

ARLINGTON COUNTY

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2021



ARLINGTON
VIRGINIA

ARLINGTON COUNTY, VIRGINIA

Annual Comprehensive Financial Report

FISCAL YEAR 2021

(July 1, 2020 - June 30, 2021)



ARLINGTON
VIRGINIA

DEPARTMENT OF MANAGEMENT AND FINANCE

Maria Meredith, Director
Rahul Bhalla, Comptroller

The FY 2021 Comprehensive Annual Financial Report is printed on paper consisting of 100% recycled content (post-consumer fiber).



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, 2021**

TABLE OF CONTENTS

INTRODUCTORY SECTION

	Page
LETTER OF TRANSMITTAL	1
CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING	13
ORGANIZATION CHART	14
DIRECTORY OF OFFICIALS	15

FINANCIAL SECTION

REPORT OF INDEPENDENT AUDITOR	19
MANAGEMENT’S DISCUSSION AND ANALYSIS	23
BASIC FINANCIAL STATEMENTS	41

Government-Wide Financial Statements

Exhibit

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

Governmental Fund Financial Statements

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

Proprietary Fund Financial Statements

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

Fiduciary Funds Financial Statements

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

Notes to the Financial Statements

10 Notes to the Financial Statements.....55

REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)157

11-A Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual 158

11-B Notes to the Schedule of Revenues, Expenditures, and Changes in Fund Balance 160

11-C Arlington County Retirement System - Schedule of Changes in the County’s Net Pension
Liability (Asset) and Related Ratios 161

11-D Schedule of Employer Contributions - County..... 162

11-E Notes to Schedule - Arlington County Retirement System Pension - Key Assumptions 162

11-F Schedule of Employer Share of Net Pension Liability - VRS Teacher Retirement Plan..... 163

11-G Schedule of Employer Contributions - VRS Teachers Retirement Plan..... 164

11-H Notes to Schedule - VRS Teachers Retirement Plan 164

11-I Schedule of Changes in the Political Subdivision’s Net Pension Liability and Related Ratios ... 165

11-J Schedule of Employer Contributions - VRS Political Subdivisions 166

11-K Notes to Schedule - VRS Political Subdivisions 166

11-L Schedule of Changes in Net OPEB Liability and Related Ratios - County OPEB Plan..... 167

11-M Schedule of Employer Contributions - County OPEB Plan..... 168

11-N Notes to Schedule - County OPEB 168

11-O Schedule of Investment Returns - County OPEB Plan 169

11-P Schedule of Employer Share of Net OPEB Liability - Line of Duty Act Program (LODA) 170

11-Q Schedule of Employer Contributions - Line of Duty Act Program (LODA)..... 171

11-R Notes to Required Supplementary Information - Line of Duty Act Program (LODA) 171

11-S Schedule of Changes in Net OPEB Liability and Related Ratios - Arlington Public Schools 172

11-T Schedule of Employer Contributions - Arlington Public Schools 173

11-U Notes to Schedules - Arlington Public Schools 173

11-V Schedule of Investment Returns-Arlington Public Schools OPEB Plan 174

11-W Schedule of Employer Share of Net OPEB Liability - Arlington Public Schools - Teachers
Plan-Health Insurance Credit Program (HIC)..... 175

11-X Schedule of Employer Contributions - Arlington Public Schools - Teachers Plan - Health
Insurance Credit (HIC) Program..... 176

11-Y Notes to Schedules - Arlington Public Schools - HIC Teachers Plan..... 176

11-Z Schedule of Employer Share of Net OPEB Liability - Arlington Public Schools - Teachers
Plan - Group Life Insurance Program 177

11-AA Schedule of Employer Contributions - Arlington Public Schools - Teachers Plan - Group
Life Insurance (GLI) Plan 178

11-AB Notes to Schedules - Arlington Public Schools - Teachers GLI Program 178

11-AC Schedule of Employer Share of Net OPEB Liability - Arlington Public Schools
Non-Professional Employees - Group Life Insurance Program 179

11-AD Schedule of Employer Contributions - Arlington Public Schools - Non-Professional Employees
Group Life Insurance (GLI) Program 180

11-AE Notes to Schedule - Arlington Public Schools - Non-Professional Employees GLI Program..... 180

OTHER SUPPLEMENTARY INFORMATION

Non-Major Governmental Funds

X Combining Balance Sheet - Non-Major Governmental Funds 184

Y	Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Governmental Funds	186
---	---	-----

General Fund

A-1	Balance Sheet	190
A-2	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual	191

Special Revenue Funds

B-1	Combining Balance Sheet	194
B-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	195
B-3	Ballston Quarter Community Development Authority - Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget (GAAP Basis) and Actual	196
B-4	Travel and Tourism Promotion - Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget (GAAP Basis) and Actual	197
B-5	Ballston Business Improvement District - Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget (GAAP Basis) and Actual	198
B-6	Rosslyn Business Improvement District - Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget (GAAP Basis) and Actual	199
B-7	National Landing Business Improvement District - Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget (GAAP Basis) and Actual	200
B-8	Community Development Grants Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget (GAAP Basis) and Actual	201
B-9	Section 8 Housing Program - Schedule of Revenues, Expenditures, and Changes in Fund Balances, Budget (GAAP Basis) and Actual	202

Capital Projects Funds

C-1	Combining Balance Sheet	204
C-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balance	206
C-3	Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual	208

Enterprise Funds

D-1	Combining Balance Sheet	214
D-2	Combining Statement of Revenues, Expenses and Changes in Net Position.....	216
D-3	Combining Statement of Cash Flows	217

Internal Service Funds

E-1	Combining Balance Sheet	220
E-2	Combining Statement of Revenues, Expenses and Changes in Net Position.....	221
E-3	Combining Statement of Cash Flows	222

Fiduciary Funds

F-1	Combining Statement of Fiduciary Net Position - Trust Funds	224
F-2	Combining Statement of Changes in Fiduciary Net Position - Private Purpose Trust Funds	225
F-3	Combining Statement of Changes in Fiduciary Net Position - Pension and OPEB Trust Funds	226
F-4	Combining Statements of Fiduciary Net Position – Custodial Funds	227
F-5	Combining Statement of Change in Fiduciary Net Position - Custodial Funds	228

Discretely Presented Component Unit – Schools

G-1	Combining Balance Sheet	230
G1(A)	Reconciliation of the Fund Balances of Component Unit - Schools to Net Position of Component Unit - Schools	231
G-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balance	232
G2(A)	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance - Component Unit - Schools to the Statement of Activities Component Unit - Schools	233
G-3	Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual	234
G-4	OPEB Trust Fund - Schools, Statement of Plan Net Position	237
G-5	OPEB Trust Fund - Schools, Statement of Changes in Plan Net Position	238

Supplemental Schedules

S-1	Schedule of Cash Receipts and Disbursements - All Funds.....	241
S-2	Combined Schedule of Investments - All Funds.....	244
S-3	Combined Schedule of Long-Term Obligations	248
S-4	Schedule of Delinquent Property Taxes Receivable	257
S-5	Real Estate and Personal Property Tax Levies and Collections.....	258
S-6	Net Book Value of Capital Assets Used in the Operation of Governmental Funds Schedule by Source	259
S-7	Schedule of Changes in General Capital Assets - By Function and Activity	260
S-8	Schedule of General Capital Assets - By Function and Activity	261
S-9	Detail Schedule of Revenues - Budget (GAAP Basis) and Actual - General and Special Revenue Funds	262
S-10	Detail Schedule of Expenditures - Budget (GAAP Basis) and Actual - General and Special Revenue Funds	264
S-11	Schedule of Capital Outlays and Capital Projects - Governmental Fund Type	266

STATISTICAL SECTION (Unaudited)

Financial Trend Tables

Table

A	Net Position by Component	268
B	Changes in Net Position	269
C	Fund Balances, Governmental Funds and Component Units.....	271
D	Changes in Fund Balances of Governmental Funds.....	272
D-1	General Governmental Expenditures by Functions.....	273
D-2	General Governmental Revenues by Source.....	274

Revenue Capacity Tables

E	General Governmental Tax Revenues by Source.....	275
F	Assessed and Actual Value of Taxable Property	276
G	Principal Taxpayers.....	277
H	Property Tax Levies and Collections	278

Debt Capacity Tables

I Ratios of Outstanding Debt by Type279
I-1 Primary Government Ratios of General Bonded Debt Outstanding280
J Pledged-Revenue Coverage, Utilities Bond Coverage.....281

Demographic and Economic Information Tables

K Demographic Statistics.....282
L Principal Employers283

Operating Indicator Tables

M Full-time Equivalent Government Employees by Function284
N Operating Indicators by Function - Program.....285
O Capital Assets Statistics by Function/Program.....286
P Percentage of Annual Debt Service Expenditures for General Obligation Bonded Debt to
Total General Governmental Expenditures287

Other Tables

Q Schedule of Insurance288
R Construction Activity and Real Property Value.....291
S Business and Professional License Tax Revenues292
T Certificate of No Default.....293
U Largest Users of the Water & Sewer System294
V Description of Wastewater & Water System & Wastewater & Water Rates295
W Certificate of Consulting Engineer.....298

FEDERALLY ASSISTED PROGRAMS

Report of Independent Auditor:

1) On Internal Control over Financial Reporting and on Compliance and Other Matters Based
on an Audit of Financial Statements Performed in Accordance with *Governmental
Auditing Standards*301
2) On Compliance for Each Major Program and on Internal Control Over Compliance
Required by the Uniform Guidance.....303
Schedule of Expenditures of Federal Awards305
Notes to Schedule of Expenditures of Federal Awards310
Schedule of Findings and Questioned Costs311



INTRODUCTORY SECTION

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

This page has been intentionally left blank.



DEPARTMENT OF MANAGEMENT AND FINANCE

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

November 24, 2021

To Matt de Ferranti, 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, 2021. 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, 2021, 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, 2021 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 a Clerk of the Board, a 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 23 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, Streets Bureau is responsible for the maintenance of 376 miles of roadway in Arlington. The Virginia Department of Transportation maintains state roads. 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, 2021 was \$82.9 billion. The County government's adopted budget for all funds for Fiscal Year 2021 totaled \$1.774 billion, which included \$671 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 continues to economically surpass much of the region and 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 over the last few years. 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 58 percent of all general fund revenues. In Calendar Year (CY) 2021, the County expects modest revenue growth from real estate taxes, driven by a 2.2 percent increase in Arlington's property values. Arlington's residential property tax base grew 5.6 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 5.4 percent while the condominium tax base increased by 6.2 percent. Commercial property assessments decreased by 1.4 percent over the previous year mainly due to the double digit decrease to the hotel sector where operations have been significantly impacted by the COVID-19 pandemic. This decrease was partially offset by new construction, largely in apartments and offices, which contributed 1.4 percentage points to the change in commercial property values. After strong growth last year, both apartment and office property assessment growth slowed to 0.8 percent this year. General commercial properties remained fairly flat, increasing by 0.1 percent. Arlington's 2021 real property tax base is approximately divided between 47% commercial and 53% 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 5.6% from \$686,300 in CY 2020 to \$724,400 in CY 2021. 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 2021 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. The sanitary district tax rate is one of the lowest in the Northern Virginia region. There was an increase of \$0.004 in the sanitary district tax for stormwater to \$0.017 per \$100 of assessed value to fund planned capital improvements.

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 41.8 million square feet of rentable building area, Arlington has more private office space than the downtowns of Los Angeles, Denver, and Atlanta, and the Central Business Districts of Dallas and Seattle. 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 around Metro stations in the Rosslyn-Ballston corridor and the Richmond Highway corridor, which includes both Pentagon City and Crystal City. Arlington has 11 Metrorail stations and 16 ART Bus routes that operate throughout the County. Arlington's population estimated at 238,643 (2020 Census) has grown by 14.9% since 2010. The total number of jobs in the County is estimated at 231,500 as of January 1, 2021. According to Arlington County estimates, the total number of jobs in the County increased by about 11.4 percent between 2010 and 2021. Unemployment rates in all of the 22 Washington-area counties and equivalents were higher in June 2020 than in June 2019 but employment has rebounded in June 2021. Arlington continues to economically surpass much of the region and the nation. The unemployment rate for the County as of June 30, 2021 was 3.6% per the Bureau of Labor Statistics. This compares favorably to Virginia's average unemployment rate of 4.5% and the national average rate of 6.1%. The unemployment rate in the Washington-Arlington-Alexandria Metropolitan Statistical Area was 5.6%. The County's per capita income remains among the highest in the state. Home prices continue to have measured growth.

Commercial real estate sector is impacted by both the uptick in the development pipeline coinciding with the Amazon headquarters development in the County as well as the unfolding pandemic.

As Arlington begins to emerge from the COVID-19 pandemic, the County continues to face challenges brought about by this health crisis and its economic impacts. Health and safety related programs are expected to remain a significant cost driver in response to COVID-19 and are compounded by a slow economic recovery. Other potential cost pressures (e.g., Schools) were felt even as revenue streams showed a decline. Deleterious impact of the crisis was seen in various areas, most notably in tourism as well as the increase in commercial vacancy rates. Decreased consumer activity impacted hotel, sales, and meals taxes. The County’s approach to balance the revenue loss was to slow spending and to judiciously allocate resources to the most compelling priorities. State and Federal COVID support helped to fund public health needs, human services such as eviction prevention and food assistance, and support for business community among other initiatives. The County received \$41.3 million in CARES funding and \$11.7 million in other State and Federal funding. 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.

Long-Term Financial Planning

The Arlington Vision adopted by the Arlington County Board in 2002, provides the overarching framework for our 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, and strategic financial planning and fiscal sustainability.

<p>Arlington Vision</p> <p><i>"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."</i></p> <p>— Arlington County Board</p>
--

In April 2021, the County Board adopted a \$1.4 billion balanced General Fund Budget for fiscal year 2022. The adopted budget left the base real estate tax rate at \$1.013 per \$100 of assessed property value while investing in ongoing COVID-19 pandemic relief efforts, housing affordability, and towards crisis response and equity, among other priorities. While the adopted budget is constrained due to the impact on revenues, the federal American Rescue Plan Act (ARPA) funding provided some resources for stabilization and recovery. The adopted budget sets aside \$19.2 million from the federal American Rescue Plan (ARPA) for vaccine distribution, testing and contact tracing, emergency rental assistance and eviction prevention, emergency service needs and food assistance, personal protective equipment and cleaning, and support for the County’s business community. ARPA funding has also been used to restore budget cuts (\$3.8 million) that were included in the proposed budget for FY 2022.

In May 2021, for the 21st consecutive year, the three primary rating agencies reaffirmed for Arlington the highest credit rating 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, 2021, 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 January 2015. The base real estate tax rate remains at the CY 2020 rate of \$1.013 per one hundred dollars of assessed value. A County-wide sanitary district tax for stormwater management increased by \$0.004 to a rate of \$0.017 per one hundred dollars of assessed value, bringing the combined base and sanitary district real estate rate to \$1.030 per one hundred dollars 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. At the adopted tax rate of \$1.030 per \$100 of assessed value, which includes the base rate of \$1.013 plus the \$0.004 increase to the sanitary district tax rate (\$0.017) for stormwater management, the real estate tax bill for the average residential home increased \$420, or 6.0 percent, in CY 2021.

Arlington's real property tax base is approximately divided between 47% commercial and 53% 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 2022 budget includes no increases to the tax rates of personal property and business tangible property, or business and professional occupational licenses.

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 2022 Adopted Budget, 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 is required to adopt 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 ten-year forecast incorporates projected reserve levels and impact of the CIP on the County's debt ratios. In July 2021, the County Board approved a \$1.25 billion three-year CIP for fiscal years 2022 - 2024. The three-year capital plan follows a one-year CIP for FY 2021 that was adopted in 2020, both as a result of the COVID-19 pandemic. The County anticipates returning to a traditional 10-year plan next year for fiscal years 2023 - 2032.

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 contingent monies requires approval by the County Board. The minimum amount of the contingent 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 key to Arlington's commercial corridors and our economic development strategies. The FY 2022 adopted general fund transfer for WMATA is \$46.6 million, a two percent reduction in ongoing general fund support. An increase to the County's available state transit aid and gas tax balances is being utilized to meet the overall one percent increase to the County's WMATA FY 2022 operating subsidy. The major driver for the FY 2022 operating budget is the ongoing reduction to ridership and fare revenues on Metrobus and Metrorail due to the COVID-19 pandemic. Passenger and system revenues historically funded approximately forty percent of the annual cost of operations. In FY 2022, it is projected that fare revenues will remain substantially below historical levels and only cover approximately nine 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 2022 operating budget once operations begin. Continued in FY 2022 is the use by WMATA of one-time federal funds provided to assist transit agencies nationwide that are impacted due to COVID-19. The federal government approved the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) that will help WMATA in FY 2021 and FY 2022 to offset some of the revenue and expenditure impacts due to the COVID-19 pandemic.

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 28,000 PreK-12 students come from around the world and speak more than 114 languages. Arlington operates nearly 40 schools and programs, including 24 elementary schools, 6 middle schools, and 4 high schools, designed to meet individual student needs. Arlington is the 14th largest of 132 school divisions in the Commonwealth of Virginia and neighboring jurisdictions include three of the five largest school divisions in the Commonwealth. From FY 2006 to FY 2020, enrollment has increased 9,609 students or 52.2 percent. However, due to COVID-19 pandemic the actual enrollment in FY 2021 has declined 1,125 students or 4 percent compared to FY 2020. For FY 2022, enrollment is projected to increase by 2,213 students or 8.2 percent compared to the actual enrollment in FY 2021. From FY 2022 to FY 2024, enrollment is projected to increase an additional 4.7 percent or 1,359 students.

The County and Arlington Public Schools entered into a cooperative effort in FY 2001 to design a revenue sharing agreement as a way to fairly and appropriately apportion revenue for budget development purposes. Over the succeeding years, the structure and revenue sharing calculations were adjusted to reflect the changing economic and resource demands of both the County and Schools. Since FY 2002, various adjustments were made for enrollment, funding retiree healthcare (OPEB), maintenance capital, affordable housing, and other County and School priority initiatives. During 2014, the County Board and School Board worked collaboratively to structure revenue sharing principles that provide a framework for sharing local tax revenues in a predictable and flexible way. In January 2015, both Boards adopted principles that emphasize the community priority of high-quality education and utilizing community resources in a balanced and fiscally responsible way. The FY 2021 adopted budget for Schools totals \$670.3 million, an increase of \$0.7 million or 0.1% compared with the FY 2020 adopted budget. The FY 2021 adopted transfer is \$524.6 million (or 78.3% of the total budget) in ongoing funding. The revenue sharing percentage remains at 47.0 percent of ongoing local tax revenues. The average expenditure per pupil was expected to be \$19,581 in the 2021 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 2021 ranked Arlington Public Schools as the #3 school district in the Commonwealth of Virginia.
- All schools are accredited by the Virginia Department of Education according to state accreditation ratings and federal accountability ratings for the fifth year in a row.

- The 2020 Washington Post Challenge Index listed all Arlington high schools in the top 2% in the U.S. This is the ninth year in a row all Arlington high schools made the list.
- The Virginia Board of Education recognized five Arlington schools for high student achievement or continuous improvement under the Board's new Exemplar Performance School Recognition Program.
- Among 2021 graduates, 76 percent took the ACT and/or the SAT. The average combined score on the SAT was 1198 for Arlington graduates, Arlington scores are 147 points higher than the average score for Virginia students and 82 points higher than the national SAT average.
- Arlington's average ACT composite score was 26.2, compared to 20.2 for VA graduates and a national composite of 24.2.
- Nearly 87.4% of graduating seniors completed at least one AP or IB course, and 70% of graduates earn an advanced diploma.
- In 2021, 95% of students who attended comprehensive high schools graduated on time, up 9% since 2009.
- In 2021, the graduation rate for the three comprehensive high schools was 95%, of which 70% earned an advanced diploma
- The dropout rate for the Class of 2021 was 3.7%.
- 85% of Schools teachers have Master's Degrees.
- The Schools Class of 2021 earned \$56.9 million in scholarships.
- 92% of graduates plan to continue to post-secondary education.

Debt Service

In November 2020, 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. In FY 2021, this resulted in \$2.0 million of interest savings in the General Fund.

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 million in FY 2022 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 a \$50.8 million bond referenda in November 2020 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.

COVID-19 Pandemic

The COVID-19 pandemic hit in March of FY 2020. During FY 2021, the County saw a drop in specific revenue streams. Meals tax, sales tax, transient occupancy tax, car rental tax, and interest income decreased significantly. Business, Professional and Occupational License fee receipts exceeded the FY 2021 budget, indicating the continued resilience of the professional service sector. Real estate taxes were also more robust. Actual real estate tax revenue was higher for FY 2021 than the adopted budget due to growth in the overall assessment tax base for CY 2021. While the pandemic created budget challenges, it also opened up opportunities for Arlington County Government, as some

work shifted to virtual services and telework. Over the past year, staff have identified efficiencies and innovations and learned to work differently. The FY 2021 revenue shortfall was offset by both departmental expense savings and the use of CARES funding for public health, public safety and human service pandemic related payroll costs. Personnel savings account for over half of the department savings due to slowed hiring and holding positions vacant because of the early retirement buyout from December and January. Personnel savings also accrued with the elimination of many temporary positions normally needed to work at library and parks facilities which were temporarily closed. Non-personnel savings reflect changes in operations during COVID including the suspension of Parks and Recreation programming, savings in utility and other facility operation costs, and savings in Sheriff inmate care and pharmaceuticals due to a lower inmate population. Within the constraints of reduced resources, the County focused on shoring up the community's most essential services, supporting the County workforce, and doing the best to maintain its fiscal health. In making its spending decisions, the County was guided by the following principles:

- Preserving, and as needed, increasing, funding for direct life/safety services to its residents: for example, food, health and housing resources.
- Preserving County employee jobs so that the staff “infrastructure” is in place in time for recovery.
- Looking at areas of investment that will help recovery efforts: for example, assistance to the business community and non-profits.
- Creating additional financial flexibility as a bridge to recovery by slowing capital projects where possible, drawing down some of its budget reserves, and postponing new initiatives.

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 (with the pandemic related exceptions noted above) 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.

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.

Due to the COVID-19 pandemic, the planned FY 2021-FY 2030 CIP was reduced in scope to focus primarily on immediate capital needs in FY 2021, with some out-year investments in public schools, transportation, utilities and stormwater infrastructure projects. The County's CIP for Fiscal Year 2021 was adopted on July 21, 2020, and totals \$277.5 million in capital funding. The CIP includes typical capital projects such as maintenance capital, parks, transportation, metro, neighborhood conservation, government facilities, information technology, public schools, and regionals. The short-term proposal focused on essential projects and those required under existing agreements or statutory requirements. Following the one-year CIP in FY 2021, the County adopted a three-year CIP for fiscal years 2022-2024. The FY 2022 plan focuses on existing commitments and begins investments in long-term plans. It also includes a bond referenda for large infrastructure projects to be considered by voters in November 2021. The County plans to return to a traditional 10-year plan for FY 2023-FY 2032.

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 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, 2020. This was the 35th 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 in accordance with standards established by the Governmental Accounting Standards Board (GASB), GAAP and applicable legal and compliance requirements established by law.

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 the 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 2021 Budget received the *Association for School Business Officials International Meritorious Budget Award* for the eleventh time.

County Acknowledgements

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

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

Respectfully submitted,

DocuSigned by:
Maria Meredith
1A7FC8CAB6FA4BF...

Maria R. Meredith, Director
Department of Management and Finance

DocuSigned by:
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**

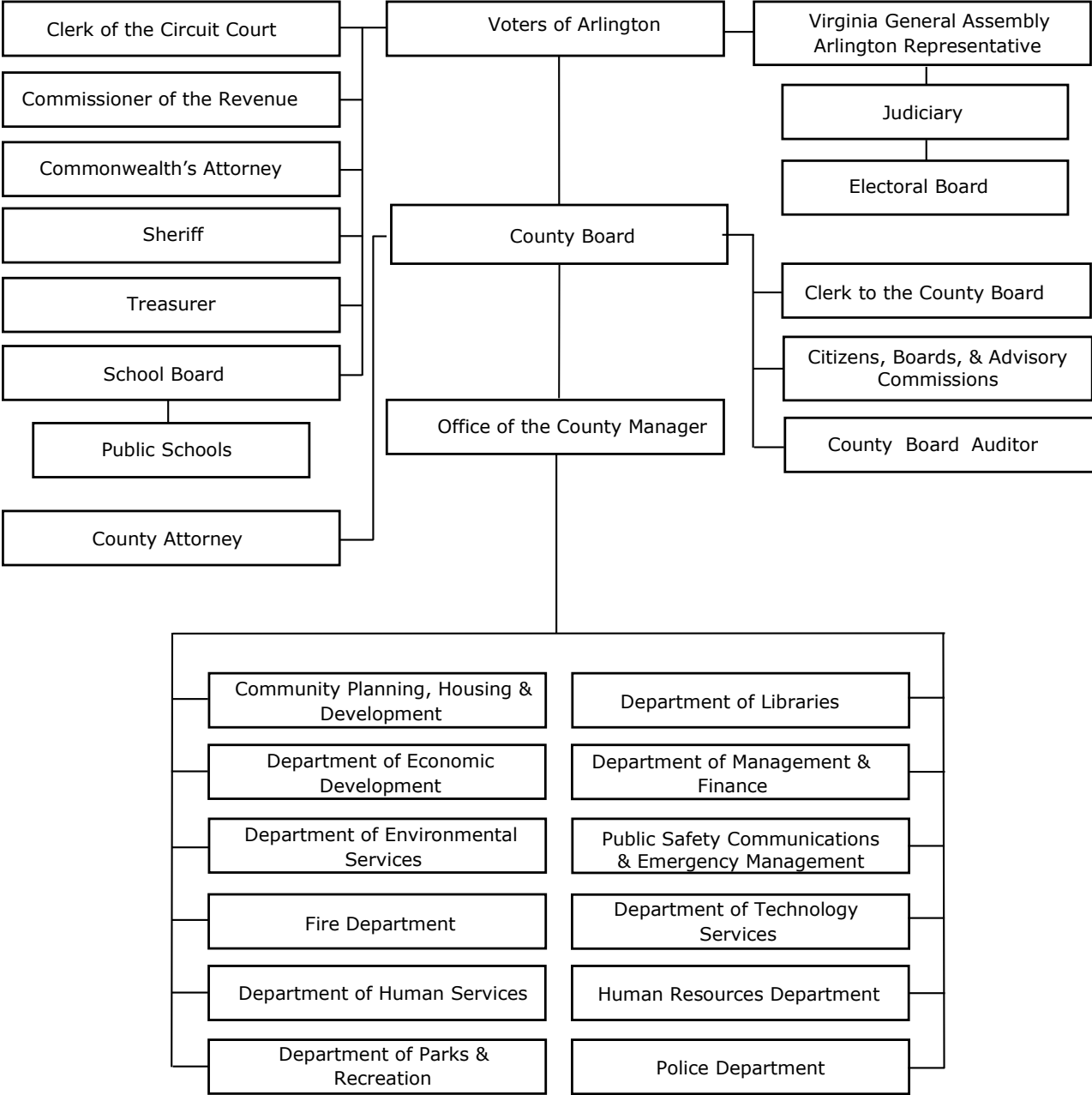
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

ORGANIZATION OF ARLINGTON COUNTY GOVERNMENT



**ARLINGTON COUNTY, VIRGINIA
DIRECTORY OF OFFICIALS
June 30, 2021**

COUNTY BOARD

Matt de Ferranti, Chair

Katie Cristol, Vice Chair

Christian Dorsey
Libby Garvey
Takis P. Karantonis

COUNTY SCHOOL BOARD

Monique O’Grady, Chair

Dr. Barbara Kanninen, Vice Chair

Christina Diaz-Torres
Reid Goldstein
David Priddy

FINANCE BOARD

Matt de Ferranti, 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
Dr. Chris Horton
Claude Williamson
Jane Rudolph
David Povlitz
Anita Friedman
Diane Kresh
Maria Meredith
Marcy Foster
Charles Penn
Greg Emanuel
Jack Belcher
Telly Tucker
Gretchen Reinemeyer
Aaron Miller

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
Dan Redding
Leslie Peterson
Raj Adusumilli
Catherine Ashby
Marcus Gregory
Bridget Loft
Dr. Arron Gregory
Brian Stockton



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.

This page has been intentionally left blank.



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 Financial Statements

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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Gates Partnership, which represents 6.0%, 5.5%, and 1.1%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. 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. 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*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards and specifications require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Gates Partnership were not audited in accordance with *Government Auditing Standards* or the *Specifications for Audits of Counties, Cities, and Towns*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of 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, 2021, 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.

Emphasis of Matter

As discussed in Note 1T to the basic financial statements, the County adopted the provisions of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, effective July 1, 2020. As a result, related net position and fund balance have been restated. Our opinions are not modified with respect to this matter.

Other Matters

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

Supplementary and Other 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 Introductory Section, Other Supplementary Information, and Statistical Section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

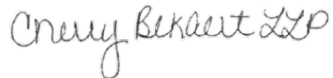
The Other Supplementary Information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Other Supplementary Information and the schedule of expenditures of federal awards 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, 2020, 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 on Exhibits B-1, B-2, D-1, D-2, D-3, E-1, E-2, E-3, F-3, S-9, and S-10 present summarized comparative totals as of and for the year ended June 30, 2020 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 2020 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, 2020 are fairly stated, in all material respects, in relation to the basic financial statements from which they have been derived.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2021, 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.



Tysons Corner, Virginia
November 24, 2021



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.

This page has been intentionally left blank.

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, 2021.

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 \$2,582.0 million at June 30, 2021 (Exh. 1). The net position includes an increase of \$24.5 million in governmental activities and \$2.8 million in School’s component unit, due to the implementation of GASB 84 and fund balance restatement requirements.
- For FY 2021, taxes and other revenues of the County’s governmental activities amounted to \$1,727.2 million. Expenses amounted to \$1,659.5 million. (Table A-2)
- For FY 2021, revenues of the County’s business-type activities were \$128.7 million, and expenses were \$112.6 million.
- In January 2017, GASB issued Statement No. 84 (“GASB 84”), Fiduciary Activities. The objective of this Statement is to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. It also improves the usefulness of fiduciary activity information primarily for assessing the accountability and stewardship of state and local governments in their roles as fiduciaries.
- GASB 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. This statement was originally effective for reporting periods beginning after December 15, 2019; however, the requirement to implement this standard was extended by GASB Statement 92 (Omnibus 2020) to be effective for reporting periods beginning after June 15, 2020. The County and Schools both adopted GASB 84 in FY 2021. The adoption of GASB 84 caused some funds, which were previously reported as fiduciary activities, to be included under the total reporting entity.

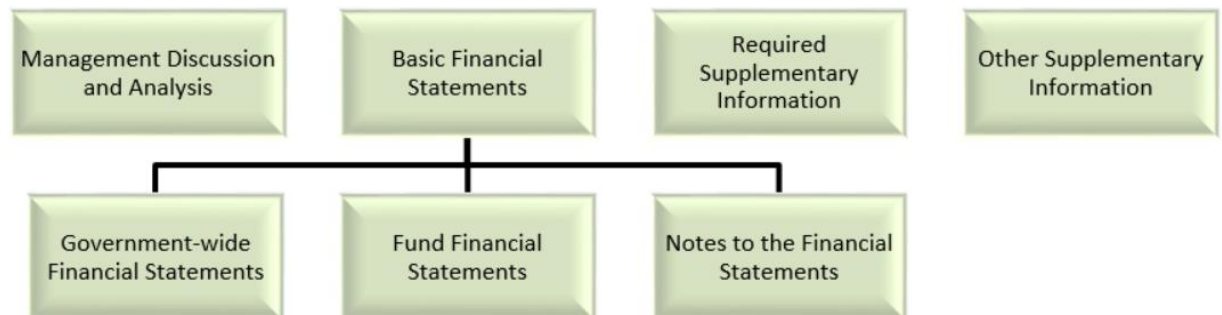
Fund Level

- As of June 30, 2021, the County’s governmental funds reported combined fund balances of \$857.2 million, an increase of \$236.0 million over FY 2020. (Exh. 3) \$236.0 million less the GASB 84 impact leaves the \$211.3 million change in fund balance on Exh. 4 and the resulting ending fund balance of \$857.3 million on Exh. 3 & Exh. 4.
- The County’s general fund reported a fund balance of \$329.9 million, an increase of \$83.0 million from June 30, 2020. Of this increase, \$20.3 million is due to GASB 84 implementation and restatement of beginning balance.
- Debt service (principal and interest) payments in FY 2021 totaled \$66.5 million, down from \$72 million in FY 2020. Debt service covers capital projects for County government activities and component units, namely Schools.

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 installment, \$20.6 million, of federal CARES funds in August 2020 and spent those funds down by June 30, 2021. And although not appropriated for expenditure until FY 2022, the County received its first tranche of federal ARPA funds, \$23.0 million, in May 2021 and will receive the second tranche of \$23.0 million in May 2022. CARES funds are restricted to cover eligible costs incurred due to the pandemic and ARPA funds are restricted by federal revenue loss formula and eligible costs. COVID-19 related direct and indirect funding straddling multiple fiscal years exceeds \$150 million.
- The County issued General Obligation (GO) bonds and refunding bonds for an increase in the total outstanding GO bond debt of \$262.9 million when compared to FY 2020. This is mainly due to no bond issuances in the previous year and two GO bond sales in FY 2021. The refunding bonds generated current and future debt service savings of over \$18 million in total in fiscal years 2021 – FY 2036 for the County, Schools, and Utility funds.
- A hiring slowdown was in effect for most of FY 2021 as the County carefully monitored revenue and COVID-19 related impacts.

Components of the Financial Section



Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The County adopts an annual appropriated budget for its general fund, special revenue funds, capital projects fund and internal service funds, including Schools' operating expenses within separate funds established. Budgetary

comparison statements have been provided for the general fund and special revenue funds to demonstrate compliance with the budget.

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

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

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

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

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

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

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

Financial Analysis of the County as a Whole

Net Position

Net position may serve over time as a useful indicator of government's financial position. As of June 30, 2021, net position for the total reporting entity was \$2,582.0 million. The following table (Table A-1) reflects the condensed Statement of Net Position for FY 2021 and FY 2020:

Table A-1
Condensed Statement of Net Position
June 30, 2021
With Comparative Totals for June 30, 2020
(in millions of dollars)

	Primary Government						Component Units					
	Governmental Activities		Business-type Activities		Total		Schools		Gates Partnership		Total Reporting Entity	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Current and other assets	\$1,635.1	\$1,340.2	\$86.6	\$93.3	\$1,721.7	\$1,433.5	\$272.4	\$222.4	\$7.4	\$6.3	\$2,001.5	\$1,662.2
Capital assets	1,551.6	1,471.7	1,077.4	1,071.2	2,629.0	2,542.9	852.8	816.8	64.9	66.9	3,546.7	3,426.6
Total assets	3,186.7	2,811.9	1,164.0	1,157.4	4,350.7	3,976.4	1,125.2	1,039.2	72.3	73.2	5,548.2	5,088.8
Deferred outflows of resources	157.6	169.0	-	-	157.6	169.0	176.1	151.8	-	-	333.7	320.9
Long-term debt outstanding	1,665.5	1,448.2	238.5	259.1	1,904.0	1,707.3	758.8	740.0	47.4	48.4	2,710.2	2,495.7
Other liabilities	166.5	166.7	32.1	27.3	198.7	194.1	84.3	81.6	1.9	1.7	284.9	277.4
Total liabilities	1,832.0	1,614.9	270.6	286.4	2,102.7	1,901.4	843.1	821.6	49.3	50.1	2,995.1	2,773.1
Deferred inflows of resources	235.9	181.6	1.0	1.9	236.9	183.5	70.6	59.1	-	-	307.5	242.7
Net Position:												
Investment in capital assets	817.9	794.0	882.6	852.2	1,700.5	1,646.2	849.0	805.4	17.5	18.5	2,068.0	1,996.8
Restricted for:												
Capital projects	133.7	46.2	-	-	133.7	46.2	107.8	79.9	-	-	241.4	126.1
Seized assets	1.6	1.7	-	-	1.6	1.7	-	-	-	-	1.6	1.7
Grants/Donations	22.2	1.6	-	-	22.2	1.6	4.2	4.60	-	-	26.5	6.2
Unrestricted	300.9	340.8	9.7	23.9	310.6	364.7	(570.5)	(579.7)	5.4	4.6	244.5	262.9
Total Restated Net Position	\$1,276.3	\$1,184.3	\$892.3	\$876.1	\$2,168.6	\$2,060.4	\$390.5	\$310.2	\$22.9	\$23.1	\$2,582.0	\$2,393.7

Note: *GASB84 implementation necessitates the inclusion of \$2.8 million for Schools Activities fund within Schools Restated Net Position. 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 \$1,276.3 million.

For business-type activities, assets exceeded liabilities and deferred inflows of resources by \$892.3 million. For primary government, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by a total of \$2,168.6 million at the close of the most recent fiscal year. In the case of the Schools, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$390.5 million, and in the case of the Gates Partnership, assets exceeded liabilities by \$22.9 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 80.1% 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 10.4 % of the net position of the total reporting entity as of June 30, 2021. The unrestricted net position was 9.5% of the net position of the total reporting entity.

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, 2021 increased net position from FY 2020 as follows:

Total Reporting Entity	Increase/Decrease in Net Position			
	2021	2020	(\$ In millions)	Percentage
Governmental	\$1,276.3	\$1,184.3	\$92.0	7.8%
Business-type	892.3	876.1	16.2	1.8%
Component unit-Schools	390.5	310.2	80.3	25.9%
Component unit - Gates Partnership	22.9	23.1	(0.2)	-0.9%
Change in Net Position	\$2,582.0	\$2,393.7	\$188.3	

The Net Position of Governmental and Component unit – Schools were each impacted with a restatement due to GASB 84 requirements. GASB 84 implemented a prescribed interpretation of fiduciary and custodial definitions and impacted the County’s financial statements. The FY 2021 Net Position of Governmental increased by \$24.5 million when accounts previously classified as Fiduciary folded into restricted Governmental funds. The FY 2021 Net Position of the Component unit – Schools increased by \$2.8 million upon account reclassification into School’s Governmental funds.

The following table (Table A-2) displays the changes in net position for FY 2021 and FY 2020:

Table A-2
Statement of Changes in Net Position
Year Ended June 30, 2021
With Comparative Totals for June 30, 2020
(in millions of dollars)

	Primary Government						Component Units				Total Reporting Entity	
	Governmental Activities		Business-type Activities		Total		Schools		Gates Partnership			
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenues												
Program revenues												
Charges for services	\$69.8	\$82.7	\$126.1	\$134.2	\$195.9	\$216.9	\$4.7	\$19.3	\$8.1	\$7.9	\$208.7	\$244.1
Operating grants and contributions	168.2	144.8	-	-	168.2	144.8	94.9	70.3	-	-	263.1	215.1
Capital grants and contributions	-	-	2.5	1.5	2.5	1.5	-	-	-	-	2.5	1.5
General revenues												
Property taxes	986.2	965.4	-	-	986.2	965.4	-	-	-	-	986.2	965.4
Other local taxes	200.4	218.6	-	-	200.4	218.6	34.0	30.7	-	-	234.4	249.3
Revenue from general fund	-	-	-	-0.3	0.0	-0.3	604.5	518.7	-	-	604.5	518.3
Investment and interest earnings	7.4	22.1	0.1	1.1	7.5	23.2	0.1	1.6	-	0.1	7.6	24.8
Miscellaneous	295.0	81.9	-	-	295.0	81.9	2.8	-	0.1	0.1	297.9	82.0
Total revenues	1,727.2	1,515.4	128.7	136.6	1,855.9	1,652.0	741.0	640.6	8.2	8.1	2,604.9	2,300.7
Expenses												
General government	302.5	270.9	-	-	302.5	270.9	-	-	-	-	302.5	270.9
Public safety	148.4	152.7	-	-	148.4	152.7	-	-	-	-	148.4	152.7
Environmental services	122.0	117.7	-	-	122.0	117.7	-	-	-	-	122.0	117.7
Health and welfare	156.4	158.4	-	-	156.4	158.4	-	-	-	-	156.4	158.4
Libraries	12.5	14.5	-	-	12.5	14.5	-	-	-	-	12.5	14.5
Parks, culture and recreation	41.5	47.8	-	-	41.5	47.8	-	-	-	-	41.5	47.8
Planning and community development	52.8	60.8	-	-	52.8	60.8	-	-	-	-	52.8	60.8
Education	798.7	518.4	-	-	798.7	518.4	663.5	673.1	-	-	1,462.2	1,191.5
Debt service:												
Interest and other charges	24.6	26.7	-	-	24.6	26.7	-	-	-	-	24.6	26.7
Water and sewer	-	-	88.1	85.6	88.1	85.6	-	-	-	-	88.1	85.6
CPHD Development Fund	-	-	17.5	16.5	17.5	16.5	-	-	-	-	17.5	16.5
Parking garage	-	-	6.8	6.7	6.8	6.7	-	-	-	-	6.8	6.7
8th Level Ballston Public Parking Garage	-	-	0.2	0.2	0.2	0.2	-	-	-	-	0.2	0.2
Rental Properties	-	-	-	-	-	-	-	-	8.4	8.7	8.4	8.7
Total expenses	1,659.5	1,368.0	112.6	109.0	1,772.1	1,477.0	663.5	673.1	8.4	8.7	2,444.0	2,158.7
Increase/(Decrease) in Net Positions	67.7	147.4	16.2	27.7	83.9	175.1	77.5	(32.5)	(0.2)	(0.6)	160.9	142.0
Restated Net Position-Beginning	1,208.6	1,036.9	876.1	848.5	2,084.7	1,885.4	313.0	342.7	23.1	23.7	2,420.8	2,251.8
Net Position-Ending	\$1,276.3	\$1,184.3	\$892.3	\$876.2	\$2,168.6	\$2,060.5	\$390.5	\$310.2	\$22.9	\$23.1	\$2,582.0	\$2,393.7

Note: Totals may not add due to rounding.

Revenues

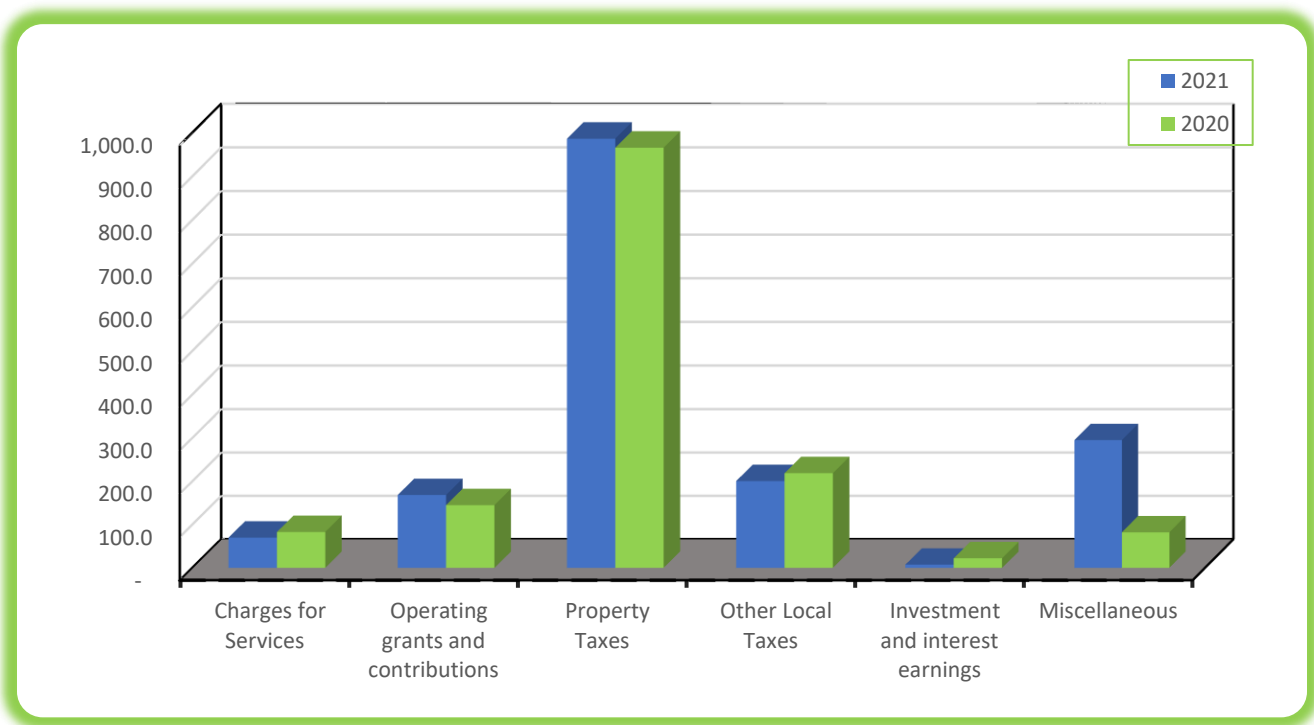
Overall, revenues for the County's primary government activities were \$1,855.9 million for fiscal year 2021 representing an increase of \$203.9 million from the prior year. Taxes constitute the largest source of primary government revenues, amounting to \$1,186.6 million for FY 2021, an increase of \$2.6 million over FY 2020. Real Estate taxes increased by \$20.2 million to \$865.1 million due to increased assessments in the County for CY 2021. Personal property taxes increased by \$0.6 million to \$121.1 million (Exh 2). Personal property tax revenue includes business tangible tax receipts which increased by \$1.6 million and personal property tax receipts which decreased by \$1.1 million. Other local tax revenue, which includes taxes on business licenses, general sales tax, hotel rooms, restaurant meals, utility purchases, car rentals, and cigarettes among other things, totaled \$200.4 million, which is a decrease of \$18.2 million from FY 2021. This decrease in other local tax revenue is mainly due to the impact of COVID-19 on the local retail and hospitality sectors and was partially offset by five percent growth in the business license tax, indicating the continued strength of the professional service industry.

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 \$366.6 million. Operating grants and contributions represent 46% of program revenues, totaling \$168.2 million. Charges for services totaled \$195.9 million.

Component unit activities generated combined revenues of \$749.2 million, aside from general fund revenue, primarily from grants totaling \$94.9 million. Total revenues increased from FY 2020 by \$100.5 million mainly because of an increase of \$85.8 million in revenue from the general fund.

Chart A-3 displays the sources of revenue within governmental activities with a comparison between fiscal year 2021 and fiscal year 2020. The greatest source of change in FY 2021 is in the miscellaneous revenue category where FY 2021 totals include revenue from the issuance of new money and refunding bonds.

Chart A-3
Sources of Revenue from Governmental Activities
For Fiscal Years 2021 and 2020
(in millions)

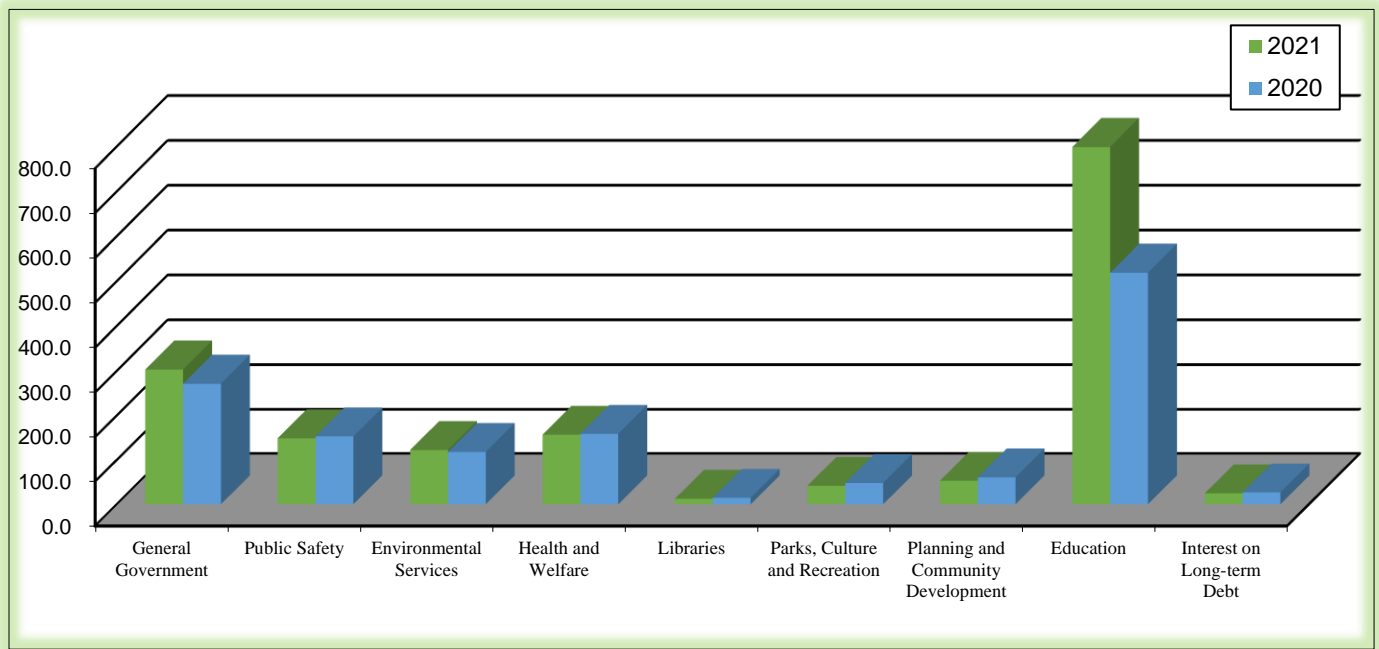


Expenses. Total expenses of the County’s governmental activities for FY 2021 were \$1,659.5 million, representing an increase of \$291.5 million from FY 2020. The County’s transfers to Arlington Public Schools for FY 2021 were \$604.5 million, an increase of \$85.8 million from the previous fiscal year due to the County sharing federal grants and capital expenditure timing. As the chart A-4 indicates, education continues to be the County’s largest expense at 48% of the total expenditures.

Expenses for the County’s business-type activities totaled \$112.6 million, which provided water and sewer utility services, parking garage operations and planning and zoning services.

The following (Chart A-4) displays the net costs of the governmental activities:

Chart A-4
Net Expense of Governmental Activities
For Fiscal Years 2021 and 2020
(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 2021, the County’s governmental funds reported combined fund balances of \$857.3 million, an increase of \$236.1 million in comparison with the prior year. (Exh. 3)

Non-spendable and restricted fund balance equates to 18.9% or \$162.3million of the total governmental funds’ balance and is comprised primarily of capital projects and grants that cannot be used for other purposes.

Committed fund balance constitutes 70.8% or \$607.3 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. \$218.4 million or 36.9% of the total committed fund balance is from the general fund. The assigned fund balance of \$72.8 million or 8.5% of total governmental fund balance is intended for specific purposes designated and proposed by the County Manager and is set aside for appropriation by the County Board as a part of the County's year-end close out process. Included therein is an amount of \$4.9 million representing unrealized gain from investments which resulted from measuring them at their fair market value. It is the County's practice to hold the investments until maturity because this insulates the County from any gains or losses resulting from temporary changes in market value. \$46.8 million, or about 65% of the assigned fund balance is for the Affordable Housing Investment Fund. The remaining fund balance of \$14.9 million or 1.7% 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 2021, the general fund's fund balance was \$329.9 million or 38.5% 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. For FY 2021, funding from the Stabilization Reserve was allocated to offset revenue losses due to the projected impacts of the pandemic. At the end of the fiscal year the County Board replenished this reserve (\$7.9 million) as a part of the FY 2022 adopted budget. The Stabilization Reserve and Stabilization Reserve replenishment are reported as the Stabilization Reserve on Exhibit 3 and Schedule A-1. Total reserves represent 43.7% of the total governmental funds' committed fund balance and equate to 29.0% of the general fund's total fund balance.

