,131	30,664,131	30,677,267
Recreation	168,516,013	199,547,391	207,560,864	215,364,983	223,208,995	235,353,595	258,351,682	299,775,494	327,132,149	348,926,931
Community Development	42,891,236	45,798,988	47,900,040	53,843,517	59,303,754	66,069,472	69,129,842	77,054,837	90,603,743	95,035,595
Total General Capital Assets	\$1,368,954,508	\$1,446,066,054	\$1,532,283,187	\$1,629,338,877	\$1,732,009,640	\$1,869,816,386	\$2,013,988,428	\$2,185,197,254	\$2,313,909,788	\$2,510,587,416
Internal Services Fund										
Auto Equipment Fund	\$64,955,970	\$71,496,453	\$72,843,569	\$76,415,982	\$77,930,688	\$81,578,335	\$83,740,184	\$87,237,563	\$89,333,117	\$90,344,823
Total Internal Services Fund	\$64,955,970	\$71,496,453	\$72,843,569	\$76,415,982	\$77,930,688	\$81,578,335	\$83,740,184	\$87,237,563	\$89,333,117	\$90,344,823
Component Unit: School Board										
Schools	\$736,920,550	\$771,819,038	\$816,594,534	\$864,063,643	\$916,017,125	\$1,003,537,262	\$1,129,110,122	\$1,201,911,106	\$1,271,250,304	\$1,328,445,305
GRAND TOTAL	\$2,170,831,028	\$2,289,381,545	\$2,421,721,290	\$2,569,818,502	\$2,725,957,453	\$2,954,931,983	\$3,226,838,734	\$3,474,345,923	\$3,674,493,209	\$3,929,377,544

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
2012	\$59,289,762	\$29,978,921	\$89,268,683	\$1,096,768,352	8.14%
2013	60,281,364	32,699,424	92,980,788	1,122,351,681	8.28%
2014	67,578,026	31,926,550	99,504,576	1,185,961,381	8.39%
2015	71,181,548	32,440,408	103,621,956	1,216,073,842	8.52%
2016	69,034,806	34,372,229	103,407,035	1,262,260,429	8.19%
2017	76,623,997	30,463,497	107,087,494	1,318,924,936	8.12%
2018	87,251,352	34,206,183	121,457,535	1,375,495,727	8.83%
2019	85,168,385	40,780,952	125,949,337	1,416,428,904	8.89%
2020	83,269,899	47,932,739	131,202,638	1,446,764,988	9.07%
2021	78,420,929	42,860,689	121,281,618	1,469,839,581	8.25%
2022	89,236,380	49,585,268	138,821,648	1,950,859,766	7.12%

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, 2021 - JUNE 30, 2022					
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-006-22	07/01/21	07/01/22	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	\$586,111 Includes TRIA
<u>Crime Policy</u> VACORP 2	VA-AR-006-22	07/01/21	07/01/22	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-006-22	07/01/21	07/01/22	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-006-22	07/01/21	07/01/22	Excess Public Entity Liability Policy Excess of \$ 1,000,000 self-insured retention \$ 10 million limits excess of SIR	\$436,349
<u>Constitutional Officers Package Policy</u> VACORP 6	VA-AR-006S-22	07/01/21	07/01/22	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	\$31,169
<u>Medical Prof.Liability</u>				Professional Liability Insurance	\$284,280

ARLINGTON COUNTY, VIRGINIA SCHEDULE OF INSURANCE JULY 1, 2021 - JUNE 30, 2022					
Type of Coverage & Insurance Company	Policy Number	Period From	Period To	Summary of Coverage & Liability Limits	Premium Costs
Arch Speciality Insurance 7	FLP0022336-14	07/01/21	07/01/22	Employed and Contracted Physicians Clinic Staf and EMS Limits: \$2,500,000 Each Incident/\$7,500,000 Aggregate \$12,000,000 Policy Aggregate \$25,000 DED. Each claim	
Group Accident Coverage				Coverage coordinated with pers. Coverage	
VACORP	VA-AR-006-22	07/01/21	07/01/22	AD&D for volunteers	\$6,960
VACORP	VA-AR-006-22	07/01/21	07/01/22	AD&D for Campers	6,960
VACORP	VA-AR-006-22	07/01/21	07/01/22	AD& D for Recreational Sports	12,305
VACORP	VA-AR-006-22	07/01/21	07/01/22	AD&D for Community Service Program	610
VACORP	VA-AR-006-22	07/01/21	07/01/22	AD&D for Auxiliary Police	610
8				TOTAL PREMIUM	\$27,445
VDOT Permit Bond				Virginia highways permit bond for facilities located on the VDOT right-of-way	
Travelers 9	53 S 101062299	Continuous		Limit \$ 100,000	\$0
Excess Liability Ballston Garage				Excess liability coverage required by May Co. regarding ice rink at Ballston Garage.	
(1) Crum & Forster	SEO-114169	07/01/21	07/01/22		\$107,000
(2) Endurance	ELD30001833801	07/01/21	07/01/22		
(3) Markel	MKLV3EUE100862	07/01/21	07/01/22		
(4) Travelers	ZUP-10T21909-21-NF	07/01/21	07/01/22		
10					
Fiduciary Liability Policy				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
Employee's Suppl. Retirement Sys 2 National Union/Alton Agency 11	PLS 2672194				
Constitutional Officers' Liability Plan Risk Coverage				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	
Commonwealth of Virginia (SIR)					
Clerk of Court	Virginia Risk	Continuous		Limits: \$1 million per loss	
Sheriff	Virginia Risk	Continuous		Limits: \$1.5 million per loss	
Commissioner of Revenue	Virginia Risk	Continuous		Limits: \$1 million per loss	
Commonwealth's Attorney	Virginia Risk	Continuous		Limits: \$1 million per loss	
Registrar of Voters	Virginia Risk	Continuous		Limits: \$1 million per loss	

