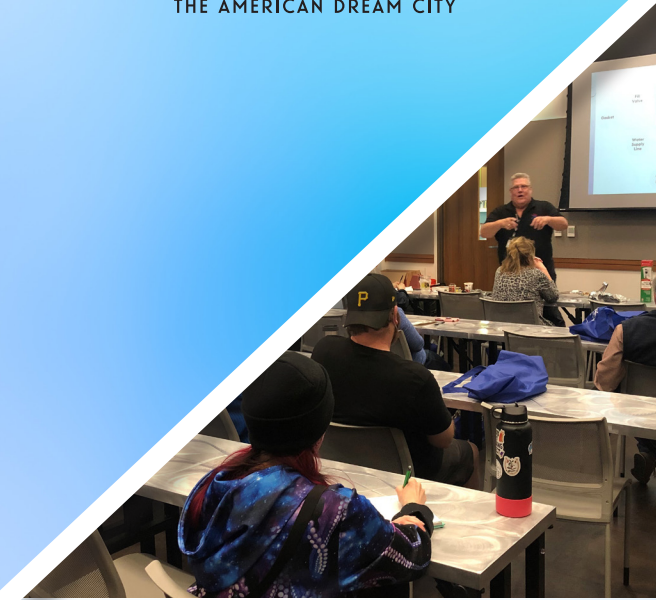


City of Arlington, Texas

2023 Annual Comprehensive Financial Report

Year ended September 30, 2023



CITY OF ARLINGTON, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2023

PREPARED BY THE FINANCE DEPARTMENT,
ACCOUNTING DIVISION



Jim Ross
Mayor

Trey Yelverton
City Manager

April Nixon
Finance Director

Amy Mapes, CPA, CGFO
Controller



**CITY OF ARLINGTON, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023
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March 14, 2024

To the Honorable Mayor, Members of Governing Council and Citizens of the City of Arlington:

The Finance Department is pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Arlington, Texas (the City), for the year ended September 30, 2023, in accordance with the City Charter.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that is established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

FORVIS, LLP has issued an unmodified “clean” opinion on the City’s financial statements for the year ended September 30, 2023. The independent auditor’s report is located at the front of the financial section of this report.

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

City Profile: Overview and Governance

Established in 1884, Arlington lies in the heart of the Dallas/Fort Worth/Arlington metro area, just 8 miles south of DFW International Airport. Governed by a home rule charter, the city operates under a Council-Manager government. The Mayor and eight City Council Members possess local legislative authority, with the Mayor and three Council Members elected citywide, and five by district. In November 2022, voters extended the Mayor and Council Members’ terms from 2 years to 3 years, with a limit of 3 terms (9 years) each. Details regarding Mayor and Council terms can be found on page xiv of this report. The City Manager, appointed by the Mayor and Council, serves as the municipal government’s chief executive. Additionally, the Council appoints members to various boards, commissions, and authorities, as necessary for city operations.

Arlington offers a comprehensive suite of municipal services, encompassing police and fire protection, water and wastewater utilities, infrastructure construction and maintenance, as well as recreational and cultural events.

The City comprises seven discretely presented component units. These are detailed in the MD&A and the notes to the financial statements.

Financial Planning and Policies

Arlington demonstrates proactive financial management by exercising legislative budgetary control at the fund level. Employing tools such as a multi-year financial plan, capital budget, and annual budget, the city ensures prudent fiscal management. Annual evaluation of comprehensive financial policies informs budgetary decisions, which are transparently reported. Embracing innovation, city staff members continuously seek process and policy enhancements, while nurturing robust partnerships with local and regional nonprofit and for-profit sectors. Services and programs are tailored to meet community needs, prioritizing long-term sustainability. With a steadfast commitment to residents’ quality of life, Arlington management and staff uphold standards of excellence.

Long Term Financial Planning

It is difficult to remember a time in the City's history that has brought about more dramatic swings in economic conditions than the past few years. The sharp downturn experienced during the pandemic, closely followed by the substantial and rapid recovery that improved our financial outlook beyond our most optimistic hopes, and the new challenges now emerging in the post-pandemic environment, have tested our ability to adapt and respond while keeping our focus on the City's long-term strategies and goals.

After two years of caution in preparing budgets that were constrained by the economic effects of the pandemic and uncertainty surrounding the City's major revenues, the outlook for FY 2024 is looking brighter with increased revenues and the inflation rate expected to return to historic norms. Although many challenges remain, financial prospects for the coming year will allow the City to pursue new program initiatives and continue fulfilling the promises and commitments we have made to Arlington's citizens.

The top five major employers listed below make up approximately 13% of the total employment of the City. Some of the major employers in the city include the following:

EMPLOYER	BUSINESS TYPE	NUMBER OF EMPLOYEES
Arlington Independent School District	Public Education	9,429
Texas Health Resources	Healthcare	6,619
General Motors Company	Automobile Assembly	5,640
University of Texas at Arlington	Higher Education	5,600
Six Flags Over Texas	Amusement Park	3,800

Major taxpayers include General Motors Company, S2 Forest Ridge LP/S2 Manchester/Valencia LLC, and Oncor Electric Delivery making up approximately \$2.3B, 6.45% of the City's assessed value.

Arlington has proactively managed its financial condition with a built-in conservative bias. City leaders continue to carefully manage its financial condition and will continue to take feasible steps within their control to preserve Arlington's general obligation bond ratings of Aa1 from Moody's Investors Service, AAA from Standard and Poor's and AAA from Fitch.

The FY 2023-24 budget was developed with delivery of core services in mind. Managed savings, restructuring, and ongoing efficiency initiatives have enabled staff to deliver the same high level of service at the lowest possible cost. The City is continuously looking for new ways to innovate, save, and provide the highest value to our residents.

Council has identified the following key priorities for the upcoming year:



The 2023 budget focused on these priorities and maintains the City's core value of quality and cost-effective service delivery. In 2023 (tax year 2022), the property tax rate was 59.98 cents. The 2024 rate (tax year 2023) is .30 cents lower than the rate in effect for the preceding year.

Major Initiatives/Highlights

Entertainment District

Texas Rangers Major League Baseball Team

In a historic milestone, the Texas Rangers clinched their first-ever World Series championship with a resounding 5-0 victory in Game 5. The team and players graciously donated several artifacts commemorating their triumph to the Hall of Fame, where they will be permanently displayed in Cooperstown after the 2024 Postseason. Arlington's Entertainment District transformed into a vibrant sea of red, white, and blue as hundreds of thousands of fans from the Dallas-Fort Worth region gathered to celebrate the Rangers' monumental achievement with a victory parade.

AT&T Stadium

The stadium is a hub for major events, hosting the Cotton Bowl annually alongside various other special events. Arlington was selected as one of the four sites to host the NCAA Division I Men's Basketball Final Four in 2030. Additionally, AT&T Stadium hosted the Concacaf Gold Cup Quarterfinals in 2023 and will become the permanent home of the PBR (Professional Bull Riders) World Finals, starting in 2024. Notably, the city commemorated the Taylor Swift Era's tour by ceremoniously renaming Randol Mill Road to Taylor Swift Way during her April performance at the stadium.

In preparation for the 2026 World Cup, the Jerry Jones Family announced their plans for further private reinvestment into AT&T Stadium. This initiative will see their post-opening reinvestment nearing \$500 million over the next few years, with a substantial new program starting immediately and extending through the fall of 2025.

National Medal of Honor Museum

The National Medal of Honor Museum Foundation (NMOHMF) celebrated a major milestone in its construction of the National Medal of Honor Museum with the placement of the building's final steel beam in July. The one-of-a-kind museum will recognize the 3,511 service members who have received the Medal of Honor. Through recipients' stories of courage and valor, the museum will inspire current and future generations to discover and develop shared values inherent to every recipient – courage and sacrifice, commitment and integrity, citizenship, and patriotism. The Museum is scheduled to be completed in early 2025 and will contain more than 100,000 square feet of space, with 31,000 square feet of that area dedicated to Exhibition Galleries telling the history of the Medal of Honor.

Other notable 2023 accomplishments include:

- **Arlington Tomorrow Foundation**

The foundation was established to guarantee that the financial proceeds derived from the City's natural gas drilling efforts today will continue to benefit Arlington and its residents for years to come. Each year, the interest generated from the endowment is allocated as grants to local non-profit organizations and governmental entities, aiming to improve the lives of citizens and enrich Arlington's natural environment and lifestyle. In 2023, the Foundation approved grants totaling over \$1.4 million for projects focused on fostering safe and vibrant neighborhoods, as well as promoting engaging leisure, educational, and cultural activities.

- **Spark Arlington**

In February, the Cordish Companies and Texas Rangers unveiled Spark Arlington, a collaborative workspace for local entrepreneurs, creators, and innovators to establish and expand their businesses. Situated within Choctaw Stadium, Spark fosters Arlington's burgeoning entrepreneurial scene by positioning members near adjacent businesses and attractions in the Entertainment District, including Globe Life Field, AT&T Stadium, Texas Live, Live! by Loews and Loews.

- **UT Arlington**

The University of Texas at Arlington has made substantial investments in health innovation and marked the inauguration of its new School of Social Work/College of Nursing and Health Innovation (CONH) Smart Hospital building with a ribbon-cutting ceremony and community tour. This cutting-edge facility, spanning 150,000 square feet, consolidates nursing and social work education, offering students innovative teaching environments equipped with state-of-the-art technology. Concurrently, UT Arlington has prioritized student growth enrollment by implementing initiatives to enhance access, retention, and graduation rates. By expanding academic offerings,

providing robust support services, and investing in campus infrastructure, UT Arlington continues to attract a diverse and talented student body, empowering future leaders in healthcare and beyond.

- **Arlington Museum of Art**

The Arlington Museum of Art is gearing up to draw a larger audience of art enthusiasts and showcase high-profile exhibitions, including immersive displays, upon its relocation to the city's bustling Entertainment District early next year. Approved through an agreement with the Arlington City Council, the Museum is set to move to the Esports Stadium and Expo Center, situated near Choctaw Stadium and the forthcoming National Medal of Honor Museum, by early 2024.

- **Medical City Arlington**

In March, Medical City Arlington initiated a significant expansion project with a groundbreaking ceremony, encompassing the construction of a new patient tower, additional beds, and extensive renovations. Valued at \$144 million, this endeavor aims to augment hospital capacity and elevate services for Arlington and its surrounding areas. The project features a three-story vertical expansion, with the potential for future growth to nine stories. Completion is slated for early 2025.

Awards and Acknowledgements

The City of Arlington has been recognized by the Government Finance Officers Association of the United States and Canada (GFOA) for its outstanding financial reporting. For the fiscal years ending September 30, 2021, and September 20, 2022, Arlington received the Certificate of Achievement for Excellence in Financial Reporting, marking the 44th and 45th years of earning this esteemed accolade. The City's commitment to transparent and exemplary financial practices is further evidenced by the receipt of the Certificate for Outstanding Achievement in Popular Annual Financial Reporting for the same years, which represent the twelfth and thirteenth consecutive years of recognition. Additionally, Arlington received the Distinguished Budget Presentation Award for the FY2023 budget from the GFOA, maintaining a remarkable streak of 36 years of earning this distinction.

The City has also received awards and accreditations for departments including:

- Bloomberg Philanthropies' What Works Cities Certification – Gold Level (1 in 18 cities to have ever achieved at this level and the first city in Texas at any level)
- Transparency Stars for Traditional Finance, Contracts & Procurement, Economic Development, Public Pensions and Debt Obligations from the Texas Comptroller
- Commission for Accreditation of Park and Recreation Agencies (CAPRA)
- National Gold Medal Winner for excellence in the field of Park and Recreation Management
- Commission on Accreditation for Law Enforcement Agencies (CALEA)
- Emergency Management Accreditation Program (EMAP) Accredited
- American Public Works Association (APWA) Accredited Agency
- ProLiteracy Accreditation
- Association of Metropolitan Water Agencies (AMWA) Gold Award winner for exceptional utility performance
- Achievement of Excellence in Procurement

The preparation of this report would not have been possible without the dedication and expertise of the entire staff of the Finance Department. Their unwavering commitment to excellence, coupled with the steadfast support of the Mayor and Council, ensure that Arlington continues to uphold the highest standards of professionalism in financial management.

Respectfully submitted,



Trey Yelverton
City Manager



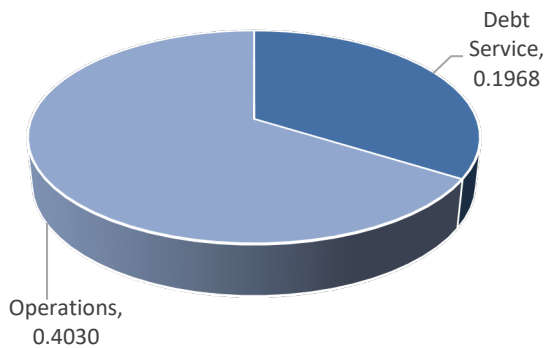
April Nixon
Finance Director

Local Economic Indicators

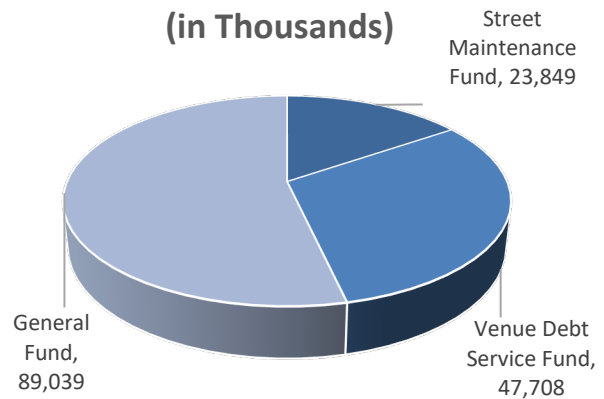
	2023	2022	2021
Property Tax Base (in thousands)*	(tax year 2022)	(tax year 2021)	(tax year 2020)
Personal	\$ 3,938,806	\$ 3,569,050	\$ 3,332,992
Real Estate	\$ 37,003,405	\$ 32,532,497	\$ 28,629,929
Mineral Lease Properties	\$ 418,095	\$ 208,981	\$ 87,601
Agricultural Properties	\$ 386	\$ 338	\$ 343
Total	\$ 41,360,692	\$ 36,310,866	\$ 32,050,865
Property Tax Rate			
Operations	0.4030	0.4098	0.4085
Debt Service	0.1968	0.2100	0.2140
Total	0.5998	0.6198	0.6225
Sales Tax (in thousands)			
Collections	\$ 160,596	\$ 155,848	\$ 135,978
Annual Growth	3.05%	14.61%	18.14%
Population	405,420	399,560	393,420
General Obligation Debt per Capita	\$ 1,652	\$ 1,679	\$ 1,524
Labor Force	231,982	218,601	215,215
Unemployment Rate	3.80%	3.90%	6.10%
Housing starts permits issued	673	649	762
Foreclosure (residential and commercial)	65	55	29
Occupancy Rates			
Office	88.70%	89.90%	90.20%
Industrial	95.40%	96.40%	96.50%
Retail	95.30%	94.90%	94.10%

*Certified appraisal Roll; does not include properties under protest or supplemental information.

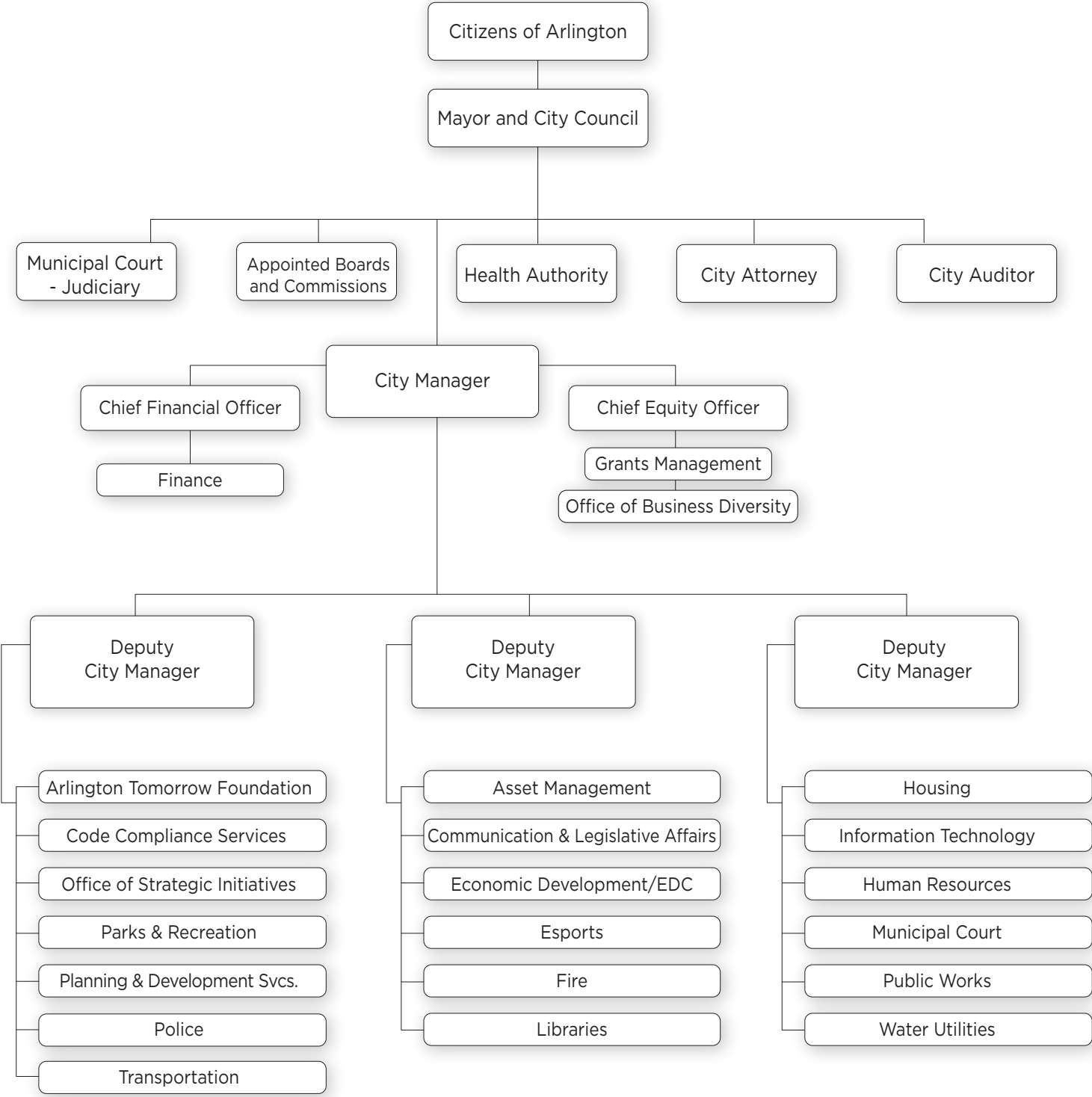
2023 Property Tax Rate



2023 Sales Tax (in Thousands)



City of Arlington Organization Chart





Government Finance Officers Association

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

Presented to

**City of Arlington
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morill

Executive Director/CEO

City of Arlington, Texas
City Council

At September 30, 2023

Jim Ross

Mayor

Term expires May 2026

Dr. Barbara Odom-Wesley, District 8 At Large

Mayor Pro Tempore

Term expires May 2026

Andrew Piel, District 4

Deputy Mayor Pro Tempore

Term expires May 2026

Helen Moise, District 1

Term expires May 2024

Raul H. Gonzalez, District 2

Term expires May 2024

Nikkie Hunter, District 3

Term expires May 2026

Rebecca Boxall, District 5

Term expires May 2026

Long Pham, District 6 At Large

Term expires May 2024

Bowie Hogg, District 7 At Large

Term expires May 2024



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Independent Auditor's Report

Honorable Mayor and Members of the City Council
City of Arlington, Texas
Arlington, Texas

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Arlington, Texas (City), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the accompanying 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 City as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Arlington Convention and Visitors Bureau, Inc., or the Arlington Tourism Public Improvement District, discretely presented component units of the City, which represent 6 percent, 5 percent, and 13 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Additionally, we did not audit the financial statements of the Part-Time, Seasonal and Temporary Employees Deferred Income Plan, a fiduciary component unit of the City, which represent 1 percent, 1 percent, and 0.3 percent, respectively, of the assets, net position, and revenues/additions of the aggregate remaining fund information. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions on the aggregate discretely presented component units and the aggregate remaining fund information, insofar as they relate to the amounts included for the Arlington Convention and Visitors Bureau, Inc., the Arlington Tourism Public Improvement District and the Part-Time, Seasonal, and Temporary Employees Deferred Income Plan are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Adoption of New Accounting Standards

As discussed in Note I.Q. to the financial statements, effective October 1, 2022, the City adopted Governmental Accounting Standards Board Statements No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* and No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison and pension and other postemployment benefit information as listed on the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information including the combining financial statements, individual fund budgetary comparison schedules, and the schedules of capital assets used in the operation of governmental funds is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements, individual fund budgetary comparison schedules, and the schedules of capital assets used in the operation of governmental funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

FORVIS, LLP

**Dallas, Texas
March 14, 2024**



CITY OF ARLINGTON, TEXAS

Management's Discussion and Analysis For the Year Ended September 30, 2023 (Unaudited)

As management of the City of Arlington (City), we offer readers of the City's Annual Comprehensive Financial Report (ACFR) this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information furnished in the letter of transmittal, which can be found beginning on page vii of this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$3B (net position). Of this amount, \$226.3M represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- The City's total net position increased \$104.5M during the current period primarily due to increases to property taxes and investment activities.
- At the conclusion of the current fiscal year, the City's governmental funds collectively reported ending fund balances of \$473.1M, marking a \$19M increase from the previous year. Of this total, \$349.3M is earmarked for specific legal obligations (restricted), while \$120.9M has been designated for approved expenditures by either the City Council (committed) or City management (assigned). Additionally, \$1.8M is categorized as non-spendable, representing inventory or prepaid items. The remaining balance, categorized as unassigned, totaling \$1.1M, is available for any lawful purpose within the general fund.
- At the close of the current fiscal year, the total unrestricted fund balance for the general fund stood at \$85M. This amount represents roughly 28.8% of the total general fund expenditures. Unrestricted fund balance is comprised of the committed, assigned, and unassigned fund balances.
- As discussed in Note I. Q., in 2023 the City adopted Governmental Accounting Standards Board (GASB) Statements Number 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* and Number 96, *Subscription-Based Information Technology Arrangements*. 2022 information presented herein has not been restated for the adoption of GASB 94 and GASB 96.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This is the portion of the ACFR on which the auditors express an opinion. The report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview the City's finances, in a manner like a private-sector business.