At the end of FY 2021, committed and assigned fund balance for the general fund was \$291.2 million or 88.3% of the total general fund balance. \$91.7 million or 27.8% 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 2021, committed and assigned fund balance equated to 17.6% of general fund expenditures. The total general fund's fund balance represents 19.9% of total general fund expenditures.

As of June 30, 2021, the general fund's fund balance increased from prior year by 33.6% to \$329.9 million. The increase in the general fund balance was driven primarily by a decrease in expenditures due to fiscal constraint in response to COVID-19, an increase of \$34.8 million of School's expense savings set aside for subsequent years' School budget, increased contributions to affordable housing, real estate tax revenue increasing due to the rise in real estate values, increased federal grant monies, and GASB 84 implementation impact of an additional \$24.5 million to restricted fund balance.

In addition to the core reserves described above, the County has reserves in other funds which are available to allow the County to respond to unforeseen events or deeper impacts.

	<u>Reserves</u> (<i>\$ in millions</i>)
General fund committed/assigned reserves:	
Operating reserve	\$76.6
Stabilization Reserve ¹	13.9
Self-insurance reserve	5.0
Other reserve	22.1
Other committed	122.9
Other assigned	72.8

General fund unassigned reserves	16.6
Total general fund reserves^{2,3}	329.9
Internal service fund reserves:	
Automotive equipment reserves	9.2
Enterprise fund reserves:	
CPHD Development fund	11.8
General Capital Projects fund available reserves	130.4
Total reserves available	\$481.2

¹ Includes Stabilization Reserve of \$5.6 million, Stabilization Reserve Replenishment of \$7.8 million and true-up of \$0.5 million.

² Includes \$20.3 million due to GASB 84 restatement.

³ November 2021 Board action to determine assignment up to \$5million currently 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 \$29.2 million. Additionally, the other assigned balance above includes \$62 million for subsequent years' school budgets.

Special Revenue and Capital Project Funds. Total special revenue funds' and capital projects funds' fund balance was \$527.4million (Exh. 3) and represents 61.5% of the total governmental funds' fund balance. The transportation capital fund is a major fund of the County and contributes 21.7% of the total governmental fund balance. At the end of the current fiscal year, total fund balance of the transportation capital fund was \$186.3 million and the general capital projects fund was \$130.4 million. All other special revenue and capital projects funds combined were \$210.6 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 300% of total capital project funds' FY 2021 expenditures.

The fund balance of the County's general capital projects fund increased by \$23.1 million during the current fiscal year, as major capital projects were scaled back in anticipation of a weakening economy and the potential for revenue shortfalls to the County's General Fund. The County's General fund is the principal contributor to the general capital projects fund.

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 \$57.4 million, the Ballston Public Parking Garage Funds amounted to a deficit of (\$59.5 million) and the CPHD Development Fund amounted to \$11.8 million. The total change in net position for the Utilities Fund included a surplus of \$20.9 million, the Ballston Public Parking Garage Funds had a deficit of (\$5.5 million), and CPHD Development Fund had a surplus of \$0.8 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 (<i>\$ in millions</i>)	Original Budget	Final Budget	Actual
Revenue	\$1,315.1	\$1,490.8	\$1,357.3
Transfers In	\$0.3	\$8.1	\$8.3
Expenditures	\$1,341.1	\$1,516.8	\$1,300.8
Transfers Out	\$4.3	\$9.8	\$10.3
Net Change in Fund Balance	(\$30.0)	(\$27.8)	\$62.7

- Actual revenues show a final unfavorable budget variance of 8.9% or \$133.5 million. This is primarily due to previous year's fund balance carryover of \$133.6 million which was included under budgeted revenue but not recognized as actual revenue.
- Total taxes had a favorable budget variance, \$3.8 million, while a number of non-tax sources ended the fiscal year with an unfavorable budget variance. Although many local revenue streams had begun to rebound through the later part of FY 2021, certain tax and non-tax revenues (i.e. transient occupancy tax, transit fees, parking meter revenue) continued to perform below historical levels. For FY 2021, tax rates remained unchanged from FY 2020.
- Actual Transfers In (revenues) had a \$0.2 million favorable variance compared to the final budget.
- Actual expenditures of \$1,300.8 million are less than final budget of \$1,516.8 million with a favorable variance of \$216 million or 14.2%. The favorable variance is due to vacancy savings and related benefit savings, restructuring of debt through refunding, and unspent funds dedicated to affordable housing and master lease / short-term finance expenditures.
- Actual Transfers Out (expenditures) were within \$0.5 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, 2021 amounted to \$2,068.0 million (net of related debt). The net book value of capital assets was \$3,545.5 million, which includes land, building and systems, improvements, machinery and equipment, park facilities, roads, highways, and bridges and intangible assets.

During fiscal year 2021 major capital asset acquisitions placed into service and their corresponding cost included the following:

- Lubber Run Community Center: \$49 million
- Mosaic Park: \$6.8 million
- Benjamin Banneker Park and adjacent trail: \$3 million
- Water transmission main on North Old Glebe Road to Little Falls Road: \$4.9 million
- Courts building boiler replacement: \$2.8 million
- Edison Park and playground: \$0.8 million

Net capital assets increased by \$118.9 million for the total reporting entity as a whole and by \$86.0 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, 2021
With Comparative Totals for June 30, 2020
(in millions of dollars)

	Primary Government						Component Units					
	Governmental Activities		Business-type Activities		Total		Schools		Gates Partnership		Total Reporting Entity	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Land	\$248.8	\$232.7	\$6.2	\$6.2	\$255.0	\$238.9	\$4.7	\$4.7	\$13.0	\$13.0	\$272.7	\$256.6
Buildings	355.3	306.2	18.1	15.0	373.4	321.2	737.8	713.4	51.9	53.9	1,163.1	1,088.5
Equipment	116.4	121.8	1.6	1.4	118.0	123.2	52.3	47.4	-	-	170.3	170.6
Infrastructure	565.4	538.1	-	-	565.4	538.1	-	-	-	-	565.4	538.1
Intangible assets	2.5	2.2	4.1	5.3	6.6	7.5	-	-	-	-	6.6	7.5
Plant - sewer system	-	-	316.1	309.0	316.1	309.0	-	-	-	-	316.1	309.0
Plant - water system	-	-	705.2	706.4	705.2	706.4	-	-	-	-	705.2	706.4
Construction in progress	226.0	237.7	26.0	27.9	252.0	265.6	56.9	51.3	-	-	308.9	316.9
Internal service funds	37.4	33.1	-	-	37.4	33.1	-	-	-	-	37.4	33.1
Total	\$1,551.6	\$1,471.7	\$1,077.3	\$1,071.2	\$2,628.9	\$2,542.9	\$851.7	\$816.8	\$64.9	\$66.9	\$3,545.5	\$3,426.6

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 October 2021, Standard and Poor's, Moody's, and Fitch's Investor Services reaffirmed the County's top AAA/Aaa/AAA ratings.

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. In assigning their ratings, the rating agencies did note that they will continue to monitor economically sensitive revenues that could be pressured as a result of the COVID-19 pandemic, and that future credit challenges could result from the County's reserves and liquidity remaining below similarly rated Counties nationwide. As of June 30, 2021, 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 \$2,687.3 million, the majority of which is \$1,448.3 million in general obligation bonds, combined net OPEB liability of \$274.3 million and \$539.4 million in net pension liability for schools. The remainder \$425.3 million comprises notes payable and related accrued interest, capital leases, and staff obligations.

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

Table A-6
Arlington County Long-term Liability
June 30, 2021
With Comparative Totals for June 30, 2020
(in millions of dollars)

	Primary Government						Component Units				Total Reporting Entity	
	Governmental Activities		Business-type Activities		Total		Schools		Gates Partnership			
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
General obligation bonds**	\$1,385.5	\$1,115.2	\$62.8	\$70.2	\$1,448.3	\$1,185.4	\$-	\$-	\$-	\$-	\$1,448.3	\$1,185.4
IDA Revenue Bonds	124.1	101.8	-	-	124.1	101.8	-	-	-	-	124.1	101.8
Mortgage payable	-	-	3.4	3.4	3.4	3.4	-	-	17.2	17.6	20.6	21.0
Note payable	-	-	127.4	143.3	127.4	143.3	-	-	7.3	7.4	134.7	150.7
Obligations under capital lease	8.7	12.8	-	-	8.7	12.8	-	-	-	-	8.7	12.8
Worker's compensation claims	3.4	3.9	-	-	3.4	3.9	-	-	-	-	3.4	3.9
Accrued compensated absences	43.5	38.2	3.2	2.6	46.7	40.7	45.3	42.9	-	-	92.0	83.7
Mortgage and bond interest payable	-	-	41.7	39.6	41.7	39.6	-	-	-	-	41.7	39.6
Bonds Payable	-	-	-	-	-	-	-	-	0.1	22.4	0.1	22.4
Line of credit	-	14.2	-	-	-	14.2	-	8.0	-	-	0.0	22.2
Net pension liability	-	-	-	-	-	-	539.4	488.8	-	-	539.4	488.8
Net OPEB liability	100.2	162.1	-	-	100.2	162.1	174.1	200.3	-	-	274.3	362.4
Total	\$1,665.4	\$1,448.1	\$238.5	\$259.2	\$1,903.9	\$1,707.3	\$758.8	\$740.0	\$24.6	\$47.4	\$2,687.3	\$2,494.7

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 \$192.6 million during the current fiscal year. The key factors that contributed to this change are the FY 2020 postponement of the general obligation bond issuance to FY 2021. This contributed an increase of \$262.9 million in outstanding general obligation bonds, an increase in IDA Revenue bonds of \$22.3 million and a payoff of a \$22 million line of credit. The decrease in OPEB liability due to assumption changes was offset by the increase in pension liability for the Schools.

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, 2021 is 3.6% per the Bureau of Labor Statistics, which is a decrease of 2.3% from a year ago. This compares favorably to Virginia's average unemployment rate of 4.5% and the national average rate of 6.1%. The County's per capita income remains among the highest in the State.

The vacancy rate of the County's office buildings increased from 14.8% in CY 2019 to 17.2% in CY 2020. In Calendar Year (CY) 2021, the County expects modest revenue growth from real estate taxes, driven by a 2.2 percent increase in Arlington's property values. The average value of existing residential properties, including condominiums, townhouses, and detached homes, increased from \$686,300 in CY 2020 to \$724,200 in CY 2021, an increase of 5.6 percent. New construction represented 1.1 percentage points of the overall growth. The detached home and townhome tax base increased by 5.4 percent while the condominium tax base increased by 6.2 percent. Commercial property assessments decreased by 1.4 percent over the previous year mainly due to the double digit decrease to the hotel sector where operations have been significantly impacted by the COVID-19 pandemic. This decrease was partially offset by new construction, largely in apartments and offices, which contributed 1.7 percentage points to the change in commercial property values. General commercial property assessments remained fairly flat over the previous year increasing by 0.1 percent.

Prior to the COVID-19 pandemic, tourism also broke records with Arlington visitors spending \$3.6 billion in 2020 -- a 4.4% increase over 2018 -- generating nearly \$98 million in local tax receipts and supporting over 27,000 local jobs. However, since March 2021, the impact on the health, safety, and economic activity of the County has specifically affected local taxes benefiting from tourism and hospitality. Transient occupancy taxes (hotel taxes), sales taxes, meals taxes, and car rental taxes have all decreased from their FY 2020 levels. Some local charges for services and fees including parking fees, parks and recreation program charges for service, transportation fees, and fines also decreased at the onset of the pandemic, but many tax and fee revenues have started steadily recovering.

Requests for Information

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

This page has been intentionally left blank.



Basic Financial Statements

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

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

This page has been intentionally left blank.

ARLINGTON COUNTY, VIRGINIA
STATEMENT OF NET POSITION
JUNE 30, 2021

EXHIBIT 1

	Primary Government			Component Units		Total Reporting Entity
	Governmental Activities	Business-type Activities	Total	Schools	Gates Partnership	
ASSETS:						
Equity in pooled cash and investments	\$1,009,154,996	\$62,955,476	\$1,072,110,472	\$176,779,407	\$2,762,458	\$1,251,652,337
Petty cash	-	-	-	715	-	715
Cash with fiscal agents	270,456	25,221	295,677	-	-	295,677
Receivables, net	530,014,141	18,635,554	548,649,695	12,006,375	161,946	560,818,016
Receivable from primary government	-	-	-	83,383,817	-	83,383,817
Receivable from other governments	23,629,297	-	23,629,297	-	-	23,629,297
Inventory	-	2,407,298	2,407,298	237,205	-	2,644,503
Other assets	7,953,561	2,568,524	10,522,085	-	23,877	10,545,962
Reserves and escrow deposits	-	-	-	-	4,461,135	4,461,135
Net pension asset	64,100,000	-	64,100,000	-	-	64,100,000
Capital assets:						
Land	248,791,081	6,161,255	254,952,336	4,697,946	12,991,305	272,641,587
Intangible assets, net	2,525,053	4,101,798	6,626,851	-	-	6,626,851
Depreciable assets, net	1,074,319,033	1,041,126,919	2,115,445,952	791,256,837	51,866,842	2,958,569,631
Construction in progress	226,000,257	25,974,469	251,974,726	56,871,715	-	308,846,441
Total capital assets, net	1,551,635,424	1,077,364,441	2,628,999,865	852,826,498	64,858,147	3,546,684,510
Total assets	3,186,757,875	1,163,956,514	4,350,714,389	1,125,234,017	72,267,563	5,548,215,969
DEFERRED OUTFLOWS OF RESOURCES:						
Deferred outflows related to refunding	16,351,186	-	16,351,186	-	-	16,351,186
Deferred outflows related to pensions	115,900,000	-	115,900,000	141,085,744	-	256,985,744
Deferred outflows related to OPEB	25,326,188	-	25,326,188	35,041,577	-	60,367,765
Total deferred outflows of resources	157,577,374	-	157,577,374	176,127,321	-	333,704,695
LIABILITIES:						
Accounts payable	39,895,861	9,492,934	49,388,795	10,423,053	42,743	59,854,591
Unearned revenues	7,430,985	-	7,430,985	2,302,911	-	9,733,896
Due to component unit	83,383,815	-	83,383,815	-	-	83,383,815
Accrued liabilities	22,623,117	22,468,187	45,091,304	61,800,764	1,264,318	108,156,386
Contracts payable - retainage	4,401,877	197,779	4,599,656	3,831,863	-	8,431,519
Other liabilities	8,799,170	-	8,799,170	5,902,326	655,266	15,356,762
Non-current liabilities:						
Due within one year	115,329,722	69,644,465	184,974,187	4,528,563	22,764,688	212,267,438
Due in more than one year	1,550,153,813	168,860,613	1,719,014,426	754,280,664	24,617,272	2,497,912,362
Total liabilities	1,832,018,360	270,663,978	2,102,682,338	843,070,144	49,344,287	2,995,096,768
DEFERRED INFLOWS OF RESOURCES:						
Deferred revenue - community development	51,234,852	-	51,234,852	-	-	51,234,852
Deferred revenue - taxes	12,626,445	-	12,626,445	-	-	12,626,445
Deferred revenue	30,307,195	-	30,307,195	-	-	30,307,195
Deferred gain on refunding	-	991,424	991,424	-	-	991,424
Deferred inflows related to pensions	68,200,000	-	68,200,000	35,722,323	-	103,922,323
Deferred inflows related to OPEB	73,601,989	-	73,601,989	34,901,929	-	108,503,918
Total deferred inflows of resources	235,970,480	991,424	236,961,904	70,624,252	-	307,586,156
NET POSITION:						
Net investment in capital assets	817,971,527	882,629,219	1,700,600,746	848,994,635	17,476,187	2,067,947,862 **
Restricted for:						
Capital projects	133,674,364	-	133,674,364	107,776,617	-	241,450,981
Seized assets	1,599,972	-	1,599,972	-	-	1,599,972
Grants/Donations	22,240,225	-	22,240,225	4,259,825	-	26,500,050
Unrestricted	300,860,321	9,671,893	310,532,214	(570,551,830)	5,447,089	244,551,179 **
Restated net position	\$1,276,346,409	\$892,301,112	\$2,168,647,521	\$390,479,247	\$22,923,276	\$2,582,050,044

** In accordance with 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 (\$499,123,706) 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 \$499,123,706 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, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues
		Charges for services (Includes Licenses, Permits & Fees)	Operating Grants and Contributions	Capital Grants & Contributions	Governmental Activities
Primary Government:					
Governmental Activities:					
General government	\$302,449,114	\$20,050,004	\$70,020,799	\$-	(\$212,378,311)
Public safety	148,412,748	8,532,279	11,014,103	-	(128,866,366)
Environmental services	122,046,894	26,699,645	13,144,017	-	(82,203,232)
Health & welfare	156,367,688	4,511,444	39,085,447	-	(112,770,797)
Libraries	12,515,129	16,216	212,520	-	(12,286,393)
Parks, recreation & culture	41,513,470	3,032,635	29,092	-	(38,451,743)
Planning & community development	52,489,386	6,960,943	34,659,328	-	(10,869,114)
Education	798,734,277	-	-	-	(798,734,277)
Interest and other charges	24,654,234	-	-	-	(24,654,234)
Total governmental activities	1,659,182,940	69,803,166	168,165,306	-	(1,421,214,468)
Business-type activities:					
Utilities	88,026,308	106,356,995	-	2,457,070	-
Ballston Public Parking Garage	6,799,304	1,409,420	-	-	-
8th level Ballston Public Parking Garage	176,396	102,873	-	-	-
CPHD Development Fund	17,507,011	18,265,892	-	-	-
Total business-type activities	112,509,019	126,135,180	-	2,457,070	-
Total primary government	1,771,691,959	195,938,346	168,165,306	2,457,070	(1,421,214,468)
Component unit:					
Schools	663,592,424	4,691,492	94,917,833	-	-
Gates Partnership	8,456,037	8,176,958	-	-	-
Total component units	672,048,461	12,868,450	94,917,833	-	-
General Revenues:					
Property Taxes:					
Real estate property taxes					
					865,127,001
Personal property taxes					
					121,056,721
Other Local Taxes:					
Business, professional occupancy license taxes					
					75,582,278
Sales tax					
					38,944,668
Meals tax					
					26,738,896
Transient tax					
					5,668,798
Utility tax					
					16,177,645
Recordation, car rental and other local taxes					
					37,451,648
Revenue from primary government					
					-
Investment and interest earnings					
					7,280,131
Miscellaneous					
					294,953,062
Total general revenues					
					1,488,980,848
Change in net position					
					67,766,380
Restated Net position, beginning					
					1,208,580,030
Net position, ending					
					\$1,276,346,409

Restatements due to compliance with GASB 84. 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:
\$-	(\$212,378,311)	\$-	\$-	(\$212,378,311)	General government
-	(128,866,366)	-	-	(128,866,366)	Public safety
-	(82,203,232)	-	-	(82,203,232)	Environmental services
-	(112,770,797)	-	-	(112,770,797)	Health & welfare
-	(12,286,393)	-	-	(12,286,393)	Libraries
-	(38,451,743)	-	-	(38,451,743)	Parks, recreation & culture
-	(10,869,114)	-	-	(10,869,114)	Planning & community development
-	(798,734,277)	-	-	(798,734,277)	Education
-	(24,654,234)	-	-	(24,654,234)	Interest and other charges
-	(1,421,214,468)	-	-	(1,421,214,468)	Total governmental activities
					Business-type activities:
20,787,757	20,787,757	-	-	20,787,757	Utilities
(5,389,884)	(5,389,884)	-	-	(5,389,884)	Ballston Public Parking Garage
(73,523)	(73,523)	-	-	(73,523)	8th level Ballston Public Parking Garage
758,881	758,881	-	-	758,881	CPHD Development Fund
16,083,231	16,083,231	-	-	16,083,231	Total business-type activities
16,083,231	(1,405,131,237)	-	-	(1,405,131,237)	Total primary government
					Component unit:
-	-	(563,983,099)	-	(563,983,099)	Schools
-	-	-	(279,079)	(279,079)	Gates Partnership
-	-	(563,983,099)	(279,079)	(564,262,178)	Total component units
					General Revenues:
					Property Taxes:
-	865,127,001	-	-	865,127,001	Real estate property taxes
-	121,056,721	-	-	121,056,721	Personal property taxes
					Other Local Taxes:
-	75,582,278	-	-	75,582,278	Business, professional occupancy license taxes
-	38,944,668	34,044,649	-	72,989,317	Sales tax
-	26,738,896	-	-	26,738,896	Meals tax
-	5,668,798	-	-	5,668,798	Transient tax
-	16,177,645	-	-	16,177,645	Utility tax
-	37,451,648	-	-	37,451,648	Recordation, car rental and other local taxes
-	-	604,454,844	-	604,454,844	Revenue from primary government
107,450	7,387,581	132,138	13,445	7,533,164	Investment and interest earnings
-	294,953,062	2,820,739	105,221	295,058,283	Miscellaneous
107,450	1,489,088,298	641,452,370	118,666	2,130,659,334	Total general revenues
16,190,681	83,957,061	77,469,271	(160,413)	161,265,919	Change in net position
876,110,431	2,084,690,461	313,009,976	23,083,689	2,420,784,126	Restated Net position, beginning
\$892,301,113	\$2,168,647,521	\$390,479,247	\$22,923,276	\$2,582,050,044	Net position, ending

ARLINGTON COUNTY, VIRGINIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

ASSETS	General Fund	General Capital Projects Fund	Transportation Capital Funds	All Other Governmental Funds	Total Governmental Funds
Equity in pooled cash and investments	\$455,222,658	\$141,519,701	\$185,098,976	\$218,181,133	\$1,000,022,468
Petty cash	1,987	-	-	-	1,987
Cash with fiscal agents	270,456	-	-	-	270,456
Receivables, net	471,447,051	565,678	2,113,294	55,852,120	529,978,143
Due from other funds	1,966,485	-	-	-	1,966,485
Receivables from other governments	15,585,245	425,608	5,951,069	1,667,375	23,629,297
Prepaid items and other assets	1,576,719	816,378	49,094	4,727,947	7,170,138
Totals assets	\$946,070,601	\$143,327,365	\$193,212,433	\$280,428,575	\$1,563,038,974
LIABILITIES					
Vouchers payable	\$26,494,270	\$1,993,857	\$5,749,170	\$5,226,878	\$39,464,175
Unearned revenues	1,005,064	6,425,921	-	-	7,430,985
Due to component unit	83,383,815	-	-	-	83,383,815
Accrued payroll liabilities	22,623,117	-	-	-	22,623,117
Contracts payable - retainage	-	792,783	1,174,271	2,434,823	4,401,877
Other liabilities	1,270,668	3,626,772	-	3,901,730	8,799,170
Total liabilities	134,776,934	12,839,333	6,923,441	11,563,431	166,103,139
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue - community development	380,182	-	-	50,854,670	51,234,852
Deferred revenue	27,826,011	-	-	2,481,184	30,307,195
Unavailable revenue - taxes	453,201,326	-	-	4,902,864	458,104,190
Total deferred inflows of resources	481,407,519	-	-	58,238,717	539,646,236
FUND BALANCES					
<u>Non spendable:</u>					
Prepaid items	806,719	816,378	49,094	3,107,573	4,779,764
<u>Restricted for:</u>					
Seized assets	1,599,972	-	-	-	1,599,972
Grants	19,702,462	-	-	2,537,763	22,240,225
Capital projects	-	-	-	133,674,364	133,674,364
<u>Committed to:</u>					
Self-insurance reserve	5,000,000	-	-	-	5,000,000
Stabilization/COVID contingent	13,929,644	-	-	-	13,929,644
Operating reserve	76,613,044	-	-	-	76,613,044
Subsequent years' County budget	11,050,030	-	-	-	11,050,030
Subsequent years' capital projects	4,527,882	129,671,654	186,239,898	72,971,638	393,411,072
Incomplete projects	344,463	-	-	-	344,463
Affordable Housing Investment Fund - Allocated	44,892,810	-	-	-	44,892,810
Subsequent years' School budget	62,056,522	-	-	-	62,056,522
<u>Assigned to:</u>					
Subsequent years' County budget	6,128,748	-	-	-	6,128,748
Subsequent years' capital projects	13,878,031	-	-	-	13,878,031
Mark to Market Investment Reserve	4,882,159	-	-	-	4,882,159
Incomplete projects	1,089,187	-	-	-	1,089,187
Affordable Housing Investment Fund - Unallocated	46,840,865	-	-	-	46,840,865
<u>Unassigned:</u>	16,543,609	-	-	(1,664,911)	14,878,698
Total fund balances	329,886,148	130,488,032	186,288,992	210,626,427	857,289,599
Total liabilities, deferred inflows of resources and fund balance	\$946,070,601	\$143,327,365	\$193,212,433	\$280,428,576	\$1,563,038,975

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, 2021

Total governmental fund balances		\$857,289,599
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)		1,514,252,362
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds. (Note 4)		445,477,745
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	(\$36,148,147)	
Bonds payable	(791,716,500)	
School bonds payable	(520,590,000)	
Capital lease obligations	(8,287,200)	
Compensated absences	(42,947,251)	
Workers' compensation	(3,395,101)	
Premium on bonds issued	<u>(197,342,823)</u>	(1,600,427,022)
Deferred outflows of resources are not available to pay for current period expenditures and are not reported in the funds:		
Pension (Note 16.A)	115,900,000	
OPEB (Note 17.A and 17.B)	<u>25,326,188</u>	141,226,188
Deferred inflows of resources are not due and payable in the current period and are not reported in the funds:		
Advance refunding (Note 4)	16,351,186	
Pension (Note 16.A)	(68,200,000)	
OPEB (Note 17.A and 17.B)	<u>(73,601,989)</u>	(125,450,803)
Internal service funds' net position (Exhibit 6)		43,978,340
Net position of governmental activities		<u><u>\$1,276,346,409</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, 2021

	General Fund	General Capital Projects Fund	Transportation Capital Fund	All Other Governmental Funds	Total Governmental Funds
REVENUES:					
General property taxes:					
Real estate property taxes	\$811,117,306	\$-	\$25,173,490	\$17,882,693	\$854,173,489
Personal property taxes	121,056,721	-	-	-	121,056,721
Other local taxes:					
Business, professional and occupancy license (BPOL) tax	75,582,278	-	-	-	75,582,278
Sales tax	38,944,668	-	-	-	38,944,668
Meals tax	26,738,896	-	-	-	26,738,896
Transient tax	5,668,798	-	-	-	5,668,798
Utility tax	16,177,645	-	-	-	16,177,645
Recordation, car rental and other local taxes	24,734,698	-	-	12,716,950	37,451,648
Fines and forfeitures	5,484,417	-	-	-	5,484,417
Licenses, permits and fees	13,002,084	-	-	-	13,002,084
Intergovernmental	133,557,478	1,915,905	4,607,519	28,084,404	168,165,306
Charges for services	46,139,224	3,685,151	-	1,492,291	51,316,666
Interest and rent	7,059,228	844	-	220,059	7,280,131
Miscellaneous revenues	32,127,318	2,130,134	12,851,930	1,798,589	48,907,971
Total revenues	1,357,390,759	7,732,034	42,632,939	62,194,986	1,469,950,718
EXPENDITURES:					
Current operating:					
General government	270,143,350	14,966,348	6,061,694	10,634,812	301,806,204
Public safety	149,606,376	1,883,038	-	-	151,489,414
Environmental services	101,572,922	-	-	-	101,572,922
Health and welfare	142,856,904	-	-	21,001,637	163,858,541
Libraries	12,861,819	-	-	-	12,861,819
Parks, recreation and culture	35,440,477	604,652	-	5,720	36,050,849
Planning and community development	12,410,235	637,203	-	19,035,060	32,082,498
Debt service					
Principal	41,827,178	-	-	-	41,827,178
Interest and other charges	24,654,234	-	-	-	24,654,234
Intergovernmental:					
Community development	-	-	-	19,931,498	19,931,498
Education - Schools	857,139,407	-	-	-	857,139,407
Capital outlay	8,885,812	34,490,245	29,973,740	55,634,894	128,984,691
Total expenditures	1,657,398,714	52,581,486	36,035,434	126,243,621	1,872,259,255
Excess expenditures over revenues	(300,007,955)	(44,849,452)	6,597,505	(64,048,635)	(402,308,537)
OTHER FINANCING SOURCES(USES):					
Transfers in	8,331,458	9,299,317	-	246,700	17,877,475
Transfers out	(10,287,195)	(5,065,281)	(2,720,783)	(415,395)	(18,488,654)
Sale of land and buildings	8,095,928	-	-	-	8,095,928
Bond premium	21,744,870	46,732,601	-	4,285,113	72,762,584
Issuance of general obligation debt	334,830,000	17,065,000	-	181,725,000	533,620,000
Total other financing sources and (uses), net	362,715,061	68,031,637	(2,720,783)	185,841,418	613,867,333
Net change in fund balances	62,707,106	23,182,185	3,876,722	121,792,783	211,558,796
Restated Fund balances, beginning	267,179,042	107,305,847	182,412,270	88,833,644	645,730,803
Fund balances, ending	\$329,886,148	\$130,488,032	\$186,288,992	\$210,626,427	\$857,289,599

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, 2021

Net change in fund balances - total governmental funds		\$211,558,796
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	\$130,427,802	
Less: Depreciation expense	<u>(53,137,448)</u>	77,290,354
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.		
		(233,771)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. (Note 4)		
Add: Unearned property tax revenue 6/30/20	(434,524,233)	
Less: Unearned property tax revenue 6/30/21	<u>(445,477,745)</u>	10,953,512
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	323,644,583	
Deferred cost of refunding	20,374,581	
Less: Debt proceeds	(533,620,000)	
Less: Bond premiums	<u>(72,762,584)</u>	(262,363,420)
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	19,358,548	
Amortization of bond premiums	<u>9,072,466</u>	28,431,014
Compensated absences and workers' compensation. (Note 9)		(4,871,213)
OPEB expenses (Note 17.B)		
Add: FY 2021 OPEB contributions deferred	628,364	
Less: OPEB expense	<u>19,517,043</u>	20,145,407
Pension expenses Note 16.A):		
Add: FY 2021 pension contributions deferred	59,700,000	
Less: Pension expense	<u>(50,800,000)</u>	8,900,000
Internal service funds are used by management to charge the costs of certain services to individual funds. The net revenue (expense) of the internal service funds is reported by governmental activities (Exhibit 5):		
Additional income for internal service funds	1,797,264	
Net operating (loss) internal service funds	<u>677,237</u>	2,474,501
GASB 84 Fiduciary change to fund balance		(24,518,799)
Change in net position of governmental activities		<u>\$67,766,380</u>

The notes to the financial statements are an integral part of this statement. GASB 84 implementation impacting net position.

ARLINGTON COUNTY, VIRGINIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	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	\$46,811,808	\$1,048,915	\$1,548,274	\$13,546,479	\$62,955,476	\$9,132,528
Cash with fiscal agents	25,221	-	-	-	25,221	-
Accounts receivables, net	18,635,554	-	-	-	18,635,554	35,998
Inventories	2,407,298	-	-	-	2,407,298	783,423
Prepaid expenses	2,568,524	-	-	-	2,568,524	-
Total current assets	<u>70,448,405</u>	<u>1,048,915</u>	<u>1,548,274</u>	<u>13,546,479</u>	<u>86,592,073</u>	<u>9,951,949</u>
Non-current assets:						
Capital assets:						
Land	6,161,255	-	-	-	6,161,255	-
Depreciable, net	1,022,149,302	16,102,957	2,857,679	16,981	1,041,126,919	37,383,062
Intangible assets, net	4,101,798	-	-	-	4,101,798	-
Construction in progress	13,289,804	-	-	12,684,665	25,974,469	-
Total capital assets, net	<u>1,045,702,159</u>	<u>16,102,957</u>	<u>2,857,679</u>	<u>12,701,646</u>	<u>1,077,364,441</u>	<u>37,383,062</u>
Total non current assets	<u>1,045,702,159</u>	<u>16,102,957</u>	<u>2,857,679</u>	<u>12,701,646</u>	<u>1,077,364,441</u>	<u>37,383,062</u>
Total assets	<u>1,116,150,564</u>	<u>17,151,872</u>	<u>4,405,953</u>	<u>26,248,125</u>	<u>1,163,956,514</u>	<u>47,335,012</u>
LIABILITIES:						
Current liabilities:						
Vouchers payable	8,744,508	233,953	4,597	509,876	9,492,934	431,686
Contracts payable - retainage	197,779	-	-	-	197,779	-
Accrued liabilities	456,581	21,955,583	-	56,023	22,468,187	-
Due to other funds	-	-	-	-	-	1,966,485
Due within one year	26,141,647	43,385,382	-	117,436	69,644,465	276,020
Total current liabilities	<u>35,540,515</u>	<u>65,574,918</u>	<u>4,597</u>	<u>683,335</u>	<u>101,803,365</u>	<u>2,674,191</u>
Non-current liabilities:						
Due in more than one year	167,803,691	-	-	1,056,922	168,860,613	682,481
Total liabilities	<u>203,344,206</u>	<u>65,574,918</u>	<u>4,597</u>	<u>1,740,257</u>	<u>270,663,978</u>	<u>3,356,672</u>
DEFERRED INFLOWS OF RESOURCES:						
Deferred cost of refunding	991,424	-	-	-	991,424	-
NET POSITION:						
Net investment in capital assets	854,396,617	12,673,278	2,857,679	12,701,646	882,629,220	36,928,584
Unrestricted (deficit)	57,418,317	(61,096,324)	1,543,677	11,806,222	9,671,892	7,049,756
Total net position (deficit)	<u>\$911,814,934</u>	<u>(\$48,423,046)</u>	<u>\$4,401,356</u>	<u>\$24,507,868</u>	<u>\$892,301,112</u>	<u>\$43,978,340</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, 2021

	Business-type Activities-Enterprise Funds				Total Business-type Activities	Governmental Activities Internal Service Funds
	Utilities	Ballston Public Parking Garage	8th Level Ballston Public Parking Garage	CPHD Development Fund		
OPERATING REVENUES:						
Water-sewer service charges	\$92,364,661	\$-	\$-	\$-	\$92,364,661	\$-
Water-service hook-up charges	3,413,611	-	-	-	3,413,611	-
Water-service connection charges	975,831	-	-	-	975,831	-
Sewage treatment service charges	5,088,780	-	-	-	5,088,780	-
Permits and fees	-	-	-	18,265,892	18,265,892	-
Other charges for services	4,514,112	-	-	-	4,514,112	20,990,937
Parking charges	-	1,409,420	102,873	-	1,512,293	-
Total operating revenues	106,356,995	1,409,420	102,873	18,265,892	126,135,180	20,990,937
OPERATING EXPENSES:						
Personnel services	18,359,298	-	-	9,881,312	28,240,610	4,954,757
Fringe benefits	6,763,373	-	-	3,694,853	10,458,226	2,035,209
Cost of store issuances	-	-	-	-	-	2,885,680
Contractual services	11,762,885	1,460,346	33,614	4,896,646	18,153,491	-
Purchases of water	7,729,701	-	-	-	7,729,701	-
Materials and supplies	9,587,565	154,110	21,970	98,731	9,862,376	1,550,424
Utilities	-	-	-	-	-	168,378
Operating equipment	-	-	-	-	-	56,720
Outside services	-	-	-	-	-	2,455,436
Depreciation and amortization	18,063,228	1,023,263	95,177	22,483	19,204,151	6,207,096
Deferred rent	-	1,279,992	-	-	1,279,992	-
Equipment (Construction Contracts)	3,304,807	-	-	(3,917,577)	(612,770)	-
Internal services	-	-	-	2,830,563	2,830,563	-
Miscellaneous	6,864,834	395,146	25,635	-	7,285,615	-
Total operating expenses	82,435,691	4,312,857	176,396	17,507,011	104,431,955	20,313,700
Operating income (loss)	23,921,304	(2,903,437)	(73,523)	758,881	21,703,225	677,237
NON-OPERATING REVENUES(EXPENSES):						
Interest income and other income	79,129	-	-	28,321	107,450	-
Interest expense and fiscal charges	(5,590,617)	(2,486,447)	-	-	(8,077,064)	-
Interest expense on capital leases	-	-	-	-	-	(16,133)
Gain on disposal of assets	-	-	-	-	-	1,202,219
Total non-operating revenues (expenses)	(5,511,488)	(2,486,447)	-	28,321	(7,969,614)	1,186,086
Net Income(loss) before contributions and transfers	18,409,816	(5,389,884)	(73,523)	787,202	13,733,611	1,863,323
CONTRIBUTIONS AND TRANSFERS:						
Contributions from developers and other sources	2,457,070	-	-	-	2,457,070	-
Transfers in	-	-	-	-	-	741,178
Transfers out	-	-	-	-	-	(130,000)
Total contributions and transfers	2,457,070	-	-	-	2,457,070	611,178
Change in net position	20,866,886	(5,389,884)	(73,523)	787,202	16,190,681	2,474,501
Net position (deficit) - beginning of year	890,948,048	(43,033,162)	4,474,879	23,720,666	876,110,431	41,503,839
Net position (deficit) - end of year	\$911,814,934	(\$48,423,046)	\$4,401,356	\$24,507,868	\$892,301,112	\$43,978,340

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, 2021

	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		
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash received from customers	\$106,535,851	\$1,409,420	\$102,873	\$18,265,892	\$126,314,036	\$-
Receipts from interfund charges for fleet management services	-	-	-	-	-	20,346,538
Receipts from interfund charges for print services	-	-	-	-	-	2,171,212
Cash paid to suppliers	(35,760,746)	(2,131,489)	(80,805)	(3,882,188)	(41,855,228)	(8,440,879)
Cash paid to employees	(24,753,291)	-	-	(13,295,914)	(38,049,205)	(7,055,376)
Net cash provided by (used for) operating activities	<u>46,021,814</u>	<u>(722,069)</u>	<u>22,068</u>	<u>1,087,790</u>	<u>46,409,603</u>	<u>7,021,495</u>
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest income	79,129	-	-	28,321	107,450	-
Net cash provided by investing activities	<u>79,129</u>	<u>-</u>	<u>-</u>	<u>28,321</u>	<u>107,450</u>	<u>-</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:						
Transfer received (paid) to other funds	-	-	-	-	-	(130,000)
Repayment of prior year temp loan	-	-	-	-	-	(1,523,467)
Temporary loan from general fund	-	-	-	-	-	1,966,485
Contributions from developers and other sources	-	-	-	-	-	741,178
Net cash provided by (used for) non-capital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,054,196</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Principal payments - bonds	(7,750,216)	-	-	-	(7,750,216)	-
Cost of refunding bonds	-	-	-	-	-	-
Payment of principal on capital leases	-	-	-	-	-	(601,852)
Payment of interest on capital leases	-	-	-	-	-	(16,133)
Payment of VRA loan	(15,991,799)	-	-	-	(15,991,799)	-
Interest and other loan expenses paid	(5,966,824)	-	-	-	(5,966,824)	-
Purchase of property	(19,540,667)	(49,611)	-	(3,917,577)	(23,507,856)	(11,822,082)
Proceeds from line of credit	-	-	-	-	-	(1,486,887)
Proceeds from sale of equipment	-	-	-	-	-	2,479,097
Net cash used for capital and related financing activities	<u>(49,249,506)</u>	<u>(49,611)</u>	<u>-</u>	<u>(3,917,577)</u>	<u>(53,216,695)</u>	<u>(11,447,857)</u>
Net increase (decrease) in cash and cash equivalents	<u>(3,148,563)</u>	<u>(771,680)</u>	<u>22,068</u>	<u>(2,801,466)</u>	<u>(6,699,642)</u>	<u>(3,372,166)</u>
Cash and cash equivalents at beginning of year	<u>49,960,371</u>	<u>1,820,595</u>	<u>1,526,206</u>	<u>16,347,945</u>	<u>69,655,117</u>	<u>12,504,694</u>
Cash and cash equivalents at end of year	<u>\$46,811,808</u>	<u>\$1,048,915</u>	<u>\$1,548,274</u>	<u>\$13,546,479</u>	<u>\$62,955,475</u>	<u>\$9,132,528</u>
Reconciliation of operating income (loss) to net cash provided by operations:						
Operating Income (loss)	\$23,921,304	(\$2,903,437)	(\$73,523)	\$758,881	\$21,703,225	\$677,237
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation and amortization expense	18,063,228	1,023,263	95,177	22,483	19,204,151	6,207,096
Effect of changes in operating assets and liabilities:						
Accounts receivable	(16,602)	-	-	-	(16,602)	1,526,813
Inventories	30,832	-	-	-	30,832	(156,438)
Vouchers payable	3,321,050	(121,887)	414	26,175	3,225,752	(1,167,803)
Compensated absences	369,380	-	-	280,251	649,631	(65,410)
Contract retainage	114,889	-	-	-	114,889	-
Prepaid item	22,275	-	-	-	22,275	-
Accrued rent liability	-	1,279,992	-	-	1,279,992	-
Unearned revenue	195,458	-	-	-	195,458	-
Net cash provided by operations	<u>\$46,021,814</u>	<u>(\$722,069)</u>	<u>\$22,068</u>	<u>\$1,087,790</u>	<u>\$46,409,603</u>	<u>\$7,021,495</u>
Schedule of non-cash capital and related financing activities:						
Contributions from developers and other sources	\$2,457,070	\$ -	\$ -	\$ -	\$2,457,070	\$ -

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, 2021

	Pension and OPEB Trust Funds	Private Purpose Trust Funds*	Custodial Funds
ASSETS:			
Equity in pooled cash and investments	\$209,332,379	\$220,730	\$109,354
Contributions receivable:			
Employer	1,811,569	-	-
Employee	429,929	-	-
Accrued interest and other receivables	97,894	-	-
Capital assets, net	-	-	-
Receivable from other governments	-	-	8,036
Investments, at fair value:			
Foreign, Municipal and U.S. Government			
Instruments in pooled funds	187,960,002	-	-
Corporate fixed income obligations	158,662,606	-	-
Domestic and foreign equities, including			
Equities in pooled funds	1,098,503,707	-	-
Other investments	170,707,870	-	-
Real estate funds	5,133,848	-	-
Pooled equity	1,090,556,812	-	-
Pooled fixed Income	482,611,214	-	-
Convertible	-	-	-
Total assets	<u>3,405,807,831</u>	<u>220,730</u>	<u>117,390</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES:			
Accounts payable and accrued liabilities	<u>2,849,672</u>	<u>9,635</u>	<u>117,390</u>
Total liabilities	<u>2,849,672</u>	<u>9,635</u>	<u>\$117,390</u>
NET POSITION RESTRICTED FOR PLAN BENEFITS AND OTHER PURPOSES	<u>\$3,402,958,159</u>	<u>\$211,095</u>	<u>\$-</u>

* Restated in compliance with GASB 84.

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, 2021

	Pension and OPEB Trust Funds	Private Purpose Trust Funds*	Custodial Funds
ADDITIONS:			
Contributions and revenues:			
Employer contributions	\$67,157,891	\$-	\$-
Employee contributions	14,792,219	-	-
Other contributions	57,589	-	-
Shared revenues	-	118,000	-
Tax collections for other governments	-	-	2,234,052
Collections for other organizations	-	-	18,351
Total contributions	82,007,699	118,000	2,252,403
Investment earnings:			
Interest and other	36,934,503	686	-
Gross income from securities lending	159,790	-	-
Bank fees and expenses from securities lending	(40,504)	-	-
Net change in fair value of investments	722,379,431	-	-
Total investment earnings	759,433,220	686	-
Less investment expenses	8,277,361	-	-
Net investment earnings (loss)	751,155,859	686	-
Total additions	833,163,558	118,686	2,252,403
DEDUCTIONS:			
Administrative expenses	2,107,406	83,350	-
Tax payments to other governments	-	-	2,234,052
Payments to other organizations	-	-	18,351
Retirees pension expense	119,874,967	-	-
Total deductions	121,982,373	83,350	2,252,403
Change in net position	711,181,185	35,336	-
Restated Net position restricted for plan benefits - begin year	2,691,776,974	175,759	-
Net position restricted for plan benefits - year end	\$3,402,958,159	\$211,095	\$-

* Restated in compliance with GASB 84.

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, 2021

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, 2021.

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 Public 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, 2021

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 Public 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, 2021

considered a legally separate entity. Because the County has assumed responsibility to make contributions to the plan, 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 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, 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. Inter-fund balances between governmental funds and inter-fund balances between enterprise funds are included in the government-wide statement of 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, 2021

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 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, 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. Crystal City Tax Increment Financing will provide funding for the Crystal City Sector Plan and infrastructure and Columbia Pike Tax Incremental Financing will provide funding for Columbia Pike

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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.

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. Enterprise funds consist of the utilities (water and sewer), the Ballston Public Parking Garage, the 8th Level Ballston Public Parking Garage funds, and the Community Planning Housing Development (CPHD) Development Fund.

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 **CPHD 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 Funds** are 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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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	5-10
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.

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.

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.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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, 2020, 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 2021, 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 2021 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 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.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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 position that applies to a future period and so will not be recognized as an outflow of the resources (expenditure) until a future period. Deferred outflows for pensions and OPEB activities 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 position 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. 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 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 Post-Employment Benefits (OPEB)

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

The VRS Teacher Retirement Plan is a multiple-employer, cost-sharing plan. The VRS Political Subdivision Retirement Plan is a multi-employer, agent plan. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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 Governmental Accounting Standards Board (GASB) pronouncements:

In January 2017, GASB issued Statement No. 84 ("GASB 84"), *Fiduciary Activities*. The objective of this Statement is to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. It also improves the usefulness of fiduciary activity information primarily for assessing the accountability and stewardship of state and local governments in their roles as fiduciaries.

This Statement establishes specific criteria for identifying activities that should be reported as fiduciary and clarifies whether and how business-type activities should report their fiduciary activities. This statement was originally effective for reporting periods beginning after December 15, 2019; however, the requirement to implement this standard was extended by GASB Statement 92 (Omnibus 2020) to be effective for reporting periods beginning after June 15, 2020. The County and Schools both adopted GASB 84 in FY21. The financial reporting impact resulting from the implementation of GASB 84 included a restatement of the Governmental Activities, Fiduciary, and School's FY2021 beginning net position as detailed in note below.

T. Change in Accounting Principle

During the year ended June 30, 2021, the County and Schools adopted new accounting guidance by implementing the provisions of GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities. The implementation of this statement has resulted in changing the presentation of the financial statements by moving revenue that does not meet the Fiduciary activity criteria from custodial (formerly agency) funds and private purpose trust funds to Governmental Activities, as well as including accruals and net position to custodial funds which was not previously required. Beginning net position/fund balance has been restated to reflect this change as noted below:

	Governmental Activities				Fiduciary Private Purpose Trust	Schools Governmental Activities	Total Reporting Entity*
	General Fund	Stormwater Fund	IDA Bond Fund	Total Government Activities*			
Net Position/Fund Balance June 30, 2020 as previously reported	\$246,864,985	\$13,672,447	\$1,989,425	\$1,184,054,732	\$1,967,885	\$310,197,671	\$2,393,446,523
Change in Accounting Principle	20,314,057	2,436,368	1,781,373	24,525,298	(1,792,126)	2,812,305	27,337,603
Net Position/Fund Balance June 30, 2020 as Restated	\$267,179,042	\$16,108,815	\$3,770,798	\$1,208,580,030	\$175,759	\$313,009,976	\$2,420,784,126

*Difference due to IDA Capital

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

U. Subsequent Events

COVID-19 virus became a national pandemic in March 2020. This event continues through FY21 with anticipated continued 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 has 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 has received to date, in FY20 through FY21 over \$110 million in Federal, State and Local funds for COVID-19 related expenditures. American Rescue Plan Act monies were received in FY21 and spending will begin in FY22.

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 FY2021, such appropriation amendments totaled \$175,621,628 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 did not exceed the level of control for any departments in FY 2021.

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 (deferred ground rent and a deferred mortgage payable) and depreciation, the garage has a negative net position of \$48,423,046 at June 30, 2021. 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.

The printing fund (an internal service fund), had a decrease in net position of (\$254,712) in FY21, resulting in an ending net deficit of (\$2,106,491).

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 \$55,180,357 and the bank balance was \$63,136,661. Of the bank balance, \$18,687,674 was covered by Federal depository insurance. The

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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, 2021.

F. Interest Rate Risk and Fair Value Hierarchy

As a means of limiting exposure to fair value losses resulting from increasing interest rates, the Treasurer's investment policy states that the maturities in the portfolio are to be reviewed frequently to mitigate the effects of market fluctuations. In no case, however, shall investments be purchased with maturities greater than five years. At June 30, 2021, the County had the following investments and maturities:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

	Investment Maturity (in years)			
	Fair Value	Less than 1 year	1-3 years	3-5 years
Corporate Notes	\$139,156,208	\$18,491,117	\$68,683,198	\$51,981,893
Government Agency Notes	266,385,107	-	121,609,609	144,775,498
Municipal Obligations	47,690,524	10,556,376	19,284,023	17,850,125
US Treasury Note	2,981,730	-	2,981,730	-
Total	\$456,213,569	\$29,047,493	\$212,558,560	\$214,607,516
Investments Measured at Net Asset Value (NAV)				
Virginia State LGIP - Liquidity Pool	\$50,297,538			
VIP Daily Liquidity Pool	280,982,747			
Virginia State SNAP	390,088,511			
Total Investments	\$721,368,796			

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, 2021, the County's fair value measurements were as follows:

	Fair Value	Level 1	Level 2	Level 3
Virginia State LGIP - Liquidity Pool	\$50,297,538	\$50,297,538	\$-	\$-
VIP Daily Liquidity Pool	280,982,747	280,982,747	-	-
Virginia State SNAP	390,088,511	390,088,511	-	-
Corporate Notes	139,156,208	139,156,208	-	-
Government Agency Notes	266,385,107	266,385,107	-	-
Municipal Obligations	47,690,524	47,690,524	-	-
US Treasury Note	2,981,730	2,981,730	-	-
Total	\$1,177,582,365	\$1,177,582,365	\$-	\$-

As of June 30, 2021, the County has no investments in assets classified as Level 2 and 3.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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, 2021, the balance of these funds totaled \$17,978,381, 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 \$149,931 at fair value, were held by First Virginia Community Bank at June 30, 2021.

SunTrust 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 SunTrust Bank and transferred monthly to the County's concentration account with Wells Fargo Bank. As of June 30, 2021, the SunTrust Bank balance was \$45,623 for the Ballston Parking Garage and \$158,349 for the Arlington Mill Parking Garage.

John Marshall Bank is the trustee for the World Cities Alliance, an account to be used for specific marketing and business development efforts by the County. As of June 30, 2021, the account balance was \$49,260.