ARLINGTON COUNTY, VIRGINIA SCHEDULE OF INSURANCE JULY 1, 2021 - JUNE 30, 2022					
Type of Coverage & Insurance Company Arlington County Treasurer 12	Policy Number Virginia Risk	Period From Continuous	Period To	Summary of Coverage & Liability Limits Limits: \$1 million per loss	Premium Costs
<u>Fire and Rescue Auto Physical Damage</u> VACORP 13	VA-AR-006-22	07/01/21	07/01/22	Provides comprehensive and collision coverage on vehicles owned or operated by ACFD \$ 1,000 Ded. Per unit	\$35,354 Incl. TRIA
<u>Police Command Vehicle</u> Hartford Fire Insurance Company 14		07/01/17	07/01/18	Inland Marine policy covering portable Police equipment and Command Vehicle	Incl Incl. TRIA
<u>Portable Equipment-Fire Command Vehicle</u> VFIS American Alternative Insurance 15		07/01/17	07/01/18	Inland Marine policy covering ACFD equipment & Command Veh.	Premium not incl. in total
<u>Blanket Volunteer Liability</u> VACORP 16	VA-AR-006-22	07/01/21	07/01/22	Covers Liability of Volunteers Special Event Coverage added effective 9/1/2020	Incl under GL
<u>Cyber Liability</u> VACORP 17	VA-AR-006-22	07/01/21	07/01/22	\$5,000,000 Limit / \$150,000 Deductible provides coverage for hacking and other technology related liabilities	\$44,000
<u>Excess Workers' Compensation</u> VACORP 18	VA-AR-006-22	07/01/21	07/01/22	\$5,000,000 Deductible	\$76,845
TOTAL					\$1,644,903

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
2013	179	\$61,926,017	98	\$406,183,727	13,219	\$538,830,401	\$36,869,425,300	\$26,021,905,000	\$7,410,523,300
2014	188	93,344,705	83	179,141,259	15,338	466,745,648	39,564,853,200	26,835,092,400	7,936,267,300
2015	188	86,410,180	156	380,466,809	16,202	190,079,034	35,479,510,900	33,789,627,500	7,840,094,400
2016	242	146,050,201	79	456,210,899	18,451	626,573,460	36,472,113,000	34,803,050,300	8,089,795,900
2017	209	89,329,019	134	411,319,170	17,051	618,650,872	37,377,857,200	36,010,433,100	8,413,261,200
2018	210	86,974,365	90	867,372,358	16,176	658,484,898	38,833,059,600	36,150,575,500	8,261,279,200
2019	180	82,922,103	71	510,837,965	14,096	1,314,069,961	39,991,805,000	37,598,333,200	8,820,723,100
2020	175	103,291,660	101	398,426,554	16,273	508,916,995	41,712,776,300	39,424,377,600	9,122,342,600
2021	219	86,423,866	70	995,524,859	14,798	811,962,188	44,032,992,300	39,016,162,500	9,312,720,400
2022	222	97,352,089	88	1,063,476,589	14,727	1,228,400,536	46,583,481,500	39,391,878,600	9,634,428,400

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
2012	\$61,939,212	2.45%
2013	61,341,154	-0.97%
2014	62,752,491	2.30%
2015	58,970,752	-6.03%
2016	60,181,386	2.05%
2017	63,837,926	6.08%
2018	62,986,320	-1.33%
2019	69,913,867	11.00%
2020	71,999,176	2.98%
2021	75,582,278	4.98%
2022	77,913,433	3.08%



TABLE T

ARLINGTON COUNTY, VIRGINIA
CERTIFICATE OF NO DEFAULT
June 30, 2022

Pursuant to Section 10.3 of the Financing Agreements between Virginia Resources Authority and Arlington County, I hereby certify that during the fiscal year ended June 30, 2022, and through the date of this certificate, no event or condition has happened or existed, or is happening or existing, which constitutes or which would constitute an event of default as defined in Section 11.1 of the Financing Agreements for Loan Number C-515319-02, Loan Number C-515378-02b, Loan Number C-515396-01, Loan Number C-515396-02, Loan Number C-515413-01, Loan Number C-515413-02, and Loan Number C-515413-02b.

DocuSigned by:
Maria Meredith
1A7FC8CAB6FA4BF...

10/20/2022

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, 2022

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	7,014	Ronald Reagan Washington National Airport Aviation	9,649
Gates Hudson - 1600 S. Eads Street Residential	4,077	Pentagon Military	9,432
VNO Ashley House LLC-1600 S. Joyce Street Retail	3,152	Joint Base Myer-Henderson Hall Military	6,457
Avalon Ballston Square - 850 N. Randolph Street Apartments	2,976	Gates Hudson - 1600 S. Eads Street Residential	4,077
1200 Eads Street Sub LLC - 520 S. 12th Street Apartments	2,536	VNO Ashley House LLC-1600 S. Joyce Street Retail	3,152
Pentagon City Mall Associates - 1100 S. Hayes St Retail	2,485	Avalon Ballston Square - 850 N. Randolph Street Apartments	2,976
VNO James House LLC - 1111 S. Army Navy Dr. Apartments	2,440	1200 Eads Street Sub LLC - 520 S. 12th Street Apartments	2,536
Archstone/ RP Washington Buchanan Apartments	2,290	Pentagon City Mall Associates - 1100 S. Hayes St. Retail	2,485
Carlton Condos-4600 S Four Mile Run Residential	2,217	VNO James House LLC - 1111 S. Army Navy Dr. Apartments	2,440
Dittmar Company - 5550 S. Columbia Pike Apartments	2,096	Archstone/ RP Washington Buchanan Apartments	2,290

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, 2022

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 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 21.11 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. General Obligation bonds of the County were issued in 2007 for \$48.5 million, 2008 for \$27.4 million, and 2009 for \$11.7 million. Grant funds from the Water Quality Improvement Fund under the Department of Environmental Quality Chesapeake Bay Program for approximately \$96 million were authorized in February 2007.

Major Customers

The County's wastewater system serves residents and businesses in the County. A list of the top ten retail wastewater customers is included in Table U of the Statistical Section. On a wholesale basis, the County's wastewater system serves Alexandria Sanitation Authority; the City of Alexandria, Virginia; the City of Falls Church, Virginia; and Fairfax County, Virginia (together, the "Inter-Jurisdictional Partners" or "IJ Partners"). Arlington has contractual agreements for wastewater conveyance and treatment with the IJ Partners that set forth the terms of these relationships, including the calculation of both operating and capital charges. A summary of each IJ Partner contract is included in the table below; additional information on the contracts can be requested from the County's Department of Environmental Services, Budget & Finance Division at (703)228-3601.