The Statement of Net Position presents financial information on all the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

Both government-wide financial statements distinguish between functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). In the statements, the City's business is divided into three types of activities:

The government-wide financial statements can be found on pages 19-23 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 City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains twenty-two individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the general fund, debt service fund, streets capital projects fund, convention and event services fund, and disaster assistance fund all of which are major funds. Data from the other governmental funds are combined into a single, aggregate, nonmajor fund presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in the report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found beginning on page 24 of this report.

Proprietary Funds

The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer and storm water utilities operations. The City uses internal service funds to account for the management of its fleet services and self-insurance functions.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer and Storm Water Utility funds. All internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for internal service funds is provided in the form of combining statements elsewhere in the Annual Comprehensive Financial Report.

The basic proprietary fund financial statements can be found beginning on page 28 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. All the City's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. The City reports two different fiduciary funds. The Pension and Other Employee Benefit trust funds are used to report resources held in trust for the Part Time Deferred Income Trust and the Disability Income Plan. The City also reports one custodial fund to report resources, not in a trust, that are held by City for other parties outside of the City as a reporting entity.

The fiduciary fund financial statements can be found beginning on page 32 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 beginning on page 35 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City's general fund budgetary comparison and progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found on page 89 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 107-135 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position may serve as a useful indicator of a government's financial position. The City's combined net position was \$3B as of September 30, 2023.

Long-term liabilities, which consist of bonds, notes, leases, compensated absences, pension, and postemployment benefit obligations, decreased by \$3.1M from the previous year for governmental and business-type activities combined. The City's net OPEB liability decreased \$34.7M. The City's total pension liability for the year increased by \$228.4M.

The largest portion of the City's net position \$2.7B (90%) reflects its investments in capital assets (e.g., land, building, equipment, improvements, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide service to citizens. Accordingly, these assets are not available for future spending. They do, however, represent an obligation on the part of the City to maintain these assets into the future.

City of Arlington's Net Position

(Amounts Expressed in Millions)

As of September 30,

	Governmental Activities		Business-type Activities		Total	
	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>
Current and other assets	\$ 787	\$ 716	\$ 390	\$ 366	\$ 1,177	\$ 1,082
Capital, SBITA, and lease assets	2,827	2,835	990	1,048	3,817	3,883
Total assets	3,614	3,551	1,380	1,414	4,994	4,965
Total deferred outflows of resources	61	158	4	10	65	168
Long-term liabilities outstanding	1,433	1,383	407	364	1,840	1,747
Other liabilities	104	141	26	60	130	201
Total liabilities	1,537	1,524	433	424	1,970	1,948
Total deferred inflows of resources	180	176	9	4	189	180
Net position:						
Net investment in capital assets	1,693	1,836	834	750	2,527	2,587
Restricted for debt service	60	58	82	64	142	122
Restricted for special revenue	80	56	-	-	80	56
Restricted for use of impact fees	14	15	-	-	14	15
Restricted for net pension asset	112	-	8	-	120	-
Unrestricted	-	44	18	182	18	226
Total net position	\$ 1,959	\$ 2,009	\$ 942	\$ 996	2,901	\$ 3,005

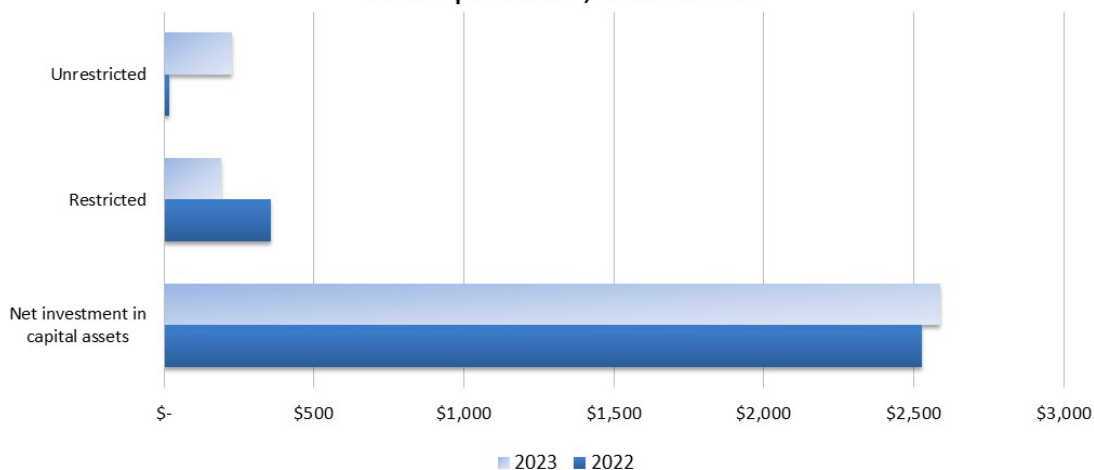
Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital and lease assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position of \$177.9M (5.9%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of \$226.3M (7.5%) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City reports positive balances in all reported categories of net position, both for the governmental and business-type activities. Overall net position increased \$104.5M from the prior fiscal year.

City of Arlington's Net Position (amounts expressed in millions)

As of September 30, 2022 and 2023

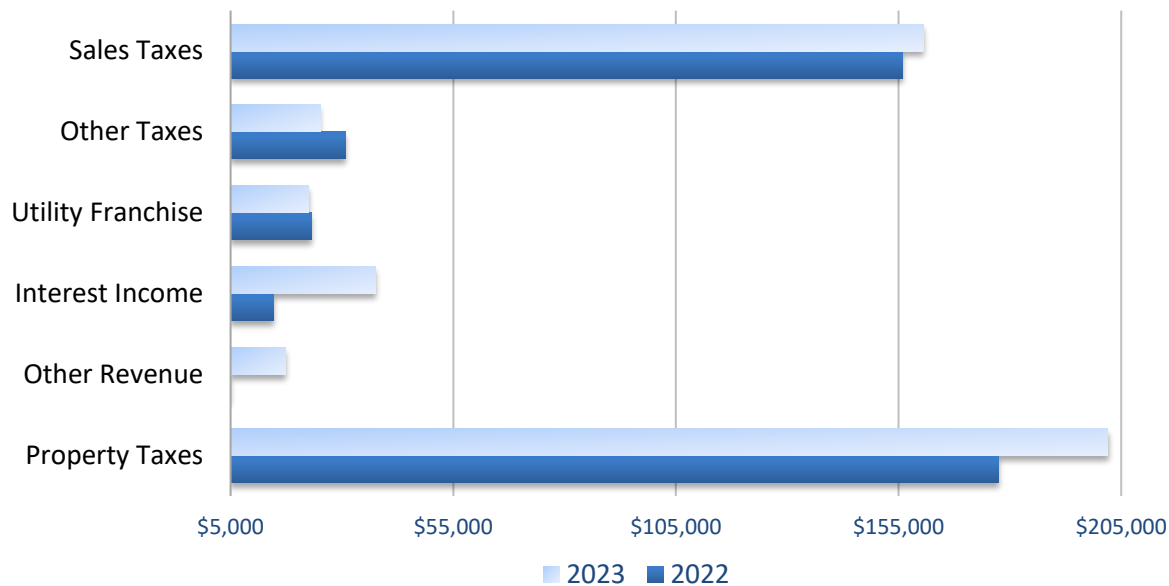


Governmental Activities

The City's general revenues increased compared to the prior year, increased overall by 18.2%. Property tax and interest revenue accounted for much of the increase this year compared to last as a result of new property added to the tax roll and increases in residential values driven by a robust housing market.

Property tax collections were up from the prior year by about \$25.5M and Arlington once again saw growth in assessed valuation. The residential property values increased by 14.8% and commercial property values increased by 17.9% compared to the prior year. The property tax rate for 2023 was set at \$0.5998 per \$100 assessed valuation: down .02 from \$0.6198 in the prior year.

General Revenue Comparison (in thousands) For the Years Ended September 30, 2022 and 2023

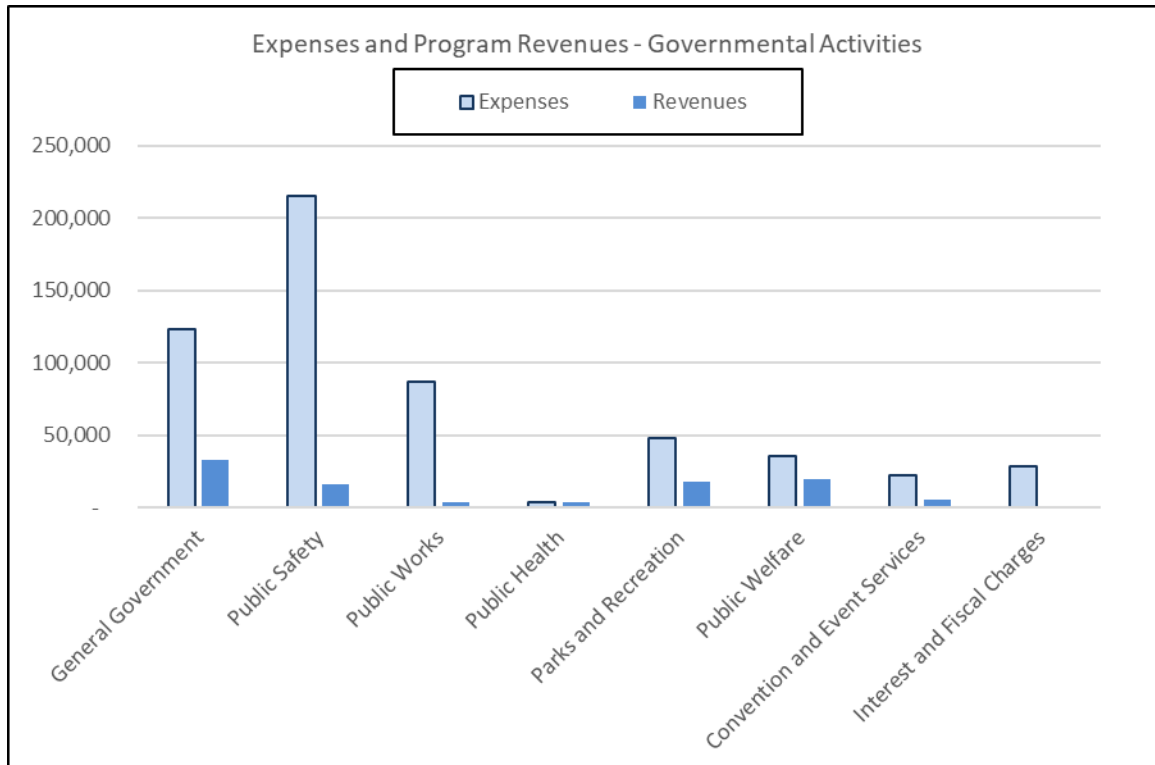


Charges for services decreased \$6M with most of the decrease resulting from the decrease in charges for services in general government. Capital grants and contributions decreased by \$1.9M primarily due to a reduction in capital contributions related public works. Operating grants and contributions decreased \$20.1M compared to the prior year. Interest income increased by \$15.8M compared to the prior year.

Sales tax revenue increased by \$4.8M, up 6.62% from the prior year. This is a continuation of the recovery from reduced sales taxes collected during the Covid pandemic. Utility franchise fee collections decreased by .7% in 2023.

Overall, expenses increased approximately \$25.6M (3.8%) from the prior year. Increases are primarily attributed to an increase in public safety of approximately \$31.5M while parks and recreation expenses increased by \$5.6M. This is due to salary and benefit increases primarily as well as parks capital expenditures which increased this year.

As shown in the chart below, revenues generated by the City's programs are not sufficient to cover the costs. The City relies on property taxes, sales taxes, investment income and other general revenues to cover the costs associated with the various programs.



City of Arlington's Changes in Net Position

(Amounts expressed in thousands)

For the Years Ended September 30,

	Governmental Activities		Business-type Activities		Total	
	2022	2023	2022	2023	2022	2023
Revenues						
Program Revenues:						
Charges for services	\$ 76,264	\$ 71,333	\$ 214,949	\$ 215,991	\$ 291,213	\$ 287,324
Operating grants and contributions	44,613	24,544	-	7,875	44,613	32,419
Capital grants and contributions	4,068	2,200	6,342	-	10,410	2,200
General Revenues:						
Taxes	364,124	387,710	-	-	364,124	387,710
Utility franchise fees	23,193	22,429	-	-	23,193	22,429
Interest income	2,950	11,321	3,348	4,407	6,298	15,728
Other	(2,482)	50,120	(6,063)	10,792	(8,545)	60,912
Total revenues	512,730	569,657	218,576	239,065	731,306	808,722
Expenses						
General government	125,031	123,341	-	-	125,031	123,341
Public Safety	183,230	214,764	-	-	183,230	214,764
Public Works	91,298	86,916	-	-	91,298	86,916
Public Health	3,025	3,732	-	-	3,025	3,732
Parks and recreation	42,481	48,097	-	-	42,481	48,097
Public welfare	43,975	35,467	-	-	43,975	35,467
Convention and event services	20,660	22,249	-	-	20,660	22,249
Lease expense	-	173	-	-	-	173
Interest and fiscal charges	37,603	28,223	-	-	37,603	28,223
Water, sewer and storm water	-	-	131,340	141,238	131,340	141,238
Total expenses	547,303	562,962	131,340	141,238	678,643	704,200
Increase (decrease) in net position before transfers	(34,573)	6,695	87,236	97,827	52,663	104,522
Transfers and capital contributions	23,077	43,791	(23,077)	(43,791)	-	-
Increase (decrease) in net position	(11,496)	50,486	64,159	54,036	52,663	104,522
Net Position, October 1	1,970,143	1,958,647	878,041	942,200	2,848,184	2,900,847
Net Position, September 30	\$ 1,958,647	\$ 2,009,133	\$ 942,200	\$ 996,236	\$ 2,900,847	\$ 3,005,369

Business-type Activities

During the current fiscal year, net position for business-type activities increased \$54.0M from the prior fiscal year for an ending balance of \$996.2M. The increase in overall net position of business-type activities is the result of the increased amount of water and sewer revenue. The revenue increase of \$20.5M in business-type activities (Water and Wastewater/Storm Water Utility) is a result of an increase in water sales and sewer service revenues reported in service charges and interest for the current year. Expenses increased by \$9.9M from the prior year.

CAPITAL, LEASE AND SBITA ASSET AND DEBT ADMINISTRATION

Capital, Lease and SBITA Assets

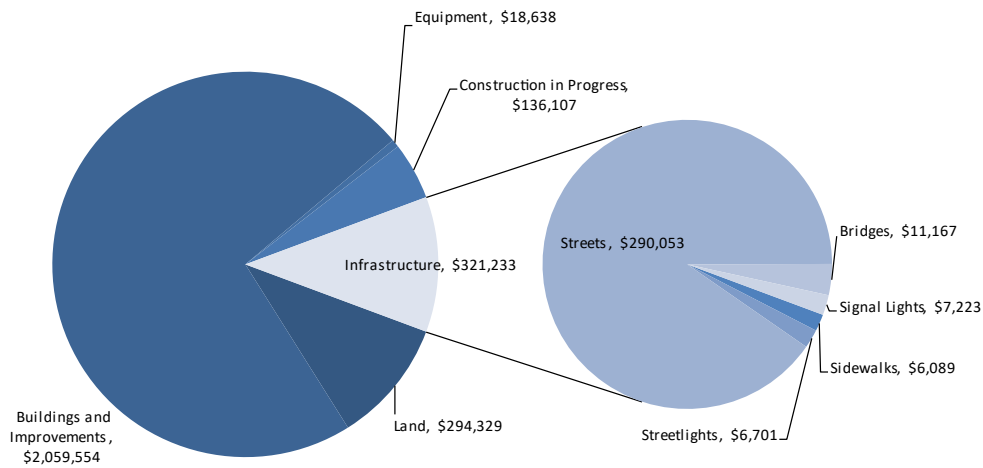
The City's net investment in capital assets for its governmental and business-type activities as of September 30, 2023, amounts to \$3.9B (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, park facilities, roads, highways, bridges, water treatment plants, lease assets and stadiums. The total increase in capital and lease assets for the current fiscal year was \$65.6M. This is a 1.7% increase over the prior fiscal year. Footnote III 5 in the notes to the financial statements provides more detailed information regarding the City's capital, lease and SBITA asset activity.