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, 2021, the County had \$390,088,511 in the SNAP short-term investment. SNAP is administered by the Virginia Treasury Board which is committed to managing certain risk limiting provisions to maintain a stable net asset value (NAV) at \$1.00 per share, as determined at the close of each business day. The goal of maintaining NAV is facilitated as follows:

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

The County is a participant in the LGIP, which is administered by the Virginia Treasury Board. As of June 30, 2021, the County has \$50,297,538 in the LGIP short-term investment. The Virginia Treasury Board 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:

- 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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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
- Common stocks, preferred stocks, warrants and similar rights of U.S. and non-U.S. companies.
- Private equity via a fund-of-funds and direct approach to maximize diversification by vintage year and investment type.
- Open and closed end pooled real estate funds and real estate investment trust securities
- 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. Limits on concentration, credit quality and duration are governed by each investment manager's contract.

Since the Fund does not utilize a target allocation approach, the following table shows the Fund's ten-year average allocation:

<u>Asset Class</u>	<u>10 Year Average Allocation</u>
Domestic Equity	34%
International Equity	30%
Fixed Income	24%
Cash/Short Term	6%
Non-Traditional	6%
	<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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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, 2020 (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	6.0%
International Equity	7.2%
Fixed Income	1.9%
Cash/Short Term	0.7%
Non-Traditional	9.6%

C. Investment Restrictions

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

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

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

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

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

Investment managers are prohibited from:

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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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, 2021, the System had \$56 in open net forward currency contracts.

D. Cash and Cash Equivalents

At June 30, 2021, the System had cash and cash equivalents of \$209,332,379. Cash deposits in bank accounts totaled \$375,851. This amount was insured by the Federal Deposit Insurance Corporation up to \$250,000 for each System participant. Cash totaling \$208,956,528 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.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

The following table presents the fair value of investments by type at June 30, 2021:

System Investments

<u>Investment Type</u>	<u>Investment Value in (\$000s)</u>
Foreign, Municipal and U.S. Governments:	
Government and Government Agency Debt	\$22,051
Government Pooled Fund	90,638
Total Foreign, Municipal, and U.S. Governments	<u>112,689</u>
Corporate Fixed Income Obligations:	
Residential Mortgaged Backed	72,467
Commercial Mortgaged Backed	19,375
Collateralized Mortgaged Obligations	27,075
Asset Backed Securities	39,745
Total Corporate Fixed Income Obligations	<u>158,662</u>
Domestic and Foreign Equities:	
Common Stock	951,679
REITs	3,980
Preferred Stock	3,055
Total Domestic and Foreign Equities	<u>958,714</u>
Private Equity:	
Private Equity	170,708
Real Estate Funds:	
Real Estate	5,134
Pooled Equity:	
Pooled Equity Funds	1,090,557
Pooled Fixed Income:	
Pooled Bonds Funds	482,611
Total ⁽¹⁾	<u><u>\$2,979,075</u></u>

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

Interest Rate Risk: Interest rate risk is driven by changes in general interest rate levels. The price of a fixed income security generally moves in the opposite direction of the change in interest rates. Securities with long maturities are highly sensitive to interest rate changes. The System has interest rate exposure on \$180.7 million of directly owned fixed income securities and on \$573.2 million invested in three pooled US fixed income funds.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

The System's directly owned fixed income investments and maturities at June 30, 2021 are:

<u>Investment Type:</u>	<u>Investment Maturities</u>				
	<u>Fair Value</u> (\$000s)	<u>Investment Maturities (years)</u>			
		<u>Under 1</u>	<u>1-5</u>	<u>6-10</u>	<u>Over-10</u>
Asset Backed Securities	\$39,745	\$-	\$2,850	\$4,510	\$32,385
Commercial Mortgage-Backed	19,375	-	-	277	19098
Government and Government Agencies	22,052	-	-	11,888	10,164
Residential Mortgage Backed	72,467	-	-	4,776	67,691
Collateralized Mortgage Obligations	27,075	-	2429	967	23,679
Total	<u>\$180,714</u>	<u>\$-</u>	<u>\$5,279</u>	<u>\$22,418</u>	<u>\$153,017</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, 2021 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	\$39,745	3.28
Commercial Mortgage-Backed	19,375	3.98
Government & Government Agencies	22,052	14.01
Residential Mortgage Backed	72,467	5.09
Collateralized Mortgage Obligations	27,075	5.45
Total	<u>\$180,714</u>	<u>5.75</u>

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

Credit Risk: The System's credit quality distribution for the System's directly held fixed income investments of \$180.7 million at June 30, 2021 is shown in the following table:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Fixed Income Credit Quality Distribution

<u>Investment Type</u> <i>(in \$ 000s)</i>	<u>Credit Quality</u>							
	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>BBB</u>	<u>BB</u>	<u>B</u>	<u>Below B</u>	<u>Unrated</u>
Asset Backed Securities	\$ 6,985	\$ -	\$775	\$1,928	\$773	\$ -	\$19,408	\$9,876
Commercial Mortgage-Backed	6,146	2,522	900	2,333	1,240	169	-	6,066
Government & Government Agencies	22,051	-	-	-	-	-	-	-
Residential Mortgage Backed	72,467	-	-	-	-	-	-	-
Collateralized Mortgage Obligations	-	-	-	2,312	-	-	8,162	16,601
Total	<u>\$107,649</u>	<u>\$2,522</u>	<u>\$1,675</u>	<u>\$6,573</u>	<u>\$2,013</u>	<u>\$169</u>	<u>\$27,570</u>	<u>\$32,543</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, 2021 was as follows:

Foreign Currency Exposure In Dollars

<u>Currency (in \$ 000s)</u>	<u>Equity</u>	<u>Fixed Income & Convertible</u>	<u>Cash</u>	<u>Total</u>
Brazilian Real	\$2,657	\$-	\$-	\$2,657
British Pound Sterling	13,832	-	21	13,853
Danish Krone	7,831	-	1	7,832
Euro	52,360	-	1	52,361
HK offshore Chinese Yuan Renmini	2,304	-	-	2,304
Hong Kong Dollar	31,492	-	-	31,492
Indonesian Rupiah	4,829	-	5	4,834
Japanese Yen	6,900	-	22	6,922
Nigerian Naira	249	-	209	458
Philippines Peso	4,583	-	1	4,584
South Africa Rand	679	-	-	679
Swedish Krona	1,935	-	-	1,935
Swiss Franc	4,340	-	1	4,341
Total	<u>\$133,991</u>	<u>\$-</u>	<u>\$261</u>	<u>\$134,252</u>

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

F. Securities Lending

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

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

The fair value of securities on loan increased from \$45.3 million at the beginning of the year to \$75.0 million at June 30, 2021. The following table details the net income from securities lending for the fiscal year ended June 30, 2021:

Gross Income from Securities Lending	\$159,790
Less: Bank Management Fees	<u>(40,213)</u>
Net Income from Securities Lending	<u>\$119,577</u>

At June 30, 2021, the fair value of underlying securities lent was \$74,976,751 and the fair value of the non-cash collateral pledged was \$76,909,150. None of the System's pooled fund investments have material realized or unrealized securities lending related losses.

G. Fair Value of Investments

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

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

For investments that do not have a readily determinable fair value, the System establishes fair value by using the NAV per share (or its equivalent), such as member units or an ownership interest in partners' capital to which a proportionate share of net assets is attributed. These investments are not classified in the fair value hierarchy. In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The System's assessment

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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

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

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

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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Investments and Derivative Instruments Measured at Fair Value

	6/30/2021	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	\$22,051,188	\$-	\$22,051,188	\$-
Residential Mortgage Backed	72,466,932		72,466,932	
Corporate Fixed Income Obligations				
Commercial Mortgage Backed	19,543,806	-	19,543,806	-
Asset Backed	39,577,028	-	39,577,028	-
Non-Government Backed C.M.O.s	27,074,840		27,074,840	
Pooled Fixed Income				
Pooled Bond Funds	79,851,524	79,851,524	-	-
Total debt securities measured at fair value	260,565,318	79,851,524	180,713,794	-
Equity Securities				
Domestic and Foreign Equities				
Common stock	763,333,200	763,054,669	-	278,531
Preferred stock	3,054,420	3,054,420	-	-
Pooled Equity Funds	812,631,526	812,631,526	-	-
Total equity securities measured at fair value	1,579,019,146	1,578,740,615	-	278,531
Total investments by fair value level	1,839,584,464	\$1,658,592,139	\$180,713,794	\$278,531
Investments measured at the NAV				
Debt Securities				
Pooled Bond Funds	\$493,397,041			
Total Debt Securities measured at the NAV	493,397,041			
Equity Securities				
Domestic and Foreign Equities				
Pooled Global Equity Fund	305,878,042			
Pooled International Equity Fund	164,373,474			
Total equity securities measured at the NAV	470,251,516			
Alternative investments				
Private Equity				
Private Equity	170,707,870			
	170,707,870			
Real Estate Funds				
Real Estate	5,133,848			
Total alternative investments measured at the NAV	175,841,718			
Total investments measured at fair value	\$1,139,490,275			
Total investments	2,979,074,739			

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Total Assets at Net Asset Value				
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Debt Securities				
Pooled Fixed Income	\$493,397,041	\$-	Daily	N/A
Total Debt Securities	<u>493,397,041</u>	<u>-</u>		
Equity Securities:				
Domestic and Foreign Equities	305,878,042	-	Monthly	15-45 days
International Pooled Equity	164,373,474	-	Monthly	15-45 days
Total equity securities	<u>470,251,516</u>	<u>-</u>		
Alternative Investments:				
Private Equity	170,707,870	95	N/A	N/A
Real Estate	5,133,848	21	N/A	N/A
Total alternative investments	<u>175,841,718</u>	<u>116</u>		
Total investments measured at the NAV	<u>\$1,139,490,275</u>	<u>\$116</u>		

- **Unfunded Commitments.** At June 30th, the System had committed to fund certain alternative investment partnerships in the amount of 328.0 million. Funding of \$213.7 million has been provided leaving an unfunded commitment of \$114.3 million.
- **Equity.** Pooled Equity includes funds that invest in both U.S. and non-U.S. securities.
- **Alternative Investments.** Real estate includes two funds, structured as limited partnerships, which invest primarily in land in the United States. Private Equity includes ten funds, structured as limited partnerships, which employ multiple investment strategies including buy-out, venture capital and fund-of-funds. These investments can never be redeemed with the funds. Instead, the nature of the investments of these types is that distributions are received through the liquidation of the underlying assets of the funds. It is expected that the underlying assets of the funds will be liquidated over the next 10 years.
- **Fixed Income.** Pooled fixed income includes one fund that maintains a portfolio constructed to match or track the components of the Barclays Capital U.S. Aggregate Index as well as a TIPS fund.

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

Both, the County's and Schools' OPEB Trust Funds are authorized by the *Code of Virginia* §51.1-803 to invest the funds of the OPEB Trusts in accordance with the prudent person rule. The *Arlington County Code* §46-22 requires that the assets of the 2 Trusts be invested with care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. The Retirement Board may employ an investment advisor or advisors to invest or reinvest assets of the OPEB Trusts in accordance with the provisions of this chapter and regulations established by the Retirement Board.

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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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, 2021:

<u>County</u>			<u>Schools</u>		
Description	Percentage	Fair Value	Description	Percentage	Fair Value
Stocks	65%	\$139,789,859	Stocks	65%	\$58,038,083
Bonds	35%	75,271,462	Bonds	35%	31,251,276
Total:	100%	<u>\$215,061,321</u>	Total:	100%	<u>\$89,289,359</u>

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 4. Receivables and Unearned Revenues

Receivables at June 30, 2021 are summarized below:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Real estate taxes	\$449,211,160	\$-
Personal property taxes	4,461,514	-
Business license taxes	2,746,871	-
Meal tax	1,032,625	-
Accounts receivable	92,254,671	19,384,054
Interest	1,196,191	-
Total	<u>550,903,032</u>	<u>19,384,054</u>
Less: Allowance for uncollectible accounts	<u>(1,185,391)</u>	<u>(748,500)</u>
Net receivables	<u>\$549,717,641</u>	<u>\$18,635,554</u>

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

The County Board establishes the tax rates in April each year, at which time the County has the legal right to request payment. Real Estate taxes are due in two equal installments on June 5 and October 5. Included in real estate taxes receivable is the unbilled October 5 installment. This October due amount, totaling \$445,477,746, 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 of \$255 million and accrued interest of approximately \$58 million at June 30, 2021 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, 2021, the components of unearned revenues reported were as follows:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

General Fund

Household Credits \$1,005,064

Capital Project Fund

Developer's contributions 5,862,440

FTA deferred grant revenues 563,482

6,425,922

Total Unearned Revenues \$7,430,986

<u>Deferred Inflows of Resources</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total Governmental Activities</u>	<u>Business - Type Activities</u>	<u>Total Primary Government</u>
Taxes	\$7,723,581	\$4,902,864	\$12,626,445	\$-	\$12,626,445
Grants	27,826,011	2,481,184	30,307,195	-	30,307,195
Pension	68,200,000	-	68,200,000	-	68,200,000
OPEB	73,601,989	-	73,601,989	-	73,601,989
Housing development loans	380,182	50,854,670	51,234,852	-	51,234,852
Refunding of debt	-	-	-	991,424	991,424
Total Deferred Inflows of resources	<u>\$177,731,763</u>	<u>\$58,238,718</u>	<u>\$235,970,481</u>	<u>\$991,424</u>	<u>\$236,961,905</u>

Deferred inflows of resources in governmental funds include \$445,477,746 of October installment of real estate taxes.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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

Capital asset activity for the year ended June 30, 2021:

For Government Activities:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental and Internal Service activities:				
Capital assets, not being depreciated:				
Land	\$232,684,358	\$16,106,723	\$-	\$248,791,081
Construction in progress	237,694,583	108,079,039	119,773,365	226,000,257
Total capital assets, not being depreciated	<u>470,378,941</u>	<u>124,185,762</u>	<u>119,773,365</u>	<u>474,791,338</u>
Capital assets, being depreciated:				
Infrastructure	939,976,798	49,542,355	-	989,519,153
Buildings	476,181,171	62,067,153	-	538,248,324
Furniture, fixtures and equipment	376,929,113	23,306,171	9,803,678	390,431,606
Intangible	8,975,293	1,283,691	-	10,258,984
Total capital assets being depreciated	<u>1,802,062,375</u>	<u>136,199,370</u>	<u>9,803,678</u>	<u>1,928,458,067</u>
Less accumulated depreciation for:				
Infrastructure	401,905,482	22,262,846	-	424,168,328
Buildings	169,980,665	12,955,036	-	182,935,701
Furniture, fixtures and equipment	222,043,040	23,221,016	8,488,035	236,776,021
Intangible	6,828,285	905,646	-	7,733,931
Total accumulated depreciation	<u>800,757,472</u>	<u>59,344,544</u>	<u>8,488,035</u>	<u>851,613,981</u>
Total capital assets, being depreciated, net	<u>1,001,304,903</u>	<u>76,854,826</u>	<u>1,315,643</u>	<u>1,076,844,086</u>
Governmental and Internal Service activities capital assets, net	<u>\$1,471,683,844</u>	<u>\$201,040,588</u>	<u>\$121,089,008</u>	<u>\$1,551,635,424</u>

Governmental activities capital assets, net of accumulated depreciated at June 30, 2021, are comprised of the following:

Governmental funds	\$1,514,252,362
Internal service funds	37,383,062
Total	<u>\$1,551,635,424</u>

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

For Business-type Activities

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated				
Land	\$6,161,255	\$-	\$-	\$6,161,255
Construction in progress	27,915,125	23,201,636	25,142,292	25,974,469
Total capital assets, not being depreciated	<u>34,076,380</u>	<u>23,201,636</u>	<u>25,142,292</u>	<u>32,135,724</u>
Capital assets, being depreciated:				
Sewer system	422,135,464	9,093,056	-	431,228,520
Water system	852,928,733	14,149,173	-	867,077,906
Building	32,066,676	4,177,396	-	36,244,072
Furniture, Equipments	7,436,992	485,563	-	7,922,555
Intangible	7,426,771	-	-	7,426,771
Total capital assets being depreciated	<u>1,321,994,636</u>	<u>27,905,188</u>	<u>-</u>	<u>1,349,899,824</u>
Less accumulated depreciation for:				
Sewer system	113,084,103	2,000,917	-	115,085,020
Water system	146,571,961	15,322,539	-	161,894,500
Building	17,071,873	955,086	-	18,026,959
Furniture, fixtures and equipment	6,044,430	295,225	-	6,339,655
Intangible	2,087,500	1,237,473	-	3,324,973
Total accumulated depreciation	<u>284,859,867</u>	<u>19,811,240</u>	<u>-</u>	<u>304,671,107</u>
Total capital assets, being depreciated, net	<u>1,037,134,769</u>	<u>8,093,948</u>	<u>-</u>	<u>1,045,228,717</u>
Business-type activities capital assets, net	<u>\$1,071,211,149</u>	<u>\$31,295,584</u>	<u>\$25,142,292</u>	<u>\$1,077,364,441</u>

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Discretely presented component units Schools:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	\$4,697,946	\$-	\$-	\$4,697,946
Construction in progress	51,348,132	37,204,031	31,680,448	56,871,715
Total capital assets, not being depreciated	<u>56,046,078</u>	<u>37,204,031</u>	<u>31,680,448</u>	<u>61,569,661</u>
Capital assets, being depreciated:				
Buildings	1,009,198,658	49,655,770	-	1,058,854,428
Furniture, fixtures, and equipment	136,666,370	14,159,845	-	150,826,215
Total capital assets being depreciated	<u>1,145,865,028</u>	<u>63,815,615</u>	<u>-</u>	<u>1,209,680,643</u>
Less accumulated depreciation for:				
Buildings	295,835,957	25,229,966	-	321,065,923
Furniture, Equipments	89,288,652	8,069,231	-	97,357,883
Total accumulated depreciation	<u>385,124,609</u>	<u>33,299,197</u>	<u>-</u>	<u>418,423,806</u>
Total capital assets, being depreciated, net	<u>760,740,419</u>	<u>30,516,418</u>	<u>-</u>	<u>791,256,837</u>
Schools activities capital assets, net	<u>\$816,786,497</u>	<u>\$30,516,418</u>	<u>\$-</u>	<u>\$852,826,498</u>

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

Function and Activity	Depreciation Expense
Primary government:	
Government activities:	
General Government	\$14,605,074
Public Safety	3,931,540
Public works, including depreciation of infrastructure assets	25,172,940
Health and welfare	89,573
Libraries	248,324
Parks, recreation and culture	7,130,406
Planning and community development	1,959,591
Total Depreciation Expense - Government Activities	<u>53,137,448</u>
Internal Services	<u>6,207,096</u>
Total Depreciation Expense - Governmental & Internal Services	<u>59,344,544</u>
Business-type activities:	
Utilities	\$18,670,317
Ballston Public Parking Garage	1,023,263
8th level Ballston Public Parking Garage	95,177
CPHD Development Fund	22,483
Total Depreciation Expense - Business-type Activities	<u>\$19,811,240</u>

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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, 2021, the current portion of these liabilities was \$8.37 million, which represents an estimate of health insurance claims that have been incurred but not reported of \$8.04 million and are included in the accrued payroll liabilities and the current portion of workers' compensation of \$.33 million. The non-current portion was \$3.06 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 since July 1, 2019 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>
2019 – 2020				
Current	\$8,069,454	\$61,091,633	\$60,847,523	\$8,313,474
Long Term	\$3,349,733	\$3,019,866	\$2,868,869	\$3,500,730
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

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, 2021.

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 2021. 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 FY21, the the County has committed a Stabilization Reserve of \$13,929,644.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 7. Operating Leases

The County leases office space and equipment under various long-term lease agreements. The building lease agreements are subject to various adjustments during the terms of the leases. Future minimum rental payments for each of the following years ending June 30, are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2022	\$19,624,819
2023	20,084,884
2024	20,168,348
2025	20,538,690
2026	21,099,784
2027-2031	104,136,121
2032-2034	33,882,825
	<u>\$239,535,471</u>

The County has also entered into a 45-year lease agreement for approximately 4.41 acres of land for the construction and operation of the Ballston Public Parking Garage. Cumulative lease payments are payable only when the garage attains certain cash flow targets which have not occurred since the inception of the lease. As of June 30, 2021, the lease liability \$21,955,583 has been accrued in the Ballston Public Parking Garage Fund.

In accordance with the lease agreement between the County as a lessor and VNO Courthouse II LLC as a lessee, an annual base rental payment is required to be paid equal to the greater of \$150,000 or 50% of the net cash flow generated by office and residential buildings located in the Court House area. During the fiscal year ended June 30, 2021, the County received \$ 2,345,612 under this lease agreement. The County has also entered into a seventy-five-year lease agreement with Arlington Hotel Associates LLC (LLC) on June 20, 2005 for the construction and operation of a hotel on land owned by Arlington County. The County (Lessor) leases the land to the LLC (Tenant), in return, the LLC made a one-time lump sum payment of \$150,000 upon receipt of the first certificate of occupancy and pays rent in the amount equal to 2% of annual gross revenues thereafter. The total payments received from the LLC during FY 2021 were \$72,571.

NOTE 8. Capital Leases

The County has capital lease arrangements to finance the acquisitions of 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 capital leases at June 30, 2021 are summarized below:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

	Primary Government	Schools
Building	\$1,395,842	\$-
Equipment	73,448,876	17,681,547
Equipment CIP	48,927	-
Auto	2,802,688	-
Total assets, at cost	<u>77,696,333</u>	<u>17,681,547</u>
Accumulated depreciation	<u>(47,088,996)</u>	<u>(13,584,556)</u>
Total assets, net	<u>\$30,607,337</u>	<u>\$4,096,991</u>

The annual future minimum lease payments as of June 30, 2021 are as follows:

General Government:

Year Ending June 30,	Technology Services	Environmental Services	Public Safety	Total General Government
2022	736,942	466,840	2,174,963	3,378,745
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	<u>981,687</u>	<u>1,400,519</u>	<u>6,232,227</u>	<u>8,614,433</u>
Less Imputed Interest	<u>(19,616)</u>	<u>(97,088)</u>	<u>(210,529)</u>	<u>(327,234)</u>
Present Value of Minimum Payments	<u>\$962,070</u>	<u>\$1,303,431</u>	<u>\$6,021,698</u>	<u>\$8,287,200</u>

Internal Service Funds:

Year Ending June 30,	Auto Equipment
2022	231,321
2023	231,321
Total Minimum Lease Payments	462,642
Less Imputed Interest	<u>(8,164)</u>
Present Value of Minimum Payments	<u>\$454,478</u>

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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 FUND		UTILITY FUND		TOTAL GO BONDS	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$39,730,000	\$26,394,915	\$38,625,000	\$19,870,553	\$7,150,000	\$1,552,022	\$85,505,000	\$47,817,490
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
2027-2031	207,660,000	69,355,695	169,645,000	46,102,519	17,660,000	1,321,259	394,965,000	116,779,473
2032-2036	158,680,000	33,070,442	113,500,000	19,521,899	2,525,000	62,610	274,705,000	52,654,951
2037-2041	80,380,000	8,609,500	43,550,000	3,825,000	-	-	123,930,000	12,434,500
2042-2043	4,050,000	627,500	-	-	-	-	4,050,000	627,500
	\$667,600,000	\$225,073,064	\$520,590,000	\$151,535,674	\$59,915,000	\$6,412,195	\$1,248,105,000	\$383,020,933

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

ARLINGTON COUNTY, VIRGINIA
IDA BONDS

Fiscal Year	Principal	Interest	Total
2022	\$16,135,000	\$5,497,819	\$21,632,819
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 - 2031	27,830,000	11,927,311	39,757,311
2032-2036	21,095,000	6,940,588	28,035,588
2037-2041	14,100,000	3,160,942	17,260,942
2042-2043	6,090,000	342,389	6,432,389
	<u>\$124,110,000</u>	<u>\$42,889,940</u>	<u>\$166,999,940</u>

ARLINGTON COUNTY, VIRGINIA
VRA BONDS

Fiscal Year	Principal	Interest	Total
2022	16,688,168	2,703,327	19,391,496
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
2027-2031	40,484,321	2,176,770	42,661,092
	<u>\$127,354,028</u>	<u>\$12,264,544</u>	<u>\$139,618,572</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, 2021 was \$31,026,928. 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, 2021 was \$31,982,968. These bonds mature in fiscal year 2028.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

In October 2008, the County entered into a Financing Agreement with VRA, which agreed to issue \$50,000,000 in Wastewater System Revenue Bonds, Series 2008 and lend the proceeds to the County to continue the improvements to the water pollution control plant. The interest rate on these bonds is 2.72 percent. The proceeds from those bonds were received by the County prior to fiscal year 2012. The principal outstanding on these bonds at June 30, 2021 was \$25,433,213. 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, 2021, principal outstanding on these bonds was \$19,538,522. 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, 2021, the principal outstanding on these bonds was \$1,038,229 on Series 2008 bonds, \$9,376,173 on Series 2009 bonds and \$8,957,994 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, 2021, \$33,645,000 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, 2021, \$52,585,000 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, 2021, \$37,880,000 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.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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. In FY21 the County paid off the the line of credit, so as of June 30, 2021, there is no balance outstanding.

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

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

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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

E. Changes in Long-Term Liabilities

During the year ended June 30, 2021, the following changes occurred in liabilities reported in the County and Schools Long-term Obligations:

	Balance July 1	Additions	Reductions	Balance June 30	Due in one Year
<u>General Government:</u>					
Compensated absences*	\$37,581,438	\$36,947,737	(\$31,581,924)	\$42,947,251	\$4,294,725
Workers' compensation	3,889,701	2,109,713	(2,604,313)	3,395,101	339,510
General obligation Bonds - County**	346,004,225	181,725,000	(76,677,725)	451,051,500	20,115,000
General Obligation Refunding Bonds - County	168,133,162	111,640,000	(63,218,162)	216,555,000	19,615,000
General Obligation Bonds - Schools	305,852,276	80,150,000	(84,407,275)	301,595,001	21,515,000
General Obligation Refunding Bonds - Schools	161,583,466	122,225,000	(64,813,467)	218,994,999	17,110,000
IDA Revenue Bonds - 2020	-	37,880,000	-	37,880,000	10,290,000
IDA Revenue Bonds - 2013	46,490,000	-	(12,845,000)	33,645,000	3,040,000
IDA Revenue Bonds - 2017	55,345,000	-	(2,760,000)	52,585,000	2,805,000
Capital Leases	11,772,111	-	(3,484,911)	8,287,200	3,211,752
Line of credit	12,733,465	-	(12,733,465)	-	-
Bond Premiums - County	73,618,251	51,017,714	(4,995,650)	119,640,315	7,589,584
Bond Premiums - Schools	60,034,454	21,744,870	(4,076,816)	77,702,508	5,128,131
Net OPEB liability*	162,071,917	-	(61,825,758)	100,246,159	-
Totals General Government	\$1,445,109,466	\$645,440,034	(\$426,024,466)	\$1,664,525,034	\$115,053,702
<u>Internal service:</u>					
Compensated Absence*	\$569,432	\$609,059	(\$674,468)	\$504,023	\$50,402
Capital lease	1,056,329	-	(601,851)	454,478	225,618
Line of credit	1,486,887	-	(1,486,887)	-	-
Total Governmental Activities	\$1,448,222,114	\$646,049,093	(\$428,787,672)	\$1,665,483,535	\$115,329,722
<u>Component Unit - Schools:</u>					
Compensated absences*	\$42,948,961	12,051,251	(9,714,579)	\$45,285,633	\$4,528,563
Capital lease	615,840	-	(615,840)	-	-
Line of credit	7,977,464	-	(7,977,464)	-	-
Net Pension liability*	488,832,138	50,613,846	-	539,445,984	-
Net OPEB liability*	200,285,756	-	(26,208,146)	174,077,610	-
	\$740,660,159	\$62,665,097	(\$44,516,029)	\$758,809,227	\$4,528,563
<u>Business-Type Activities</u>					
Compensated absences-Utilities*	\$1,675,621	\$2,512,181	(\$2,142,801)	\$2,045,001	\$204,501
Compensated absences-CPHD	894,107	1,015,757	(735,506)	1,174,358	117,436
GO Bonds - Utilities	14,879,999	-	(13,565,000)	1,314,999	415,000
Refunding Bonds - Utilities	52,128,372	34,990,000	(28,518,371)	58,600,001	6,735,000
Mortgage Payable - Ballston	3,429,679	-	-	3,429,679	3,429,679
Mortgage and Interest Payable - Ballston	37,469,256	2,486,447	-	39,955,703	39,955,703
VRA Loan Payable	143,345,827	-	(15,991,799)	127,354,028	16,688,168
Bond and mortgage interest payable - Utilities	2,160,597	-	(376,600)	1,783,997	1,783,997
Bond Premium - Utilities	3,162,293	-	(314,981)	2,847,312	314,981
Total business-type activities	\$259,145,751	\$41,004,385	(\$61,645,058)	\$238,505,078	\$69,644,465

* Liquidated with respective liability funds as needed

** County GO Bonds restated for GASB 84 net IDA adjustment

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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 \$499,123,706 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 \$499,123,706 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 \$499,123,706 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	\$817,971,527	\$882,629,219	\$1,700,600,746	\$848,994,635	\$17,476,187	\$2,067,947,862
Restricted for:						
Capital projects	133,674,364	-	133,674,364	107,776,617	-	241,450,981
Seized assets	1,599,972	-	1,599,972	-	-	1,599,972
Grants/Donations	22,240,225	-	22,240,225	4,259,825	-	26,500,050
Unrestricted	300,860,321	9,671,893	310,532,214	(570,551,830)	5,447,089	244,551,179
Restated net position	\$1,276,346,409	\$892,301,112	\$2,168,647,521	\$390,479,247	\$22,923,276	\$2,582,050,044

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, 2021 are reflected in current due to/from accounts of each fund/component unit, as summarized below:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Due to/ from other funds

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$1,966,485	\$-
Printing Fund	-	\$1,966,485
	<u>\$1,966,485</u>	<u>\$1,966,485</u>

Due to/from primary government and component unit

	<u>Receivables Entity</u>	<u>Payables Entity</u>
General Fund	\$-	\$83,383,817
School Funds:		
Operating		
Primary Government	70,301,285	-
Community Activities		
Primary Government	696,547	-
Pay-As-You-Go		
Primary Government	12,351,642	-
CSA		
Primary Government	34,343	-
	<u>\$83,383,817</u>	<u>\$83,383,817</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, 2021 are as follows:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

	General Fund	Special Revenue Funds	Capital Project Funds	Internal Services Funds	Total Transfers Out
Transfer					
General Fund*	\$-	\$246,700	9,299,317	741,178	\$10,287,195
Special Revenue Funds*	197,894	-	-	-	197,894
Capital Projects Funds	5,065,281	-	-	-	5,065,281
Transportation Project Fund*	2,720,783	-	-	-	2,720,783
Non-major Capital Projects Funds*	217,500	-	-	-	217,500
Internal Service Funds	130,000	-	-	-	130,000
Trust & Agency	-	-	2,436,368	-	2,436,368
Total Transfers In	<u>\$8,331,458</u>	<u>\$246,700</u>	<u>\$11,735,685</u>	<u>\$741,178</u>	<u>\$21,055,021</u>

*Transfers in governmental funds in Exhibit 4.

NOTE 12. Fund Balance

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

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

<u>Special Revenue Funds</u>	<u>Revenue Source</u>
Ballston Business Improvement District	Real Estate Taxes
Rosslyn Business Improvement District	Real Estate Taxes
National Landing Business Improvement District	Real Estate Taxes
Community Development Grants	Federal Grants
Section 8 Housing Program	Federal Grants
Travel & Tourism Promotion	Transient Taxes
Ballston Quarter Community Dev. IDA	Real Estate Taxes

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

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, 2021. 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, 2021. 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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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”). This Agreement initially totaled \$5.0 billion in capital funding covering fiscal years 2011 – 2016 and served as a master agreement to support future capital needs presented in annually updated Capital Improvement Programs (CIP). The CIP has subsequently been extended annually after the expiration of the original six-year period, currently extended through FY 2021. The CIP may include any capital project or purchase eligible for capital funding and may include projects in such categories as: vehicles and vehicle parts, rail system infrastructure rehabilitation, maintenance facilities, systems and technology, tracks and structures, passenger facilities, maintenance equipment, other facilities, project management, safety and security projects, and preventative maintenance. Arlington County contributes approximately 8.4% of the local jurisdictional funding in the WMATA CIP. In FY 2021, 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 2021, the County paid \$47.8 million from its general fund to subsidize WMATA's Metrobus, Metrorail and MetroAccess operating costs.

B. Construction Commitments

As of June 30, 2021, contractual commitments were outstanding in the following funds for the amounts indicated:

Capital Project Funds	\$93,999,011
Utilities Funds	<u>18,277,000</u>
	<u>\$112,276,012</u>

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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

C. Waste-to-Energy Facility

Arlington Solid Waste Authority

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

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

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

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

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

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

Since acceptance testing on each unit was completed in November 2000, the operating lease agreement between the ASWA and the Corporation took effect in January 2001. Since in essence the lease is a 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.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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 \$220,730 and \$179,902 and the bank balance totaled \$220,730 and \$179,902 at June 30, 2021 and June 30, 2020 respectively. During FY 2021, the WTE-FMG had \$118,686 as revenues and project-related expenditures of \$83,350.

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”).

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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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 2020, \$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 (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 capital lease arrangement with the Industrial

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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 Capital Leases. The County does not maintain an equity interest in the Academy's operations. In 2006, the County Board approved a resolution which committed the County to enter into an Agreement with the Academy.

The Counties of Arlington, Loudoun and Prince William and the City of Alexandria (Principal Members) agreed to facilitate the financing of the acquisition and construction of an Emergency Vehicle Operating Center ("EVOCC") on property to be owned by the Academy and refinance existing indebtedness (\$6,585,000). Northern Virginia Criminal Justice Academy Lease Revenue Bonds, Series 1993 issued by the Industrial Development Authority of Loudoun County; establish a debt service reserve fund, if needed and finance costs of issuance 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 financing 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 2021, 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 financing lease.

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

NOTE 15. Deferred Compensation Plan

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

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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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 Comprehensive Annual Financial Report. The accompanying financial statements present information on the operations of the System in conformity with generally accepted accounting principles.

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

Plan Administration

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

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

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

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

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

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

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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Plan Membership

At June 30, 2021, System membership consisted of the following:

	<u>General</u>	<u>Uniformed</u>	<u>School</u>	<u>Total</u>
Active Employees:				
Vested	1,668	522	4	2,194
Non-Vested	980	342	-	1,322
Total Active Employees	2,648	864	4	3,516
Vested Deferred	567	119	20	706
Retirees and Beneficiaries	2,475	915	828	4,218
Total Members	<u>5,690</u>	<u>1,898</u>	<u>852</u>	<u>8,440</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, 2021 is provided in the next section below.

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

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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Member Contributions and Retirement Benefits

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

Contributions

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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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, 2021, 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 20.6% of annual covered payroll. Employer contributions were \$59,657,891 and employee contributions were \$14,792,219 for FY2021.

Rate of Return

For the year ending June 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 28.3%. 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>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	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, 2020, 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, 2021 was determined by an actuarial valuation and measurement date as of June 30, 2020, 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, 2021 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, 2019 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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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 Liability/(Asset)

	<u>Increase (Decrease) (\$ in millions)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (Asset) (a) - (b)</u>
FY2021 Beginning balance - Measurement date of 6/30/2019	\$2,387.5	\$2,413.3	(\$25.8)
Changes for the year:			
Service cost	59.8	-	59.8
Interest	161.4	-	161.4
Differences between expected and actual experience	(30.1)	-	(30.1)
Change in benefits	-	-	-
Contributions - employer	-	59.9	(59.9)
Contributions - employee	-	14.7	(14.7)
Net investment income	-	156.8	(156.8)
Benefit payments, including refunds of employee contributions	(115.5)	(115.5)	0.0
Administrative expense	-	(2.0)	2.0
Net changes	<u>\$75.6</u>	<u>\$113.9</u>	<u>(\$38.3)</u>
FY2021 Ending Balance - Measurement date of 6/30/2020	<u>\$2,463.1</u>	<u>\$2,527.2</u>	<u>(\$64.1)</u>

Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate

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 liability/ (asset)	\$287.8	(\$64.1)	(\$350.3)

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 \$50.8 million calculated as of the measurement date of June 30, 2020. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

	<u>Deferred Outflows of</u>	<u>Deferred Inflows of</u>
Differences between expected and actual experience	\$-	\$41,600,000
Changes of assumptions	56,200,000	-
Net difference between projected and actual earning on the System's investments	-	26,600,000
Employer contributions subsequent to measurement date	<u>59,700,000</u>	<u>-</u>
Total	<u>\$115,900,000</u>	<u>\$68,200,000</u>

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,
(\$ in millions)

	<u>Balances</u>
2022	(\$16.7)
2023	9.9
2024	(6.3)
2025	1.1
Thereafter	-
	<u>(\$12.0)</u>

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

B. Virginia Retirement System (VRS) Teacher Retirement Plan

Plan Description

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

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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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, 2021 (measurement date June 30, 2020) 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 \$50,731,932 and \$48,195,875 for the years ended June 30, 2021 and June 30, 2020, respectively.

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

At June 30, 2021, Schools reported a liability of \$533,758,312 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 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, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, Schools' proportion was 3.67% as compared to 3.69% at June 30, 2019.

For the year ended June 30, 2021, Schools recognized pension expense of \$65,340,531. 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, 2021, 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	\$-	\$31,286,463
Net difference between projected and actual earnings on pension plan investments	40,598,231	-
Change in assumptions	36,435,698	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	8,544,710	3,711,487
Employer contributions subsequent to the measurement date	<u>50,731,932</u>	<u>-</u>
Total	<u>\$136,310,571</u>	<u>\$34,997,950</u>

The \$50,731,932 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, 2022. 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:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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

	<u>Balances</u>
2022	\$3,817
2023	16,243
2024	18,105
2025	13,148
2026	(733)
	<u>\$50,580</u>

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan 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%
Salary increases, including Inflation:	3.5% – 5.95%
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:

Pre-Retirement:

RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.

Post-Retirement:

RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; 115% of rates for males and females.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2012 through June 30, 2016, 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 a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decrease from 7.00% to 6.75%

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, 2020, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	Teacher Employee Retirement Plan
Total Pension Liability	\$51,001,855
Plan Fiduciary Net Position	<u>36,449,229</u>
Employers' Net Pension Liability	<u>\$14,552,626</u>

Plan Fiduciary Net Position as a Percentage
of the Total Pension Liability 71.47%

The total pension liability is calculated by the System’s actuary, and each plan’s fiduciary net position is reported in the System’s financial statements. The NPL is disclosed in accordance with the requirements of GAAP in the System’s notes to the financial statements and required supplementary information.

Long-Term Expected Rate of Return

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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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:

<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%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS-Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP-Private Investment Partnership	3.00%	6.49%	0.19%
Total	<u>100.00%</u>		<u>4.64%</u>
		Inflation	<u>2.50%</u>
		* Expected arithmetic nominal return	<u>7.14%</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 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, 2020, 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, 2020 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:

	<u>1.00% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1.00% Increase (7.75%)</u>
School division's proportionate share of their VRS Teacher Employee Retirement Plan Net Pension Liability	\$783,143,319	\$533,758,312	\$327,485,324

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan’s Fiduciary Net Position is available in the separately issued VRS 2020 Comprehensive Annual Financial Report (CAFR). A copy of the 2020 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2020-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 (VRS) Political Subdivision Plan

Plan Description

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

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

Employees Covered by Benefit Terms

As of the June 30, 2021, System membership consisted of the following:

	<u>Number</u>
Inactive members or their beneficiaries curenly receiving benefits	125
Inactive Members:	
Vested inactive members	50
Non-vested inactive members	192
Inactive members active elsewhere in VRS	<u>90</u>
VRS Total inactive members	332
Active Members	<u>606</u>
Total Covered employees	<u><u>1,063</u></u>

Contributions

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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

The political subdivision's contractually required contribution rate for the year ended June 30, 2021 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 \$1,291,914 and \$1,255,049 for the years ended June 30, 2021 and June 30, 2020, respectively.

Net Pension Liability

The political subdivisions net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2019, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

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, 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%
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:

Largest 10 – Non-Hazardous Duty: 20% of deaths are assumed to be service related

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, 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:

Largest 10 – Non-Hazardous Duty:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increase rate from 14% to 20%
Discount Rate	Decrease from 7.00% to 6.75%

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

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increase rate from 14% to 15%
Discount Rate	Decrease from 7.00% to 6.75%

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS-Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP-Private Investment Partnership	3.00%	6.49%	0.19%
Total	<u>100.00%</u>		<u>4.64%</u>
		Inflation	<u>2.50%</u>
		* Expected arithmetic nominal return	<u>7.14%</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, 2020, 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, 2020 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the Long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Changes in Net Pension Liability

(measurement date)	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2019	\$54,275,821	\$50,709,368	\$3,566,453
Changes for the year:			
Service cost	2,087,903	-	2,087,903
Interest	3,604,880	-	3,604,880
Differences between expected and actual experience	(288,136)	-	(288,136)
Change in assumptions	-		-
Contributions - employer	-	1,233,076	(1,233,076)
Contributions - employee	-	1,107,945	(1,107,945)
Net investment income	-	975,506	(975,506)
Benefit payments, including refunds	(1,740,387)	(1,740,387)	-
Administrative expenses	-	(31,921)	31,921
Other changes	-	(1,178)	1,178
Net changes	3,664,260	1,543,041	2,121,219
Balances at June 30, 2020	\$57,940,081	\$52,252,409	\$5,687,672

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

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

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Political subdivision's Net Pension Liability/(Asset)	\$13,322,150	\$5,687,672	(\$631,099)

For the year ended June 30, 2021, the political subdivision recognized pension expense of \$1,897,714. At June 30, 2021, the political subdivision reported deferred inflows of resources related to pensions from the following sources:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Employer contributions subsequent to the measurement date	\$1,291,914	\$-
Difference between expected and actual experience	557,070	218,559
Net difference between projected and actual earnings on plan investments	1,577,762	
Change in assumptions	883,425	40,812
Total	<u>\$4,310,171</u>	<u>\$259,371</u>

The amount \$1,291,914 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, 2022. 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,

	<u>Balances</u>
2022	\$754,933
2023	1,002,895
2024	516,820
2025	484,238
2026	-
Thereafter	-
	<u>\$2,758,886</u>

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan's is also available in the separately issued VRS 2020 Comprehensive Annual Financial Report (CAFR). A copy of the 2020 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/pdg/publications/2020-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA. 23218-2500.

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

NOTE 17. Other Postemployment Benefits (OPEB)

A. County OPEB

Plan Description

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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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, 2020 (valuation date), the following employees were covered by the benefit terms:

Total Active employees with coverage	3,020
Total Active employees without coverage	594
Total Retirees with coverage	1,709
Total Retirees without coverage	<u>299</u>
Total Members	<u>5,622</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 2021, the County contributed \$12,682,715 towards benefit payments and an additional \$7,500,000 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:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

<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, 2021, the annual money-weighted rate of return on the County's OPEB investments, net of investment expense was 26.17%. 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, 2021. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020.

Actuarial Assumptions

The total OPEB liability in the June 30, 2020 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, 2021
Salary Increases	3.00% per year for general salary inflation as of June 30, 2021
Discount Rate	6.75% for accounting and funding disclosures as of June 30, 2021
Investment Rate of Return	6.75% as of June 30, 2021

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

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

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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

The Long-Term Expected Rate of Return on OPEB Plan investments is 6.75% as of June 30, 2021.

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 25, 2020 was 2.21% and the municipal bond rate at June 26, 2021 was 2.16%.

However, the depletion test as of the most recent actuarial valuation of July 1, 2020, 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, 2020	\$310,689,503	\$164,541,448	\$146,148,055
Changes for the year:			
Service cost	6,488,331	-	6,488,331
Interest	20,988,451	-	20,988,451
Changes of benefits	-	-	-
Difference between expected and actual experience	(15,102,579)	-	(15,102,579)
Changes in assumptions	(14,017,999)	-	(14,017,999)
Contributions-employer	-	20,182,715	(20,182,715)
Net investment income	-	43,019,873	(43,019,873)
Benefit payments	(12,682,715)	(12,682,715)	-
Net changes:	(14,326,511)	50,519,873	(64,846,384)
Balances at June 30, 2021	\$296,362,992	\$215,061,321	\$81,301,671

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%
\$110,416,292	\$81,301,671	\$56,391,083

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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 (6.60% decreasing by 0.20% annually to an ultimate rate of 3%) or 1- percentage-point higher (8.60% decreasing by 0.20% annually to an ultimate rate of 5.00%) than the current healthcare cost trend rates:

1% Decrease	Healthcare Cost Trend Rates	1% Increase
<u>6.60% decreasing to 3.00%</u>	<u>7.60% decreasing to 4.00%</u>	<u>8.60% decreasing to 5.00%</u>
\$69,694,323	\$81,301,671	\$93,712,551

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

For the year ended June 30, 2020, the County will recognize OPEB expense in the amount of \$(1,139,692). At June 30, 2021, the County 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	\$-	\$24,157,050
Changes of assumptions	16,589,593	19,605,586
Net difference between projected and actual earnings on on OPEB plan investments	-	<u>25,753,900</u>
Total	<u>\$16,589,593</u>	<u>\$69,516,536</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>
2022	(\$16,445,928)
2023	(14,593,320)
2024	(13,648,999)
2025	(10,884,085)
2026	1,322,694
Thereafter	<u>1,322,695</u>
	<u>(\$52,926,943)</u>

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

OPEB Trust Financial Statements

ARLINGTON COUNTY, VIRGINIA
STATEMENT OF FIDUCIARY NET POSITION
OPEB TRUST
JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	<u>2021</u>	<u>2020</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	75,271,462	57,589,507
Domestic and Foreign Equities, including Equities in Pooled Funds	139,789,858	106,951,941
Total assets	<u>215,061,321</u>	<u>164,541,448</u>
LIABILITIES		
Accounts payable and accrued liabilities	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>
NET POSITION RESTRICTED FOR OPEB	<u>\$215,061,321</u>	<u>\$164,541,448</u>

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

ARLINGTON COUNTY, VIRGINIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
OPEB TRUST
FOR THE YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2020)

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
ADDITIONS:		
Employer contributions	\$7,500,000	\$6,500,000
Other Contributions	57,589	52,745
Investment income:		
Interest and dividends	14,003,414	7,461,970
Net appreciation (depreciation) in fair value	29,016,458	(121,779)
Total Additions	<u>50,577,462</u>	<u>13,892,936</u>
DEDUCTIONS:		
Other consulting expenses	<u>57,589</u>	<u>52,745</u>
Total Deductions	<u>57,589</u>	<u>52,745</u>
Net Increase	50,519,873	13,840,191
Net Position Restricted for OPEB, beginning of year:	<u>164,541,448</u>	<u>150,701,257</u>
Net Position Restricted for OPEB, end of year:	<u>\$215,061,321</u>	<u>\$164,541,448</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.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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

General Information about the LODA Program

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

Plan Description

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

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

LODA PLAN PROVISIONS

Eligible Employees

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

Benefit Amounts

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

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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

- 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, 2021 was \$717.31 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 \$628,364 and \$614,726 for the years ended June 30, 2021 and June 30, 2020, 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, 2021, the entity reported a liability of \$18,944,488 for its proportionate share of the net LODA OPEB liability. The net LODA OPEB liability was measured as of June 30, 2020 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, 2020 relative to the total of the actuarially determined pay-as-you-go employer contributions for all participating employers. At June 30, 2020, the County's proportion was 4.52335% as compared to 4.43826% at June 30, 2019.

For the year ended June 30, 2021, the entity recognized LODA OPEB expense of \$1,805,364. 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, 2021, 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, 2021

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$2,010,993	\$2,582,758
Net difference between projected and actual earnings on LODA OPEB plan investments	-	26,935
Change in assumptions	5,071,583	1,180,534
Change in proportionate share	1,025,655	295,226
Employer Contributions subsequent to the measurement date	<u>628,364</u>	<u>-</u>
Total	<u>\$8,736,595</u>	<u>\$4,085,453</u>

An amount of \$628,364 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, 2022. 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>
2022	\$514,861
2023	519,836
2024	525,144
2025	526,708
2026	528,371
Thereafter	<u>1,407,858</u>
	<u>\$4,022,778</u>

Actuarial Assumptions

The total LODA 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 - 2.50 percent

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

Medical cost trend rates assumption: -

- Under age 65: 7.00 percent - 4.75 percent
- Ages 65 and older: 5.375 percent - 4.75 percent

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Investment rate of return 2.21 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 2.21% was used since it approximates the risk-free rate of return.

Mortality rates – Largest Ten Locality Employers With Public Safety Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with Scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. 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 a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages.
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Increased disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 70%

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, 2020, NOL amounts for the LODA Program is as follows (amounts expressed in thousands):

Total LODA OPEB liability	\$423,147
Plan Fiduciary Net position	\$4,333
Employers’ Net OPEB liability	<u>\$418,814</u>

Plan Fiduciary Net Position as a Percentage of the Total LODA OPEB Liability 1.02%

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.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Long-Term Expected Rate of Return

The long-term expected rate of return on LODA OPEB Program's investments was set at 2.21% 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 2.21% 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, 2020.

Discount Rate

The discount rate used to measure the total LODA OPEB liability was 2.21%. 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, 2020, 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 2.21%, 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 (1.21%) or one percentage point higher (3.21%) than the current rate:

1% Decrease 1.21%	Current Discount Rate 2.21%	1% Increase 4.50%
\$22,486,850	\$18,944,488	\$16,274,332

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

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

1% Decrease 6.00% decreasing to 3.75%	Healthcare Cost Trend Rates 7.00% decreasing to 4.75%	1% Increase 8.00% decreasing to 5.75%
\$15,658,239	\$18,944,488	\$23,242,859

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

LODA OPEB Plan Fiduciary Net Position

Detailed information about the LODA Program’s Fiduciary Net Position is available in the separately issued VRS 2020 Comprehensive Annual Financial Report (CAFR). A copy of the 2020 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2020-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	3,461
Total Active employees without coverage	1,215
Total Retirees with coverage	<u>1,380</u>
Total Plan Members	<u>6,056</u>

Benefits Provided

The benefits provided are the same as those provided to active employees, and include medical, dental, and life insurance. At age 65, coverage is provided under Medicare Advantage plans. 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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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 2021 the Schools' contributed \$8,734,220 toward benefit payments and made a pre-funding contribution of \$2,600,000 towards health plans for retirees.

Investment Policy

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

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

Concentrations

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

Rate of Return

For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense for the Schools Trust was 26.17%. 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, 2021. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

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

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.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

The Long-Term expected rate of return was 6.75% as of June 30, 2021.