IJ Partner	Share of Plant Capacity	Agreement Expiration Date
Fairfax County	3.0 MGD Peak flow capacity reservation of 6.6 MGD	June 30, 2004 Fairfax provided written notification that contract will be honored until new agreement is negotiated
City of Alexandria & Alexandria Sanitation Authority (ASA)	3.0 MGD Maximum daily flow capacity reservation of 7.5 MGD	June 30, 1987 Agreement provides that it is binding until Arlington system is not in existence and as long as either party is not in default. ASA provided written notification that contract will be honored until new agreement is negotiated
City of Falls Church	0.8 MGD Peak flow capacity of 2.0 MGD	September 9, 2012

Water Distribution System

Description of System

Arlington County purchases water on a wholesale basis from the Washington Aqueduct, a branch of the U.S. Army Corps of Engineers. The water system was established in 1927 after an Act of Congress, approved April 14, 1926, authorized Arlington County to receive water from a water supply pumping station at the Dalecarlia Reservoir Water Treatment Plant in northwest Washington, D.C. Average daily production for the entire Washington Aqueduct system, which includes two water treatment plants in the District of Columbia, Dalecarlia and McMillan, is 140 MGD.

The County's water distribution system presently consists of approximately 500 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 20.54 MGD to approximately 37,800 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 2018 through 2023 are shown in the table on the following page. The typical residential customer pays \$62.00 per month (or \$185.50 billed quarterly), assuming median household consumption of 48,000 gallons annually. Historically, rate increases have been effective on May 1 prior to the start of the fiscal year; however, beginning in FY 2019, the effective date matches to the fiscal year start of July 1.

The County recently underwent a water and wastewater rate study and determined a new rate structure should be implemented for the sustainability of the Utilities Fund. The new rate structure went into effect January 1, 2022; the new rate structure was designed to more appropriately recover revenue based on how each customer class places demand on and uses the water and sewer systems. Within the residential customer class, the water volumetric charges will now be based on a tiered system, with two usage tiers. Another change for residential class customers is Average Winter Quarter Billing, a common methodology for estimating actual wastewater flow from residential customers. Average Winter Quarter Billing presumes that the amount of water consumption in the winter months, when there are few exterior/ outdoor uses, best reflects actual wastewater usage year-round.

**FY 2018 – FY 2023 Wastewater & Water Rates
Based on Metered Water Usage**

	FY 2018 Adopted: July 1, 2017 – June 30, 2018	FY 2019 Adopted: July 1, 2018 – June 30, 2019	FY 2020 Adopted: July 1, 2019 – June 30, 2020	FY 2021 Adopted: July 1, 2020 – June 30, 2021	FY 2022 Adopted: July 1 – December 31, 2021	FY 2022 Adopted: January 1 – June 30, 2022	FY 2023 Adopted: July 1, 2022
Water (\$/Thousand Gallons (TG))	\$4.53	\$4.53	\$4.70	\$4.91	\$4.91		
Sewer (\$/TG)	9.09	9.09	9.10	9.29	9.44		
Total	13.62	13.62	13.80	14.20	14.35		
<i>Percent Change from Prior Year</i>	<i>3%</i>	<i>0%</i>	<i>1%</i>	<i>3%</i>	<i>1%</i>	<i>1%</i>	<i>2%</i>
Residential:							
Water Base (\$/Quarter)						\$13.26	\$13.76
Water - Volumetric:							
Tier 1: 0-9 TG (\$/TG)						3.71	3.98
Tier 2: >9 TG (\$/TG)						5.94	6.38
Sewer Base (\$/Quarter)						10.76	11.09
Sewer – Volumetric – Average Winter Quarter basis (\$/TG)						9.61	9.61
Multi-Family:							
Water Base (\$/Month)						9.10	9.42
Water – Volumetric (\$/TG)						4.42	4.73
Sewer Base (\$/Month)						7.42	7.62
Sewer – Volumetric (\$/TG)						9.61	9.61
Commercial:							
Water Base (\$/Month)						9.10	9.42
Water – Volumetric (\$/TG)						4.79	5.13
Sewer Base (\$/Month)						7.42	7.62
Sewer – Volumetric (\$/TG)						9.61	9.61

The County also charges a variety of other water and wastewater fees to its retail customers, including infrastructure availability fees, connection fees, pretreatment fees, late charges, and new account fees, among others.

Outstanding Debt

As of June 30, 2022, general obligation debt outstanding attributable to the Utilities Fund totaled \$52,765,000. As of June 30, 2022, outstanding debt for Wastewater System and Water System Revenue Bonds issued through the VWFRF to the VRA totaled \$110,665,859. 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
2023	7,450,000	1,165,116	8,615,116	17,023,231	2,368,265	19,391,496	24,473,231	3,533,381	28,006,612
2024	8,295,000	915,662	9,210,662	17,366,021	2,025,475	19,391,496	25,661,021	2,941,137	28,602,158
2025	8,505,000	773,860	9,278,860	17,716,730	1,674,766	19,391,496	26,221,730	2,448,626	28,670,356
2026	8,330,000	621,665	8,951,665	18,075,555	1,315,941	19,391,496	26,405,555	1,937,606	28,343,161
2027	6,345,000	470,961	6,815,961	12,049,444	964,742	13,014,186	18,394,444	1,435,703	19,830,147
2028	4,430,000	339,160	4,769,160	12,361,018	653,167	13,014,186	16,791,018	992,327	17,783,346
2029	2,305,000	246,025	2,551,025	7,636,635	365,078	8,001,713	9,941,635	611,102	10,552,737
2030	2,300,000	170,444	2,470,444	6,150,916	165,016	6,315,932	8,450,916	335,460	8,786,376
2031	2,280,000	94,669	2,374,669	2,286,309	28,767	2,315,076	4,566,309	123,436	4,689,744
2032	1,375,000	40,327	1,415,327				1,375,000	40,327	1,415,327
2033	755,000	15,635	770,635				755,000	15,635	770,635
2034	240,000	5,173	245,173				240,000	5,173	245,173
2035	155,000	1,475	156,475				155,000	1,475	156,475
	52,765,000	4,860,173	57,625,173	110,665,859	9,561,217	120,227,076	163,430,859	14,421,390	177,852,249

Historical debt service coverage can be found in Table J-2 of the Statistical Section, and additional information on debt attributable to the Utilities Fund can be found in Exhibit S-3, the Combined Schedule of Long-Term Obligations.