City of Arlington's Capital, Lease and SBITA Assets						
(in thousands, net of depreciation and amortization)						
	Governmental activities		Business-type activities		Total	
	2022	2023	2022	2023	2022	2023
Land	\$ 294,329	\$ 294,329	\$ 23,757	\$ 23,757	\$ 318,086	\$ 318,086
Buildings and improvements	2,105,788	2,059,554	7,046	6,861	2,112,834	2,066,415
Machinery and equipment	16,051	18,638	583	419	16,634	19,057
Construction in progress	102,768	136,107	195,613	208,430	298,381	344,537
Infrastructure	305,485	321,233	-	-	305,485	321,233
Lease and SBITA assets	2,973	4,669	-	-	2,973	4,669
Drainage system	-	-	99,741	106,911	99,741	106,911
Water and sewer system	-	-	663,134	701,954	663,134	701,954
Totals	\$ 2,827,394	\$ 2,834,530	\$ 989,874	\$ 1,048,332	\$ 3,817,268	\$ 3,882,862

Major capital asset events during the current fiscal year included the following:

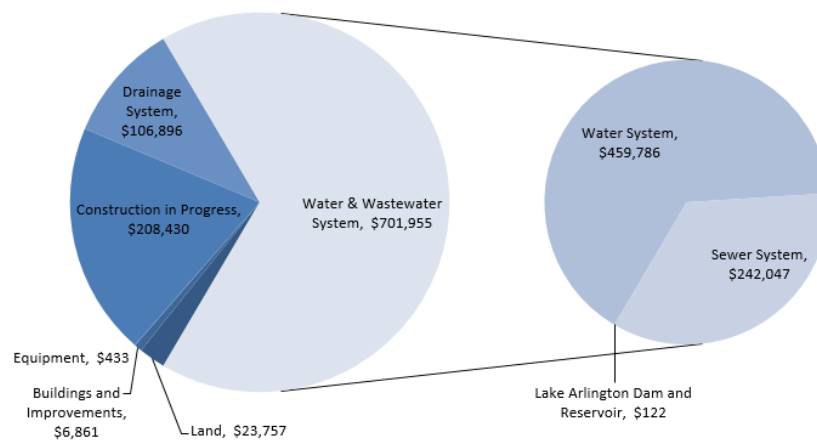
- Private developer capital contributions of \$7.9M to the City's water and sewer infrastructure in connection with various residential and commercial developments
- Water and sewer system capital improvements and expansion of \$61.7M
- Storm drainage system capital improvements and expansion of \$13.1M
- Street construction projects capital outlay totaling \$30.0M
- Improvements to parks and recreation facilities of \$21.8M

The City's governmental activities infrastructure investment, including accumulated depreciation, breaks down as follows (in thousands):



Asset	Book Value	Accumulated Depreciation	Net Value
Sidewalks	\$ 71,771	\$ (65,682)	\$ 6,089
Streetlights	21,685	(14,984)	6,701
Streets	952,152	(662,099)	290,053
Bridges	43,200	(32,033)	11,167
Signal Lights	20,787	(13,564)	7,223
	<u>\$ 1,109,595</u>	<u>\$ (788,362)</u>	<u>\$ 321,233</u>

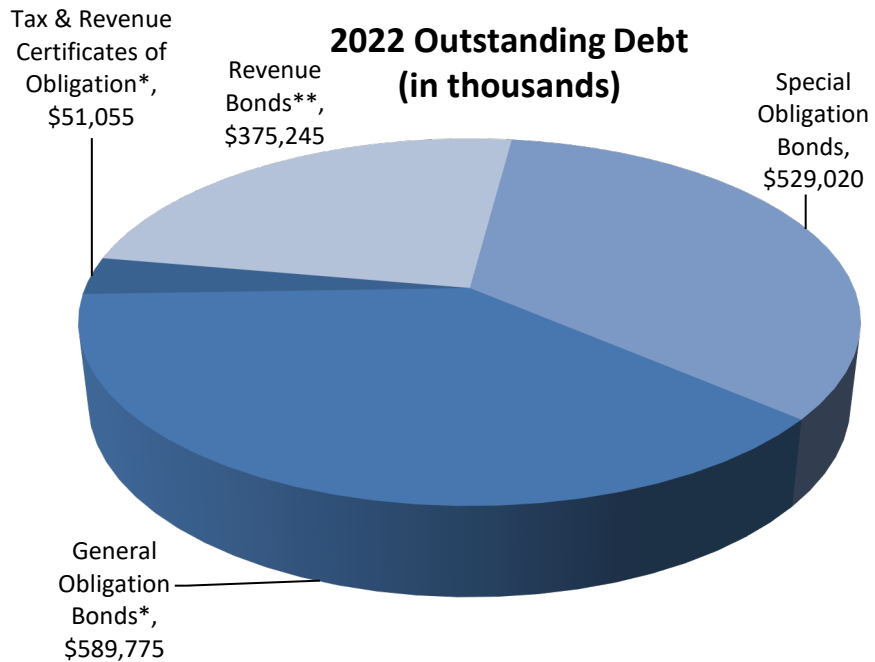
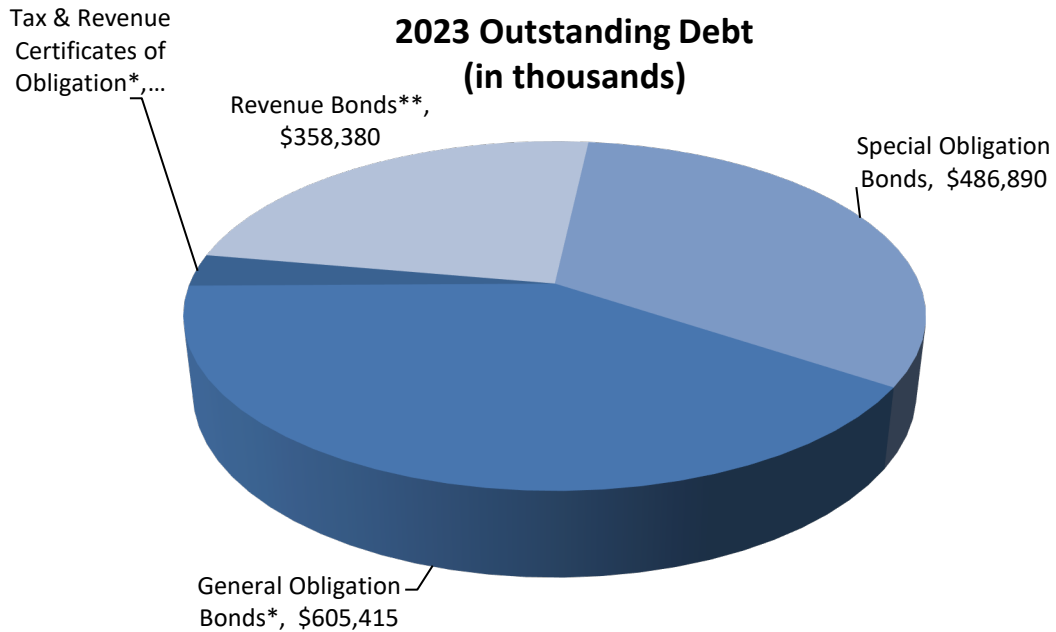
The City's business-type activities infrastructure investment, including accumulated depreciation, breaks down as follows (in thousands):



Asset	Book Value	Accumulated Depreciation	Net Value
Lake Arlington Dam and Reservoir	\$ 2,619	\$ (2,497)	\$ 122
Water System	740,323	(280,537)	459,786
Sewer System	392,496	(150,448)	242,047
	<u>\$ 1,135,438</u>	<u>\$ (433,482)</u>	<u>\$ 701,955</u>

Debt

At the end of the current fiscal year, the City had total bonded debt outstanding of \$1.5B, a slight increase from 2022.



*Secured by City Tax Base

**Secured by Water and Sewer or Drainage Revenue

City of Arlington's Outstanding Debt

(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2022	2023	2022	2023	2022	2023
General obligation bonds (backed by the City)	\$ 589,775	\$ 605,415	\$ -	\$ -	\$ 589,775	\$ 605,415
Combination tax and revenue certificates of obligation (backed by the City)	51,055	44,430	-	-	51,055	44,430
Special tax revenue bonds	529,020	486,890	-	-	529,020	486,890
Revenue bonds (backed by fee revenues)			375,245	358,380	375,245	358,380
Total	\$ 1,169,850	\$ 1,136,735	\$ 375,245	\$ 358,380	\$ 1,545,095	\$ 1,495,115

During the current fiscal year, the City issued \$59.9M in Permanent Improvement Bonds, \$14.7 in Permanent Improvement Refunding Bonds, \$7.2M and \$5.9M in Water and Wastewater System Revenue Bonds and \$4.7M in Stormwater Revenue Bonds. Footnote 8 in the notes to the financial statements provides more detailed information regarding the City's long-term debt activity.

In 2023, the City's debt ratings were as follows by type and agency:

	Fitch	S&P	Moody's
City GO/CO	AAA	AAA	Aa1
WWS Revenue	AAA	AAA	Aa1
Storm Water Revenue	AAA	AAA	Aa1
Venue (Sales Tax/HOT/STMV) Underlying	AA+	A+	A1
Venue (Sales Tax/HOT/STMV) Insurance ^		AA (2018A & C)	A3 (2018C)
Stadium (Ticket and Parking Tax) *	NR	NR	NR
Ballpark Ticket and Parking Tax) *	NR	NR	NR

^ Series 2018A insured by Assured Guaranty Municipal Corp (AGM)

^ Series 2018C insured by Build America Mutual Assurance Company (BAM)

* AMBAC insured / AMBAC no longer rated

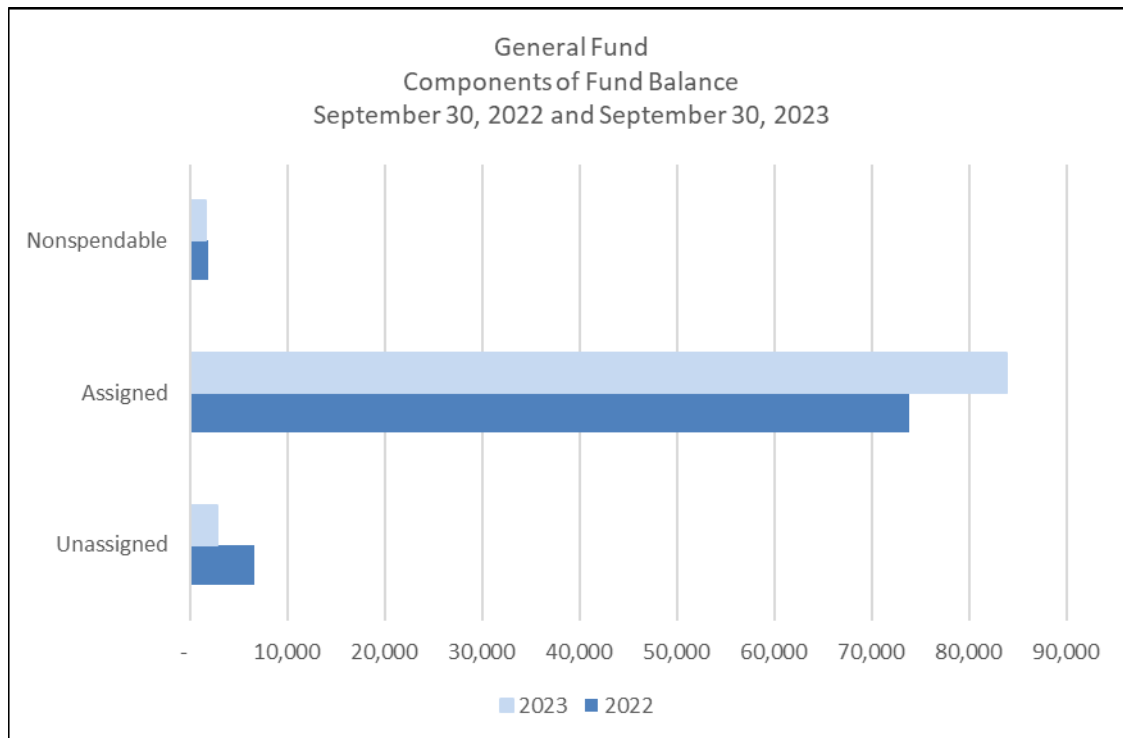
General bonded debt per capita decreased from \$1,679 in 2022 to \$1,652 in 2023.

The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The current ratio of net bonded debt to assessed value of all taxable property is 1.9%.

The City maintains a self-insurance program for bodily injury, property damage, personal injury, advertising injury, regulatory injury, and worker's compensation. Claims for worker's compensation over \$750,000 per occurrence are covered by a private insurance company. Claim liabilities are actuarially determined and take into consideration claim experience, adjustment expenses, economic, and other factors which can vary considerably from year to year. Total estimated claims liability on September 30, 2023 was \$11.8M.

THE CITY'S FUNDS

The governmental funds of the City reported a combined fund balance of \$473.2M. The general fund balance was \$86.5M, which was \$4.1M more than the previous year, primarily due to increased expenditures in all categories offset by increases in tax and investment revenue. The Debt Service fund balance decreased \$2.1M, ending the year with \$58.2M. The decrease was a result of the reduction of debt payments made during the fiscal year. Other changes in fund balances noted include:



- Street Capital Projects fund balance increased in fiscal year 2023, up from \$104.6 to \$113.0M.
- The City's water and sewer fund net position of \$825.8M increased by \$39.4M in the current year. The increase in net position is primarily due to operating revenues exceeding expenses by \$67.7M, capital contributions of \$7.9M and net transfers out of \$41.8M.
- The Storm Water Utility fund saw an increase of \$14.6M to net position in 2023. Storm water fee revenues exceeded fund expenses by \$16.3M and transfers out of \$2.1M were completed, increasing net position to \$175.7M at the end of the fiscal year.

GENERAL FUND BUDGET HIGHLIGHTS

During fiscal year 2023, there was one amendment to the general fund operating budget to increase expenditures by \$310,440 for staff in the Fire Department.

Actual expenditures on a budgetary basis of \$262.6M were less than budgeted expenditures of \$330.9M.

Revenues on a budgetary basis were higher than the budgeted amount of \$290.3M by \$7.4M. Taxes, licenses and permits, leases, rents and concessions, and other revenues were higher than budgeted and are attributable to the variance.

ECONOMIC FACTORS AND FISCAL YEAR 2024

Each year, the City Council identifies community priorities that guide how to allocate the City's resources. The annual Budget and Business Plan are developed to address the City Council's adopted priorities. Economic development continues to be a priority to capitalize on development throughout the region. The City must continue to look for ways to innovate, provide the highest value possible to residents, respond to challenges, and plan. The 2024 Budget also focuses on public safety funding, opening, and maintaining City facilities. General fund property tax revenues are budgeted at \$144.8M and sales taxes increased to \$93.1M. Key budget priorities in 2024 are:

- Enhance regional mobility
- Support youth and families
- Champion great neighborhoods
- Invest in our economy
- Leverage technology
- Build unity

The City's total general fund revenues and transfers for 2024 are budgeted at \$322.5M, and total general fund expenditures are expected to be \$322.4M, an increase of \$26.3M over 2023.

The general fund's largest single revenue source is property taxes. This revenue represents 60.1% of the general fund budget. The property tax rate for 2024 is \$0.5898 per \$100 valuation, the eighth time it has decreased since 2001. The tax rate is split out into two categories, operations, and maintenance, \$0.4080 per \$100 valuation, to the general fund, and interest and sinking, \$0.1818 per \$100 valuation, for debt service. The general fund property tax revenue for 2024 is estimated to be \$144.8M, up \$29.6M (25.7%) from last year's estimate.

The City's portion of the local 8.25 cent sales tax rate is two cents. The general fund receives one cent, one-quarter cent is dedicated to the Street Maintenance Fund, one-quarter cent is dedicated to funding the City's Economic Development Corporation, and one-half cent provides for debt service for venue debt. Sales tax revenue for the general fund for fiscal year 2024 is estimated at \$93.1M, an increase of \$6.7M from 2023 estimates.

The City's Water and Sewer Fund accounts for approximately 26.7% of the City's revenue. The mission of the Water Utilities Department is to provide a continuous supply of high-quality drinking water and ensure safe disposal of wastewater in a responsive, cost-effective manner while continuing to improve service to citizens and planning for future needs. The largest revenue sources for the Water and Sewer Fund is water sales and wastewater treatment budgeted at \$91.7M and \$87.3M respectively for FY 2024. The City maintains a rate structure designed to ensure that each category of service is self-supporting.

Details of the City of Arlington Fiscal Year 2024 Operating Budget can be accessed on the City's website: <http://www.arlington-tx.gov/budget/>.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances and to show the City's fiscal accountability. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Amy Mapes, Controller (amy.mapes@arlingtontx.gov), in the Finance Department, at the City of Arlington, 101 S. Mesquite St., Suite 800, Arlington, TX 76010. The City is also an active member of MSRB's Electronic Municipal Market Access (EMMA), which keeps the Arlington ACFR on file. Additionally, the ACFR can be found on the City's website at <http://www.arlington-tx.gov/finance/financial-reports/>.



CITY OF ARLINGTON, TEXAS
STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2023
(AMOUNTS EXPRESSED IN THOUSANDS)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 487,463	\$ 52,776	\$ 540,239	\$ 70,786
Investments	-	-	-	79,452
Land held for resale	7,653	-	7,653	-
Receivables (net of allowance for uncollectibles):				
Taxes	6,658	-	6,658	4,140
Sales taxes	29,021	-	29,021	-
Trade accounts	-	14,571	14,571	-
Franchise fees	5,692	-	5,692	-
Unbilled trade accounts	-	12,638	12,638	-
Special assessments	122	-	122	-
Accrued interest	2,645	39	2,684	216
Lease	86,879	2,859	89,738	-
PPP Receivable	59,839	-	59,839	-
Due from component units	900	-	900	-
Other	8,817	116	8,933	1,414
Internal balances	5,308	(5,308)	-	-
Due from other governments	13,337	-	13,337	-
Inventory of supplies	1,794	2,724	4,518	-
Prepaid expenses	-	-	-	176
Net OPEB Asset	100	-	100	-
Restricted assets-				
Bond contingency-				
Investments	-	30,870	30,870	-
Capital construction-				
Investments	-	218,600	218,600	-
Escrow	-	26,374	26,374	-
Meter deposits-				
Investments	-	9,353	9,353	-
Capital, Lease and SBITA Assets-				
Land	294,329	23,757	318,086	10,500
Buildings and improvements	2,696,100	9,261	2,705,361	-
Water and sewer system	-	1,135,438	1,135,438	-
Machinery and equipment	156,012	13,232	169,244	6,170
Infrastructure	1,109,595	-	1,109,595	-
Lease and SBITA assets	8,409	-	8,409	-
Drainage systems	-	165,204	165,204	-
Construction in progress	136,107	208,430	344,537	-
Accumulated depreciation/amortization	(1,566,022)	(506,990)	(2,073,012)	(1,033)
Total Assets	3,550,758	1,413,944	4,964,702	171,821
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on debt refunding	7,657	491	8,148	-
Pension items	131,685	9,126	140,811	-
OPEB items	19,115	74	19,189	-
Total Assets and Deferred Outflows of Resources	3,709,215	1,423,635	5,132,850	171,821

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

CITY OF ARLINGTON, TEXAS
STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2023
(AMOUNTS EXPRESSED IN THOUSANDS)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
LIABILITIES				
Accounts payable and accrued liabilities	\$ 40,527	\$ 6,469	\$ 46,996	\$ 4,599
Unearned revenue	20,597	-	20,597	4,594
Retainage payable	4,204	-	4,204	-
Accrued interest	5,956	-	5,956	-
Payable from restricted assets-				
Accounts payable and accrued liabilities	-	7,709	7,709	-
Retainage payable	-	4,961	4,961	-
Accrued interest	-	3,209	3,209	-
Meter deposits	-	9,353	9,353	-
Noncurrent liabilities				
Due within one year:				
Estimated claims payable	6,773	-	6,773	-
General obligation and certificates of obligation debt	51,455	-	51,455	-
Special tax revenue debt	7,150	-	7,150	-
Accrued compensated absences	1,450	253	1,703	-
Revenue bonds	-	27,935	27,935	-
Leases and SBITA payable	2,599	-	2,599	-
Due in more than one year:				
Estimated claims payable	5,017	-	5,017	-
Rebatable arbitrage payable	-	891	891	-
Total other postemployment benefit liability	101,308	7,043	108,351	-
General obligation and certificates of obligation debt	634,203	-	634,203	-
Special tax revenue debt	518,921	-	518,921	-
Estimated pollution remediation	35	-	35	-
Accrued compensated absences	19,839	1,075	20,914	-
Revenue bonds	-	347,633	347,633	-
Net pension liability	101,702	7,069	108,771	-
Leases and SBITA payable	2,173	-	2,173	-
Total Liabilities	1,523,909	423,600	1,947,509	9,193
DEFERRED INFLOWS OF RESOURCES				
OPEB items	31,843	970	32,813	-
PPP related	58,750	-	58,750	-
Leases related	85,580	2,829	88,409	-
Total Deferred Inflows of Resources	176,173	3,799	179,972	-
NET POSITION				
Net investment in capital assets	1,836,472	750,148	2,586,620	7,970
Restricted for debt service	58,197	63,852	122,049	-
Restricted for special revenue	55,718	-	55,718	-
Restricted for use of impact fees	14,523	-	14,523	-
Restricted for net OPEB asset	100	-	100	-
Restricted for housing assistance	-	-	-	43
Restricted for Arlington Economic Development Corporation Operations	-	-	-	6,544
Restricted for endowments	-	-	-	89,389
Unrestricted	44,123	182,236	226,359	58,682
Total Net Position	\$ 2,009,133	\$ 996,236	\$ 3,005,369	\$ 162,628

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



CITY OF ARLINGTON, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(AMOUNTS EXPRESSED IN THOUSANDS)

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government:			
Governmental Activities:			
General government	\$ 123,341	\$ 32,667	\$ 325
Public safety	214,764	10,488	5,104
Public works	86,916	2,211	101
Public health	3,732	3,591	-
Parks and recreation	48,097	17,028	7
Public welfare	35,467	241	19,007
Convention and event services	22,249	5,107	-
Lease expense	173	-	-
Interest and fiscal charges	28,223	-	-
Total Governmental Activities	<u>562,962</u>	<u>71,333</u>	<u>24,544</u>
Business-Type Activities:			
Water and sewer	131,243	191,636	7,875
Storm water utility	9,995	24,355	-
Total Business-Type Activities	<u>141,238</u>	<u>215,991</u>	<u>7,875</u>
Total Primary Government	<u>\$ 704,200</u>	<u>\$ 287,324</u>	<u>\$ 32,419</u>
Component Units:			
Arlington Housing Authority	\$ 43,123	\$ 42,683	\$ -
Arlington Convention and Visitors Bureau	8,855	6,778	1,966
Arlington Tomorrow Foundation	2,143	-	-
Arlington Housing Finance Corporation	156	1,758	-
Arlington Tourism Public Improvement District	2,342	3,251	-
Arlington Convention Center Development Corp	60	65	-
Arlington Economic Development Corp	3,104	23,620	-
Total Component Units	<u>\$ 59,783</u>	<u>\$ 78,155</u>	<u>\$ 1,966</u>