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 25, 2020 was 2.21% and the municipal bond rate at June 24, 2021 was 2.16%. 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 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, 2020	\$192,488,792	\$68,704,630	\$123,784,162
Changes for the year:			
Service cost	4,642,415	-	4,642,415
Interest	13,016,390	-	13,016,390
Change of benefit terms	-	-	-
Difference between expected and actual experience	527,435	-	527,435
Changes in assumptions	(14,977,786)	-	(14,977,786)
Contributions-employer	-	11,334,220	(11,334,220)
Net investment income	-	17,984,729	(17,984,729)
Benefit payments	(8,734,220)	(8,734,220)	-
Net changes:	(5,525,766)	20,584,729	(26,110,495)
Balances at June 30, 2021	\$186,963,026	\$89,289,359	\$97,673,667

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%
\$123,018,165	\$97,673,667	\$76,712,271

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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%	Healthcare Cost Trend Rates 7.00% decreasing to 3.78%	1% Increase 8.00% decreasing to 4.78%
\$77,889,856	\$97,673,667	\$116,876,031

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

For the year ended June 30, 2021, the Schools will recognize OPEB expense in the amount of \$8,468.641. At June 30, 2021, the Schools reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$8,224,506	\$674,207
Changes of assumptions	13,861,610	20,985,951
Net difference between projected and actual earnings on OPEB plan investments	-	10,787,813
Total:	<u>\$22,086,116</u>	<u>\$32,447,971</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,

2022	(\$4,136,902)
2023	(4,122,314)
2024	(3,705,208)
2025	(3,951,456)
2026	57,089
Thereafter	5,496,936
	<u>(\$10,361,855)</u>

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

OPEB Trust Statements-Arlington Public Schools

ARLINGTON COUNTY, VIRGINIA
OPEB TRUST FUND - SCHOOLS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	<u>JUNE 30, 2021</u>	<u>JUNE 30, 2020</u>
ASSETS		
Cash and Investments	\$89,289,359	\$68,704,630
Accounts Receivable	<u>-</u>	<u>-</u>
Total assets	<u>89,289,359</u>	<u>68,704,630</u>
LIABILITIES	<u>-</u>	<u>-</u>
NET POSITION RESTRICTED FOR OPEB	<u><u>\$89,289,359</u></u>	<u><u>\$68,704,630</u></u>

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

ARLINGTON COUNTY, VIRGINIA
OPEB TRUST FUND - SCHOOLS
STATEMENT OF CHANGES IN PLAN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	<u>2021</u>	<u>2020</u>
ADDITIONS:		
Employer contributions	\$ 2,600,000	\$ -
Investment Income:		
Interest and dividends	5,847,155	3,243,899
Net appreciation (depreciation) in fair value	<u>12,137,574</u>	<u>(52,931)</u>
Total additions	<u>20,584,729</u>	<u>3,190,968</u>
Net Increase	20,584,729	3,190,968
Net Position Held in Trust for Plan Benefits, beginning of year	<u>68,704,630</u>	<u>65,513,662</u>
Net Position Held in Trust for Plan Benefits, end of year:		
Restricted	<u>\$89,289,359</u>	<u>\$68,704,630</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

JUNE 30, 2021

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, 2021

-
- | |
|--|
| <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, 2021 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 \$3,869,056 and \$3,845,725 for the years ended June 30, 2021 and June 30, 2020, 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, 2021, Schools' reported a liability of \$48,047,430 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, 2020 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 2019 and rolled forward to the measurement date of June 30, 2020. 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, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, Schools' proportion of the VRS Teacher Employee HIC Program was 3.68316% as compared to 3.71017% at June 30, 2019.

For the year ended June 30, 2021, Schools' recognized VRS Teacher Employee HIC Program OPEB expense of \$4,190,342. Since there was a change in proportionate share between June 30, 2019 and June 30, 2020 a portion of the VRS Teacher Employee HIC program net OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2021, Schools' reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee HIC program OPEB from the following sources:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$-	\$641,653
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	212,927	-
Change in assumptions	949,830	262,517
Change in proportionate share	1,223,664	442,065
Employer Contributions subsequent to the measurement date	<u>3,869,056</u>	<u>-</u>
Total	<u>\$6,255,477</u>	<u>\$1,346,235</u>

An amount of \$3,869,056 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, 2022. 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>
2022	\$255,468
2023	276,573
2024	269,501
2025	236,076
2026	88,894
Thereafter	<u>(86,326)</u>
	<u>\$1,040,186</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, 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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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

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

* 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:

RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.

Post-Retirement:

RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with Scale BB to 2020; 115% of rates for males and females.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2012 through June 30, 2016, 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 a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount rate	Decrease from 7.00% to 6.75%

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, 2020, NOL amounts for the VRS Teacher Employee HIC Program is as follows (amounts expressed in thousands):

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

	Teacher Employee HIC OPEB Plan
Total Teacher Employee HIC OPEB liability	\$1,448,676
Plan Fiduciary Net Position	<u>144,160</u>
Teacher Employee net HIC OPEB liability	<u>\$1,304,516</u>

Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB liability 9.95%

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:

<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%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS-Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP-Private Investment Partnership	<u>3.00%</u>	<u>6.49%</u>	<u>0.19%</u>
Total	<u>100.00%</u>		<u>4.64%</u>
		Inflation	<u>2.50%</u>
		* Expected arithmetic nominal return	<u>7.14%</u>

* The above allocation provides a one-year return of 7.14%. 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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

ultimately provide a median return of 7.11%, including expected inflation of 2.50%. 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. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

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, 2020, 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, 2020 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	\$53,784,089	\$48,047,430	\$43,171,686

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 2020 Comprehensive Annual Financial Report (CAFR). A copy of the 2020 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2020-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-Teachers Group Life Insurance ("GLI") Program-OPEB

Summary of Significant Accounting Policies

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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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> <ul style="list-style-type: none">• <u>Natural Death Benefit</u> – The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled.• <u>Accidental Death Benefit</u> – The accidental death benefit is double the natural death benefit.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

-
- | |
|--|
| <ul style="list-style-type: none">• Other Benefit Provisions – In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include:<ul style="list-style-type: none">• Accidental dismemberment benefit• Safety belt benefit• Repatriation benefit• Felonious assault benefit• Accelerated death benefit option |
|--|

Reduction in benefit Amounts

<p>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.</p>
--

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

<p>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 \$8,616 as of June 30, 2021.</p>

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, 2021 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 \$1,675,248 for the years ended June 30, 2021 and June 30, 2020, 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, 2021, Schools' reported a liability of \$26,339,577 for its proportionate share of the net GLI OPEB liability. The net GLI OPEB liability was measured as of June 30, 2020 and the total GLI OPEB liability used to calculate the net GLI OPEB

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

liability was determined by an actuarial valuation performed as of June 30, 2019 and rolled forward to the measurement date of June 30, 2020. 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, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020 the participating employer's proportion was 1.57832% as compared to 1.59877% at June 30, 2019.

For the year ended June 30, 2021, the participating employer recognized GLI OPEB expense of \$1,181,785. 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, 2021, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB Program from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$1,689,441	\$236,575
Net difference between projected and actual earnings on GLI OPEB program investments	791,218	-
Change in assumptions	1,317,282	549,986
Change in proportionate share	572,204	260,931
Employer Contributions subsequent to the measurement date	<u>1,741,898</u>	<u>-</u>
Total	<u><u>\$6,112,043</u></u>	<u><u>\$1,047,492</u></u>

The amount of \$1,741,898 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, 2022. 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:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

For the Fiscal Year Ending June 30,

	<u>Balances</u>
2022	\$574,079
2023	797,522
2024	938,049
2025	845,685
2026	163,815
Thereafter	<u>3,503</u>
	<u>\$3,322,653</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:

RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.

Post-Retirement:

RP-2014 White Collar Employee Rates to age 49, White Collar Health Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with Scale BB to 2020; males 115% of rates and females 115% of rates.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2012 through June 30, 2016, 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:

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount rate	Decrease rate from 7.00% to 6.75%

Mortality rates – Largest Ten Locality Employers – General Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, White Collar Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Health Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with Scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in 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)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 20%
Discount rate	Decrease rate from 7.00% to 6.75%

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, 2020, NOL amounts for the GLI Program is as follows (amounts expressed in thousands):

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

	Group Life Insurance OPEB Program
Total GLI OPEB liability	\$3,523,937
Plan Fiduciary Net Position	<u>1,855,102</u>
Employers' Net GLI OPEB liability	<u>\$1,668,835</u>
 Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB liability	 52.64%

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%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS-Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP-Private Investment Partnership	3.00%	6.49%	0.19%
Total	<u>100.00%</u>		<u>4.64%</u>
		Inflation	<u>2.50%</u>
		* Expected arithmetic nominal return	<u>7.14%</u>

* The above allocation provides a one-year return of 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

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, 2020 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB Program’s fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

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

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

1% Decrease	Current Discount Rate	1% Increase
5.75%	6.75%	7.75%
\$34,625,396	\$26,339,577	\$19,610,715

GLI Program’s Fiduciary Net Position

Detailed information about the GLI Program’s Fiduciary Net Position is available in the separately issued VRS 2020 Comprehensive Annual Financial Report (CAFR). A copy of the 2020 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2020-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

F. Arlington County Schools GLI-OPEB

Summary of Significant Accounting Policies

The VRS GLI Program is a multiple-employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The GLI Program was established pursuant to §51.1-500 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The GLI Program is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers. For purposes of measuring the net GLI Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the GLI Program OPEB, and GLI Program OPEB expense, information about the fiduciary net position of the VRS GLI Program 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.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

General Information about the GLI Program

Plan Description

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

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

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

GLI PROGRAM PLAN PROVISIONS
<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> <ul style="list-style-type: none">• <u>Natural Death Benefit</u> – The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled.• <u>Accidental Death Benefit</u> – The accidental death benefit is double the natural death benefit.• <u>Other Benefit Provisions</u> – In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include:<ul style="list-style-type: none">• Accidental dismemberment benefit

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

- Safety belt benefit
- Repatriation benefit
- Felonious assault benefit
- Accelerated death benefit option

Reduction in benefit Amounts

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

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

For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the GLI Program. The minimum benefit was set at \$8,000 by statute in 2015. This amount is increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$8,616 as of June 30, 2021.

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, 2021 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 \$133,171 and \$126,983 for the years ended June 30, 2021 and June 30, 2020, 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, 2021, Schools reported a liability of \$2,016,956 for its proportionate share of the net GLI OPEB liability. The net GLI OPEB liability was measured as of June 30, 2020 and the total GLI OPEB liability used to calculate the net GLI OPEB liability was determined by an actuarial valuation as of June 30, 2019 and rolled forward to the measurement date of June 30, 2020. 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, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, Schools' proportion was 0.12086% as compared to 0.11772% at June 30, 2019.

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

For the year ended June 30, 2021, Schools recognized GLI OPEB expense of \$124,628. 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, 2021, Schools' 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	\$129,369	\$18,116
Net difference between projected and actual earnings on GLI OPEB program investments	60,588	-
Change in assumptions	100,871	42,115
Change in proportionate share	163,942	-
Employer Contributions subsequent to the measurement date	<u>133,171</u>	<u>-</u>
Total	<u>587,941</u>	<u>60,231</u>

An amount of \$133,171 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, 2022. 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>
2022	\$78,093
2023	95,203
2024	103,279
2025	88,237
2026	26,821
Thereafter	<u>2,906</u>
	\$394,539

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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 – 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 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:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with Scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, 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)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75.
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14 to 15%
Discount Rate	Decrease rate from 7.00% to 6.75%

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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, 2020, NOL amounts for the Group Life Insurance Program is as follows (amounts expressed in thousands):

	<u>GLI OPEB Program</u>
Total GLI OPEB Liability	\$3,523,937
Plan Fiduciary Net Position	<u>1,855,102</u>
Employers' Net GLI OPEB Liability	<u>\$1,668,835</u>
 Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	 52.64%

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

Long-Term Expected Rate of Return

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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS-Multi-Asset Public Strategies	6.00%	3.04%	0.18%
<u>PIP-Private Investment Partnership</u>	<u>3.00%</u>	<u>6.49%</u>	<u>0.19%</u>
Total	<u>100.00%</u>		<u>4.64%</u>
		Inflation	<u>2.50%</u>
		* Expected arithmetic nominal return	<u>7.14%</u>

* The above allocation provides a one-year return of 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. 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. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

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 will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2020 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

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

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

ARLINGTON COUNTY, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

1% Decrease	Current Discount Rate	1% Increase
5.75%	6.75%	7.75%
\$2,651,443	\$2,016,956	\$1,501,693

GLI Program Fiduciary Net Position

Detailed information about the GLI program's Fiduciary Net Position is available in the separately issued VRS 2020 Comprehensive Annual Financial Report (CAFR). A copy of the 2020 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2020-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 18. Pension and OPEB Aggregated Components

A. Primary Government OPEB and Pension

As required by GASB, the table below presents the aggregate amounts for OPEB and Pension expenses of the Primary government for the period ending June 30, 2021.

**Arlington County Government
OPEB and Pension Components-Primary Government
For the Period Ending June 30, 2021**

	County OPEB	LODA OPEB	Total Primary Government OPEB	County Pension	Total OPEB & Pension
Net OPEB/Pension Liability	81,301,671	18,944,488	100,246,159	-	100,246,159
Net OPEB/Pension Asset	-	-	-	64,100,000	64,100,000
Deferred Inflows	69,516,536	4,085,453	73,601,989	68,200,000	141,801,989
Deferred Outflows	16,589,593	8,108,231	24,697,824	56,200,000	80,897,824
Deferred Outflows-Contributions*	-	628,364	628,364	59,700,000	60,328,364
OPEB/Pension Expense	(1,139,692)	1,805,364	665,672	50,800,000	51,465,672

*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, 2021

B. Component Unit Schools OPEB and Pension

The table below presents aggregate amounts for OPEB and Pension expense for the Component Unit Schools.

APS OPEB Plans	APS OPEB	APS Teachers HIC OPEB	APS Teachers GLI OPEB	APS Non-Prof GLI OPEB	Total OPEB
Net OPEB/Pension Liability	97,673,667	48,047,430	26,339,577	2,016,956	174,077,630
Deferred Inflows	32,447,971	1,346,235	1,047,492	60,231	34,901,929
Deferred Outflows	22,086,116	2,386,421	4,370,145	454,770	29,297,452
Deferred Outflows-Contributions*	-	3,869,056	1,741,898	133,171	5,744,125
OPEB/Pension Expense	8,468,641	4,190,342	1,181,785	124,628	13,965,396

APS Pension Plans	APS Teachers Pension	APS Political Sub- Division Pension	Total APS Pension
Net OPEB/Pension Liability	533,758,312	5,687,672	539,445,984
Deferred Inflows	34,997,950	259,371	35,257,321
Deferred Outflows	85,578,639	3,018,257	88,596,896
Deferred Outflows-Contributions*	50,731,932	1,291,914	52,023,846
OPEB/Pension Expense	65,340,531	1,897,714	67,238,245

*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
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
General Property taxes:				
Real estate	\$795,118,440	\$795,118,440	\$811,117,306	\$15,998,866
Personal	120,052,147	120,052,147	121,056,721	1,004,574
Other local taxes	201,065,778	201,065,778	187,846,983	(13,218,795)
Licenses, permits and fees	13,115,693	13,115,693	13,002,084	(113,609)
Charges for services	64,253,949	64,299,634	46,139,224	(18,160,410)
Fines and forfeitures	6,862,872	6,862,872	5,484,417	(1,378,455)
Grants:				
State grants	79,146,009	87,452,955	80,446,925	(7,006,030)
Federal grants	16,145,620	50,309,646	53,110,553	2,800,907
Use of money and property	14,651,719	14,651,719	7,059,228	(7,592,491)
Miscellaneous revenue	4,734,952	137,839,923	32,127,317	(105,712,606)
Total revenues	1,315,147,179	1,490,768,807	1,357,390,758	(133,378,049)
EXPENDITURES:				
General Government Administration:				
County Board	1,704,263	1,727,490	1,637,299	90,191
County Manager	5,134,115	5,134,115	4,969,190	164,925
Financial Management	8,569,554	8,628,450	8,509,283	119,167
Human Resources	9,658,006	9,681,535	9,587,817	93,718
Technology Services	26,039,370	26,403,548	26,336,532	67,016
County Attorney	3,264,500	3,352,600	3,160,392	192,208
Commissioner of Revenue	5,949,123	5,955,509	5,705,839	249,670
Treasurer	7,298,502	7,311,800	6,573,176	738,624
Electoral Board	1,835,477	2,333,130	2,103,311	229,819
Total General Government	69,452,910	70,528,177	68,582,839	1,945,338
Judicial Administration:				
Circuit Court & Circuit Court Judiciary	4,745,587	4,929,387	4,862,630	66,757
General District Court	406,355	406,355	343,081	63,274
Juvenile & Domestic Relations Court	7,335,007	7,455,661	6,724,375	731,286
Commonwealth Attorney	4,632,228	4,821,424	4,457,250	364,174
Sheriff & Jail	46,192,674	46,693,985	46,294,060	399,925
Office of the Public Defender	181,239	181,239	165,804	15,435
Magistrate's Office	29,986	29,986	28,861	1,125
Total Judicial Administration	63,523,076	64,518,037	62,876,061	1,641,976
Public Safety:				
Police	72,274,292	74,857,345	71,085,018	3,772,327
Public Safety Communications and Emergency Management	13,629,582	14,250,584	14,044,644	205,940
Fire	66,430,066	66,657,948	64,666,797	1,991,151
Total Public Safety	152,333,940	155,765,877	149,796,459	5,969,418
Environmental Services	109,182,243	112,389,065	101,837,787	10,551,278
Health & Welfare	146,126,784	159,556,564	143,077,533	16,479,031
Libraries	14,758,386	14,951,572	12,861,819	2,089,753

ARLINGTON COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Planning & Community Development:				
Economic Development	8,669,102	8,999,734	8,605,409	394,325
Community Planning, Housing & Development	11,624,696	11,688,674	11,112,174	576,500
Total Planning & Community Development	20,293,798	20,688,408	19,717,583	970,825
Parks and Recreation	44,685,251	44,886,906	35,489,121	9,397,785
Education	524,631,092	559,384,867	500,564,537	58,820,330
Non-Departmental:				
Non-Departmental	72,635,363	162,724,698	85,329,314	77,395,384
Debt Service				
Principal payment	41,150,128	41,150,128	41,827,178	(677,050)
Interest payment	27,687,620	27,687,620	24,624,754	3,062,866
Other costs	125,000	125,000	29,480	95,520
Regionals/Contributions	6,724,786	6,865,813	6,400,615	465,198
METRO	47,808,764	47,808,764	47,808,764	-
Total Non-Departmental	196,131,661	286,362,023	206,020,105	80,341,918
Total expenditures	1,341,119,141	1,489,031,496	1,300,823,844	188,207,652
Excess (deficiency) of revenues over expenditures	(25,971,962)	1,737,311	56,566,914	54,829,603
OTHER FINANCING SOURCES (USES):				
Transfers in	337,249	8,123,313	8,331,458	208,145
Transfers out	(4,325,309)	(9,875,624)	(10,287,195)	(411,571)
Sale of Land	-	15,000	8,095,928	8,080,928
Total other financing sources/(uses)	(3,988,060)	(1,737,311)	6,140,191	7,877,502
Net change in fund balance*	(29,960,022)	-	62,707,106	62,707,105
Restated Fund Balance - beginning of year	246,864,985	246,864,985	267,179,042	20,314,057
Fund Balance - end of year	\$216,904,963	\$246,864,985	\$329,886,148	\$83,021,163

*The net change in fund balance was included in the budget as an appropriation (i.e., spenddown) on fund balance.

Arlington County Government
Notes to Schedule of Revenues, Expenditures, and Changes
in Fund Balance-Budget and Actual
For the Year Ended June 30, 2021

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 Retirement System
Schedule of Changes in the County's Net Pension Liability (Asset) and Related Ratios
For the Years Ended June 30, 2015 through 2021*
(\$ in millions)

	2021	2020	2019	2018	2017	2016	2015
Total pension liability							
Service cost	\$59.8	\$59.3	\$57.8	\$56.5	\$53.8	\$54.8	\$52.1
Interest	161.4	149.5	143.5	139.1	143.6	135.6	131.6
Differences between expected and actual experience	(30.1)	(31.1)	(13.7)	(27.1)	(47.3)	(16.2)	(11.0)
Changes of assumptions	-	112.6	-	-	27.2	-	29.4
Change in benefits	-	-	3.1	-	-	-	-
Benefit payments including refunds of employee contribu	(115.5)	(110.8)	(105.0)	(99.7)	(95.3)	(90.8)	(86.3)
Net change in total pension liability	<u>75.6</u>	<u>179.5</u>	<u>85.7</u>	<u>68.8</u>	<u>82.0</u>	<u>83.4</u>	<u>115.8</u>
Total pension liability -- beginning	<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><u>\$2,463.1</u></u>	<u><u>\$2,387.5</u></u>	<u><u>\$2,208.0</u></u>	<u><u>\$2,122.3</u></u>	<u><u>\$2,053.5</u></u>	<u><u>\$1,971.5</u></u>	<u><u>\$1,888.1</u></u>
Plan fiduciary net position							
Contributions - employer	\$59.9	\$56.7	\$54.9	\$51.8	\$54.5	\$58.2	\$53.7
Contributions - employee	14.7	13.0	12.9	12.7	12.3	12.2	11.9
Net investment income	156.8	152.1	167.3	246.3	(1.3)	37.3	304.2
Benefit payments including refunds of employee contribu	(115.5)	(110.8)	(105.0)	(99.7)	(95.3)	(90.8)	(86.3)
Administrative expense	(2.0)	(0.8)	(0.8)	(0.8)	(1.7)	(1.5)	(0.7)
Net change in plan fiduciary net position	<u>113.9</u>	<u>110.2</u>	<u>129.3</u>	<u>210.3</u>	<u>(31.5)</u>	<u>15.4</u>	<u>282.8</u>
Plan fiduciary net position - beginning	<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><u>\$2,527.2</u></u>	<u><u>\$2,413.3</u></u>	<u><u>\$2,303.1</u></u>	<u><u>\$2,173.8</u></u>	<u><u>\$1,963.5</u></u>	<u><u>\$1,995.0</u></u>	<u><u>\$1,979.6</u></u>
County's net pension liability (asset) - ending	<u><u>(\$64.1)</u></u>	<u><u>(\$25.8)</u></u>	<u><u>(\$95.1)</u></u>	<u><u>(\$51.5)</u></u>	<u><u>\$90.0</u></u>	<u><u>(\$23.5)</u></u>	<u><u>(\$91.5)</u></u>
Plan fiduciary net position as a percentage of the total pension liability	102.6%	101.1%	104.3%	102.4%	95.6%	101.2%	104.85%
Covered payroll	\$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	-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 2021 is the seventh year for this presentation, there are only seven years of information available. Additional years will be displayed as they become available.

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$59.7	\$59.9	\$56.7	\$54.9	\$51.8	\$54.5	\$58.2	\$53.7	\$48.0	\$46.3
County contributions in relation to the actuarially determined contributions	59.9	59.9	56.7	54.9	51.8	54.5	58.2	53.7	48.0	46.3
Contribution deficiency/ (excess)	\$59.7	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Covered Payroll	\$285.6	\$285.2	\$270.0	\$261.4	\$236.5	\$248.9	\$243.5	\$252.4	\$233.0	\$224.8
Contributions as a percentage of covered payroll	20.9%	21.0%	21.0%	21.0%	21.9%	21.9%	23.9%	22.6%	20.6%	20.7%

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

Valuation date	June 30, 2019
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	<p><u>General and Uniformed</u></p> <p>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.</p>
-----------	--

	<p><u>School</u></p> <p>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.</p>
--	---

Schedule of Employer's Share of Net Pension Liability
VRS Teacher Retirement Plan
For the Years Ended June 30, 2015 through 2021*

	2021	2020	2019	2018	2017	2016	2015
Employer's Proportion of the Net Pension Liability (Asset)	3.66778%	3.68727%	3.70772%	3.62326%	3.54755%	3.50960%	3.41217%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$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	322,899,378	299,004,021	293,004,021	278,505,978	295,036,838	264,893,277	-
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	165.30%	162.29%	148.81%	159.99%	168.51%	166.76%	-
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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 2021 is the seventh year for this presentation, there are only seven years of information available. Additional years will be displayed as they become available.

**VRS Teachers Retirement Plan
Schedule of Employer Contributions
For the Years Ended 2015 through 2021 ***

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
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 2021 is the seventh year for this presentation, there are only seven years of information available. Additional years will be displayed as they become available.

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, 2019 valuation were based on the results of the most recent actuarial experience study of the System for the four- year period ending June 30, 2016, 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 a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decrease from 7.00% to 6.75%

VRS Political Subdivisions
Schedule of Changes in Net Pension Liability and Related Ratios
For the Years ended June 30, 2015 through 2021*

	2021	2020	2019	2018	2017	2016	2015
Total pension liability							
Service cost	\$2,087,903	\$1,944,608	\$1,886,500	\$1,874,972	\$1,828,396	\$2,027,449	\$1,830,932
Interest	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	(288,136)	514,042	1,015,819	(4,454)	(1,444,760)	237,081	-
Changes in assumptions	-	1,712,931	-	(947,788)	-	-	-
Benefit payments, incl refunds of contributions	(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	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	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	\$57,940,081	\$54,275,821	\$48,293,951	\$43,720,581	\$41,120,105	\$39,105,889	\$35,284,304
Plan fiduciary net position							
Contributions - employer	\$1,233,076	\$1,207,932	\$1,151,875	\$1,077,379	\$1,225,860	\$954,339	\$1,725,606
Contributions - employee	1,107,945	1,064,709	1,008,648	935,848	884,066	722,556	1,003,574
Net investment income	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	(1,740,387)	(1,517,186)	(1,342,405)	(1,160,059)	(1,069,403)	(881,977)	(643,241)
Administrative expense	(31,921)	(29,714)	(26,286)	(25,371)	(21,338)	(20,294)	(21,639)
Other	(1,178)	(2,024)	(2,904)	(4,184)	(273)	(332)	232
Net change in plan fiduciary net position	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	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	\$52,252,409	\$50,709,368	\$46,800,207	\$42,817,856	\$37,362,179	\$35,675,939	\$33,331,084
Political subdivision's net pension liability	\$5,687,672	\$3,566,453	\$1,493,744	\$902,725	\$3,757,926	\$3,429,950	\$1,953,220
Plan fiduciary net position as a percentage of the total pension liability	90.18%	93.43%	96.91%	97.94%	90.86%	91.23%	94.46%
Covered payroll	\$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	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 2021 is the seventh year for this presentation, there are only seven years of information available. Additional years will be displayed as they become available.

VRS Political Subdivisions
Schedule of Employer Contributions
For the Years Ended 2015 through 2021 *

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
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 2021 is the seventh year for this presentation, there are only seven years of information available. Additional years will be displayed as they become available.

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, 2019 valuation were based on the most recent experience study of the System for the four-year period ending June 30, 2016, 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:

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

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increase rate from 14% to 15%
Discount Rate	Decrease from 7.00% to 6.75%

**Schedule of Changes in Net OPEB Liability and Related Ratios-County OPEB Plan
For the Years Ended 2017, 2018, 2019, 2020 and 2021***

	2021	2020	2019	2018	2017
Total OPEB liability					
Service cost	\$6,488,331	\$7,186,201	\$6,542,420	\$7,045,072	\$6,789,601
Interest	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	(14,017,999)	7,679,137	(16,439,988)	(855,957)	21,967,205
Difference between expected and actual experience	(15,102,579)	(7,043,612)	(4,310,682)	(4,316,370)	(7,417,570)
Benefit Payments	(12,682,715)	(13,791,000)	(13,349,194)	(15,838,142)	(12,672,328)
Net change in total OPEB liability	(14,326,511)	5,105,243	(6,493,744)	6,603,842	28,244,160
Total OPEB liability - beginning	310,689,503	305,584,260	312,078,004	305,474,162	277,230,002
Total OPEB liability - ending (a)	\$296,362,992	\$310,689,503	\$305,584,260	\$312,078,004	\$305,474,162
Plan fiduciary net position					
Contributions - employer	\$20,182,715	\$20,291,000	\$20,349,194	\$19,237,827	\$19,522,328
Net investment income	43,019,873	7,340,191	13,509,558	7,935,995	11,825,989
Benefit payments	(12,682,715)	(13,791,000)	(13,349,194)	(12,042,855)	(12,672,328)
Net change in plan fiduciary net position	50,519,873	13,840,191	20,509,558	15,130,967	18,675,989
Plan fiduciary net position - beginning	164,541,448	150,701,257	130,191,699	115,060,732	96,384,743
Plan fiduciary net position - ending (b)	\$215,061,321	\$164,541,448	\$150,701,257	\$130,191,699	\$115,060,732
Net OPEB Liability - ending	\$81,301,671	\$146,148,055	\$154,883,003	\$181,886,305	\$190,413,430
Plan fiduciary net position as a % of the total OPEB liability	72.6%	53.0%	49.3%	42.7%	37.7%
**Covered-employee payroll	\$295,476,884	\$284,480,517	\$281,226,164	\$272,210,858	N/A
Net OPEB liability as % of covered-employee payroll	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.

**Schedule of Employer Contributions - County OPEB Plan
For the Years Ended 2012 through 2021**

Date	Actuarially Determined Contribution (ADC)	Contributions in relation to ADC	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contribution as a Percentage of Covered Employee Payroll
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	(1,685,953)	19,522,328	-	-
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%
2012	18,314,275	19,018,775	(704,500)	247,630,000	7.68%

Exhibit 11-N

Notes to Schedules-County OPEB

Valuation Date: June 30, 2020

Actuarially determined contribution rates are calculated as of June 30, 2020, prior to the fiscal year in when they are reported, and have been rolled forward to June 30, 2021.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal level % of salary
Amortization method/period	Level % of salary, 23 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 7.60% in 2021 and gradually declines to 4.0% 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, 2021
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.

**County OPEB Plan
Schedule of Investment Returns
Last Five Fiscal Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Return					
Net of Investment Expense	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.

**Schedule of Employer's Share of Net OPEB Liability
Line of Duty Act Program (LODA)
For the Years Ended June 30, 2021, 2020, 2019 and 2018***

	2021	2020	2019	2018
Employer's Proportion of the Net LODA OPEB Liability	4.56%	4.44%	4.14%	4.10%
Employer's Proportionate Share of the Net LODA OPEB Liability	\$18,944,488	\$15,923,862	\$12,992,000	\$10,773,000
Covered-Employee Payroll	\$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	6.66%	5.55%	4.77%	3.48%
Plan Fiduciary Net Position as a Percentage of the Total LODA OPEB Liability	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 four 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.

**Schedule of Employer Contributions
Line of Duty Act Program (LODA)
For the Years Ended June 30, 2012 through 2021**

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a % of Covered- Employee Payroll
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%
2012	204,420	204,420	-	266,910,120	0.08%

* 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.

**Notes to Required Supplementary Information
Line of Duty Act Program (LODA)
For the Year Ended June 30, 2021**

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, 2016 based on the most recent experience study of the System for the four-year period ending June 30, 2016:

Employees In The Non- Largest Ten Locality Employers With Public Safety Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60 to 45%

**Schedule of Changes in Net OPEB Liability and Related Ratios-Arlington Public Schools
For the Years Ended 2021, 2020, 2019, 2018, and 2017**

Total OPEB Liability	2021	2020	2019	2018	2017
Service cost	\$4,642,415	\$4,444,683	\$4,335,321	\$4,514,868	\$3,724,642
Interest	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	(14,977,786)	2,277,620	(2,188,349)	(13,025,339)	18,230,091
Diff between expected and actual experience	527,435	2,220,971	(1,078,733)	2,312,548	7,411,499
Benefit payments	(8,734,220)	(7,918,493)	(7,810,271)	(6,774,239)	(6,227,027)
Net change in total OPEB liability	(5,525,766)	11,896,904	5,134,672	(982,617)	33,295,397
Total OPEB liability - beginning	192,488,792	180,591,888	175,457,216	176,439,833	143,144,436
Total OPEB liability - ending (a)	<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	\$11,334,220	\$7,918,493	\$10,410,271	\$9,374,239	\$8,827,027
Contributions-retired members	-	-	-	-	-
Net investment income	17,984,729	3,190,968	5,931,810	3,506,989	5,287,676
Benefit payments	(8,734,220)	(7,918,493)	(7,810,271)	(6,774,239)	(6,227,027)
Net change in plan fiduciary net position	20,584,729	3,190,968	8,531,810	6,106,989	7,887,676
Plan fiduciary net position - beginning	68,704,630	65,513,662	56,981,852	50,874,863	42,987,187
Plan fiduciary net position - ending (b)	<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>\$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	47.8%	35.7%	36.3%	32.5%	28.8%
Covered-employee payroll	\$323,771,732	\$331,556,331	\$313,758,720	\$305,435,909	\$294,660,463
Net OPEB liability as % of covered-employee payroll	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

Schedule of Employer Contributions - Arlington Public Schools
For the Years Ended June 30, 2012 through 2021

Date	Actuarially Determined Contribution (ADC)	Contributions in relation to ADC	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contribution as a Percentage of Covered- Employee Payroll
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%
2012	9,248,589	10,293,067	(1,044,478)	255,686,344	4.0%

Notes to Schedules-Arlington Public Schools

Valuation Date: June 30, 2021

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Entry age normal level % of salary

Amortization method: Level % of salary

Amortization period: Remaining amortization period is 25 years

Asset valuation method: Fair market value of assets

Inflation: 3.00% per year as of June 30, 2021

Medical trend rate: Medical trends assumptions for this valuation were developed using the Society of Actuaries (SOA) Long-run Medical Cost trend model version 2020_b.

Salary increases: 3.00% salary scale as of June 30, 2021

Investment rate of return: 6.75% per year as of June 30, 2021

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 Public Schools OPEB Plan
Schedule of Investment Returns
Last Four Fiscal Years**

	<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	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.

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, 2021, 2020, 2019 and 2018*

	2021	2020	2019	2018
Employer's Proportion of the Net HIC OPEB Liability	3.68%	3.71%	3.72%	3.63%
Employer's Proportionate Share of the Net HIC OPEB Liability	\$48,047,430	\$48,569,733	\$47,295,000	\$46,108,000
Covered Payroll	\$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	14.99%	15.62%	15.71%	15.35%
Plan Fiduciary Net Position as a Percentage of the Total HIC OPEB Liability	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 four years of information available. Additional years will be displayed as they become available.

**Schedule of Employer Contributions
Arlington Public Schools-Teachers Plan
Health Insurance Credit (HIC) Program
For the Years Ended June 30, 2012 through 2021**

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
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%
2012	NA *	NA *	NA *	NA *	NA *

* Information is not available prior to FY 2013

**Notes to Schedules
Arlington Public Schools HIC-Teachers Plan
For the Year Ended June 30, 2021**

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, 2018 valuation were based on the results of an experience study of the System for the four-year period ending June 30, 2016, 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 a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decreased rate from 7.00% to 6.75%

Schedule of Employer's Share of Net OPEB Liability
Arlington Public Schools-Teachers Plan
Group Life Insurance Program
For the Years Ended June 30, 2021, 2020, 2019 and 2018*

	2021	2020	2019	2018
Employer's Proportion of the Net GLI OPEB Liability	1.58%	1.60%	1.60%	1.57%
Employer's Proportionate Share of the Net GLI OPEB Liability	\$26,339,577	\$26,016,243	\$24,253,000	\$23,574,000
Covered Payroll	\$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	8.18%	8.31%	7.26%	8.16%
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	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 three years of information available. Additional years will be displayed as they become available.

**Schedule of Employer Contributions
Arlington Public Schools-Teachers Plan
General Life Insurance (GLI) Program
For the Years Ended June 30, 2012 through 2021**

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
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%
2012	NA *	NA *	NA *	NA *	NA *

* Information is not available prior to FY 2013

**Notes to Schedules
For the Year Ended June 30, 2021
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, 2019 valuation were based on the most recent experience study of the System for the four-year period ending June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective July 1, 2019. Changes 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 a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decrease from 7.00% to 6.75%

**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, 2021, 2020, 2019 and 2018***

	2021	2020	2019	2018
Employer's Proportion of the Net GLI OPEB Liability	0.12086%	0.11772%	0.11420%	0.10838%
Employer's Proportionate Share of the Net GLI OPEB Liability	\$2,016,956	\$1,915,618	\$1,735,000	\$1,631,000
Covered Payroll	\$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	8.26%	8.30%	9.57%	8.81%
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	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 for 10 years. Since 2018 is the first year for this presentation, there is only four years of information available. Additional years will be made available as they become available.

**Schedule of Employer Contributions
Arlington Public Schools-Non-Professional Employees
Group Life Insurance (GLI) Program
For the Years Ended June 30, 2012 through 2021**

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
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%
2012	NA *	NA *	NA *	NA *	NA *

* Information is not available prior to FY 2013

**Notes to Schedules
For the Year Ended June 30, 2021
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, 2019 based on the most recent experience study of the System for the four-year period ending June 30, 2016, 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 a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75.
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14 to 15%
Discount Rate	Decrease from 7.00% to 6.75%



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.

This page has been intentionally left blank.



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, 2021

	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	Section 8 Housing Program			
ASSETS										
Equity in pooled cash and investments	\$1,395,961	(\$6,204)	\$917,106	\$2,241,633	\$2,072,433	(\$61,837)	\$822,163	\$17,195,368	\$8,497,762	\$63,323,582
Receivables, net	-	40,498	-	-	-	49,248,094	-	-	-	-
Receivables from other governments	-	-	-	-	-	1,273,427	9,953	-	-	-
Prepaid items	-	-	-	-	-	810,187	1,664,911	-	4,275	-
Total assets	\$1,395,961	\$34,294	\$917,106	\$2,241,633	\$2,072,433	\$51,269,871	\$2,497,028	\$17,195,368	\$8,502,037	\$63,323,582
LIABILITIES										
Vouchers payable	\$-	\$30,986	\$-	\$-	\$-	\$380,327	\$15,845	\$1,192,623	\$712,104	\$542,301
Contracts payable - retainage	-	-	-	-	-	-	-	-	168,324	246,201
Other liabilities	-	-	-	-	-	34,874	-	-	3,200	-
Total liabilities	-	30,986	-	-	-	415,201	15,845	1,192,623	883,628	788,502
DEFERRED INFLOWS OF RESOURCES										
Deferred revenue-community development	-	-	-	-	-	50,854,670	-	-	-	-
Unavailable revenue- taxes	-	-	777,302	2,053,129	2,072,433	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	2,481,184	-	-	-
Total deferred inflows of resources	-	-	777,302	2,053,129	2,072,433	50,854,670	2,481,184	-	-	-
FUND BALANCES										
Nonspendable - prepaid items	-	-	-	-	-	(810,187)	1,664,911	-	4,275	-
Restricted	1,395,960	3,308	139,804	188,504	(0)	810,187	-	-	7,614,134	62,535,080
Committed	-	-	-	-	-	-	-	16,002,745	-	-
Unassigned	-	-	-	-	-	-	(1,664,911)	-	-	-
Total fund balances	1,395,960	3,308	139,804	188,504	(0)	-	-	16,002,745	7,618,409	62,535,080
Total liabilities, deferred inflows of resources and fund balances	\$1,395,960	\$34,294	\$917,106	\$2,241,633	\$2,072,432	\$51,269,871	\$2,497,029	\$17,195,368	\$8,502,037	\$63,323,582

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
\$32,042,206	\$40,923,421	\$4,625	\$44	\$21,971,087	\$22,916,696	\$2,053,476	\$1,871,611	\$218,181,133	Equity in pooled cash and investments
41,424	-	-	-	-	463,592	-	6,058,512	55,852,120	Receivables, net
-	-	-	-	-	383,995	-	-	1,667,375	Receivables from other governments
2,248,574	-	-	-	-	-	-	-	4,727,947	Prepaid
<u>\$34,332,204</u>	<u>\$40,923,421</u>	<u>\$4,625</u>	<u>\$44</u>	<u>\$21,971,087</u>	<u>\$23,764,283</u>	<u>\$2,053,476</u>	<u>\$7,930,123</u>	<u>\$280,428,575</u>	Total assets
									LIABILITIES
\$558,702	\$1,422,205	\$-	\$-	\$-	\$348,204	\$-	\$23,581	\$5,226,878	Vouchers payable
-	1,994,708	-	-	-	25,590	-	-	2,434,823	Contracts payable - retainage
-	-	-	-	-	0	0	3,863,656	3,901,730	Other liabilities
558,702	3,416,913	-	-	-	373,794	-	3,887,237	11,563,431	Total liabilities
									DEFERRED INFLOWS OF RESOURCES
-	-	-	-	-	-	-	-	50,854,670	Deferred revenue-community development
-	-	-	-	-	-	-	-	4,902,864	Unavailable revenue-taxes
-	-	-	-	-	-	-	-	2,481,184	Deferred revenue
-	-	-	-	-	-	-	-	58,238,717	Total deferred inflows of resources
									FUND BALANCES
2,248,574	-	-	-	-	-	-	-	3,107,573	Nonspendable - prepaid items
-	37,506,508	4,625	44	21,971,087	-	-	4,042,886	136,212,127	Restricted
31,524,928	-	-	-	-	23,390,489	2,053,476	-	72,971,638	Committed
-	-	-	-	-	-	-	-	(1,664,911)	Unassigned
33,773,502	37,506,508	4,625	44	21,971,087	23,390,489	2,053,476	4,042,886	210,626,427	Total fund balances(deficit)
<u>\$34,332,204</u>	<u>\$40,923,421</u>	<u>\$4,625</u>	<u>\$44</u>	<u>\$21,971,087</u>	<u>\$23,764,283</u>	<u>\$2,053,476</u>	<u>\$7,930,123</u>	<u>\$280,428,576</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, 2021

	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	Section 8 Housing Program		
REVENUES:									
Other local taxes	\$2,302,221	\$302,656	\$1,559,447	\$3,974,380	\$4,578,245	\$-	\$-	\$-	\$-
Real estate taxes	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	6,720,156	21,001,637	-	-
Interest earnings	-	-	732	1,290	536	-	-	22,309	16,621
Charges for services	-	-	-	-	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-	-	-	-	-
Total revenues	2,302,221	302,656	1,560,179	3,975,670	4,578,781	6,720,156	21,001,637	22,309	16,621
EXPENDITURES:									
Current:									
General government	-	-	-	-	-	-	-	363,299	-
Planning and community development	1,812,033	549,240	1,499,288	3,888,675	4,526,288	6,720,156	-	-	7,180
Health and welfare	-	-	-	-	-	-	21,001,637	-	-
Intergovernmental:									
Community development	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	12,630,794	6,185,296
Total expenditures	1,812,033	549,240	1,499,288	3,888,675	4,526,288	6,720,156	21,001,637	12,994,093	6,192,476
Revenues over (under) expenditures	490,188	(246,584)	60,891	86,995	52,493	-	-	(12,971,784)	(6,175,855)
OTHER FINANCING SOURCES(USES):									
Proceeds for bond premium	-	-	-	-	-	-	-	-	-
Proceeds from sale of bonds	-	-	-	-	-	-	-	30,175,000	6,000,000
Transfers in (out)	-	246,700	(31,189)	(78,976)	(87,729)	-	-	(22,309)	(16,621)
Total other financing sources (uses)	-	246,700	(31,189)	(78,976)	(87,729)	-	-	30,152,691	5,983,379
Net change in fund balances	490,188	116	29,702	8,019	(35,235)	-	-	17,180,907	(192,476)
FUND BALANCE, beginning of year	905,772	3,192	110,102	180,485	35,235	-	-	(1,178,162)	7,810,885
FUND BALANCE, end of year	\$1,395,960	\$3,308	\$139,804	\$188,504	-\$-	-	-\$-	\$16,002,745	\$7,618,409

CAPITAL PROJECTS FUNDS

Government Facility Bond Fund	Stormwater Fund*	Public Recreation Bond Fund	Fire Station Bond Fund	Library Bond Fund	Transit Facility Fund	National Landinç TIF	Columbia Pike TIF	IDA Bond Fund*	Total Non-Major Governmental Funds	REVENUES:
\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$12,716,950	Other local taxes
-	12,126,026	-	-	-	-	4,793,837	962,830	-	17,882,693	Real estate taxes
-	-	-	-	-	-	362,611	-	-	28,084,404	Intergovernmental
83,110	686	67,092	-	-	11,089	-	-	16,594	220,059	Interest income
-	1,492,291	-	-	-	-	-	-	-	1,492,291	Charges for services
-	142,800	-	-	-	-	586,205	-	1,069,584	1,798,589	Miscellaneous revenue
83,110	13,761,803	67,092	-	-	11,089	5,742,653	962,830	1,086,178	62,194,986	Total revenues
EXPENDITURES:										
Current:										
436,006	8,862,691	5,720	-	-	-	316,715	-	656,101	10,640,532	General government
-	-	-	-	-	-	-	32,200	-	19,035,060	Planning and community development
-	-	-	-	-	-	-	-	-	21,001,637	Health and welfare
-	-	-	-	-	19,931,498	-	-	-	19,931,498	Intergovernmental:
5,533,839	4,718,852	20,853,092	-	-	-	5,571,626	-	141,395	55,634,894	Community development
-	-	-	-	-	-	-	-	-	-	Capital outlay
5,969,845	13,581,543	20,858,812	-	-	19,931,498	5,888,341	32,200	797,496	126,243,621	Total expenditures
(5,886,735)	180,260	(20,791,720)	-	-	(19,920,409)	(145,688)	930,630	288,682	(64,048,635)	Revenues over (under) expenditures
OTHER FINANCING SOURCES(USES):										
-	4,285,113	-	-	-	-	-	-	-	4,285,113	Proceeds for bond premium
51,680,000	13,200,000	38,850,000	-	-	41,820,000	-	-	-	181,725,000	Proceeds from sale of bonds
(83,110)	(686)	(67,092)	-	-	(11,089)	-	-	(16,594)	(168,695)	Transfers in (out)
51,596,890	17,484,427	38,782,908	-	-	41,808,911	-	-	(16,594)	185,841,418	Total Other financing sources (uses)
45,710,155	17,664,687	17,991,188	-	-	21,888,502	(145,688)	930,630	272,088	121,792,783	Net change in fund balances
16,824,925	16,108,815	19,515,320	4,625	44	82,585	23,536,177	1,122,846	3,770,798	88,833,644	FUND BALANCE, beginning of year
\$62,535,080	\$33,773,502	\$37,506,508	\$4,625	\$44	\$21,971,087	\$23,390,489	\$2,053,476	\$4,042,886	\$210,626,427	FUND BALANCE, end of year

*Restated due to compliance with GASB 84

This page has been intentionally left blank.



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, 2021

	2021
ASSETS	
Equity in pooled cash and investments	\$455,222,658
Petty cash	1,987
Cash with fiscal agents	270,456
Receivables(net, where applicable, of allowance for uncollectibles):	
Taxes	456,266,779
Accounts receivable - other	13,561,861
Accounts receivable - development loan	380,182
Accrued interest	1,238,229
Due from other governments	15,585,245
Temporary loan to other funds	1,966,485
Prepaid items and other assets	1,576,719
Total assets	\$946,070,601
 LIABILITIES	
Accrued payroll liabilities	\$22,623,117
Vouchers payable	26,494,270
Current maturities of interest payable	267,304
Other current liabilities	1,003,364
Unearned revenue	1,005,064
Due to component unit	83,383,815
Total liabilities	134,776,934
 DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue	27,826,011
Unavailable revenue - community development	380,182
Unavailable revenue - taxes	453,201,326
Total deferred inflows of resources	481,407,519
 FUND BALANCES:	
Non spendable:	
Prepaid items	806,719
Restricted:	
Grants	19,702,462
Seized assets	1,599,972
Committed:	
Self insurance reserve	5,000,000
Stabilization Reserve	13,929,644
Operating reserve	76,613,044
Subsequent years' County budget	11,050,030
Subsequent years' capital projects	4,527,882
Incomplete projects	344,463
Affordable Housing Investment Fund - Allocated	44,892,810
Subsequent years' School's budget	62,056,522
Assigned:	
Subsequent years' County budget	6,128,748
Subsequent years' capital projects	13,878,031
Economic & revenue stabilization contingent	
Mark to Market Investment Reserve	4,882,159
Incomplete projects	1,089,187
Affordable Housing Investment Fund - Unallocated	46,840,865
Unassigned	16,543,609
Total fund balances	329,886,148
Total liabilities, deferred inflows of resources and fund balances	\$946,070,601

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, 2021

	2021		VARIANCE POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
REVENUES:			
Taxes	\$1,116,236,365	\$1,120,021,010	\$3,784,645
Licenses and permits	13,115,693	13,002,084	(113,609)
From the Commonwealth of Virginia	87,452,955	80,446,925	(7,006,030)
From the federal government	50,309,646	53,110,553	2,800,907
Charges for services	64,299,634	46,139,224	(18,160,410)
Fines and forfeitures	6,862,872	5,484,417	(1,378,455)
Use of money and property	14,651,719	7,059,228	(7,592,491)
Miscellaneous revenues	137,358,028	33,729,139	(103,628,889)
Total revenues	1,490,286,912	1,358,992,580	(131,294,332)
EXPENDITURES:			
Current:			
General government	70,528,177	68,582,839	1,945,338
Judicial administration	64,518,037	62,876,061	1,641,976
Public safety	155,765,877	149,796,459	5,969,418
Environmental services	112,389,065	101,837,787	10,551,278
Health and welfare	159,556,564	143,077,533	16,479,031
Parks and recreation	44,886,906	35,489,121	9,397,785
Libraries	14,951,572	12,861,819	2,089,753
Planning and community development	20,688,408	19,717,583	970,825
Non-departmental	162,724,698	85,329,314	77,395,384
Contributions to regional agencies	54,674,577	54,209,379	465,198
Debt service:			
Principal	41,150,128	41,827,178	(677,050)
Interest on serial bonds	27,687,620	24,624,754	3,062,866
Other costs	125,000	29,480	95,520
Total expenditures	929,646,629	800,259,307	129,387,322
Revenues over expenditures	560,640,283	558,733,273	(1,907,010)
OTHER FINANCING SOURCES (USES):			
Transfers in	11,121,640	8,331,458	(2,790,182)
Transfers from component unit	-	132,138	132,138
Transfers out	(12,392,056)	(11,889,016)	503,040
Transfers to component unit	(559,384,867)	(500,696,675)	58,688,192
Proceeds from sale of land	15,000	8,095,928	8,080,928
Total other financing sources (uses)	(560,640,283)	(496,026,167)	64,614,116
Revenues over (under) expenditures and other sources (uses)	-	62,707,106	62,707,106
RESTATED FUND BALANCE, beginning of year*	246,864,985	267,179,042	20,314,057
FUND BALANCE, end of year	\$246,864,985	\$329,886,148	\$83,021,163

*Restated due to compliance with GASB 84

This page has been intentionally left blank.