Other Financial & Legal Information

Additional financial information on the Utilities Fund can be found in Exhibits D-1, D-2, and D-3 and the accompanying Notes to the Financial Statements, including a statement regarding significant litigation, if any. Information on insurance coverage can be found in Table Q of the Statistical Section. Required certificates from the County and its independent engineer can be found in Tables T and W of the Statistical Section. Information on management of the County and the Department of Environmental Services and the Department of Management and Finance can be found in the Introductory Section.


April 26, 2022

To whom it may concern,

Pursuant to Section 5.3 of the Financing Agreement dated as of June 28, 2005 (the "Financing Agreement") between the Virginia Resources Authority as administrator of the Virginia Revolving Loan Fund, and Arlington County ("the County"), the undersigned states the following based on my inquiry of the person or persons who manage the system and whose persons directly responsible for gathering the information:

1. I am a Professional Rate Consultant employed by Arlington County for the water and sewer utility, including the Water Pollution Control Plan (WPCP).
2. For the fiscal year that will end on June 30, 2023, the County has prepared a budget that
 - a. contains an appropriate estimation of costs for maintenance, repair, replacement and operations, and,
 - b. establishes the proper rates in order to satisfy the rate covenant in Section 5.2 of the Financing Agreement.

Dated: April 26, 2022

By: 
J. Bart Kreps, Vice President and Chief
Compliance Officer
Rate Consultant
Raftelis, Inc.

cc: Krista Abele, Funds Manager, Department of Environmental Services (DES)
Wilburn Brown, Acting Chief of the WPCP, DES
Bobby Hopkins, Finance & Administrative Manager, WPCP, DES

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FEDERALLY ASSISTED PROGRAMS

Information on Federally Assisted Programs is presented for purposes of additional analysis and required by Title 2 U.S. Code of Federal Regulations Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. This regulation provides audit requirements for state, local government, and non-profit organizations that receive federal awards.

Contained in this section are the following:

- Report of Independent Auditors on Internal Control over Financial Reporting and on Compliance and Other Matters
- Independent Auditors' Report on Compliance for each Major Federal Program, Report on Internal Control over Compliance, and Report on the Schedule of Expenditures of Federal Awards required by the Uniform Guidance
- The Schedule of Expenditures of Federal Awards
- Notes to Schedule of Expenditures of Federal Awards
- Schedule of Findings and questioned costs

Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance with 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 County, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America, 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, 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 Arlington County, Virginia (the “County”), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated December 15, 2022. Our report includes a reference to other auditors who audited the financial statements of the Gates Partnership, a discretely presented component unit of the County as described in our report on the County’s financial statements. The financial statements of the Gates Partnership were not audited in accordance with *Government Auditing Standards* and, accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the Gates Partnership or that are reported on separately by those auditors who audited the financial statements of the Gates Partnership. Our report also included an emphasis paragraph indicating that the governmental activities’ beginning net position balance has been restated.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County’s internal control over financial reporting (“internal control”) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County’s internal control. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001, that we consider to be a material weakness.

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 disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

County's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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

Cherry Bekaert LLP

Tysons Corner, Virginia
December 15, 2022

Report of Independent Auditor on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Honorable Members of the County Board
Arlington County, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Arlington County, Virginia'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, 2022. The County's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings and questioned costs. The County's basic financial statements include the operations of the Gates Partnership, which is not included in the Schedule of Expenditures of Federal Awards for the year ended June 30, 2022. Our audit, described below, did not include the operations of Gates Partnership, which is audited by other auditors.

In our opinion, the County complied, in all material respects, with the types of 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, 2022.

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; 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 *Auditor's 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 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.

Auditor's 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 generally accepted auditing standards, *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 generally accepted auditing standards, *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.

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's 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.

Cherry Bekaert LLP

Tysons Corner, Virginia
December 15, 2022

**ARLINGTON COUNTY, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

Federal Granting Agency / Pass-Through Entity / Program / Cluster	Additional Award Identification	Federal Assistance Listing Number	Cluster Name	Pass-Through Entity Identifying Number	6-30-22 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)		\$ 1,481,876	\$ -
National School Lunch Program		10.555	Child Nutrition Cluster (1)		14,112,127.00	-
Child and Adult Care Food Program		10.558		20CSAC123	2,751	-
Department of Agriculture and Consumer Services:						
Special Supplemental Nutrition Program for Women, Infant, and Children		10.557		201919W100641, 201818W500341	718,169	-
State Administrative Matching Grants for Supplemental Nutrition Assistance Program (SNAP)		10.561	SNAP Cluster (2)		3,879,820	-
Total Passed Through the Commonwealth of Virginia:					<u>\$ 20,194,743</u>	<u>\$ -</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE					<u>\$ 20,194,743</u>	<u>\$ -</u>
<i>(1) Total Child Nutrition Cluster (CFDA #10.553, #10.555)</i>					<i>\$ 15,594,003</i>	<i>\$ -</i>
<i>(2) Total SNAP Cluster (CFDA #10.561)</i>					<i>3,879,820</i>	<i>-</i>
U.S. DEPARTMENT OF COMMERCE						
Direct Awards:						
Chesapeake Bay Studies		11.457		NA16NMF4570298	\$ 31,997	\$ -
Total Direct Awards					<u>\$ 31,997</u>	<u>\$ -</u>
TOTAL U.S. DEPARTMENT OF COMMERCE					<u>\$ 31,997</u>	<u>\$ -</u>
U.S. DEPARTMENT OF DEFENSE						
Direct Awards:						
Junior Reserve Officer Training		12.000		VA070821	\$ 63,572	\$ -
Total Direct Awards					<u>\$ 63,572</u>	<u>\$ -</u>
TOTAL U.S. DEPARTMENT OF DEFENSE					<u>\$ 63,572</u>	<u>\$ -</u>