General Revenues:

Taxes:

Property taxes

Sales taxes

Criminal justice tax

State liquor tax

Bingo tax

TIF/TIRZ

Occupancy tax

Franchise fees based on gross receipts

Intergovernmental revenues

Interest

Net increase in fair value of investments

Other

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending

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

Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
\$ 16	\$ (90,333)	\$ -	\$ (90,333)	\$ -
-	(199,172)	-	(199,172)	-
1,367	(83,237)	-	(83,237)	-
-	(141)	-	(141)	-
817	(30,245)	-	(30,245)	-
-	(16,219)	-	(16,219)	-
-	(17,142)	-	(17,142)	-
-	(173)	-	(173)	-
-	(28,223)	-	(28,223)	-
2,200	(464,885)	-	(464,885)	-
-	-	68,268	68,268	-
-	-	14,360	14,360	-
-	-	82,628	82,628	-
\$ 2,200	\$ (464,885)	\$ 82,628	\$ (382,257)	\$ -
\$ -	\$ -	\$ -	\$ -	\$ (440)
-	-	-	-	(111)
-	-	-	-	(2,143)
-	-	-	-	1,602
-	-	-	-	909
-	-	-	-	5
-	-	-	-	20,516
\$ -	\$ -	\$ -	\$ -	\$ 20,338
	202,028	-	202,028	-
	160,596	-	160,596	-
	221	-	221	-
	2,518	-	2,518	-
	112	-	112	-
	7,606	-	7,606	-
	14,629	-	14,629	-
	22,429	-	22,429	-
	37,648	-	37,648	-
	11,321	10,792	22,113	3,815
	6,083	4,407	10,490	8,182
	6,389	-	6,389	6,216
	43,791	(43,791)	-	-
	515,371	(28,592)	486,779	18,213
	50,486	54,036	104,522	38,551
	1,958,647	942,200	2,900,847	124,077
	\$ 2,009,133	\$ 996,236	\$ 3,005,369	\$ 162,628

CITY OF ARLINGTON, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2023
(AMOUNTS EXPRESSED IN THOUSANDS)

	General	Debt Service	Street Capital Projects	Convention and Event Services	Disaster Assistance	Other Nonmajor Funds	Total Governmental Funds
ASSETS							
Cash and cash-equivalents	\$ 62,347	\$ 49,287	\$ 119,793	\$ 4,862	\$ 19,007	\$ 207,564	\$ 462,860
Land held for resale	-	-	-	-	-	7,653	7,653
Receivables (net of allowance for uncollectibles)							
Taxes	4,900	388	-	1,370	-	-	6,658
Sales taxes	16,601	8,280	-	-	-	4,140	29,021
Franchise fees	5,692	-	-	-	-	-	5,692
Special assessments	-	-	122	-	-	-	122
Accrued interest	2,438	163	-	38	-	-	2,639
Lease agreements	56,689	-	-	29,917	-	273	86,879
PPP Receivable	59,839	-	-	-	-	-	59,839
Other	6,675	85	-	120	-	1,560	8,440
Due from component units	900	-	-	-	-	-	900
Due from other funds	9,030	-	-	-	-	-	9,030
Due from other governments	-	-	-	-	437	12,900	13,337
Inventory of supplies, at cost	1,582	-	-	-	-	212	1,794
Total Assets	\$ 226,693	\$ 58,203	\$ 119,915	\$ 36,307	\$ 19,444	\$ 234,302	\$ 694,864
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ 17,341	\$ 6	\$ 4,742	\$ 598	\$ 1,024	\$ 14,097	\$ 37,808
Retainage payable	105	-	2,028	-	1,157	914	4,204
Unearned Revenue	2,410	-	122	332	17,263	470	20,597
Due to other funds	-	-	-	-	-	9,030	9,030
Total Liabilities	19,856	6	6,892	930	19,444	24,511	71,639
Deferred inflows of resources:							
Taxes	3,912	-	-	-	-	-	3,912
Landfill	1,806	-	-	-	-	-	1,806
Lease agreements	55,830	-	-	29,527	-	222	85,579
PPP agreements	58,751	-	-	-	-	-	58,751
Total Deferred Inflows of Resources	120,299	-	-	29,527	-	222	150,048
Fund Balances:							
Nonspendable:							
Inventory	1,582	-	-	-	-	212	1,794
Prepays	-	-	-	-	-	-	-
Restricted for:							
Debt service	-	58,197	-	-	-	-	58,197
Capital projects	-	-	113,023	-	-	122,399	235,422
Special revenue	-	-	-	-	-	55,718	55,718
Committed to:							
Capital projects	-	-	-	-	-	6,992	6,992
Special revenue	-	-	-	-	-	21,362	21,362
Assigned to:							
Working capital	29,495	-	-	-	-	-	29,495
Subsequent years' expenditures	20,545	-	-	-	-	-	20,545
Compensated absences	1,450	-	-	-	-	-	1,450
Other post employment benefits	1,718	-	-	-	-	-	1,718
Future initiatives	17,151	-	-	-	-	-	17,151
Dispatch	2,437	-	-	-	-	-	2,437
Information technology	2,139	-	-	-	-	-	2,139
Business Continuity	4,062	-	-	-	-	-	4,062
Park performance	-	-	-	-	-	2,050	2,050
Capital Projects	-	-	-	-	-	10	10
Event Reserve Trust Fund	4,850	-	-	-	-	-	4,850
Special revenue	-	-	-	5,850	-	826	6,676
Unassigned	1,109	-	-	-	-	-	1,109
Total Fund Balances	86,538	58,197	113,023	5,850	-	209,569	473,177
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 226,693	\$ 58,203	\$ 119,915	\$ 36,307	\$ 19,444	\$ 234,302	\$ 694,864

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

**CITY OF ARLINGTON, TEXAS
RECONCILIATION OF THE BALANCE SHEET TO THE
STATEMENT OF NET POSITION OF GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2023
(AMOUNTS EXPRESSED IN THOUSANDS)**

Total fund balances per balance sheet **\$ 473,177**

Amounts reported for governmental activities in the statement of net position are different because:

Capital, lease, and SBITA assets used in governmental activities are not financial resources and, therefore, are not reported in the funds (excluding \$14,732 recorded in the internal service funds). 2,819,827

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

Taxes 3,912

Internal service funds are used by management to charge the cost of fleet services, knowledge services, risk management, workers' compensation and group health to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 34,222

Long-term liabilities, including bonds payable, arbitrage, compensated absences, and related deferred outflows and inflows of resources, are not due and payable in the current period and therefore are not reported in the funds.

Bonds payable	\$ (1,136,735)	
Premium general obligation debt	(76,675)	
Discount on bonds	1,681	
Deferred outflow of resources (refunding)	7,657	
Accrued interest payable	(5,956)	
Estimated pollution remediation	(35)	
Compensated absences	(21,289)	
Lease	(4,799)	
Pension:		
Net pension asset (liability)	\$ (101,702)	
Deferred inflow/outflow-actuarial gain, assumption changes and contributions	131,685	29,983
Other Postemployment Benefits (OPEB)		
Total OPEB liability	(101,209)	
Deferred inflow/outflow-actuarial gain, assumption changes and contributions	(12,728)	(113,937)
Estimated claims		(1,320,105)
		(1,900)

Net position of governmental activities **\$ 2,009,133**

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

CITY OF ARLINGTON, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(AMOUNTS EXPRESSED IN THOUSANDS)

	General	Debt Service	Streets Capital Projects	Convention and Event Services	Disaster Assistance	Other Nonmajor Funds	Total Governmental Funds
REVENUES							
Taxes	\$ 216,346	\$ 118,946	\$ -	\$ 11,036	\$ -	\$ 42,723	\$ 389,051
Licenses and permits	10,483	-	-	-	-	-	10,483
Utility franchise fees	22,429	-	-	-	-	-	22,429
Fines and forfeitures	4,784	-	-	-	-	-	4,784
Leases, rents and concessions	13,480	2,000	-	2,769	-	-	18,249
Service charges	9,417	-	-	2,338	-	19,340	31,095
Interest revenue	2,133	1,278	3,210	19	-	4,452	11,092
Net increase (decrease) in fair value of investments	1,487	250	1,729	51	-	2,448	5,965
Contributions	16	-	1,367	-	-	817	2,200
Intergovernmental revenues	325	-	-	-	37,648	24,220	62,193
Gas lease royalty	-	-	-	-	-	6,410	6,410
Gas lease other	-	-	-	-	-	310	310
Other	115	169	-	448	-	4,087	4,819
Total Revenues	281,015	122,643	6,306	16,661	37,648	104,807	569,080
EXPENDITURES							
Current-							
General government	71,543	-	-	-	4,273	6,992	82,808
Public safety	168,660	-	-	-	10,083	18,243	196,986
Public works	27,625	-	-	-	90	40,634	68,349
Public health	2,460	-	-	-	-	1,235	3,695
Public welfare	-	-	-	-	-	35,482	35,482
Parks and recreation	22,543	-	-	-	3	16,851	39,397
Convention and event services	-	-	-	16,464	-	5,559	22,023
Capital outlay	2,007	-	29,988	-	23,199	27,272	82,466
Debt service-							
Principal retirement	-	107,794	-	-	-	-	107,794
Interest and fiscal charges	-	35,378	-	-	-	-	35,378
Total Expenditures	294,838	143,172	29,988	16,464	37,648	152,268	674,378
Excess (deficiency) of revenues over (under) expenditures	(13,823)	(20,529)	(23,682)	197	-	(47,461)	(105,298)
OTHER FINANCING SOURCES (USES)							
Issuance of bonds	-	-	29,194	-	-	30,765	59,959
Refunding Bond Principal	-	14,715	-	-	-	-	14,715
Bond premium	-	2,338	3,121	-	-	3,290	8,749
Transfers in	33,212	1,368	4,751	3,208	-	36,460	78,999
Transfers out	(15,267)	-	(4,915)	(561)	-	(17,386)	(38,129)
Total Other Financing Sources and Uses	17,945	18,421	32,151	2,647	-	53,129	124,293
Net Change in Fund Balances	4,122	(2,108)	8,469	2,844	-	5,668	18,995
Fund Balances, October 1,	82,416	60,305	104,554	3,006	-	203,901	454,182
Fund Balances, September 30	\$ 86,538	\$ 58,197	\$ 113,023	\$ 5,850	\$ -	\$ 209,569	\$ 473,177

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

CITY OF ARLINGTON, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(AMOUNTS EXPRESSED IN THOUSANDS)

Net change in fund balances - total governmental funds **\$ 18,995**

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital assets recorded in the current period. 92,234

Depreciation on capital assets is reported in the statement of activities but does not require the use of current financial resources. Therefore, depreciation is not reported as expenditures in the governmental funds. (89,832)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (287)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Issuance of certificates of obligation	(59,959)	
Repayment of general obligation debt	93,078	
Proceeds from issuance of bonds-premiums	(8,749)	
Amortization of bond premium	7,153	
		31,523

Effect of GASB 87 Leases and GASB 96-SBITA (153)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Current year changes in:

Compensated absences	20,468	
Accrued interest expense	55	
Estimated pollution remediation	(35)	
Net pension asset (liability)	950	
Net OPEB liability	(25,395)	
Estimated settlement	(1,900)	
		(5,857)

Internal service funds are used by management to charge the costs of fleet management and management information systems, property liability loss, health claims and offices services to individual funds. The net expenses of certain activities of internal service funds is reported within governmental activities. 3,863

Change in net position of governmental activities **\$ 50,486**

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

CITY OF ARLINGTON, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF SEPTEMBER 30, 2023
(AMOUNTS EXPRESSED IN THOUSANDS)

	Business-type Activities Enterprise Funds			Governmental Activities- Internal Service Funds
	Water and Sewer	Storm Water Utility	Total	
ASSETS				
Current Assets:				
Cash and cash-like investments	\$ 51,715	\$ 1,061	\$ 52,776	\$ 24,603
Receivables (net of allowances for uncollectibles):				
Trade accounts	12,832	1,739	14,571	-
Accrued Interest	39	-	39	6
Unbilled trade accounts	11,558	1,080	12,638	-
Leases receivable	2,859	-	2,859	-
Other	116	-	116	375
Inventory of supplies, at cost	2,724	-	2,724	-
Subtotal	81,843	3,880	85,723	24,984
Restricted Assets:				
Bond contingency-cash and cash-like investments	15,096	783	15,879	-
Capital construction-cash and cash-like investments	58,466	21,017	79,483	-
Total Current Assets	155,405	25,680	181,085	24,984
Noncurrent Assets:				
Restricted Assets:				
Bond contingency-				
Investments	13,620	1,371	14,991	-
Capital construction-				
Investments	102,331	36,786	139,117	-
Escrow	26,374	-	26,374	-
Meter deposit investments	9,353	-	9,353	-
Capital Assets:				
Land	7,929	15,828	23,757	-
Buildings and improvements	9,261	-	9,261	467
Water and sewer system	1,135,438	-	1,135,438	-
Machinery and equipment	13,209	23	13,232	57,318
Drainage system	-	165,204	165,204	-
Construction-in-progress	158,002	50,428	208,430	-
Accumulated depreciation	(448,659)	(58,331)	(506,990)	(43,053)
Total Capital Assets Net of Accumulated				
Depreciation	875,180	173,152	1,048,332	14,732
Net Pension Asset	-	-	-	-
Total Noncurrent Assets	1,026,858	211,309	1,238,167	14,732
Total Assets	1,182,263	236,989	1,419,252	39,716
Deferred Outflows of Resources:				
Deferred charges on debt refunding	335	156	491	-
Pension items	9,126	-	9,126	-
OPEB items	74	-	74	-
Total Assets and Deferred Outflows of Resources	\$ 1,191,798	\$ 237,145	\$ 1,428,943	\$ 39,716

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

(continued)

CITY OF ARLINGTON, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF SEPTEMBER 30, 2023
(AMOUNTS EXPRESSED IN THOUSANDS)

	Business-type Activities Enterprise Funds			Governmental Activities- Internal Service Funds
	Water and Sewer	Storm Water Utility	Total	
LIABILITIES				
Current Liabilities:				
Accounts payable and accrued liabilities	\$ 5,347	\$ 1,122	\$ 6,469	\$ 912
Accrued compensated absences	185	68	253	-
Revenue bonds payable from unrestricted assets	8,724	4,115	12,839	-
Current Liabilities Payable From				
Restricted Assets:				
Accounts payable and accrued liabilities	7,578	131	7,709	-
Retainage payable	4,588	373	4,961	-
Accrued interest	2,744	465	3,209	-
Estimated claims payable	-	-	-	4,873
Revenue bonds payable from restricted assets	15,096	-	15,096	-
Meter deposits	9,353	-	9,353	-
Total Current Liabilities	53,615	6,274	59,889	5,785
Noncurrent Liabilities:				
Estimated claims payable	-	-	-	5,017
Rebatable arbitrage payable	891	-	891	-
Compensated absences	966	109	1,075	-
Revenue bonds payable from unrestricted assets	292,582	55,051	347,633	-
Net pension liability	7,069	-	7,069	-
OPEB liability	7,043	-	7,043	-
Total Noncurrent Liabilities	308,551	55,160	363,711	5,017
Total Liabilities	362,166	61,434	423,600	10,802
Deferred Inflows of Resources:				
Lease related	2,829	-	2,829	-
OPEB Items	970	-	970	-
Total Liabilities and Deferred Inflows of Resources	365,965	61,434	427,399	10,802
NET POSITION				
Net investment in capital assets	622,969	127,179	750,148	14,732
Restricted for debt service	61,698	2,154	63,852	-
Unrestricted	141,166	46,378	187,544	14,182
Total Net Position	\$ 825,833	\$ 175,711	\$ 1,001,544	\$ 28,914
Reconciliation to government-wide statements of net position:				
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(5,308)	
Net position of business-type activities			<u>\$ 996,236</u>	

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

CITY OF ARLINGTON, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(AMOUNTS EXPRESSED IN THOUSANDS)

	Business-type Activities Enterprise Funds			Governmental Activities- Internal Service Funds
	Water and Sewer	Storm Water Utility	Total	
Operating Revenues:				
Water sales	\$ 96,066	\$ -	\$ 96,066	\$ -
Sewer service	82,517	-	82,517	-
Storm water fee - commercial	-	11,620	11,620	-
Storm water fee - residential	-	12,703	12,703	-
Service charges	-	-	-	43,078
Sundry	13,053	32	13,085	-
Total Operating Revenues	191,636	24,355	215,991	43,078
Operating Expenses:				
Purchase of water	22,112	-	22,112	-
Purchase of sewage treatment	41,886	-	41,886	-
Salaries and wages	13,872	2,440	16,312	92
Benefits	6,060	777	6,837	23
Operations and maintenance	17,776	1,655	19,431	4,198
Claims (net of adjustments)	-	-	-	30,178
Depreciation	21,779	3,193	24,972	3,668
Miscellaneous services	392	-	392	4,887
Total Operating Expenses	123,877	8,065	131,942	43,046
Operating Income	67,759	16,290	84,049	32
Nonoperating Revenues (Expenses):				
Interest revenue	9,155	1,637	10,792	252
Net increase in the fair value of investments	3,631	776	4,407	118
Gain on sale of assets	-	-	-	490
Interest expense and fiscal charges	(7,319)	(1,930)	(9,249)	-
Total Nonoperating Revenues (Expenses)	5,467	483	5,950	860
Income before transfers and contributions	73,226	16,773	89,999	892
Contributions in aid of construction	7,875	-	7,875	-
Transfers in	170	-	170	2,922
Transfers out	(41,835)	(2,127)	(43,962)	-
Change in Net Position	39,436	14,646	54,082	3,814
Total Net Position, October 1	786,397	161,065	947,462	25,100
Total Net Position, September 30	\$ 825,833	\$ 175,711	\$ 1,001,544	\$ 28,914
Net change in net position - total enterprise funds			\$ 54,082	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(46)	
Change in net position of business-type activities			<u>\$ 54,036</u>	

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

**CITY OF ARLINGTON, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(AMOUNTS EXPRESSED IN THOUSANDS)**

	Business-type Activities Enterprise Funds			Governmental Activities- Internal Service Funds
	Water and Sewer	Storm Water Utility	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 193,751	\$ 23,869	\$ 217,620	\$ 43,215
Cash payments to suppliers	(71,891)	(1,183)	(73,074)	(40,451)
Cash payments to employees	(21,379)	(3,354)	(24,733)	(127)
Net Cash Provided By Operating Activities	100,481	19,332	119,813	2,637
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers in	170	-	170	2,922
Transfers out	(41,835)	(2,127)	(43,962)	-
Net Cash Provided By (Used For) Noncapital Financing Activities	(41,665)	(2,127)	(43,792)	2,922
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets	(62,432)	(13,122)	(75,554)	(6,726)
Increase/Decrease in escrow balance	14,260	-	14,260	-
Proceeds from sales of capital assets	-	-	-	510
Proceeds from issuance of long-term debt	14,494	5,133	19,627	-
Repayment of long-term debt	(30,695)	(3,935)	(34,630)	-
Interest payment long-term debt	(9,921)	(3,772)	(13,693)	-
Net Cash Used For Capital Related Financing Activities	(74,294)	(15,696)	(89,990)	(6,216)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from interest earnings	9,155	1,637	10,792	143
Net increase in the fair value of investments	3,631	776	4,407	118
Purchase of investments	(151,768)	(29,510)	(181,278)	-
Maturities/sales of investments	207,260	37,431	244,691	-
Net cash Provided by Investing Activities	68,278	10,334	78,612	261
Net Increase (Decrease) In Cash And Cash Equivalents	52,800	11,843	64,643	(242)
Cash and cash equivalents, October 1	72,477	11,018	83,495	24,845
Cash and cash equivalents, September 30	\$ 125,277	\$ 22,861	\$ 148,138	\$ 24,603
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 67,759	\$ 16,290	\$ 84,049	\$ 32
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	21,779	3,193	24,972	3,668
Amortization of bond premium	1,433	529	1,962	-
Amortization of deferred loss on bond refunding	(135)	(19)	(154)	-
Provision for bad debts	147	(17)	130	-
(Increase) decrease in- Receivables	1,967	(486)	1,481	(136)
Inventory of supplies	1,678	-	1,678	-
Prepaid expenses	-	-	-	-
Increase (decrease) in- Accounts payable and accrued liabilities	3,536	23	3,559	(590)
Net pension/OPEB liability	1,606	-	1,606	-
Estimated claims payable	-	-	-	(325)
Retainage payable	1,114	(25)	1,089	-
Meter deposits	695	-	695	-
Accrued compensated absences	(1,098)	(156)	(1,254)	(12)
Total adjustments	32,722	3,042	35,764	2,605
Net Cash Provided By Operating Activities	\$ 100,481	\$ 19,332	\$ 119,813	\$ 2,637
Noncash investing, capital, and financing activities:				
Contributions of capital assets from developers	7,875	-	7,875	-

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

CITY OF ARLINGTON, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AS OF SEPTEMBER 30, 2023
(AMOUNTS EXPRESSED IN THOUSANDS)

	Pension and Other Employee Benefit Trust Funds	Custodial Funds
ASSETS		
Cash and cash-equivalents	\$ -	\$ 3,149
Investments		
Money market fund	118	-
Corporate bonds	2,572	-
Fixed income mutual bond funds	857	-
Common stock mutual bond funds	881	-
Total Investments	4,428	-
Total Assets	\$ 4,428	\$ 3,149
LIABILITIES		
Accounts payable and accrued liabilities	\$ -	\$ -
Total Liabilities	\$ -	\$ -
NET POSITION		
Restricted for pensions	\$ 3,323	\$ -
Restricted for OPEB	1,105	-
Restricted for individuals, organizations, other governments	-	3,149
Total Net Position	\$ 4,428	\$ 3,149

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

CITY OF ARLINGTON, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(AMOUNTS EXPRESSED IN THOUSANDS)

	Pension and Other Employee Benefit Trust Funds	Custodial Funds
ADDITIONS		
Employer contributions	\$ 136	\$ -
Employee contributions	207	-
Net depreciation in fair value of investments	215	-
Other additions (deductions)	-	13,645
Seizures	-	85
Total Additions	558	13,730
DEDUCTIONS		
Benefits	255	-
Plan administration	59	-
Other deductions	-	13,397
Total Deductions	314	13,397
Increase in Net Position	244	333
Net Position, October 1	4,184	2,816
Net Position, September 30	\$ 4,428	\$ 3,149

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



CITY OF ARLINGTON, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The City of Arlington, Texas (the "City") was incorporated April 19, 1884 and the city charter was adopted January 17, 1920, under the provisions of the Home Rule Amendment to the State Constitution. The City operates under a Council Manager form of government and provides the following services to the citizens of the City: public safety (police and fire), public works, public welfare, parks and recreation, public health, water and sewer utilities, and general administrative services.