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, 2021
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2020)

	Ballston Quarter Community Development Authority	Travel & Tourism Promotion	Ballston Business Improvement District	Rosslyn Business Improvement District	National Landing Business Improvement District	Community Development Grants	Section 8 Housing Program	Totals	
								June 30, 2021	June 30, 2020
ASSETS									
Equity in pooled cash and investments	\$1,395,961	(\$6,204)	\$917,106	\$2,241,633	\$2,072,433	(\$61,837)	\$822,163	\$7,381,255	\$9,861,962
Receivable from other governments	-	-	-	-	-	1,273,427	9,953	1,283,380	417,714
Receivables-community development	-	40,498	-	-	-	49,248,094	-	49,288,592	49,254,504
Prepaid items	-	-	-	-	-	810,187	1,664,911	2,475,098	1,634,883
Total assets	\$1,395,961	\$34,294	\$917,106	\$2,241,633	\$2,072,433	\$51,269,871	\$2,497,028	\$60,428,325	\$61,169,063
LIABILITIES									
Vouchers payable	\$-	\$30,986	\$-	\$-	\$-	\$380,327	\$15,845	\$427,158	\$258,013
Temporary loan - General Fund	-	-	-	-	-	34,874	-	\$34,874	-
Total liabilities	-	30,986	-	-	-	415,201	15,845	462,032	258,013
DEFERRED INFLOWS OF RESOURCES									
Deferred revenues-community development	-	-	-	-	-	50,854,670	-	50,854,670	49,239,959
Unavailable revenues-taxes	-	-	777,302	2,053,129	2,072,433	-	-	4,902,864	5,046,036
Deferred revenues	-	-	-	-	-	-	2,481,184	2,481,184	5,390,269
Total deferred inflows of resources	-	-	777,302	2,053,129	2,072,433	50,854,670	2,481,184	58,238,717	59,676,264
FUND BALANCES									
Nonspendable-prepaid items	-	-	-	-	-	(810,187)	1,664,911	854,724	1,634,883
Restricted	1,395,960	3,308	139,804	188,504	(0)	810,187	-	2,537,763	1,234,786
Unassigned	-	-	-	-	-	-	(1,664,911)	(1,664,911)	(1,634,883)
Total fund balances	1,395,960	3,308	139,804	188,504	(0)	-	-	1,727,576	1,234,786
Total liabilities, deferred inflows of resources and fund balances	\$1,395,960	\$34,294	\$917,106	\$2,241,633	\$2,072,432	\$51,269,871	\$2,497,029	\$60,428,326	\$61,169,063

ARLINGTON COUNTY, VIRGINIA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2020)

	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	Section 8 Housing Program	Totals	
								June 30, 2021	June 30, 2020
REVENUES:									
Other local taxes	\$2,302,221	\$302,656	\$1,559,447	\$3,974,380	\$4,578,245	\$-	\$-	\$12,716,950	\$11,604,926
From the federal government	-	-	-	-	-	6,720,156	21,001,637	27,721,793	25,229,995
Interest earnings	-	-	732	1,290	536	-	-	2,558	7,511
Total revenues	2,302,221	302,656	1,560,179	3,975,670	4,578,781	6,720,156	21,001,637	40,441,301	36,842,432
EXPENDITURES:									
Current -									
Planning and community development	1,812,033	549,240	1,499,288	3,888,675	4,526,288	6,720,156	-	18,995,680	17,099,474
Health and welfare	-	-	-	-	-	-	21,001,637	21,001,637	19,019,974
Total expenditures	1,812,033	549,240	1,499,288	3,888,675	4,526,288	6,720,156	21,001,637	39,997,317	36,119,448
Revenues over (under) expenditures	490,188	(246,584)	60,891	86,995	52,493	-	-	443,984	722,984
OTHER FINANCING SOURCES (USES):									
Transfers out	-	-	(31,189)	(78,976)	(87,729)	-	-	(197,894)	(435,632)
Transfers in	-	246,700	-	-	-	-	-	246,700	246,700
Total other financing sources(uses)	-	246,700	(31,189)	(78,976)	(87,729)	-	-	48,806	(188,932)
Revenues and other financing sources (uses) over (under) expenditures	490,188	116	29,702	8,019	(35,235)	-	-	492,790	534,052
FUND BALANCES, beginning of year	905,772	3,192	110,102	180,485	35,235	-	-	1,234,786	700,734
FUND BALANCES, end of year	\$1,395,960	\$3,308	\$139,804	\$188,504	-\$-	\$-	\$-	\$1,727,576	\$1,234,786

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, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Other local taxes	<u>\$3,199,430</u>	<u>\$2,302,221</u>	<u>(\$897,209)</u>
Total revenues	<u>3,199,430</u>	<u>2,302,221</u>	<u>(897,209)</u>
EXPENDITURES:			
Planning and community development	<u>3,199,430</u>	<u>1,812,033</u>	<u>1,387,397</u>
Revenues over expenditures	<u>-</u>	<u>490,188</u>	<u>490,188</u>
OTHER FINANCING (USES):			
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures *	<u>-</u>	<u>490,188</u>	<u>490,188</u>
FUND BALANCE, beginning of year	<u>905,772</u>	<u>905,772</u>	<u>-</u>
FUND BALANCE, end of year	<u><u>\$905,772</u></u>	<u><u>\$1,395,960</u></u>	<u><u>\$490,188</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, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Other local taxes	<u>\$982,882</u>	<u>\$302,656</u>	<u>(\$680,226)</u>
Total revenues	<u>982,882</u>	<u>302,656</u>	<u>(680,226)</u>
EXPENDITURES:			
Planning and community development	<u>1,229,582</u>	<u>549,240</u>	<u>680,342</u>
Revenues over (under) expenditures	<u>(246,700)</u>	<u>(246,584)</u>	<u>-</u>
OTHER FINANCING SOURCES:			
Transfers in	<u>246,700</u>	<u>246,700</u>	<u>-</u>
Total other financing sources	<u>246,700</u>	<u>246,700</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures	<u>-</u>	<u>116</u>	<u>(116)</u>
FUND BALANCE, beginning of year	<u>3,192</u>	<u>3,192</u>	<u>-</u>
FUND BALANCE, end of year	<u><u>\$3,192</u></u>	<u><u>\$3,308</u></u>	<u><u>(\$116)</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, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Other local taxes	\$1,569,935	\$1,559,447	(\$10,488)
Interest earnings	-	732	732
	<u>1,569,935</u>	<u>1,560,179</u>	<u>(9,756)</u>
EXPENDITURES:			
Planning and community development	1,499,297	1,499,288	9
Revenues over expenditures	70,638	60,891	(9,747)
OTHER FINANCING (USES):			
Transfers in	-	-	-
Transfers Out	(31,390)	(31,189)	201
	<u>(31,390)</u>	<u>(31,189)</u>	<u>201</u>
Revenues and other financing uses (over) expenditures	<u>-</u>	<u>29,702</u>	<u>(9,546)</u>
FUND BALANCE, beginning of year	110,102	110,102	-
FUND BALANCE, end of year	<u>\$110,102</u>	<u>\$139,804</u>	<u>(\$9,546)</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, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Other local taxes	\$4,053,393	\$3,974,380	(\$79,013)
Interest earnings	3,649	1,290	(2,359)
Total revenues	<u>4,057,042</u>	<u>3,975,670</u>	<u>(81,372)</u>
EXPENDITURES:			
Planning and community development	<u>3,975,974</u>	<u>3,888,675</u>	<u>(87,299)</u>
Revenues over expenditures	<u>81,068</u>	<u>86,995</u>	<u>5,927</u>
OTHER FINANCING (USES):			
Transfers Out	<u>(81,068)</u>	<u>(78,976)</u>	<u>2,092</u>
Total other financing (uses)	<u>(81,068)</u>	<u>(78,976)</u>	<u>2,092</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>-</u>	<u>8,019</u>	<u>8,019</u>
FUND BALANCE, beginning of year	<u>180,485</u>	<u>180,485</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$180,485</u>	<u>\$188,504</u>	<u>\$8,019</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, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
Other local taxes	\$4,739,568	\$4,578,245	(\$161,323)
Interest earnings	-	536	536
	<u>4,739,568</u>	<u>4,578,781</u>	<u>(160,787)</u>
EXPENDITURES:			
Planning and community development	4,644,777	4,526,288	118,489
Revenues over expenditures	94,791	52,493	(42,298)
OTHER FINANCING (USES):			
Transfers Out	(94,791)	(87,729)	7,062
Total other financing uses	(94,791)	(87,729)	7,062
Revenues and other financing uses over expenditures	-	(35,235)	(35,235)
FUND BALANCE, beginning of year	35,235	35,235	-
FUND BALANCE, end of year	<u>\$35,235</u>	<u>-\$-</u>	<u>(\$35,235)</u>

Note: National Landing BID name replaces Crystal City BID.

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, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
From the federal government	<u>\$10,416,462</u>	<u>\$6,720,156</u>	<u>(\$3,696,306)</u>
Total revenues	<u>10,416,462</u>	<u>6,720,156</u>	<u>(3,696,306)</u>
EXPENDITURES:			
Planning and community development	<u>10,416,462</u>	<u>6,720,156</u>	<u>3,696,306</u>
Revenues (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES:			
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other financing sources (uses) over (under) 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
SECTION 8 HOUSING PROGRAM
SCHEDULE OF REVENUES, EXPENDITURE AND CHANGES IN FUND BALANCES
BUDGET(GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
REVENUES:			
From the federal government	<u>\$23,977,243</u>	<u>\$21,001,637</u>	<u>(\$2,975,606)</u>
EXPENDITURES:			
Health and welfare	<u>23,762,353</u>	<u>21,001,637</u>	<u>2,760,716</u>
Revenues over expenditures	<u>214,890</u>	<u>-</u>	<u>(214,890)</u>
FUND BALANCE, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, end of year	<u><u>\$214,890</u></u>	<u><u>\$-</u></u>	<u><u>(\$214,890)</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
 JUNE 30, 2021
 (WITH SUMMARIZED COMPARATIVE TOTALS FOR 2020)

	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	\$141,519,701	\$17,195,368	\$8,497,762	\$63,323,582	\$32,042,206	\$40,923,421	\$4,625	\$44
Receivables	565,678	-	-	-	41,424	-	-	-
Receivables from other governments	425,608	-	-	-	-	-	-	-
Prepaid expenses	816,378	-	4,275	-	2,248,574	-	-	-
Total assets	\$143,327,365	\$17,195,368	\$8,502,037	\$63,323,582	\$34,332,204	\$40,923,421	\$4,625	\$44
LIABILITIES AND FUND BALANCES								
LIABILITIES:								
Vouchers payable	\$1,993,857	\$1,192,623	\$712,104	\$542,301	\$558,702	\$1,422,205	\$-	\$-
Contracts payable-retainage	792,783	-	168,324	246,201	-	1,994,708	-	-
Unearned revenue	6,425,921	-	-	-	-	-	-	-
Other liabilities	3,626,772	-	3,200	-	-	-	-	-
Total liabilities	12,839,333	1,192,623	883,628	788,502	558,702	3,416,913	-	-
FUND BALANCES:								
<u>Non-spendable</u>								
Prepaid	816,378	-	4,275	-	2,248,574	-	-	-
<u>Restricted</u>								
Capital projects	-	-	7,614,134	62,535,080	-	37,506,508	4,625	44
<u>Committed to</u>								
Capital projects	129,671,654	16,002,745	-	-	31,524,928	-	-	-
<u>Unassigned</u>	-	-	-	-	-	-	-	-
Total fund balances	130,488,032	16,002,745	7,618,409	62,535,080	33,773,502	37,506,508	4,625	44
Total liabilities and fund balances	\$143,327,365	\$17,195,368	\$8,502,037	\$63,323,582	\$34,332,204	\$40,923,421	\$4,625	\$44

* IDA Fund includes Skating Facility & Signature Loan per GASB 84 implementation. Stormwater Fund includes GASB 84 implementation. National Landing name replaces Crystal City.

Transportation Capital Fund	Transit Facility Bond Fund	National Landinç BID	Columbia Pike TIF	IDA Bond Fund *	Totals		
					June 30, 2021	June 30, 2020	
ASSETS:							
\$185,098,976	\$21,971,087	\$22,916,696	\$2,053,476	\$1,871,611	\$537,418,555	\$384,472,056	Equity in pooled cash and investment
2,113,294	-	463,592	-	6,058,512	9,242,500	10,066,337	Receivables
5,951,069	-	383,995	-	-	6,760,672	9,406,143	Receivables from other governments
49,094	-	-	-	-	3,118,321	90,614	Prepaid expenses
<u>\$193,212,433</u>	<u>\$21,971,087</u>	<u>\$23,764,283</u>	<u>\$2,053,476</u>	<u>\$7,930,123</u>	<u>\$556,540,048</u>	<u>\$404,035,150</u>	Total assets
LIABILITIES AND FUND BALANCES							
LIABILITIES:							
\$5,749,170	\$-	\$348,204	\$-	\$23,581	\$12,542,747	\$18,907,247	Vouchers payable
1,174,271	-	25,590	-	-	4,401,877	4,118,111	Contracts payable-retainage
-	-	-	-	-	6,425,921	4,828,287	Unearned revenue
-	-	-	-	3,863,656	7,493,628	3,082,271	Other liabilities
<u>6,923,441</u>	<u>-</u>	<u>373,794</u>	<u>-</u>	<u>3,887,237</u>	<u>30,864,173</u>	<u>30,935,916</u>	Total liabilities
FUND BALANCES:							
49,094	-	-	-	-	3,118,321	90,614	<u>Non-spendable</u> Prepaid
-	21,971,087	-	-	4,042,886	133,674,364	46,223,534	<u>Restricted:</u> Capital projects
186,239,898	-	23,390,489	2,053,476	-	388,883,190	327,963,248	<u>Committed to:</u> Capital projects
-	-	-	-	-	-	(1,178,162)	<u>Unassigned</u>
<u>186,288,992</u>	<u>21,971,087</u>	<u>23,390,489</u>	<u>2,053,476</u>	<u>4,042,886</u>	<u>525,675,875</u>	<u>373,099,234</u>	Total fund balances
<u>\$193,212,433</u>	<u>\$21,971,087</u>	<u>\$23,764,283</u>	<u>\$2,053,476</u>	<u>\$7,930,123</u>	<u>\$556,540,048</u>	<u>\$404,035,150</u>	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, 2021
 (WITH SUMMARIZED COMPARATIVE TOTALS FOR 2020)

	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	\$1,583,306	\$-	\$-	\$-	\$-	\$-	\$-	\$-
From the federal government	332,599	-	-	-	-	-	-	-
Charges for services	3,685,151	-	-	-	1,492,291	-	-	-
Real estate taxes	-	-	-	-	12,126,026	-	-	-
Interest	844	22,309	16,621	83,110	686	67,092	-	-
Miscellaneous revenue	2,130,134	-	-	-	142,800	-	-	-
Total revenues	7,732,034	22,309	16,621	83,110	13,761,803	67,092	-	-
EXPENDITURES:								
Inter Governmental:								
Community development	-	-	-	-	-	-	-	-
Current operating:								
General Government	14,966,348	363,299	-	436,006	8,862,691	-	-	-
Planning and Community Development	637,203	-	7,180	-	-	-	-	-
Parks, Recreation and Cultural Development	604,652	-	-	-	-	5,720	-	-
Public Safety	1,883,038	-	-	-	-	-	-	-
Capital outlay	34,490,245	12,630,794	6,185,296	5,533,839	4,718,852	20,853,092	-	-
Total expenditures	52,581,486	12,994,093	6,192,476	5,969,845	13,581,543	20,858,812	-	-
Revenues over/(under) expenditures	(44,849,452)	(12,971,784)	(6,175,855)	(5,886,735)	180,260	(20,791,720)	-	-
OTHER FINANCING SOURCES/(USES):								
Proceeds from lease purchase	-	-	-	-	-	-	-	-
Proceeds from line of credit	-	-	-	-	-	-	-	-
Proceeds for bond premium	46,732,601	-	-	-	4,285,113	-	-	-
Proceeds from sale of bonds	17,065,000	30,175,000	6,000,000	51,680,000	13,200,000	38,850,000	-	-
Transfers in	9,299,317	-	-	-	-	-	-	-
Transfers out	(5,065,281)	(22,309)	(16,621)	(83,110)	(686)	(67,092)	-	-
Transfers to component unit	-	-	-	-	-	-	-	-
Total other financing sources/(uses), net	68,031,637	30,152,691	5,983,379	51,596,890	17,484,427	38,782,908	-	-
Revenues and other financing sources/(uses) over/(under) expenditures	23,182,185	17,180,907	(192,476)	45,710,155	17,664,687	17,991,188	-	-
FUND BALANCE, beginning of year	107,305,847	(1,178,162)	7,810,885	16,824,925	16,108,815	19,515,320	4,625	44
FUND BALANCE, end of year	\$130,488,032	\$16,002,745	\$7,618,409	\$62,535,080	\$33,773,502	\$37,506,508	\$4,625	\$44

* IDA Fund includes Skating Facility & Signature Loan per GASB 84 implementation. Stormwater Fund includes GASB 84 implementation. National Landing name replaces Crystal City.

Transportation Capital Fund	Transit Facility Bond Fund	National Landing TIF	Columbia Pike TIF	IDA Bond Fund *	Totals		
					June 30, 2021	June 30, 2020	
\$2,301,751	\$-	\$-	\$-	\$-	\$3,885,057	\$7,241,621	REVENUES:
2,305,768	-	362,611	-	-	3,000,978	1,825,625	From the Commonwealth of Virginia
-	-	-	-	-	5,177,442	6,181,110	From the federal government
25,173,490	-	4,793,837	962,830	-	43,056,183	41,704,566	Charges for services
-	11,089	-	-	16,594	218,345	2,381,702	Real estate taxes
12,851,930	-	586,205	-	1,069,584	16,780,653	18,971,172	Interest
42,632,939	11,089	5,742,653	962,830	1,086,178	72,118,658	78,305,796	Miscellaneous revenue
							Total Revenues
-	19,931,498	-	-	-	19,931,498	22,155,624	EXPENDITURES:
6,061,694	-	316,715	-	656,101	31,662,854	17,657,069	Inter Governmental:
-	-	-	32,200	-	676,583	596,278	Community development
-	-	-	-	-	610,372	439,610	Current operating:
-	-	-	-	-	1,883,038	73,961	General Government
29,973,740	-	5,571,626	-	141,395	120,098,879	170,182,027	Planning and Community Development
36,035,434	19,931,498	5,888,341	32,200	797,496	174,863,224	211,104,569	Parks, Recreation and Cultural Development
6,597,505	(19,920,409)	(145,688)	930,630	288,682	(102,744,566)	(132,798,773)	Public Safety
							Capital outlay
							Total expenditures
							Revenues over/ (under) expenditures
-	-	-	-	-	-	3,220,352	OTHER FINANCING SOURCES/(USES):
-	-	-	-	-	-	6,837,029	Proceeds from lease purchase
-	-	-	-	-	51,017,714	189,686	Proceeds from line of credit
-	41,820,000	-	-	-	198,790,000	-	Proceeds for bond premium
-	-	-	-	-	9,299,317	28,042,166	Proceeds from sale of bonds
(2,720,783)	(11,089)	-	-	(16,594)	(8,003,565)	(4,733,634)	Transfers in
-	-	-	-	-	-	-	Transfers out
(2,720,783)	41,808,911	-	-	(16,594)	251,103,466	33,555,599	Transfers to component unit
							Total other financing sources/(uses), net
3,876,722	21,888,502	(145,688)	930,630	272,088	148,358,900	(99,243,174)	Revenues and other financing sources/(uses) over/(under) expenditures
182,412,270	82,585	23,536,177	1,122,846	3,770,798	377,316,975	472,342,408	FUND BALANCE, beginning of year
\$186,288,992	\$21,971,087	\$23,390,489	\$2,053,476	\$4,042,886	\$525,675,875	\$373,099,234	FUND BALANCE, end of year

ARLINGTON COUNTY, VIRGINIA
CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES
EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	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	\$5,400,000	\$1,583,306	(\$3,816,694)	\$-	\$-	\$-	\$-	\$-	\$-
From the federal government	-	332,599	332,599	-	-	-	-	-	-
Charges for services	-	3,685,151	3,685,151	-	-	-	-	-	-
Real estate taxes	-	-	-	-	-	-	-	-	-
Interest income	-	844	-	-	22,309	22,309	-	\$16,621	16,621
Miscellaneous revenue	(87,481)	2,130,134	2,217,615	-	-	-	-	-	-
Total revenues	5,312,519	7,732,034	2,418,671	-	22,309	22,309	-	16,621	16,621
Inter governmental:									
Community development	-	-	-	-	-	-	-	-	-
Current operating:									
General government	-	14,966,348	14,966,348	-	363,299	363,299	-	-	-
Planning and community development	-	637,203	637,203	-	-	-	-	7,180	7,180
Parks, recreation and cultural development	-	604,652	604,652	-	-	-	-	-	-
Public safety	-	1,883,038	1,883,038	-	-	-	-	-	-
Capital outlay	192,725,984	34,490,245	(158,235,739)	30,175,000	12,630,794	(17,544,206)	20,280,269	6,185,296	(14,094,973)
Total expenditures	192,725,984	52,581,486	(140,144,498)	30,175,000	12,994,093	(17,180,907)	20,280,269	6,192,476	(14,087,793)
Revenues over/(under) expenditures	(187,413,465)	(44,849,452)	142,564,013	(30,175,000)	(12,971,784)	17,203,216	(20,280,269)	(6,175,855)	14,104,414
OTHER FINANCING SOURCES/(USES):									
Proceeds from lease purchase	-	-	-	-	-	-	-	-	-
Proceeds from line of credit	-	-	-	-	-	-	-	-	-
Proceeds for bond premium	1,125,000	46,732,601	45,607,601	-	-	-	-	-	-
Proceeds from sale of bonds	-	17,065,000	17,065,000	30,175,000	30,175,000	-	6,000,000	6,000,000	-
Transfers in	9,489,807	9,299,317	(190,490)	-	-	-	-	-	-
Transfers out	(6,311,475)	(5,065,281)	1,246,194	-	(22,309)	(22,309)	-	(16,621)	(16,621)
Transfers to component unit	-	-	-	-	-	-	-	-	-
Total other financing sources/(uses), net	4,303,332	68,031,637	63,728,305	30,175,000	30,152,691	(22,309)	6,000,000	5,983,379	(16,621)
Revenues and other financing sources (uses) over/(under) expenditures	(183,110,133)	23,182,185	206,292,318	-	17,180,907	17,180,907	(14,280,269)	(192,476)	14,087,793
FUND BALANCE, beginning of year	183,110,133	107,305,847	(75,804,286)	-	(1,178,162)	(1,178,162)	14,280,269	7,810,885	(6,469,384)
FUND BALANCE, end of year	\$-	\$130,488,032	\$130,488,032	\$-	\$16,002,745	\$16,002,745	\$-	\$7,618,409	\$7,618,409

ARLINGTON COUNTY, VIRGINIA
CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES
EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	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	-	-	-	1,305,693	1,492,291	186,598	-	-	-
Real estate taxes	-	-	-	10,423,354	12,126,026	1,702,672	-	-	-
Interest income	-	83,110	83,110	-	686	-	-	67,092	67,092
Miscellaneous revenue	-	-	-	-	142,800	-	-	-	-
Total revenues	-	83,110	83,110	11,729,047	13,761,803	2,032,756	-	67,092	67,092
Inter governmental:									
Community development	-	-	-	-	-	-	-	-	-
Current operating:									
General government	-	436,006	436,006	12,355,323	8,862,691	(3,492,632)	-	-	-
Planning and community development	-	-	-	-	-	-	-	-	-
Parks, recreation and cultural development	-	-	-	-	-	-	-	5,720	5,720
Public safety	-	-	-	-	-	-	-	-	-
Capital outlay	68,718,351	5,533,839	(63,184,512)	28,682,539	4,718,852	(23,963,687)	59,042,325	20,853,092	(38,189,233)
Total expenditures	68,718,351	5,969,845	(62,748,506)	41,037,862	13,581,543	(27,456,319)	59,042,325	20,858,812	(38,183,513)
Revenues over/(under) expenditures	(68,718,351)	(5,886,735)	62,831,616	(29,308,815)	180,260	29,489,075	(59,042,325)	(20,791,720)	38,250,605
OTHER FINANCING SOURCES/(USES):									
Proceeds from lease purchase	-	-	-	-	-	-	-	-	-
Proceeds from line of credit	-	-	-	-	-	-	-	-	-
Proceeds for bond premium	-	-	-	-	4,285,113	-	-	-	-
Proceeds from sale of go bonds	51,680,000	51,680,000	-	13,200,000	13,200,000	-	38,850,000	38,850,000	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	(83,110)	(83,110)	-	-	-	-	(67,092)	(67,092)
Transfers to component unit	-	-	-	-	(686)	-	-	-	-
Total other financing sources/(uses), net	51,680,000	51,596,890	(83,110)	13,200,000	17,484,427	4,284,427	38,850,000	38,782,908	(67,092)
Revenues and other financing sources (Uses) Over/(Under) Expenditures	(17,038,351)	45,710,155	62,748,506	(16,108,815)	17,664,687	33,773,502	(20,192,325)	17,991,188	38,183,513
FUND BALANCE, beginning of year	17,038,351	16,824,925	(213,426)	16,108,815	16,108,815	-	20,192,325	19,515,320	(677,005)
FUND BALANCE, end of year	\$-	\$62,535,080	\$62,535,080	(\$0)	\$33,773,502	\$33,773,502	\$-	\$37,506,508	\$37,506,508

ARLINGTON COUNTY, VIRGINIA
CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES
EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	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	\$-	\$-	\$-	\$-	\$-	\$-	\$17,422,897	\$2,301,751	(\$15,121,146)
From the federal government	-	-	-	-	-	-	534,000	2,305,768	-
Charges for services	-	-	-	-	-	-	-	-	-
Real estate taxes	-	-	-	-	-	-	-	25,173,490	25,173,490
Interest income	-	-	-	-	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-	-	-	12,851,930	12,851,930
Total revenues	-	-	-	-	-	-	17,956,897	42,632,939	24,676,042
Inter governmental:									
Community development	-	-	-	-	-	-	-	-	-
Current operating:									
General government	-	-	-	-	-	-	-	6,061,694	6,061,694
Planning and community development	-	-	-	-	-	-	-	-	-
Parks, recreation and cultural development	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	364,298,459	29,973,740	(334,324,719)
Total expenditures	-	-	-	-	-	-	364,298,459	36,035,434	(328,263,025)
Revenues over/(under) expenditures	-	-	-	-	-	-	(346,341,562)	6,597,505	352,939,067
OTHER FINANCING SOURCES/(USES):									
Proceeds from lease purchase	-	-	-	-	-	-	-	-	-
Proceeds from line of credit	-	-	-	-	-	-	-	-	-
Proceeds for bond premium	-	-	-	-	-	-	-	-	-
Proceeds from sale of go bonds	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(2,720,783)	(2,720,783)
Transfers to component unit	-	-	-	-	-	-	-	-	-
Total other financing sources/(uses), net	-	-	-	-	-	-	-	(2,720,783)	(2,720,783)
Revenues and other financing sources (Uses) Over/(Under) Expenditures	-	-	-	-	-	-	(346,341,562)	3,876,722	350,218,284
FUND BALANCE, beginning of year	4,625	4,625	-	44	44	-	346,341,562	182,412,270	(163,929,292)
FUND BALANCE, end of year	\$4,625	\$4,625	\$-	\$44	\$44	\$-	\$-	\$186,288,992	\$186,288,992

ARLINGTON COUNTY, VIRGINIA
CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES
EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	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	\$-	\$-	\$-	\$-	\$-	\$0	\$-	\$-	\$-
From the federal government	-	-	-	-	362,611	362,611	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Real estate taxes	-	-	-	500,000	4,793,837	4,293,837	968,520	962,830	(5,690)
Interest income	-	11,089	11,089	-	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	586,205	586,205	-	-	-
Total revenues	-	11,089	11,089	500,000	5,742,653	5,242,653	968,520	962,830	(5,690)
Inter governmental:									
Community development	-	19,931,498	19,931,498	-	-	-	-	-	-
Current operating:									
General government	-	-	-	271,386	316,715	45,329	-	-	-
Planning and community development	-	-	-	-	-	-	2,136,846	32,200	(2,104,646)
Parks, recreation and cultural development	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Capital outlay	41,820,000	-	(41,820,000)	49,693,026	5,571,626	(44,121,400)	-	-	-
Total expenditures	41,820,000	19,931,498	(21,888,502)	49,964,412	5,888,341	(44,076,071)	2,136,846	32,200	(2,104,646)
Revenues over/(under) expenditures	(41,820,000)	(19,920,409)	21,899,591	(49,464,412)	(145,688)	49,318,724	(1,168,326)	930,630	2,098,956
OTHER FINANCING SOURCES/(USES):									
Proceeds from lease purchase	-	-	-	-	-	-	-	-	-
Proceeds from line of credit	-	-	-	-	-	-	-	-	-
Proceeds for bond premium	-	-	-	-	-	-	-	-	-
Proceeds from sale of go bonds	41,820,000	41,820,000	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	(11,089)	(11,089)	-	-	-	-	-	-
Transfers to component unit	-	-	-	-	-	-	-	-	-
Total other financing sources/(uses), net	41,820,000	41,808,911	(11,089)	-	-	-	-	-	-
Revenues and other financing sources (Uses) Over/(Under) Expenditures	-	21,888,502	21,888,502	(49,464,412)	(145,688)	49,318,724	(1,168,326)	930,630	2,098,956
FUND BALANCE, beginning of year	-	82,585	82,585	49,464,412	23,536,177	(25,928,235)	1,122,846	1,122,846	-
FUND BALANCE, end of year	\$-	\$21,971,087	\$21,971,087	\$-	\$23,390,489	\$23,390,489	(\$45,480)	\$2,053,476	\$2,098,956

ARLINGTON COUNTY, VIRGINIA
CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES
EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	IDA Bond Fund		
	Budget	Actual	Variance- Positive (Negative)
REVENUES:			
From the commonwealth of Virginia	\$-	\$-	\$-
From the federal government	-	-	-
Charges for services	-	-	-
Real estate taxes	-	-	-
Interest income	-	16,594	16,594
Miscellaneous revenue	-	1,069,584	-
Total revenues	-	1,086,178	1,086,178
Inter governmental:			
Community development	-	-	-
Current operating:			
General government	-	656,101	656,101
Planning and community development	-	-	-
Parks, recreation and cultural development	-	-	-
Public safety	-	-	-
Capital outlay	16,546,055	141,395	(16,404,660)
Total expenditures	16,546,055	797,496	(15,748,559)
Revenues over/(under) expenditures	(16,546,055)	288,682	16,834,737
OTHER FINANCING SOURCES/(USES):			
Proceeds from lease purchase	-	-	-
Proceeds from line of credit	-	-	-
Proceeds from bond premium	-	-	-
Proceeds from sale of go bonds	14,300,504	-	(14,300,504)
Transfers in	-	-	-
Transfers out	-	-	-
Transfers to component unit	-	(16,594)	(16,594)
Total other financing sources/(uses), net	14,300,504	(16,594)	(14,317,098)
Revenues and other financing sources (Uses) Over/(Under) Expenditures	(2,245,551)	272,088	2,517,639
FUND BALANCE, beginning of year	2,245,551	3,770,798	1,525,247
FUND BALANCE, end of year	\$-	\$4,042,886	\$4,042,886



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
JUNE 30, 2021
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2020)

					Totals	
	Utilities	Ballston Public Parking Garage	8th Level Ballston Public Parking Garage	CPHD Development Fund	June 30, 2021	June 30, 2020
ASSETS						
CURRENT ASSETS:						
Equity in pooled cash and investments	\$46,811,808	\$1,048,915	\$1,548,274	\$13,546,479	\$62,955,476	\$69,655,116
Cash with fiscal agents	25,221	-	-	-	25,221	25,221
Accounts receivable:						
Water-sewer charges	884,918	-	-	-	884,918	892,277
Estimated unbilled service charges	13,242,484	-	-	-	13,242,484	13,956,121
Other	4,508,152	-	-	-	4,508,152	3,770,553
Prepaid expenses	2,568,524	-	-	-	2,568,524	2,590,799
Inventories	2,407,298	-	-	-	2,407,298	2,438,130
Total current assets	70,448,405	1,048,915	1,548,274	13,546,479	86,592,073	93,328,217
CAPITAL ASSETS:						
Land	6,161,255	-	-	-	6,161,255	6,161,255
Sewer system	431,228,520	-	-	-	431,228,520	422,135,464
Water system	867,077,906	-	-	-	867,077,906	852,928,732
Equipment	3,289,444	1,652,860	73,900	2,906,351	7,922,555	7,436,992
Building	-	32,732,601	3,511,471	-	36,244,072	32,066,676
Intangible assets	6,309,802	-	-	1,116,969	7,426,771	7,426,770
Construction in progress	13,289,804	-	-	12,684,665	25,974,469	27,915,126
Less accumulated depreciation-intangible assets	(2,208,004)	-	-	(1,116,969)	(3,324,973)	(2,087,500)
Less accumulated depreciation	(279,446,568)	(18,282,504)	(727,692)	(2,889,370)	(301,346,134)	(282,772,366)
Total capital assets (net of accumulated depreciation)	1,045,702,159	16,102,957	2,857,679	12,701,646	1,077,364,441	1,071,211,149
Total assets	\$1,116,150,564	\$17,151,872	\$4,405,953	\$26,248,125	\$1,163,956,514	\$1,164,539,366

ARLINGTON COUNTY, VIRGINIA
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2021
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2020)

	Totals					
	Utilities	Ballston Public Parking Garage	8th Level Ballston Public Parking Garage	CPHD Development Fund	June 30, 2021	June 30, 2020
LIABILITIES						
CURRENT LIABILITIES:						
Payable from current assets:						
General obligation bonds payable	\$7,464,981	\$-	\$-	\$-	\$7,464,981	\$8,065,196
VRA loan payable	16,688,168	-	-	-	16,688,168	15,991,799
Interest payable	1,783,998	39,955,703	-	-	41,739,701	39,629,853
Vouchers payable	8,744,508	233,953	4,597	509,876	9,492,934	6,323,204
Contracts payable - retainage	197,779	-	-	-	197,779	82,889
Mortgage /notes payable	-	3,429,679	-	-	3,429,679	3,429,679
Capital leases	-	-	-	-	-	-
Other accrued liabilities	456,581	21,955,583	-	56,023	22,468,187	20,936,714
Compensated absences	204,500	-	-	117,436	321,936	256,973
Total current liabilities	35,540,515	65,574,918	4,597	683,335	101,803,365	94,716,307
LONG-TERM LIABILITIES:						
Compensated absences	1,840,501	-	-	1,056,922	2,897,423	2,312,755
VRA loan payable	110,665,859	-	-	-	110,665,859	127,354,028
General obligation bonds payable	55,297,331	-	-	-	55,297,331	62,105,468
Total long-term liabilities	167,803,691	-	-	1,056,922	168,860,613	191,772,251
Total liabilities	203,344,206	65,574,918	4,597	1,740,257	270,663,978	286,488,558
DEFERRED INFLOWS OF RESOURCES	991,424	-	-	-	991,424	1,940,377
NET POSITION						
Net investment in capital assets	854,396,617	12,673,278	2,857,679	12,701,646	882,629,220	852,241,713
Unrestricted (deficit)	57,418,317	(61,096,324)	1,543,677	11,806,222	9,671,892	23,868,719
Total net position (deficit)	911,814,934	(48,423,046)	4,401,356	24,507,868	892,301,112	876,110,431
Total liabilities, deferred inflows of resources and net position	\$1,116,150,564	\$17,151,872	\$4,405,953	\$26,248,125	\$1,163,956,514	\$1,164,539,366

ARLINGTON COUNTY, VIRGINIA
 ENTERPRISE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITIONS
 FOR THE YEAR ENDED JUNE 30, 2021
 (WITH SUMMARIZED COMPARATIVE TOTALS FOR 2020)

					Totals	
	Utilities	Ballston Public Parking Garage	8th Level Ballston Public Parking Garage	CPHD Development Fund	June 30, 2021	June 30, 2020
OPERATING REVENUES:						
Water-sewer service charges	\$92,364,661	\$-	\$-	\$-	\$92,364,661	\$96,130,683
Water-service hook-up charges	3,413,611	-	-	-	3,413,611	6,515,147
Water-service connection charges	975,831	-	-	-	975,831	1,125,775
Sewage treatment service charges	5,088,780	-	-	-	5,088,780	4,507,573
Permits and fees	-	-	-	18,265,892	18,265,892	17,929,909
Other	4,514,112	-	-	-	4,514,112	4,636,237
Parking charges	-	1,409,420	102,873	-	1,512,293	3,390,864
Total operating revenues	106,356,995	1,409,420	102,873	18,265,892	126,135,180	134,236,188
OPERATING EXPENSES:						
Personnel services	18,359,298	-	-	9,881,312	28,240,610	27,485,406
Fringe benefits	6,763,373	-	-	3,694,853	10,458,226	10,193,355
Contractual services	11,762,885	1,460,346	33,614	4,896,646	18,153,491	16,331,374
Purchases of water	7,729,701	-	-	-	7,729,701	8,230,324
Materials and supplies	9,587,565	154,110	21,970	98,731	9,862,376	8,630,627
Deferred rent	-	1,279,992	-	-	1,279,992	1,279,992
Depreciation and amortization	18,063,228	1,023,263	95,177	22,483	19,204,151	18,403,542
Equipment (construction contracts)	3,304,807	-	-	(\$3,917,577)	(612,770)	(491,462)
Internal services	-	-	-	2,830,563	2,830,563	2,647,824
Miscellaneous	6,864,834	395,146	25,635	-	7,285,615	7,067,240
Total operating expenses	82,435,691	4,312,857	176,396	17,507,011	104,431,955	99,778,222
Operating income (loss)	23,921,304	(2,903,437)	(73,523)	758,881	21,703,225	34,457,966
NON-OPERATING REVENUES(EXPENSES):						
Interest income and other income	79,129	-	-	28,321	107,450	1,135,374
Interest expense and fiscal charges	(5,590,617)	(2,486,447)	-	-	(8,077,064)	(9,172,059)
Total non-operating revenues (expenses)	(5,511,488)	(2,486,447)	-	28,321	(7,969,614)	(8,036,685)
Net Income before contributions and net transfers	18,409,816	(5,389,884)	(73,523)	787,202	13,733,611	26,421,281
CONTRIBUTIONS AND TRANSFERS						
Contributions from developers and other source	2,457,070	-	-	-	2,457,070	1,512,140
TRANSFERS						
Transfers in	-	-	-	-	-	(301,019)
Change in net position	20,866,886	(5,389,884)	(73,523)	787,202	16,190,681	27,632,402
Net position (deficit), beginning of year	890,948,048	(43,033,162)	4,474,879	23,720,666	876,110,431	848,478,029
Net position (deficit), end of year	\$911,814,934	(\$48,423,046)	\$4,401,356	\$24,507,868	\$892,301,112	\$876,110,431

ARLINGTON COUNTY, VIRGINIA
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2020)

	Totals					
	Utilities	Ballston Public Parking Garage	8th Level Ballston Public Parking Garage	CPHD Development Fund	June 30 2021	June 30 2020
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash received from customers	\$106,535,851	\$1,409,420	\$102,873	\$18,265,892	\$126,314,036	\$135,236,244
Cash paid to suppliers	(35,760,746)	(2,131,489)	(80,805)	(3,882,188)	(41,855,228)	(45,723,099)
Cash paid to employees	(24,753,291)	-	-	(13,295,914)	(38,049,205)	(37,176,317)
Net cash provided by (used for) operating activities	46,021,814	(722,069)	22,068	1,087,790	46,409,603	52,336,828
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest income	79,129	-	-	28,321	107,450	1,135,374
Net cash provided by investing activities	79,129	-	-	28,321	107,450	1,135,374
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITY						
Transfer received other funds	-	-	-	-	-	(301,019)
Net cash provided by (used for) non-capital financing activities	-	-	-	-	-	(301,019)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Principal payments - bonds	(7,750,216)	-	-	-	(7,750,216)	(7,490,101)
Payment of VRA loan	(15,991,799)	-	-	-	(15,991,799)	(15,560,155)
Interest and other loan expenses	(5,966,824)	-	-	-	(5,966,824)	(7,155,828)
Purchase of property	(19,540,667)	(49,611)	-	(3,917,577)	(23,507,855)	(24,779,728)
Net cash (used for) capital and related financing activities	(49,249,506)	(49,611)	-	(3,917,577)	(53,216,694)	(54,985,812)
Net increase(decrease) in cash and cash equivalents	(3,148,563)	(771,680)	22,068	(2,801,466)	(6,699,641)	(1,814,630)
Cash and cash equivalents at beginning of year	49,960,371	1,820,595	1,526,206	16,347,945	69,655,117	71,469,747
Cash and cash equivalents at end of year	\$46,811,808	\$1,048,915	\$1,548,274	\$13,546,479	\$62,955,475	\$69,655,116
Reconciliation of operating income (loss) to net cash provided by (used for) operations:						
Operating Income (loss)	\$23,921,304	(\$2,903,437)	(\$73,523)	\$758,881	\$21,703,225	\$34,457,966
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation and amortization expense	18,063,228	1,023,263	95,177	22,483	19,204,151	18,403,542
Effect of changes in operating assets and liabilities:						
Accounts receivable	(16,602)	-	-	-	(16,602)	984,618
Inventories	30,832	-	-	-	30,832	(262,817)
Vouchers payable	3,321,050	(121,887)	414	26,175	3,225,752	(2,640,175)
Compensated absences	369,380	-	-	280,251	649,631	502,443
Contract retainage	114,889	-	-	-	114,889	(528,985)
Prepaid expenses	22,275	-	-	-	22,275	-
Accrued rent liability	-	1,279,992	-	-	1,279,992	1,279,992
Unearned revenue	195,458	-	-	-	195,458	15,438
Net cash provided by (used for) by operating activities	\$46,021,814	(\$722,069)	\$22,068	\$1,087,790	\$46,409,603	\$52,336,828
Schedule of non-cash capital and related financing activities:						
Contributions from developers and other sources	\$2,457,070	\$-	\$-	\$-	\$2,457,070	\$1,512,140

This page has been intentionally left blank.



Internal Service Funds

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

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

ARLINGTON COUNTY, VIRGINIA
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2021
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2020)

			Totals	
	Automotive Equipment	Printing	June 30, 2021	June 30, 2020
ASSETS				
CURRENT ASSETS:				
Equity in pooled cash and investments	\$9,132,529	\$-	\$9,132,529	\$12,504,694
Accounts receivable	30,675	5,323	35,998	1,562,811
Inventories	739,183	44,240	783,423	626,985
Total current assets	9,902,387	49,563	9,951,950	14,694,490
CAPITAL ASSETS:				
Equipment and other capital assets	89,297,484	35,633	89,333,117	87,237,563
Less-accumulated depreciation	(51,925,276)	(24,779)	(51,950,055)	(54,192,608)
Net capital assets	37,372,208	10,854	37,383,062	33,044,955
Total assets	\$47,274,595	\$60,417	\$47,335,012	\$47,739,445
LIABILITIES AND NET POSITION				
CURRENT LIABILITIES:				
Vouchers payable	\$326,612	\$105,074	\$431,686	\$1,599,222
Compensated absences	40,867	9,535	50,402	56,943
Obligations under capital lease	225,618	-	225,618	601,851
Due to other funds	-	1,966,485	1,966,485	1,523,467
Line of credit	-	-	-	212,412
Accounts payable	-	-	-	269
Total current liabilities	593,097	2,081,094	2,674,191	3,994,164
LONG-TERM LIABILITIES:				
Compensated absences	367,807	85,814	453,621	512,489
Line of credit	-	-	-	1,274,475
Obligations under capital lease	228,860	-	228,860	454,478
Total long-term liabilities	596,667	85,814	682,481	2,241,442
Total liabilities	1,189,764	2,166,908	3,356,672	6,235,606
NET POSITION:				
Net investment in capital assets	36,917,730	10,854	36,928,584	31,988,626
Unrestricted (deficit)	9,167,101	(2,117,345)	7,049,756	9,515,213
Total net position (deficit)	46,084,831	(2,106,491)	43,978,340	41,503,839
Total liabilities and net position	\$47,274,595	\$60,417	\$47,335,012	\$47,739,445

ARLINGTON COUNTY, VIRGINIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITIONS
FOR THE YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2020)

			Totals	
	Automotive Equipment	Printing	June 30, 2021	June 30, 2020
OPERATING REVENUES:				
Charges for services	\$18,833,587	\$2,157,350	\$20,990,937	\$21,161,883
OPERATING EXPENSES:				
Cost of store issuances	2,729,488	156,192	2,885,680	4,052,607
Personnel services	4,391,364	563,393	4,954,757	4,948,457
Fringe benefits	1,777,902	257,307	2,035,209	2,031,134
Material and supplies	1,394,056	156,368	1,550,424	2,109,032
Utilities	157,245	11,133	168,378	157,025
Operating equipment	56,676	44	56,720	19,181
Outside services	944,991	1,510,445	2,455,436	2,496,467
Depreciation	6,203,533	3,563	6,207,096	5,772,814
Total operating expenses	17,655,255	2,658,445	20,313,700	21,586,717
Operating income (loss)	1,178,332	(501,095)	677,237	(424,834)
NON-OPERATING REVENUES (EXPENSES):				
Interest payment on capital lease	(16,133)	-	(16,133)	(25,576)
Gain on disposal of assets	1,202,219	-	1,202,219	240,633
Total non-operating revenues (expenses)	1,186,086	-	1,186,086	215,057
Income (loss) before transfers	2,364,418	(501,095)	1,863,323	(209,777)
CONTRIBUTIONS AND NET TRANSFERS				
Transfers in	494,796	246,382	741,178	293,382
Transfers out	(130,000)	-	(130,000)	(130,000)
Total operating transfers	364,796	246,382	611,178	163,382
Change in net position	2,729,214	(254,713)	2,474,501	(46,395)
Net position, beginning of year	43,355,617	(1,851,778)	41,503,839	41,550,234
Net position, end of year	\$46,084,831	(\$2,106,491)	\$43,978,340	\$41,503,839

ARLINGTON COUNTY, VIRGINIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2020)

			Totals	
	Automotive Equipment	Printing	June 30, 2021	June 30, 2020
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from interfund charges for fleet management services	\$20,346,538	\$-	\$20,346,538	\$17,259,850
Receipts from interfund charges for print services	-	2,171,212	2,171,212	2,383,152
Payments to suppliers and providers	(6,433,228)	(2,007,651)	(8,440,879)	(7,843,222)
Payments to employees for salaries and benefits	(6,202,415)	(852,961)	(7,055,376)	(6,917,262)
Net cash provided by (used for) operating activities	<u>7,710,895</u>	<u>(689,400)</u>	<u>7,021,495</u>	<u>4,882,518</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Temporary loan from general fund	-	1,966,485	1,966,485	1,523,467
Repayment of prior year temp loan	-	(1,523,467)	(1,523,467)	(716,062)
Operating transfers in	494,796	246,382	741,178	293,382
Operating transfers out	(130,000)	-	(130,000)	(130,000)
Net cash provided by (used for) non-capital financing activities	<u>364,796</u>	<u>689,400</u>	<u>1,054,196</u>	<u>970,787</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Principal payment on capital lease	(601,852)	-	(601,852)	(591,029)
Payment of interest on capital lease	(16,133)	-	(16,133)	(25,576)
Purchases of equipment	(11,822,082)	-	(11,822,082)	(7,229,377)
Proceeds from line of credit	(1,486,887)	-	(1,486,887)	1,486,887
Proceeds from sale of equipment	2,479,097	-	2,479,097	741,603
Net cash used for capital and related financing activities	<u>(11,447,857)</u>	<u>-</u>	<u>(11,447,857)</u>	<u>(5,617,492)</u>
Net increase (decrease) in cash and cash equivalents	<u>(3,372,166)</u>	<u>-</u>	<u>(3,372,166)</u>	<u>235,813</u>
Cash and cash equivalents at beginning of year	<u>12,504,694</u>	<u>-</u>	<u>12,504,694</u>	<u>12,268,881</u>
Cash and cash equivalents at end of period	<u>\$9,132,528</u>	<u>\$-</u>	<u>\$9,132,528</u>	<u>\$12,504,694</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	\$1,178,332	(\$501,095)	\$677,237	(\$424,834)
Adjustments to reconcile operating income(loss) to net cash provided by (used in) operating activities:				
Depreciation	6,203,533	3,563	6,207,096	5,772,814
Effect of changes in operating assets and liabilities:				
Accounts receivable	1,512,951	13,862	1,526,813	(1,518,881)
Inventories	(112,198)	(44,240)	(156,438)	57,830
Vouchers payables	(1,038,574)	(129,229)	(1,167,803)	933,260
Compensated absences	(33,149)	(32,261)	(65,410)	62,329
Net cash provided by (used for) operating activities	<u>\$7,710,895</u>	<u>(\$689,400)</u>	<u>\$7,021,495</u>	<u>\$4,882,518</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 Post-employment 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 Funds:

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, 2021

	Pension Trust	OPEB Trust	Total Pension and OPEB Trusts	Private Purpose Trust Alexandria/Arlington Waste to Energy Facility Monitoring Group
ASSETS				
Equity in pooled cash and investments	\$209,332,379	\$-	\$209,332,379	\$220,730
Contributions receivable:				
Employer	1,811,569	-	1,811,569	-
Employee	429,929	-	429,929	-
Accrued interest and other receivables	97,894	-	97,894	-
Investments, at fair value:				
Foreign, municipal and U.S. Government Obligations, including Fixed Instruments in Pooled Funds	112,688,540	75,271,462	187,960,002	-
Corporate fixed income obligations	158,662,606	-	158,662,606	-
Domestic and foreign equities, including equities in pooled funds	958,713,849	139,789,858	1,098,503,707	-
Other investments	170,707,870	-	170,707,870	-
Real estate funds	5,133,848	-	5,133,848	-
Pooled equity	1,090,556,812	-	1,090,556,812	-
Pooled fixed income	482,611,214	-	482,611,214	-
Total assets	3,190,746,510	215,061,321	3,405,807,831	220,730
DEFERRED OUTFLOWS OF RESOURCES				
Loss on refunding bonds, net	-	-	-	-
LIABILITIES				
Accounts payable and accrued liabilities	2,849,672	-	2,849,672	9,635
Bonds payable	-	-	-	-
Total liabilities	2,849,672	-	2,849,672	9,635
NET POSITION RESTRICTED FOR PLAN BENEFITS AND OTHER PURPOSES	<u>\$3,187,896,838</u>	<u>\$215,061,321</u>	<u>\$3,402,958,159</u>	<u>\$211,095</u>

EXHIBIT F-2

ARLINGTON COUNTY, VIRGINIA
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Private Purpose Trusts*
	Alexandria/Arlington Waste to Energy Facility Monitoring Group
ADDITIONS	
Contributions and revenues	
Shared revenues	\$118,000
Private donations-others	-
Total contributions	118,000
Investment earnings:	
Interest and other	686
Total investment earnings	686
Less investment expenses	-
Net investment earnings/(loss)	686
Total additions	118,686
DEDUCTIONS	
Administrative expenses/other	83,350
Total deductions	83,350
Change in net position	35,336
Net position - beginning of the year*	175,759
Net position - ending of the year	\$211,095

*Restated due to compliance with GASB 84

ARLINGTON COUNTY, VIRGINIA
PENSION AND OPEB TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2020)

	Pension Trust	OPEB Trust	June 30, 2021	June 30, 2020
ADDITIONS:				
Employer contributions	\$59,657,891	\$7,500,000	\$67,157,891	\$66,378,931
Members' contributions	14,792,219	-	14,792,219	14,664,853
Other contributions	-	57,589	57,589	59,657
Investment income:				
Interest and dividends	22,931,088	14,003,415	36,934,503	35,539,491
Net appreciation in fair value	693,362,973	29,016,458	722,379,431	135,057,190
Gross income from securities lending	159,790	-	159,790	222,772
Bank fees and income/expenses from securities lending	(40,504)	-	(40,504)	(56,395)
Investment expense	(8,277,361)	-	(8,277,361)	(6,586,798)
 Total Additions	 <u>782,586,096</u>	 <u>50,577,462</u>	 <u>833,163,558</u>	 <u>245,279,701</u>
DEDUCTIONS:				
Members' benefits	119,479,669	-	119,479,669	114,598,243
Refund of members' contributions	395,298	-	395,298	863,267
Administrative expenses	923,242	-	923,242	936,789
Other consulting expenses	1,126,575	57,589	1,184,164	1,093,473
 Total Deductions	 <u>121,924,784</u>	 <u>57,589</u>	 <u>121,982,373</u>	 <u>117,491,772</u>
 Net Increase	 660,661,312	 50,519,873	 711,181,185	 127,787,929
 Net Position Held in Trust for Plan Benefits, beginning of year	 <u>2,527,235,526</u>	 <u>164,541,448</u>	 <u>2,691,776,974</u>	 <u>2,563,989,045</u>
 Net Position Held in Trust for Plan Benefits, end of year:	 <u>\$3,187,896,838</u>	 <u>\$215,061,321</u>	 <u>\$3,402,958,159</u>	 <u>\$2,691,776,974</u>

ARLINGTON COUNTY, VIRGINIA
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUND
 JUNE 30, 2021

	<u>Commonwealth of Virginia</u>	<u>Other Custodial Funds</u>	<u>Total Custodial Funds</u>
ASSETS			
Equity in pooled cash and investments	\$105,356	\$3,998	\$109,354
Receivable from other governments	<u>-</u>	<u>8,036</u>	<u>8,036</u>
Total assets	<u><u>105,356</u></u>	<u><u>12,034</u></u>	<u><u>117,390</u></u>
LIABILITIES			
Accounts payable and accrued liabilities	<u>105,356</u>	<u>12,034</u>	<u>117,390</u>
Total liabilities	<u><u>105,356</u></u>	<u><u>12,034</u></u>	<u><u>117,390</u></u>
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, 2021

	<u>Commonwealth of Virginia</u>	<u>Other Custodial Funds</u>	<u>Total Custodial Funds</u>
ADDITIONS:			
Contributions and revenues:			
Tax collections for other governments	\$2,234,052	\$-	\$2,234,052
Collections for Other Organizations	-	18,351	18,351
Total Collections for Others	<u>2,234,052</u>	<u>18,351</u>	<u>2,252,403</u>
Total additions	<u>2,234,052</u>	<u>18,351</u>	<u>2,252,403</u>
DEDUCTIONS:			
Tax payments to other governments	2,234,052	-	2,234,052
Payments to other organizations	-	18,351	18,351
Total deductions	<u>2,234,052</u>	<u>18,351</u>	<u>2,252,403</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 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 Grant/ 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.