Federal Granting Agency / Pass-Through Entity / Program / Cluster	Additional Award Identification	Federal Assistance Listing Number	Cluster Name	Pass-Through Entity Identifying Number	6-30-22 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)	B18UC510002, B19UC510002, B20UW510002	\$ 1,425,425	\$ 474,298
COVID-Community Development Block Grant		14.218	CDBG - Entitlement Grants Cluster (3)	ARPA/SLFRF	123,560	73,560
Mainstream Vouchers		14..879	Housing Voucher Cluster (4)		434,063	-
Home Investment Partnerships Program		14.239		M15UC510500, M16UC510500, M17UC510500, M18UC510500, M19UC510500	144,358	-
Housing Opportunities for Persons with AIDS		14.241		20D313	114,515	-
Continuum of Care Program		14.267		VA0365L3G001800	78,335	-
Section 8 Housing Choice Vouchers		14.871	Housing Voucher Cluster (4)		22,003,392	-
COVID-Section 8 Housing Choice Vouchers		14.HCC	Housing Voucher Cluster (4)		32,062	-
COVID-Section 8 Housing Choice Vouchers		14.MSC	Housing Voucher Cluster (4)		576	-
Emergency Housing Vouchers		14.EHV	Housing Voucher Cluster (4)		88,127	-
Total Direct Awards					\$ 24,444,413	\$ 547,858
Passed Through the Commonwealth of Virginia:						
Emergency Solutions Grant Program						
COVID-19 - Homelessness Emergency Response Program (CHERP)		14.231		E-20-DW-51-0001	\$ 266,847	\$ -
Total Passed Through the Commonwealth of Virginia Housing Urban Development					\$ 266,847	\$ -
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					\$ 24,711,260	\$ 547,858
<i>(3) Total CDBG - Entitlement Cluster (CFDA #14.218)</i>					<i>\$ 1,548,985</i>	<i>\$ 547,858</i>
<i>(4) Total Housing Voucher Cluster (CFDA #14.871, 14.879, 14.HCC, 14.MCV, 14.EHV)</i>					<i>22,558,220</i>	<i>-</i>
U.S. DEPARTMENT OF JUSTICE						
Direct Awards:						
Comprehensive Opioid, Stimulant, and Substance Abuse Program		16.838		2020-AR-BX-0116	\$ 100,244	\$ -
Joint Terrorism Task Force		16.614			\$ 58,258	-
Justice Systems Response to Families		16.021		2017-FJ-AX-0016	\$ 55,123	-
Justice Assistance Grant Program/DCJS Bryne/JAG Grant		16.738		2018-DJ-BX-0092, 2019-DJ-BX-0353, #20-A4901AD16	\$ 48,117	-
Federal Bureau Investigations		16.834			\$ 11,371	-
Equitable Sharing Program		16.922			\$ 145,580	-
Public Safety Partnership and Community Policing Grants		16.710		15JCOPS-2021-GG-02190-SLEM	\$ 3,150	-
Total Direct Awards					\$ 421,843	\$ -
Passed Through the Commonwealth of Virginia:						
Department of Criminal Justice Services:						
COVID - Bureau of Justice Assistance (BJA)	COVID	16.034		2020-VD-BX-1041, BDJ	\$ 9,379	\$ -
Total Passed Through the Commonwealth of Virginia					\$ 9,379	\$ -
Passed Through Mercyhurst University:						
High Intensity Drug Trafficking Area (HIDTA)		95.007		G19WB0004A	\$ 168,806	\$ -
Total Passed Through Mercyhurst University					\$ 168,806	\$ -
TOTAL U.S. DEPARTMENT OF JUSTICE					\$ 600,028	\$ -

Federal Granting Agency / Pass-Through Entity / Program / Cluster	Additional Award Identification	Federal Assistance Listing Number	Cluster Name	Pass-Through Entity Identifying Number	6-30-22 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-33260-19-55-A-51, AA 32183-18-55-A-51	\$ 261,986	\$ 142,651
WIOA Youth Activities		17.259	WIOA Cluster (5)	AA-33260-19-55-A-51, AA 32183-18-55-A-51	116,163	116,163
WIOA Dislocated Worker Formula Grants		17.278	WIOA Cluster (5)	AA-33260-19-55-A-51, AA 32183-18-55-A-51	183,725	112,530
Total Passed Through the Commonwealth of Virginia					\$ 561,874	\$ 371,344
TOTAL U.S. DEPARTMENT OF LABOR					\$ 561,874	\$ 371,344
<i>(5) Total WIOA Cluster (CFDA #17.258, #17.259, #17.278)</i>					\$ 561,874	\$ 371,344

U.S. DEPARTMENT OF TRANSPORTATION						
Direct Award:						
Federal Transit - Capital Investment Grants		20.500	Federal Transit Cluster (7)	VA-04-0021-01, VA-04-0028-01, DC-03-0039	\$ 441,275	\$ -
Federal Transit - Formula Grants		20.507	Federal Transit Cluster (7)	VA-95-X062,VA-95-X113	2,564,637	-
Total Direct Awards					\$ 3,005,912	\$ -
Passed Through the Commonwealth of Virginia:						
Department of Transportation:						
Highway Planning and Construction		20.205	Highway Planning and Construction Cluster (6)	106144, 103595, 117708, 115562, 106496, 117570, 113868, 106474, 117310	\$ 1,882,360	\$ -
Department of Motor Vehicle Administration:						
State and Community Highway Safety		20.600	Highway Safety Cluster (8)	FOP-2022-52195-22195 (Occ.Prot.) FPS-2022-52208-22208 (Ped/Bike, FSC-2022-52200-22200 (Speed) FOP-2021-51034-21034 (Occ.Prot.) FHLE-2021-51036-21036 (Ped/Bike) FSC-2021-51032-21032 (Speed) 154AL-2022-52082-22082 (Alcohol) 154AL-2021-51028-21028 (Alcohol)	34,467	-
Alcohol Open Container Requirements		20.607			12,616	-
Total Passed Through the Commonwealth of Virginia					\$ 1,929,443	\$ -
TOTAL U.S. DEPARTMENT OF TRANSPORTATION					\$ 4,935,355	\$ -
<i>(6) Total Highway Planning and Construction Cluster (CFDA #20.205)</i>					\$ 1,882,360	\$ -
<i>(7) Total Federal Transit Cluster (CFDA #20.500, #20.507)</i>					3,005,912	-
<i>(8) Total Highway Safety Cluster (CFDA #20.600)</i>					34,467	-