The accompanying financial statements of the City include all funds and component units. The financial statements of the City have been prepared to conform to generally accepted accounting principles (GAAP) as applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting and reporting policies and practices used by the City are described below.

A. Financial Statement Presentation

The basic financial statements are prepared in conformity with GAAP which requires the government-wide financial statements to be prepared using the accrual basis of accounting and the economic resources measurement focus. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities, business-type activities and activities of its discretely presented component units on the statement of net position and statement of activities. Significantly, the City's statement of net position includes both non-current assets and non-current liabilities of the City. In addition, the government-wide statement of activities reflects depreciation and amortization expenses on the City's capital, lease, and subscription assets, including infrastructure.

In addition to the government-wide financial statements, the City has prepared fund financial statements, which use the modified accrual basis of accounting and the current financial resources measurement focus for governmental funds. The accrual basis of accounting and the economic resources measurement focus is utilized by proprietary fund types.

GAAP also requires supplementary information presented as Management's Discussion and Analysis which includes an analytical overview of the City's financial activities. A budgetary comparison schedule is presented that compares the originally adopted and final General Fund budget with actual results, and supplementary information for pension and other postemployment benefit retirement plans are provided, as required, in the Required Supplementary Information section.

B. Reporting Entity

The City is governed by an elected mayor and eight-member council. As required by GAAP, these financial statements present the City (the primary government) and its component units, entities for which the government is considered to be financially accountable.

GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB 39, 61, 80, 84 and 90, defines component units as legally separate entities that meet any one of the following tests:

- The City appoints the voting majority of the board of the component unit and:
 - Is able to impose its will on the component unit and/or
 - Is in a relationship of financial benefit or burden with the component unit
- The component unit is both:
 - fiscally dependent upon the City, and
 - there is a financial benefit or burden.
- The financial statements of the City would be misleading if data from the component unit were omitted.

The financial statements of the component units may be discretely presented in a separate column from the primary government or blended with the financial statements of the primary government. The financial statements of the following component units have been "discretely presented" in the accompanying report because (i) their governing boards are not substantially the same as the governing body of the City, or (ii) the component unit provides services entirely or almost entirely to the citizenry and not the City.

Arlington Housing Authority

The Arlington Housing Authority (the "AHA") provides low income housing assistance within the City. The AHA's board of commissioners is appointed by the Mayor. The AHA's management is designated by the City. The employees who are responsible for daily operations of the AHA are City employees. The City has financial accountability over the AHA's activities. The audited financial statements of the AHA are prepared in accordance with accounting principles generally accepted in the United States. Separate AHA component unit financial statements can be obtained from the AHA at 501 W. Sanford Street, Suite 20, Arlington, Texas 76010.

Arlington Convention and Visitors Bureau, Inc.

The Arlington Convention and Visitors Bureau, Inc. (the "ACVB") promotes tourism within the City. The ACVB's board of directors is appointed by the City Council. The primary source of revenue for the ACVB is a professional services support contract with the City; therefore, the City has financial accountability over the ACVB's activities. Separate ACVB component unit financial statements can be obtained from the ACVB at 1905 E. Randol Mill Road, Arlington, Texas 76011.

Arlington Tomorrow Foundation

The Arlington Tomorrow Foundation (ATF) oversees an endowment fund with a corpus of \$89.0 million created by natural gas revenues to be used for the benefit of the Arlington community. The City Council acts as the board of directors. The ATF's management is designated by the City, and City employees are responsible for the daily activities of the ATF; accordingly, the City has financial accountability over ATF's activities. Separate ATF component unit financial statements are not prepared.

Arlington Housing Finance Corporation

The Arlington Housing Finance Corporation (the "AHFC") provides financial assistance to low income, multi-family residences and single-family homebuyers within the City. The AHFC's board of directors is appointed by the City Council. The AHFC's management is designated by the City, and City employees are responsible for the daily activities of the AHFC; accordingly, the City has financial accountability over AHFC's activities. Separate AHFC component unit financial statements are not prepared.

Arlington Convention Center Development Corporation

Arlington Convention Center Development Corporation (the "ACCDC") was formed to encourage and assist with planning, designing, constructing and maintaining a convention center complex, sports facility or hotel facility. The City Council serves as the board of directors. Separate ACCDC component unit financial statements are not prepared.

Arlington Economic Development Corporation

The Arlington Economic Development Corporation was formed in 2015 for the purpose of undertaking projects that contribute to the quality of life and economic growth. The board of directors is made up of the seven members appointed by the Mayor and City Council. Separate Arlington Economic Development Corporation component unit financial statements are not prepared.

Arlington Tourism Public Improvement District

The Arlington Tourism Public Improvement District (ATPID) was created in fiscal year 2017 to improve convention and group hotel bookings and hotel room night consumption in the City. Funds are provided through a 2% tax applied to hotels with 75 or more rooms within the designated district within the City. A board consisting of participating ATPID hotel/motel members direct the use of all funds generated. The City authorized the creation of the district and must approve a budget annually. The board (ATPID) has contracted with the City to collect the funds, and with ACVB to administer the programs and use the funds. Separate component unit financial statements can be obtained from the ACVB at 1905 E. Randol Mill Road, Arlington, Texas 76011.

Fiduciary Component Units

Part-Time, Seasonal and Temporary Employees Deferred Income Plan

The purpose of the PSTDIP is to provide a systematic plan for the retirement of eligible employees of the City, and under the conditions set forth, a pension upon the retirement of such an Employee. This is a 401(a) single employer defined benefit pension plan that provides retirement, disability and death benefits for all part-time, seasonal and temporary employees.

The City's Retirement Committee administers the PSTDIP. The City's Retirement Committee consists of an odd number of persons, but not less than three, that are determined and appointed by the City acting through City Council. The Committee includes the Director of Human Resources appointed as Chair, the Chief Financial Officer, and a representative of the City Manager's Office. The Committee meets on a quarterly basis and has final approval for all administrative actions.

PSTDIP issues stand-alone financial statements with a June 30 year-end that can be obtained from the City of Arlington at 101 S. Mesquite Street, Suite 800, Arlington, TX 76010.

Disability Income Plan (DIP)

The Disability Income Plan is a single employer defined benefit disability income plan that covers the employees of the city. The plan originally provided in-service death benefits and long-term disability benefits commencing upon disablement. The plan was amended to eliminate the in-service death benefit and to start disability payments at age 65. The plan contemplates that long term disability benefits will be provided through a separate LTD insurance contract prior to age 65. The retired life liability for current disabled employees (many of whom are under age 65) is retained under the plan.

The City provides active employees with disability insurance through a policy obtained from a commercial carrier. Previously, all City employees had participated in a Disability Income Plan which had been funded by actuarially determined contributions. This plan had been accounted for in the DIP fund.

Benefits to employees who were disabled while participating under the previous plan will continue to be paid from the remaining assets of the DIP fund, a fiduciary fund of the City.

The Disability Income Plan does not issue separate GAAP financial reports. Its financial statements are presented in the notes to this ACFR.

C. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. The exception is that inter-fund services provided and used are not eliminated. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely significantly on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (Public Safety, Public Works, etc.) or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. All franchise fees are based on gross receipts and are included in general revenues.

The net cost by function is normally covered by general revenue (property and sales taxes, franchise fees, intergovernmental revenues, interest income, etc.).

Separate fund-based financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The major governmental funds are the General Fund, Debt Service Fund, Street Capital Projects Fund, Convention and Event Services Fund, and Disaster Assistance Fund. The enterprise funds are made up of the Water and Sewer Utility and Storm Water Utility funds. GAAP sets forth minimum criteria (percentage of assets, liabilities, deferred inflows, deferred outflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. The nonmajor funds are detailed in the combining section of the Annual Comprehensive Financial Report.

Internal Service Funds, which provide services primarily to other funds of the government, are presented in summary form as part of the proprietary fund financial statements. Financial statements of internal service funds are allocated between the governmental and business-type activities column when presented at the government-wide level. To the extent possible, the costs of these services are reflected in the appropriate functional activity (Public Safety, Public Works, etc.).

The City's fiduciary funds are presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third party (other local governments, individuals, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and business-type categories, as well as the fiduciary funds, (by category). Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and fiduciary fund statements. Custodial funds use the economic resources measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund 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 both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers taxes and other revenue to be available if they are collected within 60 days of the end of the current fiscal period, while grants typically are received within 90 days. Expenditures are recorded when a liability is incurred, as under accrual accounting, except debt service expenditures, including lease liabilities, as well as expenditures related to compensated absences and claims and judgments, which are recorded only when the liability has matured, and payment is due. General capital asset acquisitions, including entering into contracts giving the City of Arlington the right to use leased and subscription assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Ad valorem, franchise and sales tax revenues in the General Fund and ad valorem tax revenues recorded in the Debt Service Fund are recognized under the susceptible to accrual concept. The City has agreements with various entities in which a portion of the sales tax is rebated. The sales tax revenue is reported net of the rebate. Licenses and permits, charges for services, fines and forfeitures, contributions, and miscellaneous revenues are recorded as revenues when received in cash as the resulting receivable is not measurable. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. Intergovernmental grant revenues are recognized when all eligibility requirements have been met. Additionally, funds received in advance for which all eligibility requirements have not been met are considered unearned revenue.

Business-type activities and proprietary funds and fiduciary funds are accounted for on a flow of economic resources measurement focus. With this focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net position. Proprietary funds distinguish operating revenues and expenses from nonoperating items. 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 principal operating revenues of the City's water and sewer fund and storm water utility fund are charges to customers for sales and services. Operating expenses for the 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 nonoperating revenues and expenses.

The following major funds, nonmajor funds and other funds, by fund category and fund type are reported by the City:

1. Governmental Funds:

The focus of Governmental fund measurement (in the Fund Financial Statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the Governmental Funds of the City:

Major Funds:

- a. General Fund accounts for several of the City's primary services (Public Safety, Public Works, Public Health, Public Welfare, Parks and Recreation, etc.) and is the primary operating unit of the City.
- b. Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.
- c. Street Capital Projects Fund (capital projects fund) accounts for the purchase of rights of way and land, construction of streets and related facilities, and to account for various other projects related to street construction. Funds are provided primarily through bond sales, interest earnings, and impact fees.
- d. Convention and Event Services Fund accounts for the operations of the Esports Stadium Arlington and Expo Center, which focuses on Arlington being a pre-eminent convention and tourist attraction.
- e. Disaster Assistance Fund accounts for the grant funds received for various natural disasters.
- f. Other Governmental Funds is a summarization of all the nonmajor governmental funds, including capital project and special revenue funds.

2. Proprietary Funds:

Proprietary funds are classified into two fund types; enterprise funds and internal service funds.

The focus of Enterprise Fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows, which is similar to businesses. The City's Enterprise Funds are the Water and Sewer Utility Fund and the Storm Water Utility Fund, both of which are major funds. The Water and Sewer Utility Fund accounts for the administration, operation and maintenance of the water and sewer utility system, as well as billing and collection activities. The Fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for revenue bonds and obligations under capital leases when due throughout the year. All costs are financed through charges made to utility customers with rates reviewed regularly and adjusted if necessary, to ensure integrity of the Fund. The City's solid waste function is contracted out. The billings for this function are done by the City as a conduit for the contractor. The fee for this service is accounted for in the Water Utility Fund, while revenues from solid waste franchise fees and landfill royalties are accounted for in the General Fund. The Storm Water Utility Fund accounts for the design, construction and maintenance of the City's storm water drainage systems.

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, generally on a cost reimbursement basis. These services include fleet services; self-insurance; workers' compensation insurance; and group health insurance. Major fund reporting requirements do not apply to internal service funds.

3. Fiduciary Fund Types:

The City additionally reports the following fiduciary fund types:

- a. Pension and other employee benefit trust funds are used to account for the accumulation of resources to be used for the retirement and disability benefit payments to qualified employees.
- b. Custodial Funds are used to account for assets held by the City in a fiduciary capacity as custodian or agent for individuals, other funds within the City, other governmental units, and private organizations.

These include amounts held for court proceedings and amounts held for infrastructure improvements donated by developers.

E. Cash, Cash Equivalents and Investments

To facilitate cash management, the operating cash of certain funds and component units is pooled into a cash management pool for the purpose of increasing income through combined investment activities. This cash and investment pool is available for use by all funds and component units except the Trust Funds and the AHA, which maintain separate investments. Each fund's portion of this pool is allocated through its cash and cash equivalent account on the balance sheet. In addition, certain other investments are separately held by several of the City's funds. Interest is allocated on a monthly basis to all funds in the investment pool based on their average balance at the end of each month. Interest earned by separate investments is credited to the respective funds.

For purposes of the statement of cash flows, the City considers all unrestricted investments included in its cash management pool to be cash equivalents - as these balances are used essentially as demand deposit accounts by the individual funds. Investments included in the cash management pool which are restricted for use are reported as investments. Additionally, certificates of deposit and temporary investments held separately from the City's cash management pool and which are purchased with original maturities at the time of purchase of three months or less are reported as cash equivalent investments.

The City elects to exclude investments with an original maturity of one year or less from date of purchase from fair value reporting. These investments are reported at amortized cost.

Texas statutes authorize the City to invest in obligations of the U.S. Treasury, agencies and instrumentalities, fully collateralized certificates of deposit, repurchase agreements, commercial paper, and direct obligations of cities within the state of Texas. The City is also authorized to invest in direct obligations of the state of Texas or its agencies, obligations of states, agencies, counties, and other political subdivisions, money market mutual funds, prime bankers' acceptances, and reverse repurchase agreement.

In accordance with GASB Statement No. 31, investments with maturities greater than one year at time of purchase are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a transaction between willing parties.

The City follows GASB Statement No. 72, *Fair Value Measurement and Application* in its financial statements. The City's investments are categorized as Level 2 only and there are no Level 1 or Level 3 investments.

F. Inventories and Prepaid Items

Inventories are valued at cost. Cost is determined using the first-in, first-out method. Inventory consists of expendable supplies held for consumption. Inventories are capitalized under the consumption method, whereby expenditures are capitalized as inventory until used.

In governmental funds, prepaid items are accounted for using the purchases method. Under this method prepaid items are treated as expenditures when purchased rather than accounted for as an asset. Funds under the accrual basis of accounting recognize the proportionate amount of expense in each benefitting period.

G. Capital, Lease and SBITA Assets

Capital, lease and SBITA assets purchased or acquired are carried at historical cost or estimated historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a services concession

agreement are recorded in accordance with GASB 94. Public domain (infrastructure) capital assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems have been recorded at estimated historical cost. Capital, lease and SBITA assets are defined by the government as assets with an initial, individual cost of more than \$25,000 and an estimated useful life in excess of one year.

Major outlays for capital assets and improvements are capitalized as projects are completed.

Capital, lease, and SBITA assets of the primary government, as well as the component units, are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Improvements Other than Buildings	20-40
Equipment	5 - 10
Right-to-Use Assets	5-20
Drainage Improvements	35-50
Meters	10
Streets	20-25
Storm/sanitary sewer	50
System infrastructure	20-50

A lease or SBITA asset will be amortized in a systematic rational manner over the shorter of the lease/subscription term or the useful life of the underlying asset.

H. Arbitrage Liability

The City accrues a liability for an amount of arbitrage rebate resulting from investing low-yielding, tax-exempt bond proceeds in higher-yielding, taxable securities. Such investment activities can result in interest revenue exceeding interest cost. The arbitrage liability is payable to the federal government every five years; however, the City calculates and records its arbitrage liability annually. The arbitrage liability is recorded as a liability in the government-wide and proprietary fund types, as applicable, on the accrual basis and as a reduction of interest income on the invested debt proceeds.

I. Leases and Subscription-Based Information Technology Agreements (SBITA)

Lessee

The City of Arlington is a lessee for various noncancellable leases of land, buildings, equipment and software. The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The City recognizes lease liabilities with an initial individual value of \$25,000 or more.

At the commencement of a lease, the City of Arlington initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Key estimates and judgments related to leases include how the City of Arlington determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City of Arlington uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City of Arlington generally uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City of Arlington is reasonably certain to exercise.

The City of Arlington monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor

The City of Arlington is a lessor for various noncancellable leases of a right-of-way, buildings and equipment. The City of Arlington recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City of Arlington initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City of Arlington determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City of Arlington uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The City of Arlington monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

J. Pensions and Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension liability/asset, pension related deferred outflows and inflows of resources, and pension and OPEB expense, City specific information about its Fiduciary Net Position in the plans can be found in their audited financial statements. Additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported by Texas Municipal Retirement System (TMRS) and Part-Time Seasonal and Temporary Employees Deferred Income Program (PSTDIP), Disability Income Plan (DIP), Supplemental Death Benefits, and Retiree Health Insurance statements. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's Total Pension Liability is obtained from PSTDIP audited financial statements and TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions an amendment of GASB Statement No. 27*, as amended.

Beginning in fiscal year 2015, and in accordance with GASB 68 and 71, the City's net pension liability/asset is recorded on the face of the financial statements. The City elected to allocate the net pension liability/asset among governmental and business type activities based on measurement year contribution percentages. The City elected to absorb fund allocations of less than 1.25% of total contributions to Governmental activities. Component units'

contributions total 0.91% of total contributions and are not allocated separately, due to the threshold percentage. The estimated amount of net pension liability included in governmental activities for component units is \$98.9K. Detailed pension information is discussed in footnote 6.

Beginning in fiscal year 2017, and in accordance with GASB 75, the City's total or net OPEB liability/asset is recorded on the face of the financial statements. The City elected to allocate the total or net OPEB liability/asset among governmental and business type activities based on measurement year contribution percentages. The City elected to absorb fund allocations of less than 1.25% of total contributions to Governmental activities. Detailed OPEB information is discussed in footnote 7.

K. Compensated Absences

The City's employees earn vacation leave for each month of work performed. The accrual rate increases with years of service up to a maximum of 20 days per year for 15 years of service and over. On specified anniversary dates, additional days are credited, up to certain amounts, according to length of service. Accrued vacation is paid upon termination of employment for employees who have completed at least six months of continuous service.