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, 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, 2021
ASSETS										
Equity in pooled cash and investment:	\$29,207,172	\$6,252,534	\$-	\$209,166	\$99,871,587	\$38,453,657	\$-	\$-	\$2,785,291	\$176,779,407
Petty cash	-	340	375	-	-	-	-	-	-	715
Accounts receivable	8,319,268	686,770	89,931	2,885,149	-	-	-	-	25,257	12,006,375
Due from primary government	70,301,285	-	696,547	-	-	12,351,642	-	34,343	-	83,383,817
Inventories and other assets	105,446	122,384	-	-	-	-	-	-	9,375	237,205
Total assets	\$107,933,171	\$7,062,028	\$786,853	\$3,094,315	\$99,871,587	\$50,805,299	\$-	\$34,343	\$2,819,923	\$272,407,519
LIABILITIES AND FUND BALANCES										
LIABILITIES										
Accrued salaries payable	\$59,356,940	\$335,875	\$599,315	\$1,508,544	\$-	\$90	\$-	\$-	\$-	\$61,800,764
Vouchers payable	2,866,386	247,712	117,763	138,251	6,294,999	715,981	-	34,343	7,618	10,423,053
Contracts payable - retainage	-	-	-	-	3,831,863	-	-	-	-	3,831,863
Other liabilities	5,902,326	-	-	-	-	-	-	-	-	5,902,326
Deferred revenue	54,337	-	-	-	-	2,248,574	-	-	-	2,302,911
Total liabilities	68,179,989	583,587	717,078	1,646,795	10,126,862	2,964,645	-	34,343	\$7,618	\$84,260,917
FUND BALANCES										
<u>Non spendable:</u>										
Inventory	-	122,384	-	-	-	-	-	-	9,375	131,759
<u>Restricted for:</u>										
Capital projects	-	-	-	-	69,322,960	38,453,657	-	-	-	107,776,617
Grants	-	-	-	1,447,520	-	-	-	-	-	1,447,520
Student Activities	-	-	-	-	-	-	-	-	2,802,930	2,802,930
<u>Committed to:</u>										
Incomplete projects	10,546,010	473,672	69,775	-	20,421,765	9,386,997	-	-	-	40,898,219
Next years' School budget	25,159,933	-	-	-	-	-	-	-	-	25,159,933
<u>Assigned to:</u>										
Operating reserve	-	5,882,385	-	-	-	-	-	-	-	5,882,385
Unfunded liabilities	2,000,000	-	-	-	-	-	-	-	-	2,000,000
Health insurance reserve	1,000,000	-	-	-	-	-	-	-	-	1,000,000
VRS reserve	1,047,239	-	-	-	-	-	-	-	-	1,047,239
Total fund balances	39,753,182	6,478,441	69,775	1,447,520	89,744,725	47,840,654	-	-	2,812,305	188,146,602
Total liabilities and fund balance	\$107,933,171	\$7,062,028	\$786,853	\$3,094,315	\$99,871,587	\$50,805,299	\$-	\$34,343	\$2,819,923	\$272,407,519

* School Activities Fund included with School Operating Fund for GASB 84 purposes.

ARLINGTON COUNTY, VIRGINIA
 RECONCILIATION OF THE FUND BALANCES OF COMPONENT UNIT - SCHOOLS TO
 NET POSITION OF COMPONENT UNIT - SCHOOLS
 JUNE 30, 2021

Total-component unit-Schools' fund balances	\$188,146,602
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	852,826,498
Net OPEB liabilities are not due and payable in the current period and are not reported in the funds	(174,077,610)
Deferred outflows of resources from pensions are not available to pay for current period expenditures and are not reported in the funds	141,085,744
Deferred outflows of resources from OPEB are not available to pay for current period expenditures and are not reported in the funds	35,041,577
Net pension liabilities are not due and payable in the current period and are not reported in the funds	(539,445,984)
Deferred inflows of resources from pension are not due and payable in the current period and are not reported in the funds	(35,722,323)
Deferred inflows of resources from OPEB are not due and payable in the current period and are not reported in the funds	(34,901,929)
Long-term liabilities, including capital leases, are not due and payable in the current period and are not reported in the funds	(45,285,633)
GASB 84 implementation adjustment	<u>2,812,305</u>
Net position of component unit - Schools	<u><u>\$390,479,247</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, 2021
 (WITH SUMMARIZED COMPARATIVE TOTALS FOR 2020)

	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, 2021
REVENUES:										
Sales tax	\$ 34,044,649	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$ 34,044,649	
State/local government	44,962,292	102,699	-	3,844,312	-	-	2,855,157	-	51,764,460	
Federal	19,647,920	9,399,438	2,080,229	12,025,786	-	-	-	-	43,153,373	
Charges for services	1,374,586	39,198	836,276	1,564,293	-	-	-	877,139	4,691,492	
Use of money and property	-	-	-	-	132,138	-	-	-	132,138	
Total revenues	100,029,447	9,541,335	2,916,505	17,434,391	132,138	-	-	2,855,157	877,139	133,786,112
EXPENDITURES:										
Current:										
Community Activities	-	-	13,546,993	-	-	-	-	-	-	13,546,993
Education	526,309,784	7,968,141	-	20,581,110	-	-	5,389,526	957,717	-	561,206,278
Capital projects	-	-	-	-	44,486,914	17,105,503	-	-	-	61,592,417
Debt service:										
Principal	-	-	-	-	-	-	36,593,751	-	-	36,593,751
Interest	-	-	-	-	-	-	18,235,935	-	-	18,235,935
Total expenditures	526,309,784	7,968,141	13,546,993	20,581,110	44,486,914	17,105,503	54,829,686	5,389,526	957,717	691,175,374
Excess (deficiency) of revenues over (under) expenditures	(426,280,337)	1,573,194	(10,630,488)	(3,146,719)	(44,354,776)	(17,105,503)	(54,829,686)	(2,534,369)	(80,578)	(557,389,262)
Other financing sources(uses):										
Transfers in	424,414,566	-	10,419,711	-	-	1,268,343	54,559,686	2,534,369	-	493,196,675
Transfers out	(2,600,000)	-	-	-	(132,138)	-	-	-	-	(2,732,138)
Proceeds from Lease	\$615,840	-	-	-	-	-	-	-	-	615,840
Interfund transfers	5,326,779	-	-	-	-	772,500	270,000	-	-	6,369,279
Bond proceeds	(1,042,500)	-	-	-	80,150,000	20,966,688	-	-	-	100,074,188
Proceeds from line of credit	4,331,000	-	-	-	-	-	-	-	-	4,331,000
Total other financing sources(uses)	431,045,685	-	10,419,711	-	\$80,017,862	23,007,531	54,829,686	2,534,369	\$-	601,854,844
Excess (deficiency) of revenues and other sources over (under) expenditures and other financing uses	4,765,348	1,573,194	(210,777)	(3,146,719)	35,663,086	5,902,028	-	-	(80,578)	44,465,582
FUND BALANCES, beginning of year	34,987,834	4,905,247	280,552	4,594,239	54,081,639	41,938,626	-	-	\$2,892,883	143,681,020
FUND BALANCES, end 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

* School Activities Fund included with School Operating Fund for GASB 84 purposes.

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, 2021

Net change in fund balances - component unit-Schools		\$44,465,582
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	\$69,339,198	
Less Depreciation expense	<u>(33,299,197)</u>	36,040,001
Lease & LOC proceeds provide current financial resources to the governmental funds, but capital leases increases long-term liabilities in the Statement of Net Position. Repayment of capital leases and line of credit is an expenditure in the governmental fund but the repayment reduces long term liabilities in the Statement of Net Position.		
Add: Repayment of capital leases	615,840	
Add: Repayment of line of credit	<u>7,977,464</u>	8,593,304
OPEB expenses		
Add: FY 2021 OPEB contributions deferred	5,744,125	
Less: OPEB expense	<u>(2,631,076)</u>	3,113,049
Pension expenses		
Add: FY 2021 pension contributions deferred	52,023,846	
Less: Pension expense	<u>(67,238,245)</u>	(15,214,399)
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		
		(2,340,571)
GASB 84 implementation adjustment		\$2,812,305
Change in net position of component unit-Schools		<u>\$77,469,271</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, 2021

	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	\$32,186,910	\$34,044,649	\$1,857,739	\$-	\$-	\$-	\$-	\$-	\$-
Intergovernmental									
State	45,547,547	44,962,292	(585,255)	120,000	102,699	(17,301)	-	-	-
Federal	800,000	19,647,920	18,847,920	5,700,000	9,399,438	3,699,438	-	2,080,229	2,080,229
Charges for services	3,737,300	1,374,586	(2,362,714)	5,501,748	39,198	(5,462,550)	13,999,462	836,276	(13,163,186)
Use of money and property	-	-	-	-	-	-	-	-	-
Total revenues	<u>82,271,757</u>	<u>100,029,447</u>	<u>17,757,690</u>	<u>11,321,748</u>	<u>9,541,335</u>	<u>(1,780,413)</u>	<u>13,999,462</u>	<u>2,916,505</u>	<u>(11,082,957)</u>
EXPENDITURES:									
Education	590,916,340	526,309,784	64,606,556	12,138,264	7,968,141	4,170,123	-	-	-
Community Activities	-	-	-	-	-	-	20,036,588	13,546,993	6,489,595
Capital projects	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Total expenditures	<u>590,916,340</u>	<u>526,309,784</u>	<u>64,606,556</u>	<u>12,138,264</u>	<u>7,968,141</u>	<u>4,170,123</u>	<u>20,036,588</u>	<u>13,546,993</u>	<u>6,489,595</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(508,644,583)</u>	<u>(426,280,337)</u>	<u>82,364,246</u>	<u>(816,516)</u>	<u>1,573,194</u>	<u>2,389,710</u>	<u>(6,037,126)</u>	<u>(10,630,488)</u>	<u>(4,593,362)</u>
Other financing sources(uses):									
Transfers in	485,705,075	424,414,566	(61,290,509)	-	-	-	5,756,574	10,419,711	4,663,137
Transfers out	(2,600,000)	(2,600,000)	-	-	-	-	-	-	-
Interfund transfers	(1,042,500)	5,326,779	6,369,279	-	-	-	-	-	-
Proceeds from sale of bonds	-	(\$1,042,500)	-	-	-	-	-	-	-
Proceeds from capital leases	-	4,946,840	4,946,840	-	-	-	-	-	-
Total other financing sources(uses)	<u>482,062,575</u>	<u>431,045,685</u>	<u>(49,974,390)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,756,574</u>	<u>10,419,711</u>	<u>4,663,137</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other financing uses	<u>(26,582,008)</u>	<u>4,765,348</u>	<u>32,389,856</u>	<u>(816,516)</u>	<u>1,573,194</u>	<u>2,389,710</u>	<u>(280,552)</u>	<u>(210,777)</u>	<u>69,775</u>
FUND BALANCES, beginning of year	<u>17,128,920</u>	<u>34,987,834</u>	<u>(17,858,914)</u>	<u>5,305,656</u>	<u>4,905,247</u>	<u>400,409</u>	<u>280,552</u>	<u>280,552</u>	<u>-</u>
FUND BALANCES, end of year	<u>(\$9,453,088)</u>	<u>\$39,753,182</u>	<u>\$49,206,270</u>	<u>\$4,489,140</u>	<u>\$6,478,441</u>	<u>\$2,790,119</u>	<u>\$-</u>	<u>\$69,775</u>	<u>\$69,775</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, 2021

	School Special Grants Fund			School Debt Service Fund			School Capital Projects Bond Fund		
	Budget	Actual	Variance-Positive (Negative)	Budget	Actual	Variance-Positive (Negative)	Budget	Actual	Variance-Positive (Negative)
REVENUES:									
Sales tax	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Intergovernmental									
State	3,181,809	3,844,312	662,503	-	-	-	-	-	-
Federal	13,677,146	12,025,786	(1,651,360)	-	-	-	-	-	-
Charges for services	1,776,510	1,564,293	(212,217)	-	-	-	-	-	-
Use of money and property	-	-	-	-	-	-	-	132,138	132,138
Total revenues	<u>18,635,465</u>	<u>17,434,391</u>	<u>(1,201,074)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>132,138</u>	<u>132,138</u>
EXPENDITURES:									
Education	23,229,704	20,581,110	2,648,594	-	-	-	-	-	-
Community Activities	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	134,231,639	44,486,914	89,744,725
Debt service:									
Principal	-	-	-	36,861,251	36,593,751	267,500	-	-	-
Interest and fiscal charges	-	-	-	20,044,489	18,235,935	1,808,554	-	-	-
Total expenditures	<u>23,229,704</u>	<u>20,581,110</u>	<u>2,648,594</u>	<u>56,905,740</u>	<u>54,829,686</u>	<u>2,076,054</u>	<u>134,231,639</u>	<u>44,486,914</u>	<u>89,744,725</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,594,239)</u>	<u>(3,146,719)</u>	<u>1,447,520</u>	<u>(56,905,740)</u>	<u>(54,829,686)</u>	<u>2,076,054</u>	<u>(134,231,639)</u>	<u>(44,354,776)</u>	<u>89,876,863</u>
Other financing sources(uses):									
Transfers in	-	-	-	56,635,740	54,559,686	(2,076,054)	-	-	-
Transfers out	-	-	-	-	-	-	-	(\$132,138)	(132,138)
Interfund transfers	-	-	-	270,000	270,000	-	-	-	-
Proceeds of sale of bonds	-	-	-	-	-	-	\$80,150,000	\$80,150,000	-
Proceeds of capital lease	-	-	-	-	-	-	-	-	-
Total other financing sources(uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,905,740</u>	<u>54,829,686</u>	<u>(2,076,054)</u>	<u>-</u>	<u>80,017,862</u>	<u>(132,138)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other financing uses	<u>(4,594,239)</u>	<u>(3,146,719)</u>	<u>1,447,520</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(54,081,639)</u>	<u>35,663,086</u>	<u>89,744,725</u>
FUND BALANCES, beginning of year	<u>4,594,239</u>	<u>4,594,239</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,081,639</u>	<u>54,081,639</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$-</u>	<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>

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, 2021

	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	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$32,186,910	\$34,044,649	\$1,857,739
Intergovernmental										
State	-	-	-	1,985,075	2,855,157	870,082	-	50,834,431	51,764,460	930,029
Federal	-	-	-	-	-	-	-	20,177,146	43,153,373	22,976,227
Charges for services	-	-	-	-	-	-	\$877,139	25,015,020	4,691,492	(20,323,528)
Use of money and property	-	-	-	-	-	-	-	-	132,138	132,138
Total revenues	-	-	-	1,985,075	2,855,157	870,082	\$877,139	128,213,507	133,786,112	5,572,605
EXPENDITURES:										
Education	-	-	-	4,225,000	5,389,526	(1,164,526)	\$957,717	630,509,308	561,206,278	69,303,030
Community Activities	-	-	-	-	-	-	-	20,036,588	13,546,993	6,489,595
Capital projects	64,946,157	17,105,503	47,840,654	-	-	-	-	199,177,796	61,592,417	137,585,379
Debt service:										
Principal	-	-	-	-	-	-	-	36,861,251	36,593,751	267,500
Interest and fiscal charges	-	-	-	-	-	-	-	20,044,489	18,235,935	1,808,554
Total expenditures	64,946,157	17,105,503	47,840,654	4,225,000	5,389,526	(1,164,526)	957,717	906,629,432	691,175,374	215,454,058
Excess (deficiency) of revenues over (under) expenditures	(64,946,157)	(17,105,503)	47,840,654	(2,239,925)	(2,534,369)	(294,444)	(80,578)	(778,415,925)	(557,389,262)	221,026,663
Other financing sources(uses):										
Transfers in	1,268,343	1,268,343	-	2,239,925	2,534,369	294,444	-	551,605,657	493,196,675	(58,408,982)
Transfers out	-	-	-	-	-	-	-	-	(2,732,138)	(2,732,138)
Interfund transfers	772,500	772,500	-	-	-	-	-	-	6,369,279	6,369,279
Proceeds of sale of bonds	20,966,688	20,966,688	-	-	-	-	-	-	100,074,188	100,074,188
Proceeds from capital lease	-	-	-	-	-	-	-	-	4,946,840	4,946,840
Total other financing sources(uses)	23,007,531	23,007,531	-	2,239,925	2,534,369	294,444	-	551,605,657	601,854,844	50,249,187
Excess (deficiency) of revenues and other sources over (under) expenditures and other financing use:	(41,938,626)	5,902,028	47,840,654	-	-	-	(\$80,578)	(226,810,268)	44,465,582	271,275,850
FUND BALANCES, beginning of year	41,938,626	41,938,626	-	-	-	-	2,892,883	123,329,632	143,681,020	20,351,388
FUND BALANCES, end of year	\$-	\$47,840,654	\$47,840,654	\$-	\$-	\$-	\$2,812,305	(103,480,636)	\$188,146,602	\$291,627,238

EXHIBIT G-4

ARLINGTON COUNTY, VIRGINIA
 OPEB TRUST FUND - SCHOOLS
 STATEMENT OF PLAN NET POSITION
 JUNE 30, 2021
 (WITH COMPARATIVE TOTALS FOR 2020)

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and Investments	\$89,289,359	\$68,704,630
Accounts Receivable	-	-
Total assets	<u>89,289,359</u>	<u>68,704,630</u>
LIABILITIES	-	-
NET POSITION	<u><u>\$89,289,359</u></u>	<u><u>\$68,704,630</u></u>

ARLINGTON COUNTY, VIRGINIA
 OPEB TRUST FUND - SCHOOLS
 STATEMENT OF CHANGES IN PLAN NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2021
 (WITH COMPARATIVE TOTALS FOR 2020)

	<u>2021</u>	<u>2020</u>
ADDITIONS:		
Employer contributions	\$2,600,000	\$-
Investment Income:		
Interest and dividends	5,847,155	3,243,899
Net appreciation (depreciation) in fair value	<u>12,137,574</u>	<u>(52,931)</u>
Total additions	<u>20,584,729</u>	<u>3,190,968</u>
Net Increase	20,584,729	3,190,968
Net Position Held in Trust for Plan Benefits, beginning of year	<u>68,704,630</u>	<u>65,513,662</u>
Net Position Held in Trust for Plan Benefits, end of year:		
Restricted	<u><u>\$89,289,359</u></u>	<u><u>\$68,704,630</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.

This page has been intentionally left blank.

ARLINGTON COUNTY, VIRGINIA
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	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	\$357,428,964	\$10,687,541	\$386,632,327	\$69,655,116	\$12,504,694	\$24,946,012	\$127,053,057	\$988,907,711
Receipts (net):								
Taxes	1,120,021,010	12,716,950	43,056,183	-	-	-	34,044,649	1,209,838,792
Licenses and permits	13,002,084	-	-	-	-	-	-	13,002,084
Fines and forfeitures	5,484,417	-	-	-	-	-	-	5,484,417
Revenue from use of money and property	7,059,228	2,558	218,345	107,450	-	-	132,138	7,519,719
Charges for services	46,139,224	-	5,177,442	126,135,180	20,990,937	45,088	4,691,492	203,179,363
Miscellaneous	33,729,139	-	16,780,653	2,457,070	-	1,827,095	-	54,793,957
Intergovernmental	133,557,478	27,721,793	4,725,764	-	-	4,349,921	94,917,833	265,272,789
Proceeds from indebtedness	-	-	198,790,000	-	-	-	-	198,790,000
Proceeds from sale of assets	8,095,928	-	-	-	2,479,097	-	4,331,000	14,906,025
Total Receipts	1,367,088,508	40,441,301	268,748,387	128,699,700	23,470,034	6,222,104	138,117,112	1,972,787,146
Total Receipts and Balance	1,724,517,472	51,128,842	655,380,714	198,354,816	35,974,728	31,168,116	265,170,169	2,961,694,857
Disbursements (net):								
Warrants(checks)issued	698,946,385	44,197,033	119,257,911	105,690,501	26,835,392	32,382,264	524,025,613	1,551,335,099
Retirement of indebtedness	41,827,178	-	-	23,742,015	601,852	-	36,593,751	102,764,796
Interest and other debt costs	24,654,234	-	-	5,966,824	16,133	-	18,235,935	48,873,126
Total Disbursements	765,427,797	44,197,033	119,257,911	135,399,340	27,453,377	32,382,264	578,855,299	1,702,973,021
Interfund Transfers:								
Transfers in	8,463,596	246,700	9,299,317	-	741,178	1,544,232	493,196,675	513,491,698
Transfers out	(512,330,613)	(197,894)	(8,003,565)	-	(130,000)	-	(2,732,138)	(523,394,210)
BALANCES, end 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

ARLINGTON COUNTY, VIRGINIA
SCHEDULE OF CASH AND INVESTMENTS
ADJUSTED CASH IN BANKS (BOOK BALANCE)
JUNE 30, 2021

Assets held by the Treasurer	
Cash on hand	<u>\$18,000</u>
Cash in banks:	
Checking	
Wells Fargo	5,855,291.76
SunTrust	277,518.77
Citibank	818,755.80
Bank of America	10,348.97
First Va. Community Bank	149,930.52
John Marshall	49,260.29
United Bank	33,374.48
U. S. Bank	<u>5,450.00</u>
Total Checking Account	<u>7,199,931</u>
Savings :	
Wells Fargo	95,070.42
Bank of America	2,806,060.11
Total Savings Account	<u>2,901,131</u>
Money Markets :	
John Marshall Money Market - ICS	16,598,912.68
John Marshall Money Market	2,000.08
Eagle Money Market	5,156,578.03
First Virginia Community Bank Money Market	6,992,668.46
Sandy Spring Money Market	5,929,041.19
JP Morgan Chase Money Market	10,400,095.19
Total Money Markets	<u>45,079,296</u>
Total Cash in Banks	<u>55,198,357</u>
Investments:	
Held with Trustee :	
Corporate Notes	139,156,207.68
United States Treasury Notes	2,981,730.00
Fed Agency Bonds/Notes	266,385,107.65
Municipal Investments	<u>47,690,524.60</u>
Total Held with Trustee	<u>456,213,570</u>
State Treasurer's Local Government Investment Pool	50,297,537.81
Virginia Investment Pool Daily Liquidity	280,982,746.71
State Non Arbitrage Investment Program (SNAP)	<u>390,088,510.72</u>
Total Investments	<u>1,177,582,365</u>
Total Cash and Investments held by the Treasurer	<u>1,232,780,722</u>
Assets held with Trustees	
Mellon- IDA Ballston Skating Facility	745,931.55
Mellon- IDA Lease Revenue Bonds	17,232,449.94
Total Assets held with Trustees	<u>17,978,381</u>
Total Cash & Investment Balances, June 30, 2021	<u><u>\$1,250,759,103</u></u>

ARLINGTON COUNTY, VIRGINIA
SCHEDULE OF CASH AND INVESTMENTS
CASH IN BANKS
JUNE 30, 2021

Assets Held by the Treasurer	
Cash on Hand	<u>\$18,000</u>
Cash in Banks:	
Checking	
Wells Fargo	13,812,919.17
SunTrust	277,518.77
Citibank	818,755.80
Bank of America	10,348.97
First Va. Community Bank	149,930.52
John Marshall	49,260.29
United Bank	32,051.28
U. S. Bank	<u>5,450.00</u>
Total Checking Account	<u>15,156,235</u>
Savings:	
Wells Fargo	95,070.42
Bank of America	2,806,060.11
Total Savings Account	<u>2,901,131</u>
Money Markets:	
John Marshall Money Market - ICS	16,598,912.68
John Marshall Money Market	2,000.08
Eagle Money Market	5,156,578.03
First Virginia Community Bank Money Market	6,992,668.46
Sandy Spring Money Market	5,929,041.19
JP Morgan Chase Money Market	10,400,095.19
Total Money Markets	<u>45,079,296</u>
Total Cash in Banks	<u>63,154,661</u>
Investments:	
Held with Trustee :	
Corporate Notes	139,156,207.68
Commercial Paper	2,981,730.00
Federal Agency Bonds/ Notes	266,385,107.65
Municipal Investments	47,690,524.60
Total Held with Trustee	<u>456,213,570</u>
State Treasurer's Local Government Investment Pool	50,297,537.81
Virginia Investment Pool Daily Liquidity	280,982,746.71
State Non Arbitrage Investment Program (SNAP)	<u>390,088,510.72</u>
Total Investments	<u>1,177,582,365</u>
Total Cash and Investments held by the Treasurer	<u>1,240,737,026</u>
Assets held with Trustees	
Mellon- IDA Ballston Skating Facility	745,931.55
Mellon- IDA Lease Revenue Bonds	17,232,449.94
Total Assets held with Trustees	<u>17,978,381</u>
Total Cash & Investment Balances, June 30, 2021	<u>\$1,258,715,408</u>

ARLINGTON COUNTY, VIRGINIA
COMBINED SCHEDULE OF INVESTMENTS-ALL FUNDS
JUNE 30, 2021

	Interest Rate	Maturity Date	Market Value
Corporate Notes			
BANK OF NOVA SCOTIA	2.80%	7/21/2021	190,264.10
APPLE INC	1.55%	8/4/2021	1,290,103.20
ROYAL BANK OF CANADA Var. Corp	0.91%	2/1/2022	6,030,100.90
ROYAL BANK OF CANADA Var. Corp	0.91%	2/1/2022	4,016,720.00
JOHNSON & JOHNSON	2.25%	3/3/2022	278,355.00
BANK OF NOVA SCOTIA	2.70%	3/7/2022	1,246,057.75
KAISER FOUNDATION HOSPITAL	3.50%	4/1/2022	2,119,117.28
ROYAL BANK OF CANADA Var. Corp	1.00%	6/8/2022	2,011,780.00
CANADIAN IMPERIAL BANK Var. Corp	0.84%	6/16/2022	1,308,619.00
BANK OF MONTREAL Var. Corp	0.76%	9/11/2022	2,519,075.00
VISA INC	2.80%	12/14/2022	4,401,517.20
WESTPAC BANKING CORP Var. Corp	0.76%	1/11/2023	1,372,568.50
WESTPAC BANKING CORP	2.00%	1/13/2023	513,060.00
NATIONAL AUSTRALIA BK/NY	3.00%	1/20/2023	1,040,840.00
TORONTO DOMINION BANK Var. Corp	0.18%	1/26/2023	5,013,000.00
TORONTO DOMINION BANK Var. Corp	0.56%	2/15/2023	4,983,900.00
APPLE INC	2.85%	2/23/2023	1,028,154.60
APPLE INC	2.85%	2/23/2023	616,892.76
BERKSHIRE HATHAWAY INC	2.75%	3/15/2023	1,049,195.58
BERKSHIRE HATHAWAY INC	2.75%	3/15/2023	3,240,986.94
NEW YORK LIFE GLOBAL FDG	1.10%	5/5/2023	2,532,625.00
WESTPAC BANKING CORP Var. Corp	0.88%	5/15/2023	2,024,740.00
ROYAL BANK OF CANADA Var. Corp	1.15%	5/22/2023	1,014,780.00
TRUSTEES OF BOSTON COLL	2.91%	7/1/2023	1,310,187.50
MET LIFE GLOB FUNDING	0.45%	9/1/2023	1,447,753.86
CANADIAN IMPERIAL BANK Var. Corp	0.78%	9/13/2023	2,026,460.00
PACIFIC LIFE GLOBAL	0.50%	9/23/2023	2,152,322.00
PROV ST JOSEPH HLTH	4.38%	10/1/2023	3,202,914.75
PROV ST JOSEPH HLTH	4.38%	10/1/2023	672,881.25
PROV ST JOSEPH HLTH	4.38%	10/1/2023	107,661.00
PROVINCE OF ALBERTA	3.35%	11/1/2023	3,201,600.00
INTL BK RECON & DEVELOP	0.25%	11/24/2023	2,492,100.00
MET LIFE GLOB FUNDING	0.40%	1/7/2024	1,995,160.00
PROVINCE OF ALBERTA	2.95%	1/23/2024	2,657,100.00
WESTPAC BANKING CORP	3.30%	2/26/2024	1,071,520.00
WESTPAC BANKING CORP	3.30%	2/26/2024	2,143,040.00
MET TOWER GLOBAL FUNDING	0.70%	4/5/2024	1,600,320.00
MASSMUTUAL GLOBAL FUNDING	3.60%	4/9/2024	2,697,675.00
APPLE INC	3.45%	5/6/2024	1,353,075.00
APPLE INC	3.45%	5/6/2024	968,801.70
NOVARTIS CAPITAL CORP	3.40%	5/6/2024	2,964,692.50
NOVARTIS CAPITAL CORP	3.40%	5/6/2024	596,172.71
FLORIDA POWER & LIGHT CO	3.25%	6/1/2024	2,670,425.00
WALMART INC	2.85%	7/8/2024	2,134,380.00
AMAZON.COM INC	2.80%	8/22/2024	3,191,850.00
SOUTHERN CALIF GAS CO	3.15%	9/15/2024	2,143,960.00
PROVINCE OF ALBERTA	1.88%	11/13/2024	1,571,421.60
APPLE INC	2.75%	1/13/2025	3,741,675.00
US BANK NA CINCINNATI	2.05%	1/21/2025	2,088,200.00
US BANK NA CINCINNATI	2.80%	1/27/2025	3,522,585.65
MICROSOFT CORP	2.70%	2/12/2025	3,213,720.00
WESTPAC BANKING CORP	2.35%	2/19/2025	1,051,580.00
CME GROUP INC	3.00%	3/15/2025	1,304,344.02
CME GROUP INC	3.00%	3/15/2025	1,606,335.00
YALE UNIVERSITY	0.87%	4/15/2025	402,412.00
APPLE INC	3.20%	5/13/2025	2,086,394.32
SOUTHERN CALIF GAS CO	3.20%	6/15/2025	2,053,786.00
SOUTHERN CALIF GAS CO	3.20%	6/15/2025	745,848.60
GUARDIAN LIFE GLOB FUND	1.10%	6/23/2025	2,006,440.00
GUARDIAN LIFE GLOB FUND	1.10%	6/23/2025	2,508,050.00
PACIFIC LIFE GF II	1.20%	6/24/2025	3,007,080.00
AUTOMATIC DATA PROCESSING	3.38%	9/15/2025	2,192,340.00
NESTLE HOLDINGS INC	3.50%	9/24/2025	2,909,200.80
AUST & NZ BANKING GRP NY	3.70%	11/16/2025	674,641.62
NATIONAL SECS CLEARING	0.75%	12/7/2025	2,558,410.32
INTL BK RECON & DEVELOP	0.65%	2/10/2026	1,483,335.00
APPLE INC	3.25%	2/23/2026	1,298,330.67
BERKSHIRE HATHAWAY INC	3.13%	3/15/2026	1,093,140.00
BERKSHIRE HATHAWAY INC	3.13%	3/15/2026	1,093,140.00
GUARDIAN LIFE GLOB FUND	1.25%	5/13/2026	299,292.00
		Total Corporate Notes	<u>139,156,208</u>
Government Agency Bonds			
FEDERAL FARM CREDIT BANK	0.26%	2/24/2023	2,000,000.00
FEDERAL FARM CREDIT BANK	0.22%	3/15/2023	2,493,925.00
FEDERAL HOME LOAN BANK	0.22%	4/5/2023	3,493,420.00
FEDERAL HOME LOAN MTG CORP	0.35%	4/28/2023	2,000,140.00
FEDERAL HOME LOAN MTG CORP	0.25%	7/7/2023	1,997,340.00
FEDERAL NATIONAL MTG ASSN	0.25%	7/10/2023	1,379,013.79

ARLINGTON COUNTY, VIRGINIA
COMBINED SCHEDULE OF INVESTMENTS-ALL FUNDS
JUNE 30, 2021

	Interest Rate	Maturity Date	Market Value
FEDERAL NATIONAL MTG ASSN	0.40%	7/20/2023	2,500,225.00
FEDERAL NATIONAL MTG ASSN	0.30%	8/3/2023	5,000,800.00
FEDERAL NATIONAL MTG ASSN	0.30%	8/3/2023	1,000,160.00
FEDERAL FARM CREDIT BANK	0.32%	8/10/2023	2,500,025.00
FEDERAL FARM CREDIT BANK	0.32%	8/10/2023	2,500,025.00
FEDERAL NATIONAL MTG ASSN	0.30%	8/10/2023	2,498,800.00
FEDERAL NATIONAL MTG ASSN	0.36%	8/18/2023	2,502,700.00
FEDERAL NATIONAL MTG ASSN	0.38%	8/24/2023	1,500,135.00
FEDERAL HOME LOAN BANK	0.32%	8/25/2023	888,657.78
FEDERAL NATIONAL MTG ASSN	0.32%	8/25/2023	2,501,775.00
FEDERAL NATIONAL MTG ASSN	0.34%	8/25/2023	498,845.00
FEDERAL HOME LOAN MTG CORP	0.25%	9/8/2023	2,497,850.00
FEDERAL HOME LOAN MTG CORP	0.30%	9/15/2023	2,495,225.00
FEDERAL FARM CREDIT BANK	0.27%	10/5/2023	2,498,300.00
FEDERAL HOME LOAN BANK	0.22%	10/5/2023	2,493,875.00
FEDERAL HOME LOAN BANK	0.22%	10/5/2023	2,992,650.00
FEDERAL FARM CREDIT BANK	0.28%	10/13/2023	2,979,656.85
FEDERAL NATIONAL MTG ASSN	0.30%	10/24/2023	999,270.00
FEDERAL FARM CREDIT BANK	0.29%	11/2/2023	2,495,075.00
FEDERAL HOME LOAN MTG CORP	0.30%	11/13/2023	2,495,750.00
FEDERAL HOME LOAN MTG CORP	0.35%	11/13/2023	2,500,175.00
FEDERAL HOME LOAN MTG CORP	0.30%	11/16/2023	2,500,750.00
FEDERAL HOME LOAN MTG CORP	0.35%	11/24/2023	4,998,550.00
FEDERAL HOME LOAN MTG CORP	0.35%	11/24/2023	169,950.70
FEDERAL FARM CREDIT BANK	0.21%	12/21/2023	2,487,875.00
FEDERAL FARM CREDIT BANK	0.21%	12/21/2023	3,483,025.00
FEDERAL HOME LOAN MTG CORP	0.30%	12/22/2023	249,312.50
FEDERAL HOME LOAN MTG CORP	0.30%	12/22/2023	3,490,375.00
FEDERAL HOME LOAN MTG CORP	0.30%	12/29/2023	1,496,340.00
FEDERAL HOME LOAN MTG CORP	0.30%	12/29/2023	2,494,025.00
FEDERAL HOME LOAN MTG CORP	0.30%	12/29/2023	778,135.80
FEDERAL HOME LOAN MTG CORP	0.31%	12/29/2023	3,987,680.00
FEDERAL HOME LOAN MTG CORP	0.38%	2/12/2024	249,532.50
FEDERAL HOME LOAN MTG CORP	0.38%	2/14/2024	2,495,150.00
FEDERAL HOME LOAN MTG CORP	0.40%	2/26/2024	498,660.00
FEDERAL FARM CREDIT BANK	0.36%	3/4/2024	2,492,775.00
FEDERAL FARM CREDIT BANK	0.36%	3/4/2024	2,492,775.00
FEDERAL FARM CREDIT BANK	0.36%	3/4/2024	200,419.11
FEDERAL HOME LOAN BANK	0.37%	3/8/2024	2,600,026.00
FEDERAL HOME LOAN BANK	0.37%	3/8/2024	250,002.50
FEDERAL HOME LOAN MTG CORP	0.35%	3/14/2024	2,500,075.00
FEDERAL HOME LOAN MTG CORP	0.35%	3/14/2024	1,855,055.65
FEDERAL NATIONAL MTG ASSN	0.32%	3/28/2024	2,393,736.00
FEDERAL FARM CREDIT BANK	0.27%	4/5/2024	2,977,620.00
FEDERAL NATIONAL MTG ASSN	0.50%	4/22/2024	1,050,063.00
FEDERAL FARM CREDIT BANK	0.39%	6/17/2024	2,487,775.00
FEDERAL FARM CREDIT BANK	0.39%	6/17/2024	3,980,440.00
FEDERAL FARM CREDIT BANK	0.58%	6/17/2024	3,005,310.00
FEDERAL HOME LOAN BANK	0.42%	6/24/2024	995,600.00
FEDERAL HOME LOAN BANK	0.38%	6/28/2024	1,244,762.50
FEDERAL FARM CREDIT BANK	0.57%	7/2/2024	2,500,100.00
FEDERAL FARM CREDIT BANK	0.57%	7/2/2024	240,009.60
FEDERAL HOME LOAN MTG CORP	0.38%	7/15/2024	2,489,000.00
FEDERAL NATIONAL MTG ASSN	0.50%	7/29/2024	1,000,080.00
FEDERAL HOME LOAN BANK	0.41%	8/1/2024	3,730,537.50
FEDERAL HOME LOAN MTG CORP	0.45%	8/5/2024	3,800,038.00
FEDERAL HOME LOAN MTG CORP	0.45%	8/5/2024	1,000,010.00
FEDERAL NATIONAL MTG ASSN	0.41%	8/12/2024	3,697,188.00
FEDERAL FARM CREDIT BANK	0.48%	9/3/2024	808,145.10
FEDERAL FARM CREDIT BANK	0.43%	9/10/2024	2,490,000.00
FEDERAL NATIONAL MTG ASSN	0.40%	9/16/2024	349,503.00
FEDERAL HOME LOAN MTG CORP	0.42%	9/17/2024	993,200.00
FEDERAL HOME LOAN MTG CORP	0.42%	9/17/2024	1,887,080.00
FEDERAL HOME LOAN BANK	0.50%	9/24/2024	2,490,675.00
FEDERAL HOME LOAN BANK STEP CPN	0.18%	9/30/2024	1,995,800.00
FEDERAL HOME LOAN MTG CORP	0.40%	9/30/2024	879,611.94
FEDERAL FARM CREDIT BANK	0.40%	10/15/2024	4,971,800.00
FEDERAL FARM CREDIT BANK	0.40%	10/15/2024	1,242,950.00
FEDERAL NATIONAL MTG ASSN	0.50%	11/26/2024	1,982,900.00
FEDERAL HOME LOAN MTG CORP	0.38%	12/30/2024	1,981,640.00
FEDERAL HOME LOAN MTG CORP	0.38%	12/30/2024	2,972,460.00
FEDERAL HOME LOAN MTG CORP	0.40%	12/30/2024	1,983,040.00
FEDERAL HOME LOAN MTG CORP	0.45%	1/29/2025	1,897,376.25
FEDERAL FARM CREDIT BANK	0.32%	2/10/2025	2,469,525.00
FEDERAL NATIONAL MTG ASSN	0.50%	2/18/2025	1,970,180.00
FEDERAL HOME LOAN MTG CORP	0.55%	2/26/2025	512,600.10
FEDERAL HOME LOAN BANK	0.63%	2/27/2025	956,707.20
FEDERAL HOME LOAN BANK	0.65%	3/24/2025	447,709.50
FEDERAL HOME LOAN MTG CORP	0.45%	3/24/2025	990,260.00
FEDERAL HOME LOAN MTG CORP	0.45%	3/28/2025	1,963,760.00
FEDERAL HOME LOAN MTG CORP	0.48%	3/28/2025	442,345.50

ARLINGTON COUNTY, VIRGINIA
COMBINED SCHEDULE OF INVESTMENTS-ALL FUNDS
JUNE 30, 2021

	Interest Rate	Maturity Date	Market Value
FEDERAL HOME LOAN MTG CORP	0.48%	3/28/2025	982,990.00
FEDERAL HOME LOAN MTG CORP	0.75%	4/30/2025	997,310.00
FEDERAL HOME LOAN MTG CORP	0.75%	5/28/2025	1,000,130.00
FEDERAL HOME LOAN MTG CORP	0.48%	5/29/2025	516,432.00
FEDERAL HOME LOAN BANK	0.75%	6/16/2025	2,487,950.00
FEDERAL HOME LOAN MTG CORP	0.65%	6/30/2025	996,170.00
FEDERAL FARM CREDIT BANK	0.39%	7/14/2025	1,972,340.00
FEDERAL FARM CREDIT BANK	0.39%	7/14/2025	2,243,536.75
FEDERAL HOME LOAN MTG CORP	0.38%	7/21/2025	1,971,840.00
FEDERAL NATIONAL MTG ASSN	0.50%	7/21/2025	1,978,420.00
FEDERAL NATIONAL MTG ASSN	0.70%	7/21/2025	996,080.00
FEDERAL HOME LOAN MTG CORP	0.50%	7/23/2025	990,030.00
FEDERAL FARM CREDIT BANK	0.67%	8/4/2025	2,175,130.50
FEDERAL NATIONAL MTG ASSN	0.55%	8/5/2025	796,376.00
FEDERAL FARM CREDIT BANK	0.57%	8/12/2025	982,300.00
FEDERAL HOME LOAN BANK STEP CPN	0.25%	8/12/2025	3,355,389.15
FEDERAL HOME LOAN MTG CORP	0.50%	8/13/2025	1,978,180.00
FEDERAL NATIONAL MTG ASSN	0.50%	8/14/2025	247,462.50
DEVELOPMENT FINANCE CORP ZERO CPN	0.00%	8/16/2025	4,811,000.00
FEDERAL FARM CREDIT BANK	0.61%	8/25/2025	2,284,731.00
FEDERAL FARM CREDIT BANK	0.61%	8/25/2025	2,456,700.00
FEDERAL NATIONAL MTG ASSN	0.38%	8/25/2025	2,462,975.00
FEDERAL NATIONAL MTG ASSN	0.38%	8/25/2025	2,462,975.00
FEDERAL FARM CREDIT BANK	0.55%	9/16/2025	992,600.00
FEDERAL FARM CREDIT BANK	0.55%	9/16/2025	2,481,500.00
FEDERAL HOME LOAN BANK	0.50%	9/22/2025	2,469,100.00
FEDERAL HOME LOAN MTG CORP	0.60%	9/30/2025	1,983,900.00
FEDERAL HOME LOAN MTG CORP	0.65%	10/27/2025	991,080.00
FEDERAL HOME LOAN MTG CORP	0.45%	10/29/2025	431,894.28
FEDERAL NATIONAL MTG ASSN	0.50%	11/7/2025	1,976,260.00
FEDERAL NATIONAL MTG ASSN	0.56%	11/17/2025	1,730,032.50
FEDERAL HOME LOAN MTG CORP	0.64%	11/24/2025	1,414,740.00
FEDERAL HOME LOAN BANK	0.57%	11/25/2025	1,140,871.60
FEDERAL HOME LOAN BANK	0.90%	12/26/2025	1,989,840.00
FEDERAL HOME LOAN BANK STEP CPN	0.25%	1/26/2026	1,985,220.00
FEDERAL HOME LOAN BANK	0.65%	1/28/2026	693,539.00
FEDERAL HOME LOAN BANK STEP CPN	0.30%	1/28/2026	1,738,607.50
FEDERAL HOME LOAN BANK	0.52%	2/12/2026	983,460.00
FEDERAL FARM CREDIT BANK	0.70%	2/18/2026	2,950,800.00
FEDERAL HOME LOAN BANK	0.60%	2/24/2026	187,058.80
FEDERAL HOME LOAN BANK STEP CPN	0.25%	2/24/2026	2,984,580.00
FEDERAL HOME LOAN BANK	0.60%	2/26/2026	1,601,665.00
FEDERAL HOME LOAN BANK STEP CPN	0.25%	2/26/2026	1,294,813.00
FEDERAL HOME LOAN BANK STEP CPN	0.40%	3/3/2026	693,588.00
FEDERAL HOME LOAN BANK STEP CPN	0.40%	3/3/2026	297,252.00
FEDERAL HOME LOAN BANK STEP CPN	0.35%	3/23/2026	2,495,450.00
FEDERAL HOME LOAN BANK STEP CPN	0.50%	3/30/2026	999,030.00
FEDERAL HOME LOAN BANK STEP CPN	0.60%	4/15/2026	1,167,964.20
FEDERAL HOME LOAN BANK	1.00%	4/24/2026	2,830,477.50
FEDERAL HOME LOAN BANK STEP CPN	0.70%	5/27/2026	998,980.00
FEDERAL HOME LOAN BANK STEP CPN	0.63%	6/10/2026	1,992,120.00
FEDERAL HOME LOAN BANK	1.00%	6/30/2026	496,370.00
FEDERAL HOME LOAN BANK	1.03%	6/30/2026	2,500,025.00
Total Government Agency Bonds			266,385,108
Municipal Obligations			
FLORIDA ST REV BOND	2.64%	7/1/2021	1,000,000.00
FLORIDA ST REV BOND	2.64%	7/1/2021	200,000.00
FLORIDA ST REV BOND	2.64%	7/1/2021	1,000,000.00
FLORIDA ST REV BOND	2.64%	7/1/2021	900,000.00
FLORIDA ST REV BOND	2.64%	7/1/2021	455,000.00
UPPER OCCOQUAN VA SEWAGE AUTH	2.05%	7/1/2021	500,000.00
VIRGINIA PORT AUTHORITY	0.29%	7/1/2021	400,000.00
VIRGINIA ST PUBLIC BLDG AUTH	4.20%	8/1/2021	501,610.00
VIRGINIA ST PUBLIC BLDG AUTH	5.30%	8/1/2021	487,003.05
FAIRFAX CNTY VAECON DEV AUTHFAC	2.90%	10/1/2021	503,190.00
VIRGINIA RESOURCES AUTHORITY	0.25%	11/1/2021	305,012.20
VIRGINIA RESOURCES AUTHORITY	5.00%	11/1/2021	1,473,432.00
VIRGINIA COLLEGE BUILDING AUTH	0.50%	2/1/2022	460,828.00
VIRGINIA COLLEGE BUILDING AUTH	2.50%	2/1/2022	111,476.20
SUSSEX COUNTY DE	0.24%	3/15/2022	1,201,260.00
MONTGOMERY CNTY MD COPS	2.00%	4/1/2022	648,364.80
VIRGINIA CMWLTH VA	1.25%	6/1/2022	409,199.85
VIRGINIA ST PORT AUTHORITY	0.42%	7/1/2022	275,121.00
VIRGINIA RESOURCES AUTHORITY	0.33%	11/1/2022	649,044.50
VIRGINIA RESOURCES AUTHORITY	0.33%	11/1/2022	445,186.90
CONNECTICUT ST HSG FIN	0.55%	11/15/2022	700,917.00
VIRGINIA COLLEGE BUILDING AUTH	0.62%	2/1/2023	733,898.20
SUSSEX COUNTY DE	0.36%	3/15/2023	1,206,711.10

ARLINGTON COUNTY, VIRGINIA
COMBINED SCHEDULE OF INVESTMENTS-ALL FUNDS
JUNE 30, 2021

	Interest Rate	Maturity Date	Market Value
MONTGOMERY CNTY MD COPS	2.00%	4/1/2023	673,549.60
VIRGINIA ST HSG DEV AUTH	0.25%	4/1/2023	399,144.00
LOUISIANA STATE	0.48%	6/1/2023	250,807.50
VIRGINIA ST TXBL REF SER B	1.00%	6/1/2023	1,013,970.00
UPPER OCCOQUAN VA	0.53%	7/1/2023	501,140.00
VIRGINIA ST HSG DEV AUTH	0.84%	7/1/2023	276,201.75
VIRGINIA ST PORT AUTHORITY	0.57%	7/1/2023	200,102.00
VIRGINIA ST PUBLIC SCH AUTH	0.55%	8/1/2023	2,002,320.00
CITY OF HAMPTON VA	0.53%	9/1/2023	499,620.00
VIRGINIA HOUSING DEVELOPMENT	0.61%	9/1/2023	599,802.00
NEW YORK NY	2.32%	10/1/2023	1,719,630.00
VIRGINIA RESOURCES AUTHORITY	0.50%	11/1/2023	861,006.20
VIRGINIA ST RESOURCES AUTH	0.39%	11/1/2023	334,129.00
NEW YORK CITY TRANSITIONAL	2.46%	2/1/2024	523,045.00
VIRGINIA COLLEGE BUILDING AUTH	0.78%	2/1/2024	402,864.00
NEW YORK ST REV	2.86%	3/15/2024	270,126.60
SUSSEX COUNT DE	0.52%	3/15/2024	805,507.15
MONTGOMERY CNTY MD COPS	2.00%	4/1/2024	440,924.75
VIRGINIA ST HSG DEV AUTH	0.47%	4/1/2024	496,305.00
FLORIDA ST BRD OF EDU	0.39%	6/1/2024	996,550.00
LOUISIANA STATE	0.65%	6/1/2024	2,006,400.00
VIRGINIA ST HSG DEV AUTH	1.15%	7/1/2024	327,778.75
CITY OF RICHMOND	2.00%	7/15/2024	1,724,151.00
CITY OF HAMPTON VA	0.70%	9/1/2024	498,680.00
VIRGINIA HOUSING DEVELOPMENT	0.87%	9/1/2024	595,926.00
JEA FL DIST ENERGY SYS REV	3.39%	10/1/2024	492,820.80
RAPPAHANNOCK REGIONAL JAIL REV BOND	0.62%	10/1/2024	419,155.80
VIRGINIA RESOURCES AUTHORITY	0.64%	11/1/2024	996,880.00
VIRGINIA RESOURCES AUTHORITY	2.00%	11/1/2024	255,209.15
VIRGINIA ST RESOURCES	1.00%	11/1/2024	358,837.55
HOUSTON TX TXBL REF SER B	2.11%	3/1/2025	1,020,415.20
SUSSEX COUNTY DE	0.62%	3/15/2025	1,210,820.40
MONTGOMERY CNTY MD COPS	2.00%	4/1/2025	447,879.40
NEW YORK NY	3.15%	4/1/2025	385,327.65
WISCONSIN ST GEN FUND	1.90%	5/1/2025	1,187,298.60
STATE OF FL BRD OF ADMIN	1.26%	7/1/2025	2,019,220.00
STATE OF FL BRD OF ADMIN	1.26%	7/1/2025	1,787,009.70
STATE OF FL BRD OF ADMIN	1.26%	7/1/2025	1,312,493.00
VIRGINIA ST HSG DEV AUTH	1.35%	7/1/2025	403,976.00
VIRGINIA ST PORT AUTH	3.52%	7/1/2025	220,262.00
NEW YORK NY	2.28%	8/1/2025	1,213,445.50
VIRGINIA HOUSING DEVELOPMENT	1.07%	9/1/2025	548,146.50
RAPPAHANNOCK REGIONAL JAIL REV BOND	1.00%	10/1/2025	424,392.25
Total Municipal Obligations			<u>47,690,524</u>
US Treasury			
LLOYDS BANK	0.25%	6/15/2024	2,981,730.00
TOTAL COMMERCIAL PAPER			<u>2,981,730</u>
Money Market Funds			
EAGLE BANK	0.12%		5,156,578.03
FIRST VIRGINIA COMMUNITY BANK	0.45%		6,992,668.46
JOHN MARSHALL BANK	0.05%		16,598,912.68
JOHN MARSHALL BANK	0.05%		2,000.08
JPMORGAN CHASE BANK	0.05%		10,400,095.19
SANDY SPRING BANK	0.15%		5,929,041.19
Total Money Market Funds			<u>45,079,296</u>
VIRGINIA STATE NON-ARBITRAGE PROGRAM (SNAP)			390,088,510.72
VIRGINIA INVESTMENT POOL DAILY LIQUIDITY			280,982,746.71
STATE TREASURER'S LOCAL GOVERNMENT INVESTMENT POOL (LGIP)			50,297,537.81
MELLON-IDA BALLSTON SKATING FACILITY			745,931.55
MELLON-IDA LEASE REVENUE BONDS			17,232,449.94
TOTAL SECURITIES			<u><u>\$1,240,640,041</u></u>