U.S. DEPARTMENT OF THE TREASURY						
Direct Awards:						
Equitable Sharing		21.016			\$ 9,999	\$ -
Total Direct Awards					\$ 9,999	\$ -
TOTAL U.S. DEPARTMENT OF THE TREASURY					\$ 9,999	\$ -

Federal Granting Agency / Pass-Through Entity / Program / Cluster	Additional Award Identification	Federal Assistance Listing Number	Cluster Name	Pass-Through Entity Identifying Number	6-30-22 Federal Expenditures	Pass-through to sub-recipients
ARPA/SLFRF						
ARPA - Treasury COVID	COVID	21.027		thru 6/30/22	\$ 23,001,891	\$ -
ARPA - Treasury COVID - Schools	COVID	84.425D	CARES Act ESSERF LEA Activities (11)	S425D200008	810,723	-
Passed Through the Commonwealth of Virginia:						
Department of Housing and Community Development:						
Coronavirus Relief Fund		21.027		SLT0022	\$ 150,823	\$ -
Coronavirus State and Local Fiscal Recovery Funds		21.027		ALN21.027	227,963	-
Virginia Tourism Corporation:						
Virginia ARPA Tourism Recovery Program	COVID	21.027			389,407	-
Total Passed Through the Commonwealth of Virginia					\$ 768,193	\$ -
Federal Communications Commission						
Passed Through the Universal Service Administrative Company (USAC):						
Emergency Connectivity Fund Program		32.009			\$ 3,660,000	\$ -
Total Passed Through the USAC					\$ 3,660,000	\$ -
TOTAL ARPA/SLFRF					\$ 28,240,807	\$ -
<i>(9) Total ARPA (CFDA #21.027)</i>					23,777,558	-
U.S. DEPARTMENT OF EDUCATION						
Passed Through the Commonwealth of Virginia:						
Department of Behavioral Health and Developmental Services:						
Special Education - Grants for Infants and Families		84.181		H181A190017	\$ 226,290	\$ -
Department of Education:						
Title I Grants to Local Educational Agencies		84.010		S010A180046	2,927,766	-
Special Education Grants to States		84.027	Special Education Cluster (IDEA) (10)	H027A190107	5,064,314	-
Career and Technical Education - Basic Grants to States		84.048		V048A190046	341,344	-
Special Education Preschool Grants		84.173	Special Education Cluster (IDEA) (10)	H173A190112	130,825	-
Education for Homeless Children and Youth		84.196		G00720	67,049	-
Twenty-First Century Community Learning Centers		84.287		S287C140047-60565/540-707	37,923	-
English Language Acquisition State Grants		84.365		S365A190046/5365A180046	615,040	-
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)		84.367		S367A180044	433,018	-
Student Support and Academic Enrichment Program		84.424		S424A180048/S424A180048	233,112	-
Elementary and Secondary School Emergency Relief Fund	COVID	84.425U	School Emergency Relief (11)	S425U210008	17,612,055	-
Total Passed Through the Commonwealth of Virginia					\$ 27,688,736	\$ -
Passed Through the County of Fairfax, Virginia:						
Fairfax County Public Schools:						
Adult Education - Basic Grants to States		84.002		V002A190047/V002A180047	\$ 444,040	\$ -
Total Passed Through the County of Fairfax, Virginia					\$ 444,040	\$ -
TOTAL U.S. DEPARTMENT OF EDUCATION					\$ 28,132,776	\$ -
<i>(10) Total Special Education Cluster (IDEA) (CFDA #84.027, #84.173)</i>					\$ 5,195,139	\$ -
<i>(11) Total School Emergency Relief (CFDA #84.425D, 84.425U)</i>					\$ 18,422,778	\$ -