The City's employees accumulate 1.25 days of sick leave per month with a maximum accrual of 150 days. The full amount of accumulated sick pay up to 120 days maximum is paid if termination is through retirement or death.

Accumulated vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The General Fund is usually used to liquidate the liability for governmental activities' compensated absences.

L. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the 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 effective interest 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, as other financing sources or uses or expenditures at the time of the debt issuance. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. Nature and Purpose of Classifications of Fund Equity

Fund balances for governmental funds are reported based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Nonspendable fund balance includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Governmental Funds fund balances classified as restricted are balances with constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments. Fund balances classified as committed can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance. Assigned fund balances are constrained by the intent to be used for specific purposes, but do not meet the criteria to be classified as restricted or committed. The City Council has, by resolution 11-361 dated September 27, 2011 adopting the fund balance policy, authorized the City Manager or his designee to assign fund balance to a specific purpose.

The City may fund outlays for a particular purpose from both restricted and unrestricted (the total of committed, assigned, and unassigned) fund balance. In order to calculate the amounts reported as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any components of unrestricted fund balance. Further, when components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

N. Minimum Fund Balance Policy

It is the desire of the City to maintain adequate General Fund balance to maintain liquidity and in anticipation of economic downturns or natural disasters. The City Council has adopted a financial standard to maintain a General Fund working capital reserve at a minimum level of 8.33% (1/12) of annual General Fund expenditures. Total General Fund balances shall be maintained at a minimum of 15% of annual General Fund expenditures.

O. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital, lease and SBITA assets net of accumulated depreciation and amortization and the outstanding balances of any borrowing spent for the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. When both restricted and unrestricted resources are available for the same purpose, it is the City's policy to consider restricted net position to be depleted before unrestricted net position is applied.

P. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future reporting period(s) and so will not be recognized as an outflow of resources (reduction of liability/expense/expenditure) until then. The City has three items that qualify for reporting in this category. One is the deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded and refunding debt. The other two are deferred pension and OPEB related items reported in the government-wide statement of net position.

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future reporting period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has four types of items that qualify for reporting in this category. At the governmental fund level, revenues that have been billed but not yet collected are reported as unavailable revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred pension, OPEB related items, and leases related deferrals are reported in the government-wide statement of net position and in fund level statements.

Q. New Accounting Pronouncements

During fiscal year 2023, the City adopted the following Governmental Accounting Standards Board ("GASB") Statements:

Statement No. 91, *Conduit Debt Obligations*, which is effective for the City beginning in fiscal year 2023. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and

eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. Adoption of this standard had no effect on the City's beginning net position or fund balances at October 1, 2022.

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which is effective for the City beginning in fiscal year 2023. The objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). Adoption of this standard had no effect on the City's beginning net position or fund balance at October 1, 2022.

Statement No. 96, *Subscription-Based Information Technology Arrangements*, which is effective for the City beginning in fiscal year 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset- and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires notes disclosures regarding a SBITA. Adoption of this standard had no effect on the City's beginning net position or fund balance at October 1, 2022.

Statement No. 99, *Omnibus 2022*, which is effective for the City beginning in fiscal year 2023. This Statement provides guidance on requirements related to disclosures of nonmonetary transactions, pledges of future revenues, clarifications of certain elements of Statement 34, requirements related to leases, PPPs and SBITAs. Adoption of this standard had no effect on the City's beginning net position or fund balance at October 1, 2022.

The City is in the process of reviewing possible impacts of GASB pronouncements which will become effective in future years, and notes the following statements are applicable to the City:

The GASB has issued the following statements which will be effective in future years as described below:

Statement No. 100, *Accounting Changes and Error Corrections*, is effective for the City beginning in fiscal year 2024. This statement was created to enhance the accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions and assessing accountability.

Statement No. 101, *Compensated Absences*, is effective for the City in fiscal year 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

The City as not yet determined the impact of implementing the above new pronouncements.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Data

The City Council adopts an annual legal budget, which covers the General Fund, the Debt Service Fund, the Enterprise Funds, and certain Special Revenue Funds (Park Performance, Convention and Event Services and Street Maintenance). All unencumbered appropriations lapse at fiscal year-end, except certain of those of the Special Revenue Funds. The budgets for the General Fund, the Debt Service Fund, and certain Special Revenue Funds are prepared on the modified accrual basis except for encumbrances which are treated as expenditures on the budgetary basis and interdepartmental expenses which are eliminated. The budgets for the Enterprise Funds are prepared on the modified accrual basis and include encumbrances, debt principal retirements and capital outlays as

expenses. Additionally, the Enterprise Funds do not include depreciation as a budgetary expense. The schedules comparing budget and actual amounts for these governmental funds include adjustments to those budgetary basis for the differences noted above and for certain other revenue and expenditure items which are reported in the City's budget differently than they are reported for accounting principles generally accepted in the United States. Budgetary level of control is exercised at the fund level. The City Manager is authorized to transfer budgeted amounts within and among departments; however, any revisions that alter total expenditures of the General Fund, Debt Service Fund, and certain Special Revenue funds must be approved by the City Council. During Fiscal Year 2023 there was an amendment to the Operating Budget to authorize an increase in full-time staff positions in the General Fund and increase appropriations in the General Fund for that position and for Advanced Emergency Medical Technician certification pay, and increase appropriations in the Street Maintenance Fund to provide additional resources for contracted street maintenance.

The Budgetary Comparison Schedule presents a comparison of budgetary data to actual results of operations for the General Fund, for which an annual operating budget is legally adopted. This fund utilizes the same basis of accounting for both budgetary purposes and actual results, with the following exceptions:

Certain interdepartmental revenues and expenses are included in budgetary basis revenues and expenditures but are eliminated from actual revenues and expenditures.

General Fund encumbrances are added to the actual expenditures for budgetary comparison. Budgetary data for the project-length Special Revenue Funds and Capital Projects Funds have not been presented. Receipts of revenues cannot be estimated for all Special Revenue Funds and are not budgeted. Expenditures are limited to total revenues over the life of the funds. Capital Projects Funds are budgeted over the life of the respective project and are reviewed and approved by the City Council in an annual Capital Improvements Program plan.

The City utilizes encumbrance accounting to ensure appropriated funds are adequately committed and remaining unspent balances are carried forward into the next fiscal year. Encumbrances are created for purchase order, grant match requirements, and capital project funding. These amounts are reported in fund balance as follows (in thousands):

General Fund	Street Capital Projects Fund	Convention & Event Services	Disaster Assistance	Nonmajor Funds	Total
\$ 9,914	\$ 1,822	\$ 2,677	\$ 374	\$ 34,665	\$ 49,452

B. Excess of expenditures over appropriations

For the year ended September 30, 2023, there were no expenditures exceeding budget in the aggregate.

C. Deficit fund equity

There were no funds with a deficit fund balance in the year ended September 30, 2023.

III. DETAILED NOTES ON ALL FUNDS

1. CASH, CASH EQUIVALENTS AND INVESTMENTS

Deposits - At September 30, 2023, the carrying amount of the City's demand deposits was \$2,799,507 (bank balance, \$5,435,415). The balance in cash on hand was \$33,915 at year end.

Investments - State statutes, the City's Investment Policy and the City's Depository Agreement govern the investments of the City. The City is authorized to invest in United States Treasuries, its agencies or instrumentalities,

other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of the United States or its agencies and instrumentalities, obligations of Texas and its agencies, counties and cities, and other political subdivisions rated not less than AA, obligations of other states, its agencies, counties, cities, and other political subdivisions rated not less than AA, fully insured or collateralized certificates of deposit, fully collateralized repurchase agreements, Guaranteed Investment Contracts, commercial paper rated A-1+, P-1 with an underlying long-term rating of AA or better, government pools and money market funds consisting of any of these securities listed. Major provisions of the City's investment policy include the following: depositories must be FDIC-insured institutions, depositories must fully insure or collateralize all deposits, and investments must be purchased in the name of the City and be delivered to the City's agent for safekeeping. For additional information see the City of Arlington Investment Policy at www.arlingtontx.gov. The City elects to exclude investments with an original maturity of one year or less from date of purchase from fair value reporting. These investments are reported at amortized cost. The City does not invest in derivatives.

Cash, Cash-like investments and investments include: (amounts in thousands) Governmental Activities \$487,463, Business-type Activities \$311,599, Custodial Funds \$3,149, Pension Trust Investment Funds \$4,428.

As of September 30, 2023, the City had the following investments (amounts in thousands):

Cash, Cash-Like Investments	Fair Value	Avg Maturity	Credit Risk
		(in days)	
Treasury	\$20,931	412	AA+
Agency	502,208	420	AAA
Pools	223,461	1	AAA
Non-Texas Municipal	15,845	311	AA+
Money Market Fund	36,979	1	AAA
	<u>\$ 799,424</u>		

The City has investments in government pools as of September 30, 2023 totaling \$223,461 (amounts in thousands) which are recorded at amortized cost or net asset value (NAV).

Interest Rate Risk. In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the maximum maturity of any single investment and the weighted average maturity of combined investments by fund groups. The above table lists Local Gov't Investment Pools and Money Market Funds with a 1 day weighted average maturity as the City only invests in government pools and funds that maintain a stable \$1 NAV (net asset value). While the interest income derived from these particular types of investments fluctuate based on market movements and the characteristics of the pools and funds, the value of the principal is not affected.

The following table lists the fund groups authorized in the City's investment policy and the maximum maturity and maximum weighted average maturity ("WAM"):

Fund	Maximum Maturity	Maximum WAM
General Operating	3 Years	18 Months
Capital Project	3 Years	18 Months
Working Capital Reserve	5 Years	4 Years
Venue Debt Service Reserve and Debt Service	7 Years	5 Years
Self Insurance	7 Years	5 Years
Closure/Post-closure Trust Fund	10 Years	8 Years

Credit Risk. In accordance with its investment policy, the City minimizes credit risk by limiting investments to the safest type of investments.

Concentration of Credit Risk. The City's investment policy places the following limits on the amount the City may invest in any one issuer. All securities are rated AA or better.

<u>Security</u>	<u>% of Portfolio</u>
United States Treasury	100% of portfolio per Issuer
U.S. Agencies and Instrumentalities	100% of portfolio 35% per Issuer
Other Obligations guaranteed by U.S.	100% of portfolio 10% per Issuer
Obligations of Texas and its subdivisions	10% of portfolio 2% per Issuer
Obligations of other states and its subdivisions	10% of portfolio 2% per Issuer
Certificates of Deposit	50% of portfolio 20% per Issuer
Repurchase Agreements	40% of portfolio 15% per counterparty
Guaranteed Investment Contract	100% of bond funds
Commercial Paper	20% of portfolio 5% per Issuer
Money Market Mutual Fund	100% of portfolio 15% per MMF
Local Government Investment Pools	100% of portfolio 25% per pool

Custodial Credit Risk. State statutes require that all City deposits in financial institutions be fully insured by the Federal Deposit Insurance Corporation (FDIC), collateralized by U. S. Government obligations or obligations of Texas and its agencies that have a market value of not less than the principal amount of the deposits, or by a Letter of Credit from a Federal Agency.

Following the criteria for GASB Statement No. 79, Certain External Investment Pools and Pool Participants, TexPool Prime and TexPool use amortized cost and Texas CLASS, TexStar, and Texas Term use NAV to value portfolio assets. As is legally permissible for municipalities and school districts in the state, TexPool and TexasDaily, and TexStar invest in a high-quality portfolio of debt securities, Texas Class Government, and Texas Class invests in a high-quality portfolio of short-term investments.

The City's investments in local government investment pools include investments in TexPool Prime, TexPool, TexasDaily, TexStar and Texas Class Government and Texas Class. These are public funds investment pools operating as an SEC 2a-7 like pool in full compliance with the Public Funds Investment Act and are rated as AAA money market funds by Standard & Poor's. The City has Local Government Investment Pools of \$223,461 and Money Market Funds of \$36,979 (amounts in thousands).

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. 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; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of September 30, 2023 (amounts in thousands):

	Fair Value Measurements Using		
	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
	9/30/2023	(Level 1)	(Level 2)
	(Level 3)		
Investments by Fair Value Level			
Treasury	20,931	-	20,931
Agency	502,208	-	502,208
Non-Texas Municipal	15,845	-	15,845
	538,984	-	538,984

Debt securities classified in Level 2 of the fair value hierarchy are valued by Interactive Data Corp (IDC) using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Management believes it is generally compliant with applicable requirements of (PFIA/PFCA).

2. PROPERTY TAXES

Property Taxes are levied on October 1 on the assessed value listed as of the prior January 1 and are due and payable at that time. All unpaid taxes attach as a lien on property as of January 1 and become enforceable February 1. Penalties and interest are charged at 7 percent on delinquent taxes beginning February 1 and increase each month to 18 percent on July 1.

Appraised values are established by the Tarrant Appraisal District at 100 percent of estimated market value and certified by the Chief Appraiser. The total market value for FY23 was \$62,827,525,862 which encompasses all properties in Arlington, including real estate, personal, and mineral properties prior to any exemptions or abatements. The assessed value for the tax roll as of September 1, 2022 upon which the original FY23 levy was based, was \$35,737,311.

City property tax revenues are recorded as receivables and unearned revenues at the time the tax levy is billed. Current year revenues recognized are those collected within the current period, or soon enough thereafter to pay current liabilities, generally within sixty days after year-end. An allowance is provided for delinquent property taxes not expected to be collected in the future.

For the fiscal year ended September 30, 2023, the City had a tax rate of \$0.5998 (\$0.4030 for general government and \$0.1968 for debt service) per \$100 assessed valuation with a tax margin of \$1.90 per \$100 valuation based upon a maximum ad valorem tax of \$2.50 per \$100 valuation permitted by Article XI, Section 5, of the State of Texas Constitution. Additional revenues up to approximately \$679,008,909 could be raised per year before the limit is reached, based on the current year's appraised net taxable value of approximately \$35,737,311.

In Texas, county-wide central appraisal districts are required to assess all property within the appraisal district on the basis of 100 percent of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every three years. The City may challenge appraised values established by the appraisal district through various appeals, and, if necessary, legal action. Under this system, the City sets tax rates on City property. However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations, adjusted for new improvements, exceeds the rate for the previous year by more than 8 percent, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than 8 percent above the tax rate of the previous year.

3. VENUE DEVELOPMENT PROJECT

Overview

The City is the home to both AT&T Stadium, the home of the Dallas Cowboys, and Globe Life Field, the home of the Texas Rangers. The City financed a portion of the construction of both venues through the issuance of special tax revenue bonds.

The 2004 Venue Election and the Cowboys Project

At an election held in the City, on November 2, 2004 pursuant to Chapter 334, Texas Local Government Code, as amended, a majority of the voters voting at said election voted in favor of a proposition authorizing the City to (i) establish and finance the Dallas Cowboys Complex (the “Cowboys Project”) as a sports and community venue project of the type described and defined in the Act, (ii) impose a sales and use tax within the City at a rate of one-half of one percent (0.5%) (the “Sales Tax”), (iii) impose a tax at a maximum rate of five percent (5%) on the gross rental receipts from the short-term rental in the City of a motor vehicle (the “Motor Vehicle Rental Tax”), (iv) impose a tax on the occupancy of a room in a hotel located within the City, at a maximum rate of two percent (2%) of the price paid for such room (the “Hotel Occupancy Tax” and together with the Sales Tax and the Motor Vehicle Rental Tax, the “Pledged Special Taxes”), (v) impose an admissions tax on each ticket sold as admission to an event held at the Cowboys Project, at a rate not to exceed ten percent (10%) of the price of the ticket sold as admission (the “Cowboys Admissions Tax”), and (vi) to impose a tax, not to exceed three dollars (\$3.00) per vehicle, on each parked motor vehicle parking in a facility of the Cowboys Project (the “Cowboys Parking Tax”) for the purpose of financing the Cowboys Project. The Dallas Cowboys are based in the City of Frisco, Texas, and play their home games at AT&T Stadium located in Arlington. The Dallas Cowboys are a professional football team owned by the Dallas Cowboys Football Club, Ltd., a Texas limited partnership (the “Cowboys’ Owner”), operating under a franchise issued by the National Football League (the “NFL”) in 1960.

The City financed a portion of AT&T Stadium through the issuance of \$297,990,000 of special tax revenue bonds in three issuances, Series 2005A, Series 2005B, and Series 2005C (collectively the “Series 2005 Bonds”). The Series 2005B Bonds were refinanced by the issuance of the City’s \$112,185,000 Special Tax Revenue Bonds, Series 2008 (the “Series 2008 Bonds”) and the City’s \$62,820,000 Special Tax Revenue Bonds, Series 2009 (the “Series 2009 Bonds” and together with the Series 2008 Bonds, the “Prior Obligations”). Subsequently, all outstanding Series 2008 and Series 2009 Bonds were refinanced by the issuance of the City’s \$110,200,000 Senior Lien Special Tax Revenue Refunding Bonds, Series 2017 (the “Series 2017 Bonds”).

Stadium Lease - As part of the Funding Agreement, the City entered into a lease agreement with the Cowboys Stadium, L.P. (the “Tenant”) for lease of the Complex. The Lease Agreement calls for an initial term of 30 years. Monthly lease payments of \$166,666.67 began in June, 2009 for an annualized rental rate of \$2 million per year. The Lease Agreement contains several renewal options at guaranteed annual rental payments of \$1 million per year for the first 10 years and \$1.25 million per year for all remaining renewals. The Lease Agreement also provides the Tenant with an option to purchase the Complex from the City at the end of the initial lease term and each renewal option thereafter. Under the lease, the Tenant pays for all costs of operation and maintenance of the Complex. The tenant will also make separate annual payments to the City, beginning during the construction period, equal to five percent of the net naming rights revenue, if any, received by the Tenant, capped at \$500 thousand per year. The revenue for this fiscal year was \$500,000. The cost of the stadium is \$1,109,951,954 with accumulated depreciation of \$335,887,338. The Stadium Lease is also within scope for implementation of GASB Statement No. 87, *Leases*. See also Note 1, Section J and also in Note 14.

Conduit Debt - In 2006, \$147,865,000 Cowboy Complex Admissions and Parking Taxes Revenue Bonds, Taxable Series 2006 (the “Cowboys Admission and Parking Taxes Revenue Bonds”) with a pledge of a 10% admissions tax and a \$3 parking tax for events held at the Complex, with additional security provided by a Guaranty Agreement from The Cowboys Stadium, L.P., were issued to fund a portion of the Dallas Cowboy’s funding for the Complex. The Cowboys Admission and Parking Taxes Revenue Bonds are not payable from or secured by any money raised or to be raised from property taxes or any other of the City’s revenue sources and accordingly have not been reported as a liability

in the City's financial statements but are disclosed here as conduit debt. At September 30, 2023, outstanding conduit debt was \$117,155,000.

Franchise - The City and the Dallas Cowboys Football Club, LTD. entered into a franchise agreement that requires the Dallas Cowboys NFL football franchise to remain in Arlington and to play 7 of 8 of the team's regular season home games in the Complex for a minimum of 30 years after the Complex opens. If the lease renewal options are exercised, the Cowboys' obligation to stay in Arlington is extended for the renewal term.

In July 2013, an agreement was reached between the Cowboys and AT&T for naming rights to the stadium. The City receives 5% of the revenue as additional rent from the naming rights deal, up to \$500,000 annually.

The 2016 Venue Election and the Rangers Project

At an election held in the City on November 8, 2016, pursuant to Chapter 334, Texas Local Government Code, as amended, a majority of the voters of the City voting at said election voted in favor of a proposition authorizing the City to provide for the planning, acquisition, establishment, development, construction and financing of the Texas Rangers Complex Development Project (the "Rangers Project" and together with the Cowboys Project, the "Arlington Venue Projects") within the City and (i) to impose a parking tax, at a rate not to exceed three dollars (\$3.00) on each parked motor vehicle parking in a parking facility of the Rangers Project (the "Rangers Parking Tax"); (ii) to impose an admissions tax on each ticket sold as admission to an event held at the Rangers Project, at a rate not to exceed ten percent (10%) of the price of the ticket sold as admission (the "Rangers Admissions Tax"); (iii) to authorize the use of the existing hotel occupancy tax, at a rate not to exceed two percent (2%) of the price paid for such room; (iv) to authorize the use of the existing sales tax within the City at a rate of one-half of one percent (0.5%); and (v) to authorize the use of the existing motor vehicle rental tax at a maximum rate of five percent (5%) for the purpose of financing the Rangers Project. The Texas Rangers are a professional baseball team operating under and pursuant to the rules and regulations of Major League Baseball. The Texas Rangers are based in the City and currently play their home games at Globe Life Park located in the City. The City's prior financing related to Globe Life Park is no longer outstanding and has been paid in full. Construction of the Rangers Project began in 2018, and the Texas Rangers began playing in the new ballpark starting in the 2020 baseball season. The Rangers Project will be a flexible, retractable roof, multi-purpose, multifunctional ballpark and sports, special events, concert and community and entertainment venue project designed to seat approximately 40,000 spectators to be used for the home games for the Texas Rangers and which may also be used for one or more additional professional or amateur sporting events, and which may also contain additional retail, restaurant and food establishments, team training facilities and museums, and which also includes water, sewer, drainage and road improvements necessary to service the Rangers Ballpark, as well as parking facilities adjacent to the Rangers Ballpark.