ARLINGTON COUNTY, VIRGINIA
COMBINED SCHEDULE OF LONG-TERM OBLIGATIONS
JUNE 30, 2021

	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	
General obligation debt:							
<u>Serviced by general fund:</u>							
G.O. Public improvement refunding (\$106,445,000)		2/22/12					
Street & Highway	\$6,073,372						
Neighborhood conservation	4,851,013		4.00/3.00	3,165,000	3,165,000	08/01/21	
Government facility bond	959,373		5.00	11,955,000	11,955,000	08/01/22	
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>\$15,120,000</u>			
G.O. Public improvement (\$93,975,000)		5/9/13					
Street & Highway	\$11,190,000		5.00	2,485,000	2,485,000	08/01/21	
Neighborhood conservation	4,000,000						
Government facility bond	11,395,000						
Parks and recreation	15,410,000						
Metro	10,000,000					\$28,275,000	
	<u>\$51,995,000</u>			<u>\$2,485,000</u>			
G.O. Public improvement refunding (\$81,255,000)		5/9/13					
Street & Highway	\$10,194,261		1.925	3,310,000	3,310,000	08/01/21	
Neighborhood conservation	6,878,456		2.075	2,245,000	2,245,000	08/01/22	
Parks and recreation	15,956,083		2.225	1,345,000	1,345,000	08/01/23	
Fire station	1,564,102		2.320	880,000	880,000	08/01/24	
Library	1,591,281		2.470	860,000	860,000	08/01/25	
Metro	8,060,817		2.620	635,000	635,000	08/01/26	
	<u>\$44,245,000</u>			<u>\$9,275,000</u>			
G.O. Public improvement (\$64,910,000)		5/28/14					
Street & Highway	\$7,405,000		5.000	1,395,000	1,395,000	02/15/22	
Neighborhood conservation	5,000,000						
Parks and recreation	3,640,000						
Government facility bond	5,705,000						
Metro	5,000,000						
	<u>\$26,750,000</u>			<u>\$1,395,000</u>			
G.O. Public improvement refunding (\$40,455,000)		5/28/14					
Street & Highway	\$3,177,905		5.000	1,940,000	1,940,000	08/15/21	
Neighborhood conservation	1,633,800		5.000	1,885,000	1,885,000	08/15/22	
Parks and recreation	7,423,080		5.000	8,720,000	4,360,000	08/15/23-24	
Government facility bond	2,326,465						
Metro	3,403,750						
	<u>\$17,965,000</u>			<u>\$12,545,000</u>			
G.O. Public improvement (\$77,440,000)		6/17/15					
Street & Highway	\$9,370,000		4.000	11,575,000	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>\$16,205,000</u>			
G.O. Public improvement (\$55,200,000)		5/4/16					
Street & Highway	\$3,075,000		5.000	980,000	980,000	08/15/21	
Neighborhood conservation	4,000,000		5.000	9,440,000	1,180,000	08/15/22-29	
Parks and recreation	5,610,000						
Government facility bond	8,365,000						
Metro	1,600,000						
	<u>\$22,650,000</u>			<u>\$10,420,000</u>			

ARLINGTON COUNTY, VIRGINIA
COMBINED SCHEDULE OF LONG-TERM OBLIGATIONS
JUNE 30, 2021

Metro	20,520,000	5.000	49,490,000	7,070,000	08/01/25-31
	<u>\$124,130,000</u>	4.000	49,490,000	7,070,000	08/01/32-38
		4.000	14,150,000	7,075,000	08/01/39-40
			<u>\$124,130,000</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	6,670,000	6,670,000	08/01/21
Parks and recreation	3,271,943	5.000	1,605,000	1,605,000	08/01/22
Fire	437,432				
Library	648,523				
Metro	1,052,702				
	<u>\$8,275,000</u>				
			<u>\$8,275,000</u>		
G.O. Public improvement refunding (\$219,310,000)		10/27/2020			
	<u>\$92,465,000</u>				
		5.000	12,040,000	12,040,000	08/15/23
		5.000	10,575,000	10,575,000	08/15/24
		5.000	9,845,000	9,845,000	08/15/25
		5.000	7,615,000	7,615,000	08/15/26
		5.000	7,570,000	7,570,000	08/15/27
		5.000	4,615,000	4,615,000	08/15/28
		5.000	4,535,000	4,535,000	08/15/29
		5.000	5,630,000	5,630,000	08/15/30
		5.000	7,960,000	7,960,000	08/15/31
		5.000	7,805,000	7,805,000	08/15/32
		5.000	5,190,000	5,190,000	08/15/33
		5.000	3,685,000	3,685,000	08/15/34
		5.000	5,400,000	5,400,000	08/15/35
			<u>\$92,465,000</u>		
G.O. Public improvement (\$95,395,000)		6/23/2021			
Street & Highway	\$5,640,000				
Government facility bond	9,985,000	5.000	885,000	885,000	06/15/22
Parks and recreation	7,470,000	5.000	1,775,000	1,775,000	06/15/23
Metro	21,300,000	5.000	11,575,000	2,315,000	6/15/2024-28
	<u>\$44,395,000</u>	5.000	30,160,000	2,320,000	6/15/2029-41
			<u>\$44,395,000</u>		
SUBTOTAL:			<u>\$ 654,400,000</u>		
FY 2004 Bond premium to be amortized			331,851		
FY 2005 Bond premium to be amortized			843,421		
FY 2006 Bond premium to be amortized			411,088		
FY 2007 Bond premium to be amortized			135,152		
FY 2008 Bond premium to be amortized			522,025		
FY 2010 Bond premium to be amortized			422,714		
FY 2011 Bond premium to be amortized			3,229,388		
FY 2012 Bond premium to be amortized			3,552,478		
FY 2013 Bond premium to be amortized			6,213,072		
FY 2014 Bond premium to be amortized			1,587,347		
FY 2015 Bond premium to be amortized			2,391,078		
FY 2016 Bond premium to be amortized			3,647,254		
FY 2017 Bond premium to be amortized			14,149,110		
FY 2018 Bond premium to be amortized			14,629,835		

ARLINGTON COUNTY, VIRGINIA
COMBINED SCHEDULE OF LONG-TERM OBLIGATIONS
JUNE 30, 2021

FY 2019 Bond premium to be amortized	16,556,788
FY 2021 Bond premium to be amortized	46,732,601
Total GO Bonds serviced by general fund:	<u>769,755,202</u>

IDA Revenue bond (\$76,315,000)		5/9/13				
Refunding 2004 IDA	\$23,930,000	5.00/2.43	3,040,000	3,040,000		12/15/21
\$2,020	20,250,000	5.00/2.58	3,055,000	3,055,000		12/15/22
Buckingham Village 3	<u>\$32,135,000</u>	5.00/2.73	3,060,000	3,060,000		12/15/23
	<u>\$76,315,000</u>	5.00/2.93	3,080,000	3,080,000		12/15/24
		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
		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
			<u>\$33,645,000</u>			

2017 IDA Revenue and refunding bonds (\$57,865,000)						
Refunding 2009B IDA	20,035,000	5.00	2,805,000	2,805,000		02/15/22
2011 IDA	6,115,000	5.00	2,855,000	2,855,000		02/15/23
Buckingham Village 3	<u>31,715,000</u>	5.00	2,900,000	2,900,000		02/15/24
	<u>\$57,865,000</u>	5.00	2,950,000	2,950,000		02/15/25
		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
			<u>\$52,585,000</u>			

2020 IDA Revenue bonds (\$26,650,000)						
		5.00	10,190,000	10,190,000		08/01/21
		5.00	6,170,000	6,170,000		08/01/22
		5.00	4,720,000	4,720,000		08/01/23
	<u>\$26,650,000</u>	5.00	4,510,000	2,255,000		8/1/2024-25
		5.00	1,060,000	1,060,000		08/01/26
			<u>\$26,650,000</u>			

2020 IDA Revenue and refunding bonds (\$57,865,000)						
Refunding 2013 IDA	11,230,000	0.39	100,000	100,000		08/01/21
		0.49	150,000	150,000		08/01/22
		0.62	150,000	150,000		08/01/23
	<u>\$11,230,000</u>	0.85	155,000	155,000		08/01/24
		1.00	155,000	155,000		08/01/25
		1.24	155,000	155,000		08/01/26
		1.34	160,000	160,000		08/01/27
		1.51	160,000	160,000		08/01/28
		1.61	2,220,000	2,220,000		08/01/29
		1.71	2,220,000	2,220,000		08/01/30
		1.86	2,220,000	2,220,000		08/01/31
		2.01	2,215,000	2,215,000		08/01/32
		2.11	1,170,000	1,170,000		08/01/33
			<u>\$11,230,000</u>			

Total IDA revenue bonds serviced by general fund	<u>\$124,110,000</u>
--	-----------------------------

Compensated absences	42,947,252
Estimated liability for workers' compensation claims	3,395,100
Serviced by general fund-capital leases	8,287,200
Line of Credits	-
Net OPEB liability	<u>100,246,159</u>

ARLINGTON COUNTY, VIRGINIA
COMBINED SCHEDULE OF LONG-TERM OBLIGATIONS
JUNE 30, 2021

Total general obligation debt serviced by general fund:							1,048,740,913
Due in one year							(70,839,166)
Total long term liabilities -general fund							977,901,747

Serviced by School Operating Fund:

Schools- QSCB (\$3,380,000)		7/6/10					
School Improvements	<u>\$3,380,000</u>	5.31		1,200,000	200,000	06/01/22-27	
							\$1,200,000
G.O. Public improvement refunding (\$106,445,000)		2/22/12					
School Improvements	<u>39,255,000</u>	4.00/3.00		3,125,000	3,125,000	08/01/21	
		5.00		9,015,000	9,015,000	08/01/22	
							\$12,140,000
G.O. Public improvement (\$93,975,000)		5/9/13					
School Improvements	<u>\$38,380,000</u>	5.00		1,920,000	1,920,000	08/01/21	
							\$1,920,000
G.O. Public improvement refunding (\$81,255,000)		5/9/13					
School Improvements	<u>\$33,505,000</u>	1.925		1,655,000	1,655,000	08/01/21	
		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	
							\$6,000,000
G.O. Public improvement (\$64,910,000)		5/28/14					
School Improvements	<u>\$36,460,000</u>	5.000		1,825,000	1,825,000	02/15/2022	
							\$1,825,000
G.O. Public improvement refunding (\$40,455,000)		5/28/14					
School Improvements	\$19,725,000	5.000		1,170,000	1,170,000	08/15/21	
		5.000		3,135,000	3,135,000	08/15/22	
		5.000		10,170,000	5,085,000	08/15/2023-24	
							\$14,475,000
G.O. Public improvement (\$77,440,000)		6/17/15					
School Improvements	\$30,000,000	4.000		7,500,000	1,500,000	08/15/21-25	
		3.000		3,000,000	1,500,000	08/15/26-27	
							\$10,500,000
G.O. Public improvement (\$55,200,000)		5/4/16					
School Improvements	\$32,550,000	5.000		9,780,000	1,630,000	08/15/21-26	
		5.000		4,875,000	1,625,000	08/15/27-29	
							\$14,655,000
G.O. Public improvement refunding (\$161,530,000)		5/4/16					
School Improvements	\$72,220,000	5.000		4,140,000	4,140,000	08/15/21	
		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	
							\$64,155,000
G.O. Public improvement (\$185,095,000)		5/31/17					
School Improvements	\$75,200,000						

ARLINGTON COUNTY, VIRGINIA
COMBINED SCHEDULE OF LONG-TERM OBLIGATIONS
JUNE 30, 2021

			5,000	3,760,000	3,760,000	08/15/21
			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
				\$60,160,000		
G.O. Public improvement (\$153,555,000)		6/20/2018				
School Improvements	\$92,400,000					
			5,000	3,500,000	3,500,000	08/15/21
			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
				\$74,065,000		
G.O. Public improvement (\$169,480,000)		6/19/2019				
School Improvements	\$63,130,000					
			5,000	28,575,000	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
				\$57,120,000		
G.O. Public improvement refunding (\$32,335,000)		10/24/2019				
School Improvements	\$13,210,000					
			5,000	1,245,000	1,245,000	08/15/21
			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
				\$13,210,000		
G.O. Public improvement (\$166,480,000)		10/27/2020				
School Improvements	\$42,350,000					
			5,000	21,150,000	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
				\$42,350,000		
G.O. Public improvement refunding (\$17,210,000)		10/27/2020				
School Improvements	\$8,640,000					
			5,000	5,775,000	5,775,000	08/01/21
			5,000	1,525,000	1,525,000	08/01/22
			5,000	1,340,000	1,340,000	08/01/23
				\$8,640,000		
G.O. Public improvement refunding (\$219,310,000)		10/27/2020				
School Improvements	\$100,375,000					
			5,000	10,820,000	10,820,000	08/01/23
			5,000	11,705,000	11,705,000	08/01/24
			5,000	13,015,000	13,015,000	08/01/25
			5,000	12,185,000	12,185,000	08/01/26
			5,000	8,085,000	8,085,000	08/01/27
			5,000	4,255,000	4,255,000	08/01/28
			5,000	4,200,000	4,200,000	08/01/29
			5,000	5,730,000	5,730,000	08/01/30
			5,000	7,520,000	7,520,000	08/01/31
			5,000	7,350,000	7,350,000	08/01/32
			5,000	5,310,000	5,310,000	08/01/33
			5,000	3,360,000	3,360,000	08/01/34
			5,000	6,840,000	6,840,000	08/01/35
				\$100,375,000		
G.O. Public improvement (\$95,395,000)		6/23/2021				
School Improvements	\$37,800,000					
			5,000	37,800,000	1,890,000	6/15/2022-6/15/2041

ARLINGTON COUNTY, VIRGINIA
COMBINED SCHEDULE OF LONG-TERM OBLIGATIONS
JUNE 30, 2021

	<u>\$37,800,000</u>	
SUB TOTAL	<u>\$520,590,000</u>	0
FY 2004 Bond Premium to be amortized	217,857.00	
FY 2005 Bond Premium to be amortized	585,436.00	
FY 2006 Bond Premium to be amortized	145,668.00	
FY 2007 Bond Premium to be amortized	77,164.00	
FY 2008 Bond Premium to be amortized	842,744.00	
FY 2010 Bond Premium to be amortized	667,306.00	
FY 2011 Bond Premium to be amortized	2,168,944.00	
FY 2012 Bond Premium to be amortized	6,014,082.00	
FY 2013 Bond Premium to be amortized	3,794,555.00	
FY 2014 Bond Premium to be amortized	2,119,517.00	
FY 2015 Bond Premium to be amortized	1,562,043.00	
FY 2016 Bond Premium to be amortized	5,406,927.00	
FY 2017 Bond Premium to be amortized	9,500,170.00	
FY 2018 Bond Premium to be amortized	13,126,094.00	
FY 2019 Bond Premium to be amortized	9,729,131.00	
FY 2021 Bond Premium to be amortized	21,744,870.00	
	<u>\$598,292,508</u>	
Total serial bonds serviced by school operating fund:	<u>45,285,633</u>	
Compensated absences	-	
Capital leases serviced by schools	-	
Line of credits	-	
Net pension liability schools	539,445,984	
Net OPEB liability schools	174,077,610	
	<u>1,357,101,735</u>	
Total general obligation debt serviced by school operating fund:	<u>(48,281,694)</u>	
Due in one year	<u>1,308,820,041</u>	
Total long term liabilities - schools	<u>1,308,820,041</u>	
	<u>2,286,721,788</u>	

Serviced by StormWater fund:

G.O. Public improvement (\$95,395,000)		6/23/2021			
Stormwater	13,200,000	5.000	580,000	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

ARLINGTON COUNTY, VIRGINIA
COMBINED SCHEDULE OF LONG-TERM OBLIGATIONS
JUNE 30, 2021

				<u>\$13,200,000</u>			
SUBTOTAL:				<u>\$13,200,000</u>			
FY 2021 Bond premium to be amortized				<u>4,285,113</u>			
Total serial bonds serviced by stormwater fund:				<u>17,485,113</u>			
Due in one year				<u>(461,405)</u>			
Total general obligation debt serviced by StormWater fund				<u>17,023,708</u>			
<u>Serviced by utilities fund:</u>							
G.O. Public improvement refunding (\$106,445,000)		2/22/12					
Water share	\$2,696,098						
Sewer share	2,944,245	4.00/3.00		4,700,000	4,700,000	08/01/21	
Advanced Water Treatment	<u>21,974,657</u>	5.00		5,910,000	5,910,000	08/01/22	
	<u>\$27,615,000</u>						
				<u>\$10,610,000</u>			
G.O. Public improvement (\$93,975,000)		5/9/13					
Water share	<u>\$3,600,000</u>	5.00		180,000	180,000	08/01/21	
				<u>\$180,000</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	<u>1,165,666</u>	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 (\$64,910,000)		5/28/14					
Water share	<u>\$1,700,000</u>	5.000		85,000	85,000	02/15/2022	
				<u>\$85,000</u>			
G.O. Public improvement refunding (\$40,455,000)		5/28/14					
Water share	\$348,335	5.000		325,000	325,000	08/15/21	
Advanced Water Treatment	<u>2,416,665</u>	5.000		370,000	370,000	08/15/22	
	<u>\$2,765,000</u>	5.000		1,110,000	555,000	08/15/2023-24	
				<u>\$1,805,000</u>			
G.O. Public improvement (\$77,440,000)		6/17/15					
Advanced Water Treatment	<u>\$3,000,000</u>	4.000		750,000	150,000	08/15/21-25	
		3.000		300,000	150,000	08/15/26-27	
				<u>\$1,050,000</u>			
G.O. Public improvement refunding (\$161,530,000)		5/4/16					
Water share	\$1,987,360	5.000		640,000	640,000	08/15/21	
Sewer share	31,547	5.000		235,000	235,000	08/15/22	
Advanced Water Treatment	<u>8,401,093</u>	5.000		585,000	585,000	08/15/23	
	<u>\$10,420,000</u>	5.000		605,000	605,000	08/15/24	
		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>\$9,515,000</u>			
G.O. Public improvement refunding (\$32,335,000)		10/24/2019					
Water share	\$1,792,916						
Advanced Water Treatment	<u>6,432,084</u>	5.000		775,000	775,000	08/15/21	
	<u>\$8,225,000</u>	5.000		785,000	785,000	08/15/22	
		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	

ARLINGTON COUNTY, VIRGINIA
COMBINED SCHEDULE OF LONG-TERM OBLIGATIONS
JUNE 30, 2021

		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>88,225,000</u>		
G.O. Public improvement refunding (\$17,210,000)	10/27/2020				
Water share	\$26,091				
Sewer share	39,926.25	5,000	295,000	295,000	08/01/21
Advanced Water Treatment	<u>228,982.26</u>				
	<u>\$295,000</u>		<u>295,000</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	<u>20,258,427</u>	5,000	5,770,000	5,770,000	08/01/24
	<u>\$26,470,000</u>	5,000	5,965,000	5,965,000	08/01/25
		5,000	3,725,000	3,725,000	08/01/26
		5,000	2,760,000	2,760,000	08/01/27
		5,000	270,000	270,000	08/01/28
		5,000	270,000	270,000	08/01/29
		5,000	260,000	260,000	08/01/30
		5,000	435,000	435,000	08/01/31
		5,000	430,000	430,000	08/01/32
		5,000	240,000	240,000	08/01/33
		5,000	155,000	155,000	08/01/34
			<u>26,470,000</u>		
SUBTOTAL:			<u>59,915,000</u>		
FY 2005 Bond premium to be amortized			96,954		
FY 2007 Bond premium to be amortized			274,285		
FY 2008 Bond premium to be amortized			384,727		
FY 2011 Bond premium to be amortized			777,309		
FY 2012 Bond premium to be amortized			703,259		
FY 2013 Bond premium to be amortized			355,818		
FY 2014 Bond premium to be amortized			98,756		
FY 2015 Bond premium to be amortized			156,204		
Total serial bonds serviced by utilities fund:			62,762,312		
Compensated absences - utilities fund			2,045,001		
Bond and VRA interest payable - utilities fund			1,783,997		
VRA loans payable			127,354,028		
Total long term obligations serviced by utilities fund:			193,945,338		
Compensated absences - Internal service funds			504,023		
Compensated absences - CPHD Development fund			1,174,358		
Capital leases serviced by auto equipment fund			454,478		

ARLINGTON COUNTY, VIRGINIA
 SCHEDULE OF DELINQUENT PROPERTY TAXES RECEIVABLE
 JUNE 30, 2021

FISCAL YEAR	REAL ESTATE	PERSONAL PROPERTY	TOTAL
2021	\$85,604	\$501,761	\$587,365
2020	86,182	321,173	407,355
2019	27,353	297,470	324,823
2018	7,760	302,312	310,072
2017	167	187,531	187,698
2016	1,901	-	1,901
2015	2,993	-	2,993
2014	923	-	923
2013	-	-	-
2012	-	-	-
2011	-	-	-
2010	-	-	-
2009	-	-	-
2008	-	-	-
2007	-	-	-
2006	-	-	-
2005	-	-	-
2004	-	-	-
2003	-	-	-
2002	-	-	-
TOTAL	<u><u>\$212,883</u></u>	<u><u>\$1,610,247</u></u>	<u><u>\$1,823,130</u></u>

NOTES:

Figures are rounded to the nearest dollar.

The amounts of delinquent real and personal property taxes receivable at June 30, 2021 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 \$17,155 and \$360,855 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
2012	701,019,137	1,585,301	699,433,836	99.77%	3,158,923	702,592,759	100.22%	1,016,583	1,362,159	3,358,566	0.48%
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%

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, 2021

	Governmental Funds <u>Total Cost</u>
Governmental funds capital assets:	
Land	\$248,791,081
Infrastructure	989,519,153
Buildings	538,241,824
Furniture, fixtures and equipment	301,098,489
Construction in Progress	226,000,257
Intangibles	<u>10,258,984</u>
 Total governmental funds capital assets	 <u><u>\$2,313,909,788</u></u>
Investments in governmental funds' capital assets by source:	
General fund	\$256,544,631
Special revenue funds	135,506
Capital projects funds	2,049,699,556
State literary loans	1,680,040
Donated assets	<u>5,850,055</u>
 Total investment in general capital assets	 <u><u>\$2,313,909,788</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, 2021

FUNCTION AND ACTIVITY:	General Capital Assets			
	6/30/2020 Beginning Balance	Additions	Deletions	6/30/2021 Ending Balance
Governmental funds:				
General Government	\$366,062,660	\$14,535,186	\$-	\$380,597,846
Public Safety	126,804,835	4,239,134	-	131,043,969
Environmental Services	1,249,846,227	68,153,198	233,771	1,317,765,654
Health and Public Welfare	34,989,070	1,134,180	20,954	36,102,296
Libraries	30,664,131	-	-	30,664,131
Parks and Recreation	299,775,494	27,374,087	17,432	327,132,149
Planning and Community Development	77,054,837	13,548,906	-	90,603,743
Total governmental funds	<u>2,185,197,254</u>	<u>128,984,691</u>	<u>272,157</u>	<u>2,313,909,788</u>
Internal Services Fund				
Auto Equipment Fund	87,237,563	11,860,846	9,765,292	89,333,117
Total Internal Services Fund	<u>87,237,563</u>	<u>11,860,846</u>	<u>9,765,292</u>	<u>89,333,117</u>
Component Unit: Schools	<u>1,201,911,106</u>	<u>69,339,198</u>	<u>-</u>	<u>1,271,250,304</u>
Total general capital assets	<u>\$3,474,345,923</u>	<u>\$210,184,735</u>	<u>\$10,037,449</u>	<u>\$3,674,493,209</u>

ARLINGTON COUNTY, VIRGINIA
SCHEDULE OF GENERAL CAPITAL ASSETS - BY FUNCTION AND ACTIVITY
JUNE 30, 2021

EXHIBIT S-8

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	7,833,212	-	-	1,050,170	5,798,246	954,910	29,886
Total Control	<u>9,679,042</u>	<u>-</u>	<u>-</u>	<u>1,050,170</u>	<u>7,644,076</u>	<u>954,910</u>	<u>29,886</u>
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	79,063,733	-	16,038,834	991,860	54,472,400	1,979,421	5,581,218
General government	286,630,154	148,927,755	88,148,773	36,945,287	11,606,949	1,001,390	-
Total Staff Agencies	<u>370,918,804</u>	<u>148,927,755</u>	<u>104,187,607</u>	<u>38,182,031</u>	<u>70,824,206</u>	<u>3,215,987</u>	<u>5,581,218</u>
Total General Government	<u>380,597,846</u>	<u>148,927,755</u>	<u>104,187,607</u>	<u>39,232,201</u>	<u>78,468,282</u>	<u>4,170,897</u>	<u>5,611,104</u>
Public Safety:							
Police	24,413,028	-	1,000,312	9,837,613	11,426,813	966,714	1,181,576
Fire	83,390,736	5,499,264	32,569,290	7,125,394	37,658,442	354,189	184,157
Public Safety Communications and Emergency Management	23,240,205	-	-	-	22,219,510	794,936	225,759
Total Public Safety	<u>131,043,969</u>	<u>5,499,264</u>	<u>33,569,602</u>	<u>16,963,007</u>	<u>71,304,765</u>	<u>2,115,839</u>	<u>1,591,492</u>
Community Services:							
Environmental Services	1,317,765,654	62,291,517	667,414,505	332,263,332	114,011,342	2,969,540	138,815,418
Health and Public Welfare	36,102,296	-	-	14,127,700	19,676,625	636,104	1,661,867
Libraries	30,664,131	-	11,857,686	18,349,791	456,654	-	-
Recreation	327,132,149	22,561,892	118,138,629	102,067,015	16,248,681	-	68,115,932
Community Development	90,603,743	9,510,653	54,351,124	15,238,778	932,140	366,604	10,204,444
Total Community Service	<u>1,802,267,973</u>	<u>94,364,062</u>	<u>851,761,944</u>	<u>482,046,616</u>	<u>151,325,442</u>	<u>3,972,248</u>	<u>218,797,661</u>
Total General Capital Assets	<u>\$2,313,909,788</u>	<u>\$248,791,081</u>	<u>\$989,519,153</u>	<u>\$538,241,824</u>	<u>\$301,098,489</u>	<u>\$10,258,984</u>	<u>\$226,000,257</u>
Internal Services Fund:							
Auto Equipment Fund	\$89,333,117	\$-	\$-	\$-	\$89,333,117	\$-	\$-
Total Internal Services Fund	<u>\$89,333,117</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$89,333,117</u>	<u>\$-</u>	<u>\$-</u>
Component Unit: Schools	<u>\$1,271,250,304</u>	<u>\$4,697,946</u>	<u>\$-</u>	<u>\$1,058,854,428</u>	<u>\$150,826,215</u>	<u>\$-</u>	<u>\$56,871,715</u>
Total General Capital Assets	<u>\$3,674,493,209</u>	<u>\$253,489,027</u>	<u>\$989,519,153</u>	<u>\$1,597,096,252</u>	<u>\$541,257,821</u>	<u>\$10,258,984</u>	<u>\$282,871,972</u>

ARLINGTON COUNTY, VIRGINIA
GENERAL AND SPECIAL REVENUE FUNDS
DETAIL SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2020)

	2021			2020 Actuals
	Budget	Actual	Variance - Positive (Negative)	
GENERAL FUND				
General property taxes:				
Real estate	\$795,118,440	\$811,117,306	\$15,998,866	\$784,070,294
Personal	120,052,147	121,056,721	1,004,574	120,480,341
Total general property taxes	915,170,587	932,174,027	17,003,440	904,550,635
Other local taxes:				
Business, professional and occupational license (BPOL) tax	63,000,000	75,582,278	12,582,278	71,999,176
Sales tax	43,127,695	38,944,668	(4,183,027)	43,718,554
Meals tax	36,772,563	26,738,896	(10,033,667)	32,772,936
Transient tax	19,257,639	5,668,798	(13,588,841)	16,553,258
Utility tax	17,200,000	16,177,645	(1,022,355)	17,034,351
Recordation, car rental and other local taxes	21,707,881	24,734,698	3,026,817	24,940,168
Total other local taxes	201,065,778	187,846,983	(13,218,795)	207,018,443
Total taxes	1,116,236,365	1,120,021,010	3,784,645	1,111,569,078
License, permits and fees	13,115,693	13,002,084	(113,609)	14,136,969
Fines and forfeitures	6,862,872	5,484,417	(1,378,455)	6,781,552
Charges for services	64,299,634	46,139,224	(18,160,410)	55,568,399
Grants:				
State grants	87,452,955	80,446,925	(7,006,030)	77,489,102
Federal grants	50,309,646	53,110,553	2,800,907	32,982,735
Total grants	137,762,601	133,557,478	(4,205,123)	110,471,837
Use of money and property	14,651,719	7,059,228	(7,592,491)	19,676,879
Sale of land and buildings	15,000	8,095,928	8,080,928	4,862,630
Miscellaneous revenue	137,358,028	33,729,139	(103,628,889)	7,607,277
GRAND TOTALS FOR GENERAL FUND	\$1,490,301,912	\$1,367,088,508	(\$123,213,404)	\$1,330,674,621
GENERAL FUND TRANSFERS FROM OTHER FUNDS:				
Rosslyn Business Improvement District	\$81,068	\$78,976	(\$2,092)	\$77,144
Crystal City Business Improvement District	94,791	87,729	(7,062)	53,083
Automotive Equipment Fund	130,000	130,000	-	130,000
General Capital Projects	5,065,281	5,065,281	-	-
Street & Highway Bond Fund	-	22,309	22,309	202,771
Neighborhood Conservation Bond Fund	-	16,620	16,620	174,924
Government Facility Bond	-	83,110	83,110	885,082
Ballston Business Improvement District	31,390	31,189	(201)	30,212
Public Recreation Bond Fund	-	67,092	67,092	796,382
Stormwater Bond Fund	-	686	686	-
TCF – NVTA 30%	1,182,768	1,182,768	-	2,316,211
TCF C&I Tax	1,538,015	1,538,015	-	35,721
Transit Facilities Bond Fund	-	11,089	11,089	185,733
IDA Bond Funds	-	16,594	16,594	136,810
IDA Skating Facility	2,400,000	-	(2,400,000)	-
School Capital Improvement Bond Fund	-	132,138	132,138	1,482,802
Utilities - Construction (Pay as U Go)	-	-	-	254,019
Custodial Funds	598,327	-	(598,327)	262,002
Total transfers	\$11,121,640	\$8,463,596	(\$2,658,044)	\$7,022,896
GRAND TOTALS	\$1,501,423,552	\$1,375,552,104	(\$125,871,448)	\$1,337,697,517

ARLINGTON COUNTY, VIRGINIA
GENERAL AND SPECIAL REVENUE FUNDS
DETAIL SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2020)

	2021			2020 Actuals
	Budget	Actual	Variance - Positive (Negative)	
SPECIAL REVENUE FUNDS:				
Ballston BID	\$1,569,935	\$1,560,179	(\$9,756)	\$1,512,241
Ballston Quarter CDA	2,018,464	2,302,221	283,757	2,745,120
Travel & Tourism Fund	982,882	302,656	(680,226)	837,893
Rosslyn BID	4,057,042	3,975,670	(81,372)	3,860,842
Crystal City BID	4,739,568	4,386,978	(352,590)	2,656,341
Community Development Block Grant Fund	10,416,462	5,909,969	(4,506,493)	6,210,021
Section 8 Housing	23,977,243	21,001,637	(2,975,606)	19,019,974
Total Special Revenue Funds	\$47,761,596	\$39,439,310	(\$8,322,286)	\$36,842,432

BREAKDOWN OF REVENUE BY FUNCTION:

	Charges for services includes licenses & fees	Operating grants/Contributions		Capital Grants Contributions
		State	Federal	
General government	\$20,050,005	\$34,449,199	\$35,571,600	\$-
Public safety	8,532,279	10,546,732	467,371	-
Environmental services	26,699,645	13,144,017	-	-
Health & welfare	4,511,444	22,089,957	16,995,490	-
Libraries	16,216	212,520	-	-
Economic development	(43)	4,500	47,000	-
Planning & community development	1,783,544	-	-	-
Parks & recreation	3,032,635	-	29,092	-
Total General Fund	\$64,625,725	\$80,446,925	\$53,110,553	\$-

ARLINGTON COUNTY, VIRGINIA
GENERAL AND SPECIAL REVENUE FUNDS
DEETAIL SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2020)

	2021			2020 Actuals
	Budget	Actual	Variance - Positive (Negative)	
General Government Administration:				
County Board	\$1,727,490	\$1,637,299	\$90,191	\$1,617,157
County Manager	5,134,115	4,969,190	164,925	5,037,376
Management and Finance	8,628,450	8,509,283	119,167	8,507,461
Human Resources	9,681,535	9,587,817	93,718	9,586,373
Technology Services	26,403,548	26,336,532	67,016	26,162,571
County Attorney	3,352,600	3,160,392	192,208	3,025,692
Commissioner of Revenue	5,955,509	5,705,839	249,670	5,903,371
Treasurer	7,311,800	6,573,176	738,624	6,494,950
Electoral Board	2,333,130	2,103,311	229,819	1,459,522
Total General Government	70,528,177	68,582,839	1,945,338	67,794,473
Judicial Administration:				
Circuit Court Judiciary	1,307,934	1,246,916	61,018	1,189,132
Circuit Court Clerk	3,621,453	3,615,714	5,739	3,301,258
District Court	406,355	343,081	63,274	356,710
Juvenile & Domestic Relations Court	7,455,661	6,724,375	731,286	6,841,346
Commonwealth Attorney	4,821,424	4,457,250	364,174	4,685,745
Sheriff & Jail	46,693,985	46,294,060	399,925	46,968,108
Magistrate's Office	29,986	28,861	1,125	26,544
Office of the Public Defender	181,239	165,804	15,435	171,548
Total Judicial Administration	64,518,037	62,876,061	1,641,976	63,540,391
Public Safety:				
Police	74,857,345	71,085,018	3,772,327	70,065,179
Public Safety Communications and Emergency Management	14,250,584	14,044,644	205,940	14,013,398
Fire	66,657,948	64,666,797	1,991,151	65,131,946
Total Public Safety	155,765,877	149,796,459	5,969,418	149,210,523
Department of Environmental Services:				
DES-Environmental Services	112,389,065	101,837,787	10,551,278	96,197,295
Health & Welfare:				
Human Services	159,556,564	143,077,533	16,479,031	140,082,502
Libraries:				
	14,951,572	12,861,819	2,089,753	14,333,511
Planning & Community Development:				
Economic Development	8,999,734	8,605,409	394,325	8,511,765
Community Planning, Housing & Development	11,688,674	11,112,174	576,500	10,823,249
Total Planning & Community Development	20,688,408	19,717,583	970,825	19,335,014
Parks & Recreation:	44,886,906	35,489,121	9,397,785	40,749,903
Non-Departmental:				
Non-Departmental	162,724,698	85,329,314	77,395,384	52,773,126
Debt Service				
Principal payment	41,150,128	41,827,178	(677,050)	45,298,185
Interest payment	27,687,620	24,624,754	3,062,866	26,723,993
Other costs	125,000	29,480	95,520	24,950
Regionals/Contributions	6,865,813	6,400,615	465,198	7,337,677
METRO	47,808,764	47,808,764	-	47,597,637
Total Non-Departmental	286,362,023	206,020,105	80,341,918	179,755,568
Total expenditures before transfers-out	929,646,629	800,259,307	129,387,322	770,999,180

ARLINGTON COUNTY, VIRGINIA
GENERAL AND SPECIAL REVENUE FUNDS
DEETAIL SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2020)

	2021			2020 Actuals
	Budget	Actual	Variance - Positive (Negative)	
Transfers-Out				
Travel & Tourism	246,700	246,700	-	246,700
Community Development Block Grant	-	-	-	-
Auto Equipment Fund	50,000	494,796	(444,796)	-
Printing Fund	246,382	246,382	-	246,382
General Capital Projects Fund	9,332,542	9,299,317	33,225	28,042,166
OPEB Trust Fund	-	57,589	(57,589)	52,745
Schools				
General Operating	559,384,867	429,583,217	129,801,650	444,245,700
Community Activities/Cable TV	-	10,300,446	(10,300,446)	6,330,579
Pay-As-You-Go	-	3,480,600	(3,480,600)	8,327,250
Debt Service	-	54,829,686	(54,829,686)	58,877,372
Comprehensive Services Act	-	2,502,726	(2,502,726)	2,367,127
Custodial	2,516,432	1,544,232	972,200	4,111,068
Total transfers-out	571,776,923	512,585,691	59,191,232	552,847,089
GRAND TOTALS EXPENDITURES	\$1,501,423,552	\$1,312,844,998	\$188,578,554	\$1,323,846,269
SPECIAL REVENUE FUNDS:				
Ballston Quarter CDA	\$3,199,430	\$2,087,226	\$1,112,204	\$1,699,022
Travel & Tourism Promotion	1,229,582	549,240	680,342	1,084,593
Ballston Business Improvement District	1,538,545	1,499,288	39,257	1,430,128
Rosslyn Business Improvement District	3,975,974	3,888,675	87,299	3,761,261
Crystal City Business Improvement District	4,644,777	4,526,288	118,489	2,639,256
Community Development Block Grant	10,416,462	6,720,156	3,696,306	6,210,021
Section 8 Housing	23,762,353	21,001,637	2,760,716	19,019,974
Total Special Revenue Funds	\$48,767,123	\$40,272,510	\$8,494,613	\$35,844,255
TOTAL GENERAL AND SPECIAL REVENUE FUNDS	\$1,550,190,675	\$1,353,117,508	\$197,073,167	\$1,359,690,524

ARLINGTON COUNTY, VIRGINIA
 SCHEDULE OF CAPITAL OUTLAYS AND CAPITAL PROJECTS
 GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 2021

FUND AND FUNCTION	AMOUNT
GENERAL FUND:	
Capital Outlays:	
General Government	\$854,243
Public Safety	190,083
Public Works	264,865
Health & Public Welfare	220,629
Parks & Recreation	48,644
Planning & Community development	7,307,348
Total General Fund	\$8,885,812
CAPITAL PROJECTS FUNDS:	
General Capital Projects Fund:	
Public Works:	
Transportation Projects	5,604,807
Government Facilities	17,681,907
Cultural & Recreation - Community Affairs:	
Government Facilities	5,986,741
Parks	5,216,790
Total General Capital Projects Funds	34,490,245
NVTA	29,973,740
NOVA Transportation Authority	
Street & Highway Bond Fund:	
Capital Projects - Public Works/Transportation/ Street & Highway Improvements	12,630,794
Neighborhood Conservation Bond Fund:	
Neighborhood Capital Projects	6,185,296
Government Facility Bond	5,533,839
Stormwater Fund	4,718,852
Public Recreation Bond Fund:	
Public Recreation	20,853,092
TIF Tax Increment Finance Fund:	
Crystal City	5,571,626
TOTAL ALL OTHER GOVERNMENTAL FUNDS	55,634,894
GRAND TOTAL	\$128,984,691



STATISTICAL

(Unaudited)

This part of the Arlington County Comprehensive Annual Financial Report (“CAFR”) 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 CAFR 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.)

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

	2012	2013	Restated 2014	2015	Restated 2016	Restated 2017	2018	2019	2020	2021
Governmental Activities										
Net investment in capital assets	\$403,542,902	\$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
Restricted	232,698,808	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
Unrestricted	25,744,732	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
Total governmental activities net position	\$661,986,442	\$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
Business-Type Activities										
Net investment in capital assets	\$597,679,391	\$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
Unrestricted	90,488,927	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
Total business-type activities net position	\$688,168,318	\$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
Primary government										
Net investment in capital assets	\$1,001,222,293	\$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
Restricted	232,698,808	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
Unrestricted	116,233,659	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
Total primary government activities net position	\$1,350,154,760	\$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
School Component Unit										
Net investment in capital assets	\$464,751,903	\$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
Restricted	58,009,636	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
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)
Total schools component unit activities net position	\$522,761,539	\$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
Other Component Units										
Net investment in capital assets	\$26,577,683	\$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
Unrestricted	428,056	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
Total other component units activities net position	\$27,005,739	\$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
Total reporting entity										
Net investment in capital assets	\$1,174,960,089	\$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
Restricted	290,708,444	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
Unrestricted	434,253,505	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
Total reporting entity net position	\$1,899,922,038	\$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

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

	2012	2013	Restated 2014	2015	Restated 2016	Restated 2017	2018	2019	2020	2021
Expenses										
Primary government:										
Governmental activities:										
General government	\$212,776,822	\$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
Public safety	118,391,330	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
Environmental services	80,272,770	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
Health & welfare	115,139,323	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
Libraries	12,134,689	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
Parks, recreation & culture	34,180,696	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
Planning & community development	54,626,473	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
Education	411,415,097	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
Interest and other charges	18,282,330	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
Total governmental activities expenses	<u>1,057,219,530</u>	<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>
Business-type activities:										
Utilities	76,050,327	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
Ballston Public Parking Garage	6,062,024	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
8th Level Ballston Public Parking Garage	50,496	53,085	157,097	174,141	193,955	172,755	168,660	171,869	159,682	176,396
CPHD Development Fund	11,598,557	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
Total business-type activities expenses	<u>93,761,404</u>	<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>
Total primary government expenses	<u>\$1,150,980,934</u>	<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>
Component units:										
Schools	431,308,198	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
Other	7,317,002	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
Total component units activities expenses	<u>\$438,625,200</u>	<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>
Program Revenues										
Primary government:										
Governmental activities:										
Charges for services:										
General government	\$20,870,357	\$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
Environmental services	28,408,484	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
Public safety	9,949,039	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
Other activities	16,750,057	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
Operating grants and contributions	136,827,855	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
Capital grants and contributions	1,818,130	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	<u>214,623,922</u>	<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>
Business-type activities:										
Charges for services:										
Water-sewer service charges	86,840,829	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
Water-service hook-up charges	4,419,474	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
Other activities	35,828,391	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
Capital grants and contributions	3,317,976	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
Total business-type activities program revenues	<u>130,406,670</u>	<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>
Total primary government program revenues	<u>\$345,030,592</u>	<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>
Component units:										
Charges for services	\$23,945,689	\$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
Operating grants and contributions	459,514,609	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
Total component units program revenues	<u>\$483,460,298</u>	<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>

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

	2012	2013	2014	2015	Restated 2016	Restated 2017	2018	2019	2020	2021
Net (Expense) Revenue										
Primary government:										
Governmental activities	(\$842,595,608)	(\$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)
Business-type activities	36,645,266	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
Total primary government net expense	(\$805,950,342)	(\$903,039,863)	(\$903,228,040)	(\$904,058,019)	(\$1,103,966,045)	(\$1,064,524,553)	(\$1,257,637,880)	(\$1,047,737,488)	(\$1,113,770,642)	(\$1,405,131,237)
Component units:										
Component unit activities	\$44,835,098	\$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)
Total component units net expense	\$44,835,098	\$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)
General Revenues and Changes in Net Position										
Governmental activities:										
Property taxes:										
Real estate property taxes	\$619,748,841	\$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
Personal property taxes	100,928,065	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
Other local taxes:										
Business, professional occupancy license taxes	61,939,212	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
Other local taxes	139,639,610	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
Investment and interest earnings	5,443,855	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
Miscellaneous	27,112,773	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
Total governmental activities	\$954,812,356	\$1,015,100,159	1,038,011,753	\$1,050,103,196	\$1,061,328,611	\$1,086,229,317	\$1,082,779,496	1,189,114,617	\$1,287,701,028	\$1,488,980,848
Business-type activities:										
Investment and interest earnings	\$747,823	\$39,733	\$272,989	\$365,013	\$621,879	\$420,674	\$543,957	\$2,283,585	\$1,135,374	\$107,450
Revenue from General Fund	-	-	-	-	-	-	884,701	400,000	(301,019)	-
Total business-type activities	\$747,823	\$39,733	\$272,989	\$365,013	\$621,879	\$420,674	\$1,428,658	\$2,683,585	\$834,355	\$107,450
Total primary government	\$955,560,179	\$1,015,139,892	\$1,038,284,742	\$1,050,468,209	\$1,061,950,490	\$1,228,487,014	\$1,084,208,154	\$1,191,798,202	\$1,288,535,382	\$1,489,088,298
Component units activities:										
Other local taxes										
Other local taxes	\$17,782,467	\$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
Revenue from the general fund/miscellaneous	212,204	137,253	172,798	204,103	468,749,277	519,085,091	605,583,573	572,369,170	520,420,698	607,526,387
Total primary government	\$17,994,671	\$18,308,554	\$19,540,850	\$21,402,492	\$491,817,262	\$24,958,723	\$631,916,439	\$600,786,781	\$551,156,554	\$641,571,036
Changes in Net Position										
Primary government:										
Governmental activities	\$112,216,748	\$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
Business-type activities	37,393,089	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
Total primary government net expense	\$149,609,837	\$112,100,029	\$135,056,702	\$146,410,190	(\$42,015,555)	\$22,125,438	\$17,508,145	\$144,060,714	\$174,764,740	\$83,957,061
Component units:										
Component units activities	\$62,829,769	\$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
Total component units net expense	\$62,829,769	\$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

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.

ARLINGTON COUNTY, VIRGINIA
FUND BALANCES, GOVERNMENTAL FUNDS AND COMPONENT UNITS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
<u>Nonspendable:</u>										
Prepaid	\$-	\$-	\$-	\$-	\$-	\$35,036	\$61,626	\$147,830	\$299,252	\$806,719
<u>Restricted for:</u>										
Seized assets	2,436,464	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
Grants	-	-	-	-	-	255,110	144,268	6,556	105,530	19,702,462
<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
Operating reserve	50,240,906	52,805,487	54,575,340	57,385,360	57,997,382	62,635,601	63,791,653	74,593,507	73,999,445	76,613,044
Subsequent years' County budget	10,488,080	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
Subsequent years' capital projects	1,902,323	8,403,862	14,831,642	2,833,146	2,057,099	6,636,589	195,358	16,776,098	-	4,527,882
Incomplete projects	171,861	130,223	412,220	281,390	562,321	664,991	-	488,256	342,706	344,463
Affordable Housing Investment Fund-Allocated	7,050,422	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
Subsequent years' School's budget	64,669,485	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
<u>Assigned to:</u>										
Subsequent years' County budget	12,565,023	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
Subsequent years' capital projects	18,978,462	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
Economic & revenue stabilization contingent	3,000,000	5,000,000	-	-	-	-	-	6,781,228	-	-
Operating reserve	2,364,581	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	1,244,577	1,224,867	1,480,249	1,029,381	652,621	156,301	-	-	-	-
Incomplete projects	2,416,189	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
Affordable Housing Investment Fund-Unallocated	8,930,790	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
<u>Unassigned:</u>										
Total General Fund Balance	\$191,459,163	\$199,598,927	\$233,053,937	\$200,260,076	\$191,243,859	\$186,430,188	\$181,910,989	\$233,013,737	\$246,864,985	\$329,886,148
General Fund Balance as Percent of General Fund Expenditures and Other Financing Uses	19.02%	18.44%	21.16%	17.07%	16.15%	15.26%	14.49%	18.47%	18.65%	25.13%
Other Governmental Funds										
<u>Special Revenue funds</u>										
<u>Nonspendable:</u>										
Prepaid	\$1,286,469	\$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
<u>Restricted for:</u>										
Grants	2,755,933	1,257,426	1,002,099	178,471	261,829	489,837	203,901	700,734	1,234,786	2,537,763
<u>Unassigned:</u>										
	-	-	-	(1,265,793)	(1,382,728)	(1,351,822)	(1,438,170)	(1,457,500)	(1,634,883)	(1,664,911)
Capital Project funds										
<u>Nonspendable:</u>										
Prepaid	-	4,275	4,275	4,275	4,275	4,275	204,275	325,660	90,614	3,118,321
<u>Restricted for:</u>										
Debt Service	20,743,558	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
<u>Committed to:</u>										
Capital Projects	233,848,803	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
<u>Unassigned:</u>										
	-	-	-	(90,872)	(90,872)	(90,872)	-	-	(1,178,162)	-
Total Other Governmental Fund Balance	\$258,634,763	\$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
Component unit - Schools										
<u>Nonspendable:</u>										
Inventory	\$-	\$-	\$-	\$-	\$-	\$65,361	\$47,853	\$65,361	\$183,594	\$131,759
<u>Restricted for:</u>										
Capital projects	47,055,029	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
Grants	2,109,001	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
Student Activities	-	-	-	-	-	-	-	-	-	2,802,930
<u>Committed to:</u>										
Incomplete projects	26,987,189	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
Subsequent years' School budget	7,975,000	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
<u>Assigned to:</u>										
Operating reserve	2,413,261	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
Unfunded liabilities	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Subsequent years' debt service	5,025,000	3,625,000	3,360,000	5,260,000	4,610,000	3,310,000	643,621	684,474	414,474	-
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	4,000,000	-	1,201,283	20,824,898	21,593,920	19,204,667	9,495,442	10,941,029	(233,182)	-
VRS reserve	7,387,239	7,387,239	5,637,239	4,637,239	4,637,239	2,512,239	2,512,239	2,512,239	1,412,239	1,047,239
Compensation reserve	-	-	-	2,000,000	5,200,000	4,650,000	4,700,000	-	3,812,296	-
Total Component Unit - Schools	\$105,951,719	\$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

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
REVENUES:										
General property taxes:										
Real estate property taxes	\$592,363,670	\$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
Personal property taxes	100,928,065	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
Other Local taxes:										
BPOL	61,939,212	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
Other local taxes	139,639,610	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
Fines and forfeitures	10,641,659	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
Licenses, permits and fees	10,606,117	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
Intergovernmental	138,645,985	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
Charges for services	52,346,023	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
Interest and rent	5,443,855	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
Miscellaneous revenues	19,008,738	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
Total revenues	1,131,562,934	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
EXPENDITURES:										
Current operating:										
General government	200,088,702	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
Public safety	117,033,171	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
Environmental services	74,921,125	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
Health and welfare	115,330,415	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
Libraries	11,880,873	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
Parks, recreation and culture	32,849,180	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
Planning and community development	45,056,535	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
Debt service										
Principal	36,160,046	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
Interest and other charges	18,282,330	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
Bond issuance costs										
Community development	8,804,947	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
Education	423,610,118	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
Capital outlay	92,185,904	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
Total expenditures	1,176,203,346	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
Deficiency of revenues under expenditures	(44,640,412)	(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)
OTHER FINANCING SOURCES(USES):										
Transfers in	30,385,999	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
Transfers out	(30,582,672)	(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)
Capital leases	1,435,230	4,473,803	5,459,005	6,383,803	5,418,570	9,530,658	3,759,718	1,871,651	3,220,352	-
Issuance of Line of Credit	-	-	-	-	-	-	-	-	6,837,029	-
Refunding bonds issued	41,885,000	127,097,545	37,690,000	-	151,110,000	-	-	-	-	-
Payments to refunded bond escrow agent	(44,350,490)	(118,681,722)	(38,862,390)	-	(151,165,934)	-	(29,785,000)	-	4,862,630	8,095,928
Deferred cost of refunding	2,465,490	-	-	-	-	-	3,635,000.00	-	-	-
Premium from sale of bonds	6,712,155	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 revenue bonds	-	-	-	-	-	-	-	-	-	-
Issuance of debt	100,740,000	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	108,690,712	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
Net change in fund balances	\$64,050,300	\$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
Debt service as a percentage of noncapital expenditures	5.0%	4.9%	4.9%	4.7%	4.7%	4.5%	4.9%	4.8%	5.3%	3.8%

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	
2012	\$98,637,205	\$119,356,254	\$75,750,178	\$115,347,313	\$103,765,797	\$393,832,257	\$68,114,014	\$89,268,683	\$24,510,207	\$8,186,444	\$1,096,768,352
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

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.