Federal Granting Agency / Pass-Through Entity / Program / Cluster	Additional Award Identification	Federal Assistance Listing Number	Cluster Name	Pass-Through Entity Identifying Number	6-30-22 Federal Expenditures	Pass-through to sub-recipients
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Passed Through the Commonwealth of Virginia:						
Department for the Aging:						
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Care		93.044	Aging Cluster (12)		\$ 178,644	\$ -
Special Programs for the Aging, Title III, Part C, Nutrition Services		93.045	Aging Cluster (12)		390,652	-
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects		93.046			4,225	-
National Family Caregiver Support, Title III, Part E		93.052			65,760	-
National Family Caregiver Support, Title III, Part E	COVID	93.052			4,710	-
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations		93.779			32,337	-
Medical Assistance Program-Medicaid; Title XIX		93.778	Medicaid Cluster (15)		1,269,725	-
Department of Social Services:						
Promoting Safe Stable Families		93.556	Safe Families (16)		89,710	-
Temporary Assistance for Needy Families		93.558	Cluster (13)	CVS-18-210-03 (CSBG), CVS-19-063-03 (TANF)	1,260,326	299,854
COVID-Temporary Assistance for Needy Families		93.558	Cluster (13)	ARPA/SLFRF	14,700	14,700
Refugee and Entrant Assistance State/Replacement Designee Administered Programs		93.566			68,195	-
Low-Income Home Energy Assistance		93.568			143,308	-
Child Care Development Block Grant		93.575	CCDF Cluster (14)		4,074.00	-
Child Care Mandatory and Matching Funds of the Child Care Development Fund (CCDF)		93.596	CCDF Cluster (14)		222,970	-
Chafee Education and Training Vouchers Program		93.599			7,777	-
Adoption and Legal Guardianship Incentive Payments		93.603			4,444	-
Stephanie Tubbs Jones Child Welfare Services Program		93.645			2,456	-
Foster Care Title IV-E		93.658			1,211,010	-
Adoption Assistance		93.659			989,086	-
Social Services Block Grant		93.667			985,366	-
Chafee Foster Care Independence Program		93.674			21,219	-
Children's Health Insurance Program		93.767			18,935	-
Medical Assistance Program		93.778	Medicaid Cluster (15)		2,176,723	-
Guardianship Assistance		93.090			2,008	-
Title IV-E Prevention Program		93.472			22,734	-
Department of Health Services:						
Public Health Emergency Preparedness Grants		93.069		1 NU90TP922013-01	100,000	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs		93.116		U52PS004675	43,843	-
Family Planning Services		93.217		FHPA006376	196,709	-
Immunization Cooperative Agreement		93.268		NH23IP922610	63,902	-
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	Safe Families (16)	2102VAPKIN	49,534	-
Family Violence Prevention and Srvices/Domestic Violence Shelter and Supportive Services		93.671		2101VAFVC6	17,404	-
Epidemiology and Laboratory Capacity for Infectious Disease (ELC)		93.323		6NU50CK00055-02-03	1,157,691	-
Department of Behavioral Health and Developmental Services:						
Projects for Assistance in Transition from Homelessness		93.150		X06SM016047-18	69,201	-
Emergency Grants to Address Mental and Substance Use Disorders During COVID-19		93.665		H79FG00285-10	136,936	-
SUD Federal OPT-R Treatment		93.788		H79TI081682	154,640	-
Block Grants for Community Mental Health Services		93.958		B09SM010053-19	722,142	-
Block Grants for Prevention and Treatment of Substance Abuse		93.959		B08TI010053-19	864,670	-
Health Administration Traineeships Program		93.962		B08TI010053-19	185,900	-
Coronavirus State and Local Fiscal Recovery Funds		21.027		22ARL 561000090 001.1	7,474	-
Total Passed Through the Commonwealth of Virginia					\$ 13,061,117	\$ 314,554
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					\$ 13,061,117	\$ 314,554
<i>(12) Total Aging Cluster (CFDA #93.044, #93.045)</i>					<i>\$ 569,296</i>	<i>\$ 390,652</i>
<i>(13) Total TANF Cluster (CFDA #93.558)</i>					<i>\$ 1,275,026</i>	<i>\$ 314,554</i>
<i>(14) Total CCDF Cluster (CFDA #93.575, #93.596)</i>					<i>\$ 227,044</i>	<i>\$ 4,074</i>
<i>(15) Total Medicaid Cluster (CFDA #93.778)</i>					<i>\$ 3,446,448</i>	<i>\$ 3,446,448</i>

Federal Granting Agency / Pass-Through Entity / Program / Cluster	Additional Award Identification	Federal Assistance Listing Number	Cluster Name	Pass-Through Entity Identifying Number	6-30-22 Federal Expenditures	Pass-through to sub-recipients
<i>(16) Total Promoting Safe Stable Families (CFDA #93.556)</i>					\$ 139,244	\$ -
U.S. DEPARTMENT OF HOMELAND SECURITY						
Direct Awards:						
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	COVID	97.036		DR-4512	\$ 24,760,930	\$ -
Total Direct Awards					\$ 24,760,930	\$ -
Passed Through the Commonwealth of Virginia:						
Department of Emergency Management:						
Emergency Management Performance Grants		97.042		EMP-2018 EP-00007(7711)	\$ 139,891	\$ -
Department of Fire Programs:						
Homeland Security Grant Program		97.044		EMW-2019-FG-04870 EMW-2020-FG-19485	69,696	-
Total Passed Through the Commonwealth of Virginia					\$ 209,587	\$ -
Passed Through the Government of the District of Columbia:						
Homeland Security and Emergency Management Agency:						
Homeland Security Grant Program		97.067		18UASI879-01,18UASI879-02,17UASI879-05,19UASI879-01, EWW-2018-SS-00051	\$ 818,350	\$ -
Total Passed Through the Government of the District of Columbia					\$ 818,350	\$ -
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY					\$ 25,788,867	\$ -
TOTAL FEDERALLY ASSISTED PROGRAMS					\$ 146,332,395	\$ 1,233,756

ARLINGTON COUNTY, VIRGINIA
NOTES TO SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1: BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards (SEFA) is presented on the modified accrual basis of accounting in all material respects and includes all expenditures of federal awards administered by the County and its component units. The County's reporting entity is defined in Note 1, Part I of the County's basic financial statements. Several programs are funded jointly by the Commonwealth of Virginia and the County in accordance with matching requirements of the various federal grants. Costs incurred for such programs are applied to Federal grant funds in accordance with the terms of the related Federal grants with the remainder applied to funds provided by the Commonwealth of Virginia and the County.

All costs charged to Federal Awards are presented in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, otherwise known as the Uniform Guidance. Therefore, some amounts presented in this Schedule may differ from the amounts present in, or used in the preparation of, the basic financial statements.

NOTE 2: FEDERAL COGNIZANT AGENCY

The Federal cognizant agency for the County is the U.S. Department of Health and Human Services.

NOTE 3: INDIRECT COSTS

The County did not elect to use the 10% de minimus cost rate.