Stadium Lease - As part of the Funding Agreement, the City entered into a lease agreement with the Rangers Stadium Company LLC. (the "Tenant") for lease of the Rangers Complex. The Lease Agreement calls for an initial term from commencing upon occupation through January 1, 2054. Monthly lease payments of \$166,666.67 began upon occupation for an annualized rental rate of \$2 million per year. The Lease Agreement contains several renewal options at guaranteed annual rental payments of \$1 million per year for two successive renewal periods of five years each. The Lease Agreement also provides the Tenant with an option to purchase the Complex from the City at the end of the initial lease term and each renewal option thereafter. Under the lease, the Tenant pays for all costs of operation and maintenance of the Complex. The cost of the stadium is \$1,284,106,396 with accumulated depreciation of \$96,259,172.

Conduit Debt - In 2020, \$321,717,000 Rangers Baseball Complex Admissions and Parking Taxes Revenue Bonds, Taxable Series 2020 (the "Rangers Admission and Parking Taxes Revenue Bonds") with a pledge of a 10% admissions tax and a \$3 parking tax for events held at the Complex were issued. The Rangers Admission and Parking Taxes Revenue Bonds are not payable from or secured by any money raised or to be raised from property taxes or any other of the City's revenue sources and accordingly have not been reported as a liability in the City's financial statements but are disclosed here as conduit debt. At September 30, 2023, outstanding conduit debt was \$311,385,000.

Franchise - The City and Rangers Baseball LLC. entered into a non-relocation agreement that requires the Texas Rangers franchise to remain in Arlington and to play the team's regular season home games in the existing Ballpark during the construction of the new Ballpark. Once the new Ballpark is operational, the team is to remain in Arlington and to play the team's regular season home games through January 1, 2054. If the lease **renewal** options are exercised, the Rangers' obligation to stay in Arlington is extended for the renewal term.

Venue Project Debt

In 2018, the City issued an additional \$266,080,000 Senior Lien Special Tax Revenue Bonds, Series 2018A, \$28,250,000 Senior Lien Special Tax Revenue Bonds, Series 2018B, and \$171,095,000 Subordinate Lien Special Tax Revenue Bonds, Series 2018C for the City's portion of the Ballpark Venue's construction.

4. RECEIVABLES

Receivables as of September 30, 2023 for the government's individual major and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, consist of the following (amounts expressed in thousands):

	(Amounts expressed in thousands)								
	General	Debt Service	Storm Water Utility	Water & Sewer	Streets Capital Projets	Convention & Event Services	Nonmajor & Other Funds	Internal Service Funds	Total
Receivables:									
Taxes	\$ 9,826	\$ 388	\$ -	\$ -	\$ -	\$ 1,370	\$ -	\$ -	\$ 11,584
Franchise Fees	5,692	-	-	-	-	-	-	-	5,692
Trade Accounts	-	-	1,806	14,331	-	-	-	-	16,137
Unbilled Trade Accounts	-	-	1,080	11,977	-	-	-	-	13,057
Special Assessments	-	-	-	-	122	-	-	-	122
Sales Taxes	16,601	8,280	-	-	-	-	4,140	-	29,021
Lease Agreements	56,689	-	-	2,859	-	29,917	273	-	89,738
PPP Receivable	59,839	-	-	-	-	-	-	-	59,839
Accrued Interest	2,438	163	-	39	-	38	-	6	2,684
Other	16,605	85	-	116	-	120	1,560	375	18,861
Gross Receivables	167,690	8,916	2,886	29,322	122	31,445	5,973	381	246,735
Less: Allowance for Uncollectibles	(4,926)	-	(67)	(1,918)	-	-	-	-	(6,911)
Net total Receivables	\$ 162,764	\$ 8,916	\$ 2,819	\$ 27,404	\$ 122	\$ 31,445	\$ 5,973	\$ 381	\$ 239,824

5. CAPITAL, LEASE AND SBITA ASSETS

Capital, lease and SBITA asset activity for the year ended September 30, 2023 was as follows:

	(Amounts expressed in thousands)			
	Balance at Beginning Of Year*	Additions	Retirements	Balance at End Of Year
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 294,329	\$ -	\$ -	\$ 294,329
Construction in progress-other	102,768	87,166	(53,827)	136,107
Total capital assets, not being depreciated	397,097	87,166	(53,827)	430,436
Capital, lease and SBITA assets, being depreciated/amortized:				
Buildings and improvements	2,679,722	16,378	-	2,696,100
Equipment	147,081	13,526	(4,595)	156,012
Right-to-Use Lease Assets	3,994	-	-	3,994
Right-to-Use SBITA Assets	2,792	1,623	-	4,415
Infrastructure	1,073,878	35,717	-	1,109,595
Total capital, lease and SBITA assets being depreciated/amortized	3,907,467	67,244	(4,595)	3,970,116
Less accumulated depreciation/amortization for:				
Buildings and improvements	573,934	62,612	-	636,546
Equipment	131,030	10,919	(4,575)	137,374
Right-to-Use Lease Assets	1,021	1,213	-	2,234
Right-to-Use SBITA Assets	-	1,506	-	1,506
Infrastructure	768,393	19,969	-	788,362
Total accumulated depreciation/amortization	1,474,378	96,219	(4,575)	1,566,022
Total capital, lease and SBITA assets being depreciated/amortized, net	2,433,089	(28,975)	(20)	2,404,094
Governmental activities capital, lease and SBITA assets, net	\$ 2,830,186	\$ 58,191	\$ (53,847)	\$ 2,834,530

*As restated for GASB Statement No. 96 implementation

	Balance at Beginning <u>Of Year</u>	<u>Additions</u>	<u>Retirements</u>	Balance at End <u>Of Year</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 23,757	\$ -	\$ -	\$ 23,757
Construction in progress	195,613	74,826	(62,009)	208,430
Total capital assets, not being depreciated	219,370	74,826	(62,009)	232,187
Capital assets, being depreciated:				
Buildings and improvements	9,261	-	-	9,261
Drainage System	154,848	10,356	-	165,204
Water and sewer system	1,075,181	60,257	-	1,135,438
Machinery and equipment	13,232	-	-	13,232
Total capital assets, being depreciated	1,252,522	70,613	-	1,323,135
Less accumulated depreciation for:				
Buildings and improvements	2,215	185	-	2,400
Drainage System	55,107	3,186	-	58,293
Water and sewer system	412,047	21,437	-	433,484
Machinery and equipment	12,649	164	-	12,813
Total accumulated depreciation	482,018	24,972	-	506,990
Total capital assets, being depreciated/amortized, net	770,504	45,641	-	816,145
Business-type activities capital assets, net	\$ 989,874	\$ 120,467	\$ (62,009)	\$ 1,048,332

Depreciation and amortization expense was charged to functions/programs of the primary government as follows (in thousands):

Governmental activities:	
General government	\$ 56,753
Public safety	5,724
Parks and recreation	7,878
Public works	22,196
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	3,668
Total depreciation and amortization expense – governmental activities	<u>\$ 96,219</u>
Business-type activities:	
Storm water utility	\$ 3,193
Water and sewer	21,779
Total depreciation expense – business-type activities	<u>\$ 24,972</u>

(Amounts expressed in thousands)				
	Balance at Beginning <u>Of Year*</u>	Transfers and <u>Additions</u>	Transfers and <u>Retirements</u>	Balance at End <u>Of Year</u>
Arlington Housing Authority, Inc				
Capital and lease assets, being depreciated:				
Buildings and Improvements	677	-	-	677
Lease Assets	257	-	-	257
SBITA Assets	243			243
Furniture, equipment, and machinery	443	-	-	443
Total capital and lease assets, being depreciated/amortized	1,620	-	-	1,620
Less accumulated depreciation/amortization for:				
Furniture, buildings, lease and SBITA assets, machinery, and equipment	(886)	(147)	-	(1,033)
Total accumulated depreciation/amortization	(886)	(147)	-	(1,033)
Arlington Housing Authority, Inc.				
Capital Assets, net	\$ 734	\$ (147)	\$ -	\$ 587

*Balance at beginning of year has been restated for GASB Statement No. 96 implementation

(Amounts expressed in thousands)				
	Balance at Beginning <u>Of Year</u>	Transfers and <u>Additions</u>	Transfers and <u>Retirements</u>	Balance at End <u>Of Year</u>
Arlington Convention and Visitors Bureau, Inc.				
Capital assets, being depreciated:				
Machinery and equipment	\$ 5,193	176	(514)	\$ 4,855
Construction in progress	-	94	(9)	\$ 85
Total capital assets, being depreciated	5,193	176	(514)	4,940
Less accumulated depreciation for:				
Machinery, equipment, construction in progress	(818)	(220)	493	(545)
Total accumulated depreciation	(818)	(220)	493	(545)
Arlington Convention and Visitors Bureau, Inc.				
Capital Assets, net	\$ 4,375	\$ (44)	\$ (21)	\$ 4,395

6. PENSION AND EMPLOYEE RETIREMENT PLANS

Texas Municipal Retirement System

A. Plan Description

The City provides pension benefits for all its full-time employees through a nontraditional, joint contributory, hybrid defined benefit cash balance pension plan in the state-wide Texas Municipal Retirement System (TMRS), one of 909 administered by TMRS, an agent, multiple-employer public employee retirement system. TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally

dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues an audited publicly available annual comprehensive financial report (ACFR) that can be obtained at www.tmr.com.

All eligible employees of the city are required to participate in TMRS.

B. Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

Members can retire at age 60 and above with 5 or more years of service or with 20 years of service regardless of age. A member is vested after 5 years. The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. The contribution rate for the employees is 7%, and the City matching ratio is currently 2 to 1, both as adopted by the governing body of the City.

Initiated in 1998, the City provides on an annually repeating basis annuity increases for retirees, which are also referred to as cost of living adjustments (COLAS). Currently, that amount is equal to 50% of the change in the consumer price index (CPI). The amount of the COLA percentage can only be changed by a City-adopted ordinance.

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	2,165
Inactive employees entitled to but not yet receiving benefits	1,498
Active Employees	<u>2,632</u>
	6,295

C. Contributions

The contribution rates for employees in TMRS is 7% of employee gross earnings, and the City matching percentages are 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees for the City of Arlington were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Arlington were 10.36% and 9.95% in calendar years 2022 and 2023, respectively. The City's contributions to TMRS for the year ended September 30, 2023, were \$21,528,919.

D. Net Pension Liability (Asset)

The City's Net Pension Liability (Asset) was measured as of December 31, 2022, and the Total Pension Liability (Asset) used to calculate the Net Pension Liability (Asset) was determined by an actuarial valuation as of that date. Actuarial assumptions:

The Total Pension Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year
Investment Rate of Return	6.75% per year

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4- year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. The assumptions were adopted in 2019 and first used in the December 31, 2019, actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income to satisfy the short-term and long-term funding needs of TMRS.

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 pension plan 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. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	7.70%
Core Fixed Income	6.0%	4.90%
Non-Core Fixed Income	20.0%	8.70%
Other Public and Private Markets	12.0%	8.10%
Real Estate	12.0%	5.80%
Hedge Funds	5.0%	6.90%
Private Equity	10.0%	11.80%
Total	100.0%	

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 employee and employer contributions will be made at the rates specified in statute. Based on that assumption, 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 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)

Plan fiduciary net position as a percentage of the total pension liability	92.86%
Covered payroll	\$203,775,466
Net pension liability (asset) as a percentage of covered employee payroll	(53.37%)

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

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 6.75%, as well as what the City'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:

	Discount Rate (5.75%)	Discount Rate (6.75%)	Discount Rate (7.75%)
City's net pension liability (asset)	\$317,610,421	\$108,758,330	(\$62,985,406)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the internet at www.tmr.com

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

For the year ended September 30, 2023, the City recognized pension expense of \$21,528,919.

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

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual economic experience	\$100,875,521	-
Changes of assumptions	621,421	-
Net difference between projected actual earnings on pension plan investments	23,429,050	-
Contributions subsequent to the measurement date	15,477,590	-
Total	\$140,403,583	-

\$15,477,590 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30:	
2024	\$ 15,542,331
2025	31,733,818
2026	32,117,259
2027	45,532,585
2028	-
Thereafter	-
Total	\$ 124,925,993

Schedule of Changes in Net Pension Liability/(Asset) and Related Ratios - Current Period

Total pension liability

Service Cost	\$ 33,724,840
Interest (on the Total Pension Liability)	96,193,891
Change in benefit terms including substantively automatic status	-
Difference between expected and actual experience	19,402,794
Changes in assumptions	-
Benefit payments, including refunds of employee contributions	(70,654,888)
Net change in total pension liability	78,666,637
Total pension liability - beginning	1,443,559,703
Total pension liability - ending	<u>\$ 1,522,226,340</u>

Plan fiduciary net position

Contributions - employer	\$ 20,727,511
Contributions - employee	14,267,738
Net investment income	(114,144,630)
Benefit payments, including refunds of employee contributions	(70,654,888)
Administrative Expense	(987,348)
Other	1,178,200
Net change in plan fiduciary net position *	(149,613,416)
Plan fiduciary net position - beginning	1,563,081,426
Plan fiduciary net position - ending	<u>1,413,468,010</u>

Net pension liability/(asset) \$ 108,758,330

*May be off due to rounding

Part-Time, Seasonal and Temporary Employees Deferred Income Plan

The Part-Time, Seasonal and Temporary Employees Deferred Income Plan (PSTDIP) provides a retirement benefit for those employees not eligible to participate in the Texas Municipal Retirement System. PSTDIP issues stand-alone financial statements at June 30th each year that can be obtained from the City of Arlington at 101 S. Mesquite Street, Suite 800, Arlington, TX 76010.

Plan Description

Plan administration. The City's Retirement Committee administers the Part-time, Seasonal and Temporary Employees Deferred Income Plan (PSTDIP) – a single-employer defined benefit pension plan that provides benefits for all part-time, seasonal and temporary employees. Management of the PSTDIP is vested in the City's Retirement Committee which consists of an odd number of persons, but not less than three, that are determined and appointed by the City acting through City Council. The Committee includes the Director of Human Resources appointed as Chair, the Chief Financial Officer, and a representative of the City Manager's Office. The Committee meets on a quarterly basis and has final approval for all administrative actions.

Benefits. PSTDIP provides retirement, disability and death benefits for part-time, seasonal and temporary employees. Monthly retirement benefits for plan members are calculated as the lesser of a) a life annuity with an actuarial equivalent value equal to 2.5 times employee contributions with interest, or b) average compensation times percentage of average pay times credited service not in excess of 30. Average compensation is determined by dividing the sum of monthly compensation by the months of credited service earned prior to termination. Percentage of average pay ranges from 1.5 percent to 2.0 percent based on number of months of credited service. A plan member is eligible to retire upon attaining age 65. If an employee is terminated by reason of total and permanent disability, the employee will be eligible for a life only annuity in an amount actuarially equivalent to a lump sum payment equal to 2.5 times employee contributions with interest. With the approval of the Retirement Committee, the Disability Retirement Pension shall be paid as a lump sum in lieu of a life annuity. Death benefits are the same as for disability.

Contributions. The Retirement Committee establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by plan members during the year. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members. For the year ended June 30, 2023, the active member average contribution rate was 3.0 percent of annual pay and the City's average contribution rate was 2.6 percent of annual payroll. The city's contributions to the plan for the year ended September 30, 2023, was \$154,186 and was equal to the required contributions.

At the June 30, 2023 valuation and measurement date, the following employees were covered by the terms:

Inactive employees or beneficiaries currently receiving benefits	32
Inactive employees entitled to but not yet receiving benefits	3,320
Active Employees	<u>908</u>
	4,260

Net Pension Liability (Asset)

The City's Net Pension Liability (Asset) was measured as of June 30, 2023 and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions

The Total Pension Liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	3.00% per year
Discount Rate	5.00%

Mortality rates were based on the RP2000 Combined Tables with Blue Collar Adjustment, projected with Scale BB. Active rates were multiplied by 54.5% for males and 51.5% for females. Retiree rates were multiplied by 109% for males and 103% for females.

Discount Rate:

The discount rate used to measure the Total Pension Liability was 5.00%.

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance at 10/01/2022	\$ 3,037,757	\$ 3,142,712	\$ (104,955)
Changes for the year:			
Service Cost	317,189	-	317,189
Interest	156,178	-	156,178
Change of benefit terms	-	-	-
Difference between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions-employer	-	130,281	(130,281)
Contributions-employee	-	170,838	(170,838)
Net investment income	-	122,887	(122,887)
Benefit payments, including refunds of employee contributions	(145,580)	(145,580)	-
Administrative expense	-	(66,946)	66,946
Other changes	-	-	-
Net changes	327,787	211,480	116,307
Balance at 09/30/23	\$ 3,365,544	\$ 3,354,192	\$ 11,352

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

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 5.00%, as well as what the City's net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (4.00%) or 1-percentage-point higher (6.00%) than the current rate:

	Discount Rate (4.00%)	Discount Rate (5.00%)	Discount Rate (6.00%)
City's net pension asset	\$309,731	\$11,352	(\$234,666)

Pension Plan Fiduciary Net Position

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

For the year ended September 30, 2023, the City recognized pension expense of \$20,702.

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

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual economic experience	-	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	290,110	-
Contributions subsequent to the measurement date	117,000	-
Total	\$407,110	-

\$117,000 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30:	
2024	\$ 71,008
2025	90,679
2026	121,132
2027	7,291
2028	-
Thereafter	-
Total	\$ 290,110

Thrift Savings Plan

All full-time City employees may participate in the Thrift Savings Plan (the "Thrift"), a single-employer defined contribution plan administered by the Retirement Committee at the City. The plan provisions and contribution savings are adopted and amended by the City Council, within the options available in the federal statutes governing Internal Revenue Code, section 401(k). This voluntary IRS Code 401(k) plan allows all full-time City employees to contribute between 1 percent to 10 percent of their salary with the City matching the first 6 percent of employee contributions at 50 cents to the dollar. Partial vesting of employer contributions begins after three years of participation with full vesting taking place after six years of participation. At September 30, 2023, the Thrift plan was fully funded and the fair market value of plan assets, including accrued interest, was \$289,308,000.

The City's total payroll during fiscal 2023 was \$227,472,000. The current year contribution was calculated based on a covered payroll of \$153,165,000, resulting in a required and actual employer contribution of \$4,230,000 and actual

employee contributions of \$10,925,000. The employer contribution represents 2.76 percent of the covered payroll. The employee contribution represents approximately 7.13 percent of the covered payroll.

There were no material changes to the Thrift plan during fiscal 2023. There were no related-party transactions. The Thrift Plan does not issue separate stand-alone financial statements.

City contributions for the above plans for the year ended September 30, 2023, are as follows (amounts in thousands):

TMRS	\$21,528
THRIFT	4,287
PSTDIP	<u>122</u>
	<u>\$25,937</u>

7. OTHER EMPLOYEE AND POSTEMPLOYMENT BENEFITS

Disability Income Plan

Plan Description

Effective October 1, 1992, the City began providing active employees with disability insurance through a policy obtained from a commercial carrier. Previously, all City employees had participated in a Disability Income Plan (DIP), a single-employer other postemployment benefit disability plan, which had been funded by actuarially determined contributions. This plan had been accounted for in the DIP fund. Benefits to employees who were disabled while participating under the previous plan will continue to be paid from the remaining assets of the DIP fund, a fiduciary fund of the City.

Plan Description. DIP is a single-employer defined benefit disability income plan that covers the employees of the City. The plan originally provided in-service death benefits and long term disability benefits commencing upon disablement. The plan was amended to eliminate the in-service death benefit and to start disability payments at age 65. The plan contemplates that long term disability benefits will be provided through a separate LTD insurance contract prior to age 65. The retired life liability for current disabled employees (many of whom are under age 65) is retained under the plan.