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
2012	\$879,404,041	\$10,606,117	\$154,376,886	\$67,754,260	\$10,641,659	\$29,126,756	\$1,151,909,719
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

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
2012	\$660,105,238	\$38,630,486	\$3,125,075	\$21,789,115	\$3,079,109	\$6,536,109	\$5,630,079	\$10,433,639	\$33,409,536	\$41,857	\$72,779	\$782,853,022
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

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		
2012	\$61,672,361,900	\$61,672,361,900	\$1,947,478,083	\$1,947,478,083	\$774,586,506	\$774,586,506	\$64,394,426,489	\$64,394,426,489	.958/.971	5.00%
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%

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

2021				2012			
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, apartments, hotel, land	\$3,847,336,900	1	4.63%	Vornado Realty Trust Office Buildings, apartments, hotel, land	\$6,313,233,500	1	10.24%
Albrittain Interests Apartments, general commercial	1,688,598,600	2	2.03%	Arland Towers Co Office buildings, land	1,186,979,000	2	1.92%
Shirley Park Leasing LP Office Buildings	1,467,652,300	3	1.77%	Albrittain interests Apartments, general commercial	1,129,069,200	3	1.83%
Arland Towers Company Office Building, land	1,332,778,900	4	1.60%	Paradigm Managed Properties Apartments, general commercial	1,055,719,900	4	1.71%
Paradigm Managed Properties Apartments, general commercial	1,290,010,800	5	1.55%	JBG Companies Office building, land, apts, retail, res	966,518,900	5	1.57%
Tishman Speyer Apartments	1,237,569,700	6	1.49%	Beacon Capital Office buildings, land	811,048,900	6	1.32%
Beacon Capital Partners Office buildings, land	874,478,500	7	1.05%	Fashion Centre Assoc Mixed use retail, hotel	649,575,700	7	1.05%
Caruthers Retail, Office buildings, Apartments	746,481,400	8	0.90%	Street Retail Inc Retail office	554,427,600	8	0.90%
Fashion Centre Assoc Mixed use retail, hotel	681,188,200	9	0.82%	Caruthers Interests Retail, Office buildings, land, hotel	521,818,800	9	0.85%
Street Retail Inc Retail office	659,110,000	10	0.79%	Kingdon Gould/Airport Plaza Assoc Office buildings, hotel, land	397,259,100	10	0.64%
Total	<u>\$13,825,205,300</u>		<u>16.63%</u>		<u>\$13,585,650,600</u>		<u>22.03%</u>

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
2012	\$696,342,610	\$697,633,240	100.19%	(\$1,290,631)	\$696,342,610	100.00%
2013	753,000,849	748,656,079	99.42%	4,344,770	753,000,849	100.00%
2014	788,216,753	784,483,188	99.53%	3,732,642	788,215,830	100.00%
2015	812,908,212	809,269,205	99.55%	3,636,015	812,905,220	100.00%
2016	838,492,178	835,542,405	99.65%	2,947,672	838,490,277	100.00%
2017	870,550,582	867,494,501	99.65%	2,698,382	870,392,883	99.98%
2018	901,376,702	898,402,475	99.67%	2,664,156	901,066,631	99.97%
2019	932,734,787	929,826,270	99.69%	2,583,695	932,409,965	99.97%
2020	973,544,705	968,914,355	99.52%	4,222,995	973,137,350	99.96%
2021	996,782,614	994,296,343	99.75%	-	994,296,343	99.75%

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
2012	\$596,245,347	\$599,088,319	100.48%	(\$2,842,972)	\$596,245,347	100.00%
2013	644,486,517	642,101,576	99.63%	2,384,941	644,486,517	100.00%
2014	676,543,314	674,587,922	99.71%	1,954,469	676,542,391	100.00%
2015	701,721,771	699,630,645	99.70%	2,088,133	701,718,778	100.00%
2016	724,866,381	723,726,055	99.84%	1,138,425	724,864,480	100.00%
2017	753,088,009	751,657,270	99.81%	1,430,572	753,087,842	100.00%
2018	780,071,629	779,012,815	99.86%	1,051,055	780,063,870	100.00%
2019	808,232,235	807,017,246	99.85%	1,187,637	808,204,883	100.00%
2020	844,884,855	841,600,625	99.61%	3,198,048	844,798,673	99.99%
2021	873,416,610	871,432,100	99.77%	-	871,432,100	99.77%

NOTE: Large tax refunds for FY2012 collections were processed during FY2013 resulting in negative collections

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
2012	\$100,097,263	\$98,544,921	98.45%	\$1,552,342	\$100,097,263	100.00%
2013	108,514,333	106,554,504	98.19%	1,959,829	108,514,333	100.00%
2014	111,673,439	109,895,266	98.41%	1,778,172	111,673,439	100.00%
2015	111,186,442	109,638,560	98.61%	1,547,882	111,186,442	100.00%
2016	113,625,797	111,816,350	98.41%	1,809,447	113,625,797	100.00%
2017	117,492,572	115,837,231	98.59%	1,467,810	117,305,042	99.84%
2018	121,305,073	119,389,660	98.42%	1,613,102	121,002,762	99.75%
2019	124,502,552	122,809,024	98.64%	1,396,059	124,205,083	99.76%
2020	128,659,850	127,313,729	98.95%	1,024,948	128,338,677	99.75%
2021	123,366,004	122,864,243	99.59%	-	122,864,243	99.59%

* 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)	IDA Lease Revenue Bonds (2)	IDA Notes Payable (3)	Capital Leases	Utilities General Obligation Bonds (4)	Bond Premiums	BPPG Revenue Bonds (4)	BPPG Note Payable	VRA Bonds (4)	Capital Leases			
2012	\$730,532,411	\$43,491,622	\$38,970,000	\$42,635,000	\$35,016,099	\$16,618,189	\$124,517,591	\$4,654,464	\$10,600,000	\$3,429,679	\$253,204,991	\$218,393	\$1,303,888,439	7.27%	\$5,814
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

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)	IDA Lease Revenue Bonds (4)	IDA Notes Payable (4)			
2012	216,004	\$64,394,426,489	\$730,532,413	\$124,517,591	\$50,660,000	\$30,945,000	\$35,016,099	\$971,671,103	1.51%	\$4,498
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

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	
2012	\$105,787,143	\$52,382,893	\$53,404,250	\$8,295,238	\$14,030,986	\$22,326,224	2.39
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

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)
2012	216,004	\$17,273,192	\$79,967	21,853	3.5%
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	240,200	23,877,561	99,407	26,502	4.3%

NOTES:

- 1) The 2012-2013 population figures are estimates from the US Census Bureau.
The 2014-2021 population figures are estimates from the Arlington County CPHD
The 2020 population figure reflect Arlington County's 2020 Census results.
The 2021 population estimate based on Arlington County Forecast Round 9.2.
- (2) Source: 2018-2021 Bureau of Economic Analysis, 2014 -2017 estimates from the Arlington County CPHD. 2012-2013 figures reported
- (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 2014-2021 U.S. Bureau of Labor Statistics, Figures 2012-2013 Virginia Employment Commission

TABLE L

ARLINGTON COUNTY, VIRGINIA
 PRINCIPAL EMPLOYERS-RANKED BY NUMBER OF EMPLOYEES
 CURRENT YEAR AND NINE YEARS AGO

2021		2012	
<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	Verizon	3
Deloitte	4	US Airways	4
Amazon	5	Marriott International, Inc.	5
Virginia Hospital Center	6	Virginia Hospital Center	6
Booz Allen Hamilton	7	Hecht Company	7
Gartner	8	SAIC	8
General Dynamics	9	Northrop Grumman	9
Grant Thornton	10	Anteon	10
Lidl	11	Qwest	11
BNA Bloomberg	12	Computer Sciences Corporation	12
Leidos	13	IBM	13
Nestle	14	CACI	14
Marymount University	15	Pearson	15
CNA Corporation	16	The Boeing Company	16
NRECA	17	NRECA	17
PBS	18	Hyatt	18
The Nature Conservancy	19	Nature Conservancy	19
Boeing	20	Marymount University	20

Source: Arlington County Planning Division; Arlington Economic Development; Bureau of Labor Statistics (BLS), Quarterly Census of Employment and Wages (QCEW).

TABLE M

ARLINGTON COUNTY, VIRGINIA
FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

<u>Department</u>	<u>2012</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>
County Board	8.0	8.0	7.8	8.3	9.3	10.0	10.0	10.0	10.0	10.0
County Manager	36.9	37.1	35.9	35.9	37.4	33.4	36.0	33.0	31.0	31.0
Management and Finance	55.0	55.0	55.5	56.5	57.5	57.5	58.5	58.5	58.5	59.5
Technology Services	72.0	74.0	73.0	72.0	78.0	78.0	77.0	74.0	80.0	85.0
Human Resources	51.0	52.0	52.0	52.0	52.0	53.0	53.0	53.0	53.0	53.0
County Attorney	14.0	14.0	14.0	14.0	15.0	15.0	16.0	16.0	16.0	16.0
Circuit Court	32.3	32.3	32.3	33.8	36.8	36.8	37.3	37.3	38.3	39.3
General District Court	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.0	1.0	1.0
Juvenile and Domestic Relations Court	55.8	55.8	55.8	55.8	55.8	55.8	57.8	59.8	60.3	60.3
Commonwealth's Attorney	35.0	35.0	35.0	35.0	36.0	34.0	35.0	35.0	36.0	38.0
Sheriff	267.0	271.0	271.0	272.0	279.0	286.0	293.0	293.0	295.0	296.0
Commissioner of Revenue	53.0	52.0	52.0	52.0	52.0	52.0	53.0	53.0	53.0	53.0
Treasurer	60.8	59.8	61.8	61.8	62.4	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	8.4	8.8	9.8
Office of Emergency Management	71.5	79.5	76.5	74.5	74.5	74.5	76.5	74.5	74.5	75.5
Police	466.0	466.0	466.0	470.0	472.0	478.0	478.0	477.0	479.0	481.0
Fire	317.0	320.0	321.0	321.0	319.0	332.0	332.0	340.0	349.0	359.0
Public Works/Environmental Services	700.2	721.2	730.2	765.0	774.5	783.5	793.5	799.0	799.5	809.5
Human Services	699.7	685.8	680.5	681.5	705.9	717.9	725.6	710.2	713.5	726.2
Libraries	127.6	135.6	133.9	133.9	133.9	133.9	134.9	133.9	130.7	130.7
Economic Development	28.8	61.6	61.6	63.6	56.7	60.0	63.2	59.9	58.9	57.9
Community Planning, Housing & Development	177.0	197.1	198.6	198.6	184.5	188.5	194.5	194.0	199.5	200.0
Parks, Recreation & Cultural Resources	360.3	345.9	365.9	371.2	370.9	379.0	379.1	368.1	359.9	368.7
Total County Positions	3,698.7	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
Total School Positions	3,937.4	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
TOTAL POSITIONS	7,636.1	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

Sources: Arlington County FY2021 Adopted Budget and Arlington County School Board's Adopted Budget FY 2021.

TABLE N

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

Form of Government Date of Adoption January 1, 1932	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Area (square miles)	26	26	26	26	26	26	26	26	26	26
Lane Miles	974	974	974	974	974	974	1,051	1,059	1,059	1,059
Number of Street Lights	17,267	17,796	18,708	19,642	18,349	18,493	18,500	18,625	18,655	19,297
Fire Protection:										
Number of Stations	10	10	10	10	10	10	10	10	9	9
Training Academy	1	1	1	1	1	1	1	1	1	1
Education:										
Attendance Centers	37	37	37	38	39	39	39	39	38	38
Number of Classrooms (1)	1,720	1,740	1,760	1,780	1,851	1,913	1,797	1,781	1,828	1,831
Number of Teachers	2,241	2,295	2,406	2,501	2,628	2,736	2,828	2,980	2,990	2,899
Number of Students	21,853	22,763	23,612	24,664	25,463	26,405	26,983	27,521	28,020	26,614
County Water System:										
Number of consumer service locations	37,151	37,189	37,343	37,464	37,658	37,577	37,487	37,479	37,739	37,847
Average daily consumption (gallons)	22,500,000	22,220,000	22,010,000	22,190,000	22,390,000	22,040,000	21,160,000	24,300,000	20,610,000	21,170,000
Miles of water mains	525	525	525	525	525	525	525	529	529	529
County Sewer System:										
Miles of sanitary sewers	470	470	470	470	470	470	470	466	466	466
Average gallons per day treated	22,000,000	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
System capacity under construction (gallons per day)	10,000,000	-	-	-	-	-	-	-	-	-
Building Permits:										
Construction Permits	3,074	3,019	3,035	3,250	3,702	3,376	3,082	3,325	2,936	2,732
Plumbing, Electrical & Mechanical Permits	7,907	8,264	8,338	8,873	10,288	9,477	9,083	9,558	9,128	8,325
Fire Permits	1,052	953	997	1,064	1,214	1,192	942	1,170	1,004	746
Elevator Permits	77	99	95	115	106	110	89	98	117	100
Recreation and Culture:										
Number of Parks and Playgrounds (2)	219	236	236	210	213	214	220	220	220	222
Number of Libraries	8	8	8	8	8	8	8	8	8	8
Number of Items (e-materials) (3)	632,517	653,092	633,127	675,924	687,584	690,700	40,274	56,109	75,285	89,806
Number of Community Centers	14	14	14	14	14	13	13	13	13	14
Number of Nature Centers	2	2	2	2	2	2	2	2	2	2
Number of Historical Districts	32	34	34	36	38	40	40	40	40	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:	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government:										
Control-										
Legislative	\$114,522	\$114,522	\$114,522	\$694,222	\$694,222	\$1,190,662	\$1,190,662	\$1,190,662	\$1,190,662	\$1,313,232
Executive	480,663	480,663	492,215	497,308	532,598	532,598	532,598	532,598	532,598	532,598
Judicial	3,934,611	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
Total Control	4,529,796	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
Staff Agencies-										
Elections	270,396	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
Management and Finance	1,077,827	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
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	923,699	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
Commissioner of the Revenue	595,054	595,054	595,054	595,054	607,454	607,454	607,454	629,149	629,149	629,149
Treasurer	65,114	65,114	65,114	65,114	283,967	349,169	349,169	349,169	349,169	349,169
Department of Technology Service	14,597,576	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
General government buildings	327,020,186	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
Total Staff Agencies	344,964,255	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
Total General Government	349,494,051	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
Public Safety:										
Police	13,102,757	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
Fire	85,337,968	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
Emergency management	5,405,411	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
Total Public Safety	103,846,136	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
Environmental Services	526,053,112	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
Health and Public Welfare	33,105,155	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
Libraries	30,413,627	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
Recreation	143,004,838	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
Community Development	38,051,773	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
Total General Capital Assets	\$1,223,968,692	\$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
Internal Services Fund										
Auto Equipment Fund	\$63,781,962	\$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
Total Internal Services Fund	\$63,781,962	\$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
Component Unit: School Board										
Schools	\$663,053,770	\$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
GRAND TOTAL	\$1,950,804,424	\$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

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%

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, 2020 - JUNE 30, 2021					
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-006-21	07/01/20	07/01/21	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. \$1,196,875,843 TIV subject program limits of \$500 million. Incl. earthquake, flood, boiler & mach. Garagekeeper's Liab., Physical Damage on County vehicles while garaged	\$558,399.00 Includes TRIA
<u>Crime Policy</u> VACORP 2	VA-AR-006-21	07/01/20	07/01/21	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	\$16,350.00 Excludes TRIA
<u>Fine Arts Policy</u> VACORP 3	VA-AR-006-21	07/01/20	07/01/21	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-006-21	07/01/20	07/01/21	Excess Public Entity Liability Policy Excess of \$ 1,000,000 self-insured retention \$ 10 million limits excess of SIR	\$408,848.00
<u>Constitutional Officers Package Policy</u> VACORP 6	VA-AR-006S-21	07/01/20	07/01/21	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	\$31,823.00
<u>Medical Prof. Liability</u>				Professional Liability Insurance	\$260,265.49

ARLINGTON COUNTY, VIRGINIA SCHEDULE OF INSURANCE JULY 1, 2020 - JUNE 30, 2021					
Type of Coverage & Insurance Company	Policy Number	Period From	Period To	Summary of Coverage & Liability Limits	Premium Costs
Arch Speciality Insurance 7	FLP0022336-13	07/01/20	07/01/21	Employed and Contracted Physicians Clinic Staf and EMS Limits: \$2,450,000 Each Incident/\$7,350,000 Aggregate \$12,000,000 Policy Aggregate \$25,000 DED. Each claim	
Group Accident Coverage				Coverage coordinated with pers. Coverage	
VACORP	VA-AR-006-21	07/01/20	07/01/21	AD&D for volunteers	\$6,700.00
VACORP	VA-AR-006-21	07/01/20	07/01/21	AD&D for Campers	\$6,700.00
VACORP	VA-AR-006-21	07/01/20	07/01/21	AD& D for Recreational Sports	\$12,045.00
VACORP	VA-AR-006-21	07/01/20	07/01/21	AD&D for Community Service Program	\$610.00
VACORP	VA-AR-006-21	07/01/20	07/01/21	AD&D for Auxiliary Police	\$610.00
8				TOTAL PREMIUM	\$26,665.00
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.	\$95,000.00
(1) Crum & Forster	SEO-108987	07/01/20	07/01/21		
(2) Endurance	ELD30001833800	07/01/20	07/01/21	07/01/21	
(3) Markel	MKLV3EUE100585	07/01/20	07/01/21		
(4) Travelers	ZUP-10T21909-20-NF	07/01/20	07/01/21		
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, 2020 - JUNE 30, 2021					
Type of Coverage & Insurance Company	Policy Number	Period From	Period To	Summary of Coverage & Liability Limits	Premium Costs
Arlington County Treasurer 12	Virginia Risk	Continuous		Limits: \$1 million per loss	
<u>Fire and Rescue Auto Physical Damage</u> VACORP 13	VA-AR-006-21	07/01/20	07/01/21	Provides comprehensive and collision coverage on vehicles owned or operated by ACFD \$ 1,000 Ded. Per unit	\$34,585.00 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-006-21	07/01/20	07/01/21	Covers Liability of Volunteers Special Event Coverage added effective 9/1/2020	Incl under GL
<u>Cyber Liability</u> VACORP 17	VA-AR-006-21	07/01/20	07/01/21	\$5,000,000 Limit / \$150,000 Deductible provides coverage for hacking and other technology related liabilities	\$42,000.00
<u>Excess Workers' Compensation</u> VACORP 18	VA-AR-006-21	07/01/20	07/01/21	\$5,000,000 Deductible	\$70,584.00
TOTAL					\$1,544,519.49

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
2012	158	\$49,734,782	86	\$487,803,163	12,003	\$443,979,014	\$31,308,133,600	\$30,363,228,300	\$7,313,610,400
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

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%



DEPARTMENT OF MANAGEMENT AND FINANCE

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

ARLINGTON COUNTY, VIRGINIA
CERTIFICATE OF NO DEFAULT
June 30, 2021

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, 2021, 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:

 1A7FC8CAB6FA4BF...

11/2/2021

Maria Meredith
Director
Department of Management & Finance

Date

ARLINGTON COUNTY, VIRGINIA
LARGEST USERS OF THE WATER & SEWER SYSTEM
For the twelve months ending June 30, 2021

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	12,285	Joint Base Myer-Henderson Hall Military	11,311
Gates Hudson - 1600 S. Eads Street Residential	5,142	Pentagon Military	8,682
VNO Ashley House LLC- 1600 S. Joyce Street Retail	3,382	Ronald Reagan Washington National Airport Aviation	6,587
Avalon Ballston Square - 850 N. Randolph Street Apartments	2,713	Gates Hudson - 1600 S. Eads Street Residential	5,142
Washington Golf & Country Club Recreation	2,460	VNO Ashley House LLC- 1600 S. Joyce Street Retail	3,382
Carlton Condos -4600 S Four Mile Run Residential	2,422	Avalon Ballston Square - 850 N. Randolph Street Apartments	2,713
1200 Eads Street Sub LLC - 520 S. 12th Street Apartments	2,407	Washington Golf & Country Club Recreation	2,460
VNO James House LLC - 1111 S. Army Navy Dr. Apartments	2,345	Carlton Condos -4600 S Four Mile Run Residential	2,422
Pentagon City Mall Associates - 1100 S. Hayes St Retail	2,242	1200 Eads Street Sub LLC - 520 S. 12th Street Apartments	2,407
Washington Golf & Country Club Recreation	2,460	VNO James House LLC - 1111 S. Army Navy Dr. Apartments	2,345
Archstone/ RP Washington Buchanon Apartments	2,199	Pentagon City Mall Associates - 1100 S. Hayes St. Retail	2,242

ARLINGTON COUNTY, VIRGINIA
DESCRIPTION OF THE WASTEWATER & WATER SYSTEM
& WASTEWATER & WATER RATES
JUNE 30, 2021

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 21.78 MGD.

Plant Upgrade & Expansion

In April 2001, County staff and an external engineering team were assembled to update the 1988 Master Plan to address wet weather external bypasses, new and foreseen regulations, aging infrastructure and capacity requirements with respect to the Wastewater System. The result of this effort is the Master Plan Update 2001 ("MP01"). The MP01 provides for the goal of minimization of wet weather external bypasses, increased redundancy, expansion of capacity to handle flows to approximately 2040 + and a positive environmental impact for Four Mile Run, the Potomac River, and the Chesapeake Bay. The MP01 featured a two-phase design process and three construction contracts as well as program management and engineering services. Major facilities included in the MP01 include two new aeration tanks, two new equalization tanks, a new biofilter facility, and three new secondary clarifiers.

The total cost of all phases of the MP01 was \$566.3 million. County ratepayer's share was 82 percent; Inter-Jurisdictional Partners' share was 18 percent. Financing for the County's share was provided by several sources. There were eight Wastewater System & Water System Revenue bonds totaling \$300 million issued to the Virginia Water Facilities Revolving Loan Fund Program (the "VWFRF") which is administered by the Virginia Resources Authority ("VRA"). General Obligation bonds of the County were issued in 2007 for \$48.5 million, 2008 for \$27.4 million, and 2009 for \$11.7 million. Grant funds from the Water Quality Improvement Fund under the Department of Environmental Quality Chesapeake Bay Program for approximately \$96 million were authorized in February 2007.

Major Customers

The County's wastewater system serves residents and businesses in the County. A list of the top ten retail wastewater customers is included in Table U of the Statistical Section. On a wholesale basis, the County's wastewater system serves Alexandria Sanitation Authority; the City of Alexandria, Virginia; the City of Falls Church, Virginia; and Fairfax County, Virginia (together, the "Inter-Jurisdictional Partners" or "IJ Partners"). Arlington has contractual agreements for wastewater conveyance and treatment with the IJ Partners that set forth the terms of these relationships, including the calculation of both operating and capital charges. A summary of each IJ Partner contract is included in the table below; additional information on the contracts can be requested from the County's Department of Environmental Services, Budget & Finance Division at (703)228-3601.

IJ Partner	Share of Plant Capacity	Agreement Expiration Date
Fairfax County	3.0 MGD Peak flow capacity reservation of 6.6 MGD	June 30, 2004 Fairfax provided written notification that contract will be honored until new agreement is negotiated
City of Alexandria & Alexandria Sanitation Authority (ASA)	3.0 MGD Maximum daily flow capacity reservation of 7.5 MGD	June 30, 1987 Agreement provides that it is binding until Arlington system is not in existence and as long as either party is not in default. ASA provided written notification that contract will be honored until new agreement is negotiated
City of Falls Church	0.8 MGD Peak flow capacity of 2.0 MGD	September 9, 2012

Water Distribution System

Description of System

Arlington County purchases water on a wholesale basis from the Washington Aqueduct, a branch of the U.S. Army Corps of Engineers. The water system was established in 1927 after an Act of Congress, approved April 14, 1926, authorized Arlington County to receive water from a water supply pumping station at the Dalecarlia Reservoir Water Treatment Plant in northwest Washington, D.C. Average daily production for the entire Washington Aqueduct system, which includes two water treatment plants in the District of Columbia, Dalecarlia and McMillan, is 140 MGD.

The County's water distribution system presently consists of approximately 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 20.89 MGD to approximately 37,700 service accounts. The system serves residents and businesses in the County but does not provide water to the Pentagon or Reagan National Airport except under emergency situations, during construction, or other unusual circumstances.

Washington Aqueduct Agreement

The County entered into an agreement dated as of July 17, 1997 (the "Water Sales Agreement") with the United States of America acting through the Secretary of the Army providing for the sale and furnishing of water to the County from the Washington Aqueduct. The County has pledged the revenues derived from the ownership and operation of its water system to secure its pro rata share of Aqueduct operating costs, including operations and maintenance, the cost of any water purchases for resale, and debt service on certain loans made by the Secretary of the Treasury to the District of Columbia and the Secretary of the Army and debt service on certain bonds previously issued by the District of Columbia., all of which were incurred to finance improvements to the Secretary of the Army's water system. Additional information on the Water Sales Agreement can be requested from the County's Department of Environmental Services, Budget & Finance Division at (703)228-3601.

Wastewater & Water Rates

Retail rates for fiscal years 2017 through 2022 are shown in the following table. The typical residential customer pays \$57.00 per month, 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.

**FY 2017 – FY 2022 Wastewater & Water Rates
Per 1,000 Gallons of Metered Water Usage**

Fiscal Year	Water	Wastewater	Total	Percent Change
2017	\$4.21	\$9.06	\$13.27	0%
2018	\$4.53	\$9.09	\$13.62	3%
2019	\$4.53	\$9.09	\$13.62	0%
2020	\$4.70	\$9.10	\$13.80	1%
2021	\$4.91	\$9.29	\$14.20	3%
2022	\$4.91	\$9.44	\$14.35	1%

The County has recently undergone 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 will go into effect January 1, 2022; the new rate structure is 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.

Rate & Rate Structure Comparison

	FY 2021 Adopted: July 1, 2020 – June 30, 2021	FY 2022 Proposed: July 1 – December 31, 2021	FY 2022 Proposed: January 1, 2022
Water (\$/TG)	4.91	4.91	
Sewer (\$/TG)	9.29	9.44	
Total	14.20	14.35	
Residential:			
Water Base (\$/Quarter)			13.26
Water - Volumetric:			
Tier 1: 0-9 TG (\$/TG)			3.71
Tier 2: >9 TG (\$/TG)			5.94
Sewer Base (\$/ Quarter)			10.76
Sewer – Volumetric – Average Winter Quarter basis (\$/TG)			9.61
Multi-Family:			
Water Base (\$/Month)			9.10
Water – Volumetric (\$/TG)			4.42
Sewer Base (\$/Month)			7.42
Sewer – Volumetric (\$/TG)			9.61
Commercial:			
Water Base (\$/Month)			9.10
Water – Volumetric (\$/TG)			4.79
Sewer Base (\$/Month)			7.42
Sewer – Volumetric (\$/TG)			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, 2021, general obligation debt outstanding attributable to the Utilities Fund totaled \$59,258,155. As of June 30, 2021, outstanding debt for Wastewater System and Water System Revenue Bonds issued through the VWFRF to the VRA totaled \$127,354,027. 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
2022	7,343,155	2,460,590	9,803,746	16,688,169	2,703,327	19,391,496	24,031,324	5,163,918	29,195,242
2023	7,620,000	2,124,466	9,744,466	17,023,231	2,368,265	19,391,496	24,643,231	4,492,731	29,135,962
2024	7,735,000	1,751,176	9,486,176	17,366,021	2,025,475	19,391,496	25,101,021	3,776,651	28,877,672
2025	8,100,000	1,372,591	9,472,591	17,716,730	1,674,766	19,391,496	25,816,730	3,047,358	28,864,088
2026	8,130,000	999,957	9,129,957	18,075,555	1,315,941	19,391,496	26,205,555	2,315,898	28,521,453
2027	6,295,000	683,455	6,978,455	12,049,444	964,742	13,014,186	18,344,444	1,648,197	19,992,641
2028	4,465,000	447,286	4,912,286	12,361,018	653,167	13,014,186	16,826,018	1,100,453	17,926,472
2029	2,380,000	302,986	2,682,986	7,636,635	365,078	8,001,713	10,016,635	668,064	10,684,699
2030	2,365,000	214,624	2,579,624	6,150,916	165,016	6,315,932	8,515,916	379,640	8,895,556
2031	2,345,000	126,437	2,471,437	2,286,309	28,767	2,315,076	4,631,309	155,204	4,786,513
2032	1,355,000	61,725	1,416,725				1,355,000	61,725	1,416,725
2033	740,000	28,506	768,506				740,000	28,506	768,506
2034	235,000	11,625	246,625				235,000	11,625	246,625
2035	150,000	2,813	152,813				150,000	2,813	152,813
	59,258,155	10,588,238	69,846,393	127,354,027	12,264,544	139,618,572	186,612,183	22,852,782	209,464,965

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.




October 5, 2021

To whom it may concern:

Pursuant to Section 5.3 of the Financing Agreement dated as of June 28, 2005 (the "Financing Agreement") between the Virginia Resources Authority as administrator of the Virginia Revolving Loan Fund, and Arlington County ("the County"), the undersigned states the following based on my inquiry of the person or persons who manage the system and whose persons directly responsible for gathering the information:

1. I am a Professional Engineer working for Arlington County at the Water Pollution Control Bureau (WPCB).
2. For the fiscal year that will end on June 30, 2022, 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: 10/5/2021 By: 
 Professional Engineer 0402019967
 Arlington County Department of Environmental Services.

cc: Krista Bourgon Abele, Utilities Fund Manager, Department of Environmental Services
Bobby Hopkins, Finance and Administrative Manager, WPCB, Department of Environmental Services



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:

- Independent Auditors' Report 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

This page has been intentionally left blank.

**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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the 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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 24, 2021. Our report recognizes that the County implemented one new accounting standard, effective July 1, 2020. Our report also includes a reference to other auditors who audited the financial statements of the Gates Partnership, a discretely presented component unit of the County. The financial statements of the Gates Partnership were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

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

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

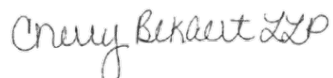
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

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*.

Purpose of this Report

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

A handwritten signature in cursive script that reads "Cherry Beckett LLP".

Tysons Corner, Virginia
November 24, 2021

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

We have audited Arlington County, Virginia's (the "County") compliance with the types of compliance requirements described 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, 2021. 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, 2021. Our audit, described below, did not include the operations of Gates Partnership, which is audited by other auditors.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

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, 2021.

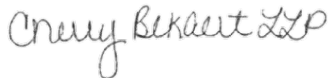
Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.



Tysons Corner, Virginia
November 24, 2021

**ARLINGTON COUNTY, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

Federal Granting Agency / Pass-Through Entity / Program / Cluster	Additional Award Identification	Federal Assistance Listing Number	Cluster Name	Pass-Through Entity Identifying Number	6-30-21 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)		\$ 2,721,182	\$-
National School Lunch Program		10.555	Child Nutrition Cluster (1)		5,960,190	-
Department of Agriculture and Consumer Services:						
Special Supplemental Nutrition Program for Women, Infant, and Children		10.557		19VA717W5003, 211VA707W1003	695,398	-
State Administrative Matching Grants for Supplemental Nutrition Assistance Program (SNAP)		10.561	SNAP Cluster (2)		3,392,541	
Total Passed Through the Commonwealth of Virginia:					12,769,310	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE					\$ 12,769,310	\$ -
<i>(1) Total Child Nutrition Cluster (CFDA #10.553, #10.555)</i>						
<i>(2) Total SNAP Cluster (CFDA #10.561)</i>						
U.S. DEPARTMENT OF COMMERCE						
Direct Awards:						
Chesapeake Bay Studies		11.457		NA16NMF4570298	\$ 37,305	\$-
Total Direct Awards					37,305	-
TOTAL U.S. DEPARTMENT OF COMMERCE					\$ 37,305	-
U.S. DEPARTMENT OF DEFENSE						
Direct Awards:						
Junior Reserve Officer Training		12.000		VA070821	\$ 78,004	-
Total Direct Awards					78,004	\$ -
TOTAL U.S. DEPARTMENT OF DEFENSE					\$ 78,004	\$ -
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	\$ 1,722,833	\$ 1,331,922
COVID-19 Community Development Block Grant	COVID-19	14.218	CDBG - Entitlement Grants Cluster (3)		1,896,533	1,896,533
Subtotal CDBG 14.218 (3)					\$ 3,619,366	\$ 3,228,455
Mainstream Vouchers		14.879			96,604	-
Home Investment Partnerships Program		14.239		M15UC510500, M16UC510500, M17UC510500, M18UC510500, M19UC510500	2,544,024	32,185
Housing Opportunities for Persons with AIDS		14.241		21E313	104,965	-
Continuum of Care Program		14.267		VA036SL3G001800 VA0391L3G001900	75,655	-
Section 8 Housing Choice Vouchers		14.871	Housing Voucher Cluster (4)		19,247,987	-
COVID-19 Section 8 Housing Choice Vouchers	COVID-19	14.HCC			1,552,081	-
Total Direct Awards					\$ 27,240,682	\$ 3,260,640
Passed Through the Commonwealth of Virginia:						
Emergency Solutions Grant Program						
COVID-19 Homelessness Emergency Response Program (CHERP)	COVID-19	14.231		E-20-DW-51-0001	119,593	-
Total Passed Through the Commonwealth of Virginia Housing Urban Development					119,593	-
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					\$ 27,360,275	\$ 3,260,640
<i>(3) Total CDBG - Entitlement Cluster (CFDA #14.218)</i>						
<i>(4) Total Housing Voucher Cluster (CFDA #14.871)</i>						

Federal Granting Agency / Pass-Through Entity / Program / Cluster	Additional Award Identification	Federal Assistance Listing Number	Cluster Name	Pass-Through Entity Identifying Number	6-30-21 Federal Expenditures	Pass-through to sub-recipients
U.S. DEPARTMENT OF JUSTICE						
Direct Awards:						
High Intensity Drug Trafficking Area (HIDTA)		16.000		G19WB0004A	\$ 201,093	\$ -
Joint Terrorism Task Force		16.614			2,470	-
Metropolitan Area Fraud Task Force		16.579			661	-
Electronic Crimes Task Force		16.579			16,330	-
Justice Systems Response to Families		16.021		2017-FJ-AX-0016	147,459	36,863
Justice Assistance Grant Program/DCJS Bryne/JAG Grant		16.738		2018-DJ-BX-0092, 2019-DJ-BX-0353, #20-A4901AD16	77,793	-
Federal Bureau Investigations		16.834			11,866	-
Equitable Sharing Program		16.922			107,639	-
Total Direct Awards					\$ 565,311	\$ 36,863
Passed Through the Commonwealth of Virginia:						
Department of Criminal Justice Services:						
COVID-19 Bureau of Justice Assistance (BJA)	COVID-19	16.034		2020-VD-BX-1041, BDJ	48,899	\$ -
Crime Victim Assistance		16.575		20-V3031VW18	413,461	-
Total Passed Through the Commonwealth of Virginia					\$ 462,360	\$ -
TOTAL U.S. DEPARTMENT OF JUSTICE					\$ 1,027,671	\$ 36,863
U.S. DEPARTMENT OF LABOR						
Passed Through the Commonwealth of Virginia:						
Virginia Community College System:						
Employment Service/Wagner-Peyser Funded Activities		17.207	Employment Services Cluster (5)	MI-31154-17-60-A51 (MOA-18-056)	\$ 46,102	\$ 15,939
Workforce Innovation and Opportunity Act (WIOA) Adult Program		17.258	WIOA Cluster (6)	AA-34799-20-55-A-51, AA-33260-19-55-A-51, AA 32183-18-55-A-51	284,880	154,144
WIOA Youth Activities		17.259	WIOA Cluster (6)	AA-33260-19-55-A-51, AA-34799-20-55-A-51	67,668	44,115
WIOA Dislocated Worker Formula Grants		17.278	WIOA Cluster (6)	AA-34799-20-55-A-51, AA-33260-19-55-A-51, AA 32183-18-55-A-51	353,281	141,070
WIOA Local Area Workforce Plan Development (WIOA Facilitator)		17.280		AA-32183-18-55-A-51	9,984	-
Virginia Employment Commission:						
Wagner Peyser (WIOA-WPSP)		17.207		ES33420-19-55-A-51 ES35384-20-55-A-51	186,364	97,123
Total Passed Through the Commonwealth of Virginia					\$ 948,279	\$ 452,391
TOTAL U.S. DEPARTMENT OF LABOR					\$ 948,279	\$ 452,391

(5) Total Employment Services Cluster (CFDA #17.207)
(6) Total WIOA Cluster (CFDA #17.258, #17.259, #17.278)

U.S. DEPARTMENT OF TRANSPORTATION

Direct Award:						
Highway Planning and Construction		20.205	Highway Planning and Construction Cluster (7)		\$ 68,041	\$ -
Federal Transit - Capital Investment Grants		20.500	Federal Transit Cluster (8)	VA-04-0021-01, VA-04-0028-01	163,745	-
Federal Transit - Formula Grants		20.507	Federal Transit Cluster (8)	VA-95-X062, VA-95-X113	1,401,137	-
Total Direct Awards					1,632,923	\$ -
Passed Through the Commonwealth of Virginia:						
Department of Rail and Public Transportation:						
Highway Planning and Construction		20.205	Highway Planning and Construction Cluster (7)	47019-01	-	\$-
Department of Transportation:						
Highway Planning and Construction		20.205	Highway Planning and Construction Cluster (7)	106144, 103595, 106495, 115562, 106496, 117570, 105295, 113868, 116123, 114671, 114670, 114672, 106474	1,292,004	-

Federal Granting Agency / Pass-Through Entity / Program / Cluster	Additional Award Identification	Federal Assistance Listing Number	Cluster Name	Pass-Through Entity Identifying Number	6-30-21 Federal Expenditures	Pass-through to sub-recipients
Department of Motor Vehicle Administration:						
State and Community Highway Safety		20.600	Highway Safety Cluster (9)	154AL-2019-59014-9014 (Alcohol), FSC-2019-59020-9020 (Speed), FOP-2019-59017-9017 (Occ. Prot.), FPS-2019-59021-9021 (Ped/Bike) 154AL-2020-50023-20023	16,450	-
Alcohol Open Container Requirements		20.607		(Alcohol), FSC-2020-50026-20026 (Speed), FOP-2020-50024-20024 (Occ.Prot.), FPS-2020-50032-20032 (Ped/Bike)	41,542	-
Total Passed Through the Commonwealth of Virginia					\$ 1,349,997	\$ -
Passed Through the Washington Metro Area Transit Authority:						
Federal Transit - Capital Investment Grants		20.500	Federal Transit Cluster (8)	DC-03-0039	\$ 15,408	\$ -
Total Passed Through the Washington Metro Area Transit Authority:					\$ 15,408	\$ -
TOTAL U.S. DEPARTMENT OF TRANSPORTATION					\$ 2,998,327	\$ -

(7) Total Highway Planning and Construction Cluster (CFDA #20.205)
(8) Total Federal Transit Cluster (CFDA #20.500, #20.507)
(9) Total Highway Safety Cluster (CFDA #20.616, #20.600)

U.S. DEPARTMENT OF THE TREASURY

Direct Awards:						
Equitable Sharing		21.016			\$ 69,502	\$-
Total Direct Awards					\$ 69,502	\$ -
TOTAL U.S. DEPARTMENT OF THE TREASURY					\$ 69,502	\$ -

CARES ACT

COVID-19 Treasury CARES	COVID-19	21.019		thru 6/30/21	\$ 28,379,838	\$-
COVID-19 Treasury CARES - Schools	COVID-19	21.019			4,733,243	-
Subtotal Treasury CARES 21.019					\$ 33,113,081	\$ -
COVID-19 Treasury CARES - Schools	COVID-19	84.425D	CARES Act ESSER S425D200008		10,782,217	-
Direct Awards:						
COVID-19 Rent and Mortgage Relief Program	COVID-19	21.019		20-RMRP-004	950,000	-
Passed Through the Commonwealth of Virginia:						
COVID-19 Treasury CARES - pass through State	COVID-19	21.019	SLT0022		232,515	-
TOTAL CARES ACT					\$ 45,077,813	\$ -

National Endowment for the Arts (NEA)		45.024			\$ 47,000	\$ -
---------------------------------------	--	--------	--	--	-----------	------

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	220,059	-
Department of Education:						
Title I Grants to Local Educational Agencies		84.010		S010A180046	2,538,234	-
Special Education Grants to States		84.027	Special Education Cluster (IDEA) (10)	H027A190107	4,934,350	-
Career and Technical Education - Basic Grants to States		84.048		V048A190046	349,189	-
Special Education Preschool Grants		84.173	Special Education Cluster (IDEA) (10)	H173A190112	140,563	-
Education for Homeless Children and Youth		84.196		G00720	13,396	-
Twenty-First Century Community Learning Centers		84.287		S287C140047-60565/540-707	36,210	-
English Language Acquisition State Grants		84.365		S365A190046/5365A180046	482,375	-
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)		84.367		S367A180044	301,832	-
Student Support and Academic Enrichment Program		84.424		S424A180048/S424A180048	136,423	-
Total Passed Through the Commonwealth of Virginia					\$ 9,152,632	\$ -
Passed Through the County of Fairfax, Virginia:						
Fairfax County Public Schools:						
Adult Education - Basic Grants to States		84.002		V002A190047/V002A180047	\$ 426,455	\$ -

Federal Granting Agency / Pass-Through Entity / Program / Cluster	Additional Award Identification	Federal Assistance Listing Number	Cluster Name	Pass-Through Entity Identifying Number	6-30-21 Federal Expenditures	Pass-through to sub-recipients
Total Passed Through the County of Fairfax, Virginia					\$ 426,455	\$ -
TOTAL U.S. DEPARTMENT OF EDUCATION					\$ 9,626,087	\$ -

(10) Total Special Education Cluster (IDEA) (CFDA #84.027, #84.173)

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Passed Through the Commonwealth of Virginia:

Department for the Aging:

Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation		93.041			\$ 1,779	\$-
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Care		93.044	Aging Cluster (12)		418,308	-
COVID-19 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Care	COVID-19	93.044	Aging Cluster (12)		59,418	-
Subtotal Aging Cluster 93.044					\$ 477,726	\$ -
COVID-19 Special Programs for the Aging, Title III, Part C, Nutrition Services	COVID-19	93.045	Aging Cluster (12)		212,628	-
COVID-19 Special Programs for the Aging, Title III	COVID-19	93.045	Aging Cluster (12)		239,620	-
Subtotal Aging Cluster 93.045					\$ 452,248	\$ -
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects		93.046			2,344	-
Senior Medicare Patrol Project		93.048			-	-
National Family Caregiver Support, Title III, Part E		93.052			111,803	-
COVID-19 National Family Caregiver Support, Title III, Part E	COVID-19	93.052			35,288	-
Subtotal Aging Cluster 93.052					\$ 147,090	\$ -
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations		93.779			20,015	-
Medical Assistance Program-Medicaid; Title XIX		93.778			1,223,584	-

Department of Social Services:

Promoting Safe Stable Families		93.556			42,645	-
Temporary Assistance for Needy Families		93.558	Cluster (13)	CVS-18-210-03 (CSBG), CVS-19-063-03 (TANF)	983,780	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs		93.566			9,326	-
Low-Income Home Energy Assistance		93.568			267,969	128,650
Community Service Block Grant		93.569	Community Service Block Grant Cluster (11)	CVS-19-063-03	203,657	200,677
COVID-19 Community Service Block Grant	COVID-19	93.570	Community Service Block Grant Cluster (11)	CVS-20-124-03 - COVID	224,459	224,459
Child Care Development Block Grant		93.575	Child Care Development Block Grant (102-586)		23,952	-
Child Care Mandatory and Matching Funds of the Child Care Development Fund (CCDF)		93.596	CCDF Cluster (14)		218,644	-
Chafee Education and Training Vouchers Program		93.599			18,838	-
Adoption and Legal Guardianship Incentive Payments		93.603			5,000	-
Stephanie Tubbs Jones Child Welfare Services Program		93.645			942	-
Foster Care Title IV-E		93.658			1,247,011	-
Adoption Assistance		93.659			1,013,911	-
Social Services Block Grant		93.667			948,603	-
Chafee Foster Care Independence Program		93.674			17,839	-
Children's Health Insurance Program		93.767			31,087	-
Medical Assistance Program		93.778	Medicaid Cluster (15)		2,593,861	-

Department of Health Services:

Public Health Emergency Preparedness Grants		93.069		1 NU90TP922013-01	101,250	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs		93.116		U52PS004675	43,400	-
Family Planning Services		93.217		FHPHA006376	152,189	-
Immunization Cooperative Agreement		93.268		NH23IP922610	63,639	-
Maternal and Child Health Services Block Grant to the States		93.994		B04MC32577	99,977	-

Department of Behavioral Health and Developmental Services:

Federal Granting Agency / Pass-Through Entity / Program / Cluster	Additional Award Identification	Federal Assistance Listing Number	Cluster Name	Pass-Through Entity Identifying Number	6-30-21 Federal Expenditures	Pass-through to sub-recipients
Projects for Assistance in Transition from Homelessness		93.150		X06SM016047-18	67,356	-
American Psychiatric Association		93.243		5H79SM080818-02	218	
Homeless-Mental Path	COVID-19	93.665			115,315	
SUD Federal OPT-R Treatment		93.788		H79TI081682	116,731	-
Block Grants for Community Mental Health Services		93.958		B095M010053-19	874,625	-
Block Grants for Prevention and Treatment of Substance Abuse		93.959		B08TI010053-19	580,563	-
Health Administration Traineeships Program		93.962		B08TI010053-19	143,571	-
Total Passed Through the Commonwealth of Virginia					\$ 12,535,145	\$ 553,786
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					\$ 12,535,145	\$ 553,786
<p>(11) Total Community Service Block Grant Cluster (CFDA #93.569) (12) Total Aging Cluster (CFDA #93.044, #93.045) (13) Total TANF Cluster (CFDA #93.558) (14) Total CCDF Cluster (CFDA #93.596) (15) Total Medicaid Cluster (CFDA #93.778)</p>						
U.S. DEPARTMENT OF HOMELAND SECURITY						
Direct Awards:						
Preparing for Emerging Threats and Hazards		97.133		EMW-2016-GR-00231	\$ 132,094	\$ -
Total Direct Awards					\$ 132,094	\$ -
Passed Through the Commonwealth of Virginia:						
Department of Emergency Management:						
Public Assistance (DPSCSEM)	COVID-19	97.036			\$ 11,915,976	\$-
Emergency Management Performance Grants		97.042		EMP-2018 EP-00007(7711)	76,473	-
Department of Fire Programs:						
Homeland Security Grant Program (15)		97.044		EMW-2017-FO-06364	37,500	-
Total Passed Through the Commonwealth of Virginia					\$ 12,029,949	\$ -
Passed Through the Government of the District of Columbia:						
Homeland Security and Emergency Management Agency:						
Homeland Security Grant Program (15)		97.067		18UASI879-01,18UASI879-02,17UASI879-05,19UASI879-01, EWW-2018-SS-00051	\$ 714,114	\$ -
Total Passed Through the Government of the District of Columbia					\$ 714,114	\$ -
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY					\$ 12,876,157	\$ -
(16) Total Homeland Security Grant Program (CFDA #97.067) funded by multiple agencies.						
TOTAL FEDERAL ASSISTED PROGRAMS					\$ 125,403,875	\$ 4,303,680

ARLINGTON COUNTY, VIRGINIA
NOTES TO SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

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, 2021**

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: **None**
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>
14.871-CL	Housing Voucher Cluster
84.027 and 84.173-CL	Special Education Cluster
84.425D	Elementary and Secondary School Emergency Relief Fund
21.019	Coronavirus Relief Fund
10.561-CL	Supplemental Nutritional Assistance Program Cluster
97.036	Public Assistance Grants
14.218-CL	Community Development Block Grant

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*:

None reported

C. Findings and Questioned Costs Relating to Federal Awards:

None reported

D. Status of Prior Year Findings

Finding 2020-001 – Non-material non-compliance over Eligibility requirements of the Medical Assistance Program (Medicaid) (Assistance Listing Number 93.778)

Status: Corrective action implemented

Finding 2020-002 – Significant Deficiency and non-material non-compliance over Eligibility requirements of the Temporary Assistance for Needy Families (TANF) Program (Assistance Listing Number 93.558)

Status: Corrective action implemented

ARLINGTON COUNTY VISION

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



**ARLINGTON
VIRGINIA**

Department of Management and Finance

2100 Clarendon Boulevard, Suite 501

Arlington, VA 22201

703-228-3415