Arlington County, Virginia
Schedule of Findings and Questioned Costs
June 30, 2022

A. Summary of Auditor’s Results

1. The type of report issued on the basic financial statements: **Unmodified opinion**
2. Significant deficiencies in internal control disclosed by the audit of the financial statements: **None reported**
3. Material weaknesses in internal control disclosed by the audit of financial statements: **Yes, Finding 2022-001**
4. Noncompliance, which is material to the financial statements: **None**
5. Significant deficiencies in internal control over major programs: **None reported**
6. Material weaknesses in internal control over major programs: **None**
7. The type of report issued on compliance for major programs: **Unmodified opinion**
8. Any audit findings which are required to be reported under the Uniform Guidance: **No**
9. The programs tested as major programs were:

<u>Assistance Listing Number</u>	<u>Name of Federal Program and Cluster</u>
10.553 and 10.555	Child Nutrition Cluster
84.425D and U	Elementary and Secondary School Emergency Relief Fund
21.027	Coronavirus State and Local Fiscal Recovery Funds
20.500 and 20.507	Federal Transit Cluster
32.009	Emergency Connectivity Fund

10. Dollar threshold used to distinguish between type A and type B programs: **\$3,000,000**
11. Arlington County qualifies as a low-risk auditee under Section 530 of Uniform Guidance

B. Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*:

Finding: 2022-001 – Material Weakness in Internal Control – Financial Reporting

Criteria: The Code of Virginia requires the County to file annual financial statements prepared in all material respects in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). As originally issued in GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, as amended, governments should recognize assets from imposed nonexchange revenue transactions (e.g., property taxes) when a legally enforceable claim arises, but revenues from such transactions should be recognized in the period for which the taxes are levied, even if the enforceable legal claim arises in a different period. Resources recognized as receivable before that period should be reported as deferred inflows of resources.

Condition: The County levies its property taxes on a calendar year basis, determined by property values as of January 1st of each year and tax rates adopted by the County Board (the “Board”) around April of that same year. The County operates on a June 30th fiscal year, with a budget adopted by the Board comprised of one-half of each calendar year’s taxes that overlap the fiscal year. For example, the County’s budget for the year ended June 30, 20X2 is comprised of one-half of calendar year 20X1 taxes and one-half of calendar year 20X2 taxes, with the second half of calendar year 20X2 taxes budgeted to fund fiscal year 20X3.

Arlington County, Virginia
Schedule of Findings and Questioned Costs
June 30, 2022

Per review of financial statements at the time, upon implementation of GASB No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* (“GASB 34”), which required full accrual accounting be utilized in the newly created government-wide financial statements, the County overstated the beginning net position of the Governmental Activities by one-half of the calendar year taxes that were levied to fund the next fiscal year and should instead have been recognized as revenues of that fiscal year. The practice of recognizing revenue for the calendar year taxes levied to fund the subsequent fiscal year in error continued through the year ended June 30, 2021. Consequently, for the fiscal year that ended June 30, 2021, the County overstated Governmental Activities’ ending net position by including one-half of the calendar year taxes levied to fund the fiscal year 2022 operations, which should have been recognized as revenue in fiscal year 2022 and as deferred inflows of resources at June 30, 2021.

Cause: Internal controls over the financial close and reporting process of the County were not operating effectively to ensure the financial statements were prepared in all material respects in accordance with U.S. GAAP.

Effect: The reporting entity’s net position was overstated by \$445 million as of July 1, 2021.

Recommendation: We recommend internal controls over the County’s financial close and reporting process be evaluated and modified as necessary to ensure the financial statements are prepared in all material respects in accordance with U.S. GAAP. This is especially important when U.S. GAAP is modified by the Governmental Accounting Standards Board.

Views of responsible officials and planned corrective actions:

BACKGROUND

In FY 2001, the County implemented Governmental Accounting Standards Board Statement No. 33 ‘Accounting and Financial Reporting for Non-exchange Transactions’ (GASB 33). Quoting from the disclosure made under Note 1 in the financial statements that year, “...all revenues from non-exchange transactions are recognized in the accounting period when they become available and measurable”. This practice, approved by the auditors of the day, was a reasonable interpretation of GASB 33 under the Modified Accrual basis of accounting under which the financial statements were prepared. This treatment of property taxes has been consistently applied since then.

In FY 2002, the County implemented Governmental Accounting Standards Board Statement No. 34 ‘Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments’ (GASB 34). GASB 34 introduced the government-wide financial statements that used the accrual basis of accounting. Under the accrual basis of accounting, “revenues are recorded when earned [...] regardless of the timing of related cash flows”. (Note 1 in the financial statements). The County applied GASB 33 for the government-wide financial statements where property taxes were recognized as revenue in the period in which they were levied.

There was thus a divergence in the recognition of property taxes between the modified accrual statements and the full accrual statements. This divergence continued until FY 2021.

Arlington County, Virginia
Schedule of Findings and Questioned Costs
June 30, 2022

MANAGEMENT'S RESPONSE

The County accepts the recommended interpretation by Cherry Bekaert. Not being privy to the discussions that accompanied the implementation of the standards two decades ago, Management believes the following:

- It was not unreasonable at that time to support different revenue recognition principles for each financial statement (modified and full accrual) consistent with their different accounting bases;
- The County's interpretation and accounting treatment was held consistent for 20 years and was audited by two different auditing firms (of multiple teams and partners) without an adverse observation;
- As of the end of each fiscal year, the levy for real property taxes including the subsequent fall payment is fully measurable and collectible.
- A straight read of GASB 33 might lead another reasonable person to conclude the same interpretation as the County did 20 years ago;
- The County has been transparent with its accounting treatment and has prominently and consistently disclosed this in its financial statements through Notes and Exhibits;
- The Annual Comprehensive Financial Report has included a reconciliation between the financial statements on modified accrual basis and full accrual basis of accounting.

Therefore, while the County accepts the conclusion by Cherry Bekaert that it erred in its interpretation of GASB 33 in so far as it applied to full-accrual statements, it is the County's position that this does not constitute a material weakness of its control environment.

A material weakness is defined as "a deficiency, or 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."

The County believes the 'material weakness' observation is undeserved and points out that the different accounting treatment accorded to property taxes under the accounting statements was detectable.

The definition of a material weakness is appropriate when an accounting treatment is not detectable or detected. The County, for 20 years, has been consistently transparent about this treatment and included it in the Notes and Exhibits including an explanation and a crosswalk of the modified to full accrual statements.

As a result, the County has made the appropriate entries due to this change in interpretation. The County recognizes and takes seriously the importance of adherence to GASB standards.

C. Findings and Questioned Costs Relating to Federal Awards:

None reported.

D. Status of Prior Year Findings

None reported.

ARLINGTON COUNTY VISION

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



ARLINGTON
VIRGINIA

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