The Disability Income Plan does not issue separate GAAP financial reports. Its financial statements are presented below as of and for the year-ended September 30, 2023. (amounts in thousands):

STATEMENT OF FIDUCIARY NET POSITION

ASSETS

Cash and cash-equivalents	\$	-
Investments		
Money market fund		22
Corporate bonds		644
Fixed income mutual bond funds		215
Common stock mutual bond funds		<u>224</u>
Total Investments		<u>1,105</u>
Total Assets	\$	<u>1,105</u>

LIABILITIES

Accounts payable and accrued liabilities	\$	-
Total Liabilities	\$	<u>-</u>

NET POSITION

Restricted for OPEB		<u>1,105</u>
Total Net Position	\$	<u>1,105</u>

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

ADDITIONS

Employer contributions	\$	14
Employee contributions		-
Net change in fair value of investments		60
Other additions (deductions)		<u>-</u>
Total Additions		<u>74</u>

DEDUCTIONS

Benefits		114
Plan administration		6
Other deductions		<u>-</u>
Total Deductions		<u>120</u>

Increase (Decrease) in Net Position (46)

Net Position, October 1		1,151
Net Position, September 30	\$	<u>1,105</u>

Benefits Provided

The amount of monthly benefit payable to the employee is provided by 60% of basic earnings not less than \$50 less the sum of TMRS benefit plus worker's compensation plus social security benefit.

In September of 2012, the City amended the Disability Income Plan to limit benefit eligibility to:

- a. Former employees who were receiving disability income from the trust as of September 18, 2012, and
- b. Former employees who, as of September 18, 2012, were receiving benefits from the City's Long Term Disability (LTD) plan and were in active service prior to January 1, 1993.

Because the amendment closed the plan to any future disabled employees, there is no longer any liability attributable to the City's active employees. At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	11
Inactive, Nonretired Members	0
Active Members	<u>0</u>
	11

Contributions

The retirement committee of the City has the authority to establish and amend contribution requirements of the plan. The City's contribution is determined through an actuarial valuation. For the year ended September 30, 2023, the City contributed \$14,689 to the plan. Administrative costs of DIP are financed through investment earnings.

Net Disability Income Plan Liability

The City's Total Disability Income Plan Liability was measured as of December 31, 2022.

Actuarial assumptions:

The Total Disability Income Plan Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Individual Entry Age Normal
Discount Rate	5%
Inflation	2.5%
Salary Increases	N/A; no active employees
Cost of Living Adjustment	The offsets are assumed to increase by 1.38% per annum. The offsets are assumed to increase in January.
Commencement of Plan Benefits	Age 65 for participants on the LTD plan

Changes in the Net Disability Income Plan Liability (Asset)

	Total OPEB Liability (a)	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at 10/01/2022	\$ 1,114,533	\$1,393,579	\$ (279,046)
Changes for the year:			
Service Cost	-	-	-
Interest on total OPEB liability	52,702	-	52,702
Change of benefit terms	-	-	-
Difference between expected and actual experience	24,873	-	24,873
Changes of assumptions or other inputs	-	-	-
Employer contributions	-	94,869	(94,869)
Net investment income	-	(184,849)	184,849
Benefit Payments	(120,988)	(120,988)	-
Administrative Expenses	-	(11,715)	11,715
Net changes	(43,413)	(222,683)	179,270
Balance at 9/30/23	1,071,120	1,170,896	(99,776)

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

Regarding the sensitivity of the net OPEB liability (asset) to changes in the Single Discount Rate, the following presents the plan's net OPEB liability (asset), calculated using a discount rate of 5.00%, as well as what the plan's net OPEB liability (asset) would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	Discount Rate (4.00%)	Discount Rate (5.00%)	Discount Rate (6.00%)
City's net OPEB liability (asset)	(\$15,716)	(\$99,776)	(\$173,053)

At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to disability income plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions and other inputs	-	-
Contributions subsequent to the measurement date	3,578	-
Net difference between projected and actual earnings on OPEB plan investments	164,032	-
Total	\$167,610	\$ -

Deferred outflows and deferred inflows of resources, by year, to be recognized in future OPEB expense (excluding City-provided contributions made subsequent to the measurement date):

Year Ended	
September 30:	
2024	\$ 19,235
2025	38,217
2026	55,862
2027	50,718
2028	-
Thereafter	-
Total	\$ 164,032

Retiree Health Insurance

The City of Arlington administers a single-employer self-funded health care plan. The plan provides post-retirement health care benefits to eligible retirees and their dependents. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

To be eligible for retiree health insurance, an employee must be eligible to retire from the City of Arlington based upon the policies and requirements of the Texas Municipal Retirement System ("TMRS") and elect to retire at the time of separation from the City. If a retiree has coverage through another employer, they must waive the City retiree coverage until the employer-based coverage terminates. As of December 31, 2022, there were 235 retired employees who met this requirement.

An employee may retire from the City based on one of the following circumstances: (1) the employee becomes eligible and elects to retire under the Texas Municipal Retirement System (TMRS) after either 20 years of service credit at any age, or after a minimum of five years of service at age 60; (2) the employee becomes eligible and elects to retire under the provisions of TMRS relating to disability retirement.

Benefits Provided

A Retiree may be eligible for insurance benefits that include: medical, dental, and vision benefits, regardless of the number of years worked for the City. However, to be eligible for a contribution from the City toward medical insurance, the Retiree must meet all of the following requirements:

- Be a minimum of age 50 and have a minimum of 10 years of full-time service with the City of Arlington and age plus years of service with the City must equal at least 70.
- Elect to receive their TMRS pension at the time of separation from the City of Arlington.
- Be hired/re-hired OR transferred to a Full-time status prior to January 1, 2006.

Retiree Health Insurance City Benefit Payments

The City's payment toward Retiree health insurance premiums is based upon five criteria: Date of Hire, Re-hire, or Full-time Status; Years of Full-time Service with the City of Arlington; Age; Election of TMRS Pension; and Date of Retirement.

1. Retirees who were hired/re-hired or transferred into a full-time status prior to 1/1/2006 have a City contribution based on their years of eligible service with the City. Retirees who were hired/re-hired or transferred into a full-time status after 1/1/2006 have no City payment; however they may elect to pay the full cost and remain on the City's health plan.
2. Retirees who are TMRS eligible and elect a pension, are a minimum of age 50 and have 10 years of full-time service with the City of Arlington are eligible for a City payment if hired, re-hired, or transferred into a full-time status prior to 1/1/2006.
3. Retirees who are TMRS eligible, have elected a pension but have less than 10 years of full-time service with the City of Arlington are not eligible for the City payment, but may elect insurance benefits and pay the full premium.
4. Retirees who retired prior to 1/1/2008 have a City payment toward their dependent's health coverage. Retirees who are retiring after 1/1/2008 do not have a contribution toward their dependent's health care.
5. Effective January 1, 2014, the City's retiree payment was changed to a flat rate based on date of retirement. The payment for retirees over the age of 65 has \$50 of the payment designated for Medicare pharmacy coverage.

Benefit Payments The City Council through the budget process has the authority to establish and amend payment requirements of the plan. Currently the plan is funded on a pay-as-you-go basis. The City's payments for the year ended September 30, 2023 were \$5,768,000.

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	897
Inactive employees entitled to but not yet receiving benefits	235
Active Employees	<u>2,457</u>
	3,589

Total OPEB Liability

The City's Total OPEB Liability was measured as of December 31, 2022.

Actuarial assumptions:

The Total OPEB Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Individual Entry-Age
Discount Rate	4.05%
Inflation	2.50% per year
Salary Increases	3.50% to 11.50%, including inflation

Demographic Assumptions	Based on the experience study covering the four-year period ending December 31, 2018 as conducted for the Texas Municipal Retirement System (TMRS).
Mortality	For healthy retirees, the 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rate in the MP tables published through 2019 to account for mortality improvements.
Health Care Trend Rates	Pre-65: Initial rate of 7.00% declining to an ultimate rate of 4.25% after 15 years; Post-65: Initial rate of 6.10% declining to an ultimate rate of 4.25% after 11 years
Participation Rates	Following rates apply for retirees that are eligible for a subsidy and retire between the ages of 50 and 65: 45% for retirees with 10-14 years of service; 55% for retirees with 15-19 years of service; 65% for retirees with 20-24 years of service; 75% for retirees with 25-29 years of service; 80% for retirees with 30 or more years; 70% for retirees that are eligible for a subsidy and retire after the age of 65; 20% for retirees that are not eligible for a subsidy from the City; 10% for retirees that are eligible for a subsidy and retire before the age of 50
Discount Rate:	

The discount rate used to measure the Total OPEB Liability was changed from 1.84% as of December 31, 2021 to 4.05% as of December 31, 2022. The discount rate was based on Fidelity index's "20-Year Municipal GO AA Index" rate.

Changes in the Total OPEB Liability

	Total OPEB Liability (a)
Balance at 10/01/22	\$ 130,293,422
Changes for the year:	
Service Cost	3,207,862
Interest on total OPEB liability	2,375,998
Change of benefit terms	-
Difference between expected and actual experience	(9,774,732)
Changes of assumptions or other inputs	(21,217,754)
Benefit Payments	(5,534,007)
Net changes	(30,942,633)
Balance at 9/30/23	\$ 99,350,789

Covered-employee payroll	\$203,775,466
Total OPEB liability as a percentage of covered payroll	48.76%

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 4.05%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower 3.05% or 1-percentage-point higher 5.05% than the current rate:

	Discount Rate (3.05%)	Discount Rate (4.05%)	Discount Rate (5.05%)
City's total OPEB liability	\$108,900,986	\$99,350,789	\$91,018,108

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, calculated using the assumed trend rates as well as what the City's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
City's total OPEB liability	\$95,157,222	\$99,350,789	\$104,187,349

At September 30, 2023, the City 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
Differences between expected and actual experience	5,580,281	11,489,358
Changes of assumptions and other inputs	9,162,784	18,896,344
Benefit payments subsequent to the measurement date	3,797,795	-
Total	18,540,860	30,385,702

Deferred outflows and deferred inflows of resources, by year, to be recognized in future OPEB expense (excluding City-provided benefit payments made subsequent to the measurement date):

Year Ended September 30:	
2024	\$ (1,018,736)
2025	(1,775,729)
2026	(1,711,400)
2027	(2,196,038)
2028	(4,537,164)
Thereafter	(4,403,570)
Total	\$ (15,642,637)

Supplemental Death Benefits Plan

Plan Description

Texas Municipal Retirement System ("TMRS") administers a single-employer defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund ("SDBF"). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an other post-employment benefit ("OPEB") and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated in a trust that meet the criteria in paragraph 4 of GASB75).

The member city contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers.

Benefits Provided

TMRS provides death benefits to retirees at a fixed amount of \$7,500.

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1,724
Inactive employees entitled to but not yet receiving benefits	451
Active Employees	<u>2,632</u>
	4,807

Payments

The total payment rate is for .30% of employee gross earnings, with .13% of that rate being the retiree portion. The City's payments to TMRS for the year ended September 30, 2023, were \$594,222.

Total OPEB Liability

The City's Total OPEB Liability was measured as of December 31, 2022.

Actuarial assumptions:

The Total OPEB Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	3.50% - 11.5% per year
Discount Rate	4.05%

Mortality rates for service retirees were based on the 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. For disabled retirees, the 2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor. Actuarial assumptions used in the December 31,

2022, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2014 through December 31, 2018.

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 4.05%, up from 1.84% in the previous year. The discount rate was based on Fidelity index's "20-Year Municipal GO AA Index" rate as of December 31, 2022.

Changes in the Total OPEB Liability

	Total OPEB Liability (a)
Balance at 10/01/2022	\$ 13,026,516
Changes for the year:	
Service Cost	489,061
Interest on total OPEB liability	242,125
Change of benefit terms	-
Difference between expected and actual experience	72,889
Changes of assumptions or other inputs	(4,606,685)
Benefit Payments	(224,153)
Net changes	(4,026,763)
Balance at 9/30/23	\$ 8,999,753

Covered payroll	\$203,775,466
Total OPEB liability as a percentage of covered payroll	4.42%

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 4.05%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.05%) or 1-percentage-point higher (5.05%) than the current rate:

	1% Decrease (3.05%)	Discount Rate (4.05%)	1% Increase (5.05%)
City's total OPEB liability	\$10,763,165	\$8,999,753	\$7,623,700

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 160,598
Changes of assumptions and other inputs	-	2,267,064
Benefits subsequent to the measurement date	481,169	-
Total	\$ 481,169	\$ 2,427,662

Deferred outflows and deferred inflows of resources, by year, to be recognized in future OPEB expense (excluding City-provided benefits made subsequent to the measurement date):

Year Ended September 30:	
2023	\$ (362,982)
2024	(294,145)
2025	(516,885)
2026	(760,669)
2027	(492,981)
Thereafter	-
Total	\$ (2,427,662)

Expenses (Reduction of Expenses)

The amount of expenses recognized for the current year for the OPEB plans this year is as follows:

HEALTH	4,565,124
DIP	57,445
Death Benefit	457,957
	<u>5,080,526</u>

8. DEBT AND LIABILITIES

General Obligation Bonds

On June 1, 2023, the City issued Permanent Improvement Bonds, Series 2023A of \$59,960,000 with an interest rate of 4.00 to 5.00 percent and serial maturities on August 15 from 2024 through 2043. Interest on the bonds is due every February 15 and August 15, beginning February 15, 2024. The bonds were issued to provide funds for: (i) designing, constructing, reconstructing, improving, renovating, expanding, equipping, and furnishing public safety facilities, including fire station facilities, police administrative facilities and evidence storage facilities, including the acquisition of land therefor; (ii) renovating, repairing, improving, and equipping existing City service and administrative facilities, including repair, replacement, and improvement of roofs, mechanical, electrical, plumbing, air conditioning, heating and ventilation equipment and systems, façade improvements, and improvements required by the Americans with Disabilities Act and other applicable laws; (iii) acquiring, developing, renovating and improving parks and open spaces for park and recreation purposes in and for the City; (iv) designing, developing, constructing, improving, extending, and expanding streets, thoroughfares, sidewalks, bridges, and other public ways of the City, including streetlighting, right-of-way protection, and related storm drainage improvements; and acquiring rights-of way in connection therewith; (v) paying the costs of issuance of the 2023A Bonds. Total interest requirements for the Series 2023A bonds at a rate from 4.00 to 5.00 percent is \$30,560,114 in the aggregate.

On July 1, 2023, the City issued Permanent Improvement Refunding Bonds, Series 2023B of \$14,715,000 with an interest rate of 4.00 to 5.00 percent and serial maturities on August 15 from 2024 through 2043. Interest on the bonds is due every February 15 and August 15, beginning February 15, 2024. The bonds were issued to provide funds for: (i) refund certain currently outstanding revenue obligations of the City, in order to achieve debt service savings; and (ii) pay costs of issuance associated with the sale of the 2023B Bonds. Total interest requirements for the Series 2023A bonds at a rate from 4.00 to 5.00 percent is \$4,732,333 in the aggregate. This refunding saved the City \$773,000 with a present value of \$596,000.

General obligation bonds currently outstanding are as follows (amounts in thousands):

Governmental activities	2-5%	337,120
Governmental activities refunding	1-5%	<u>120,230</u>
Total Governmental		<u>457,350</u>

Annual debt service requirements to maturity for general obligation bonds are as follows (amounts in thousands):

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 35,700	\$ 18,877
2025	34,620	16,996
2026	34,700	15,395
2027	33,955	13,898
2028	31,420	12,349
2029-2033	141,190	43,269
2034-2038	102,420	18,370
2039-2043	<u>43,345</u>	<u>4,040</u>
	<u>\$ 457,350</u>	<u>\$ 143,194</u>

General obligation debt authorized and unissued as of September 30, 2023, amounted to \$310,965,000.

General Obligation Pension Bonds

Annual debt service requirements to maturity for general obligation pension bonds are as follows (amounts in thousands):

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 9,035	\$ 2,317
2025	9,090	2,262
2026	9,155	2,197
2027	9,245	2,109
2028	9,345	2,009
2029-2033	48,795	7,975
2034-2038	<u>53,400</u>	<u>3,373</u>
	<u>\$ 148,065</u>	<u>\$ 22,242</u>

Certificates of Obligation

Annual debt service requirements to maturity for certificates of obligation of the primary government as of September 30, 2023 are as follows (amounts in thousands):

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 6,720	\$ 1,505
2025	5,960	1,260
2026	5,975	1,087
2027	4,595	871
2028	4,020	711
2029-2033	13,320	1,891
2034-2038	3,840	201
	<u>\$ 44,430</u>	<u>\$ 7,526</u>

Special Tax Revenue Debt

Annual debt service requirements to maturity for special tax revenue of the primary government as of September 30, 2023 are as follows (amounts in thousands):

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 7,150	\$ 22,784
2025	9,270	22,390
2026	10,300	21,921
2027	11,705	21,393
2028	13,215	20,793
2029-2033	82,915	92,923
2034-2048	352,335	125,392
	<u>\$ 486,890</u>	<u>\$ 327,596</u>

Revenue Bonds

The City also issues bonds where the government pledges income derived from the operations of the Water and Sewer Fund or the Storm Water Utility Fund.

On June 1, 2023, the City issued \$7,180,000 in Water and Wastewater System Revenue Bonds, Series 2023A. Proceeds from the sale of the Bonds are being used to provide funds for the purpose of improving and extending the System and paying the costs of issuing the Bonds. These bonds mature June 1 over a period from 2024 to 2043. Interest, at a rate of 4.00 to 5.00 percent, is \$3,477,051 in the aggregate.

On July 1, 2023, the City issued \$5,880,000 in Water and Wastewater System Revenue Refunding Bonds, Series 2023B. Proceeds from the sale of the Bonds are being used to provide funds for the purpose of refunding certain currently outstanding revenue obligations of the City and paying the costs of issuing the Bonds. These bonds mature June 1 over a period from 2024 to 2043. Interest, at a rate of 4.00 to 5.00 percent, is \$2,003,909 in the aggregate.

On June 27, the City issued \$4,705,000 in Municipal Drainage Utility System Revenue Bonds, Series 2023. Proceeds from the sale of the Bonds will be used for the purpose of providing funds to pay the costs of drainage improvements, including the acquisition and construction of equipment and facilities for the System and to pay costs of issuance associated with the sale of the Bonds. These bonds mature June 1 over a period from 2024 to 2043. Interest, at a rate of 4.00 to 5.00 percent, is \$2,966,674 in the aggregate.

The revenue bond debt service requirements to maturity are as follows (amounts in thousands):

Year Ending September 30	Business Activities					
	Water/Wastewater		Water/Wastewater TWDB		Storm Water Utility	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 17,550	\$ 8,051	\$ 6,270	\$ 353	\$ 4,115	\$ 1,936
2025	16,730	7,419	6,270	337	4,070	1,816
2026	16,630	6,741	6,270	318	4,035	1,669
2027	16,635	5,998	6,270	298	4,005	1,527
2028	15,480	5,275	6,260	277	3,970	1,383
2029-2033	66,475	17,438	29,200	1,029	17,060	4,818
2034-2038	48,995	6,250	25,570	429	12,955	2,199
2039-2043	13,750	935	4,195	17	5,620	426
	<u>\$ 212,245</u>	<u>\$ 58,107</u>	<u>\$ 90,305</u>	<u>\$ 3,058</u>	<u>\$ 55,830</u>	<u>\$ 15,774</u>

Net revenues of the City's water operations have been pledged for repayment of the City's Water & Wastewater revenue bonds. The amount of the pledge is equal to the remaining outstanding debt service requirements for these bonds, which were all originally issued to provide funding for construction of the water and wastewater systems. The pledge continues for the life of the bonds. For the year ended September 30, 2023, net pledged revenues for the water enterprise fund were \$98,693,000 and debt service on the revenue bonds was \$24,245,000.

Gross revenues of the City's storm water utility have been pledged for repayment of the City's Storm Water Utility revenue bonds. The amount of the pledge is equal to the remaining outstanding debt service requirements for these bonds, which were all originally issued to provide funding for drainage improvements of the City's Storm Water infrastructure. The pledge continues for the life of the bonds. For the year ended September 30, 2023, gross pledged revenues for the City's Storm Water Utility were \$21,120,000 and debt service on the revenue bonds was \$3,935,000.

The following is a summary of long-term liability transactions of the City for the year ended September 30, 2023 (amounts expressed in thousands):

	<u>10/1/2022</u>	<u>Increases</u>	<u>Reductions</u>	<u>9/30/2023</u>	<u>Due Within One Year</u>
Governmental activities:					
General obligation debt	\$ 589,775	\$ 74,675	\$ (59,035)	\$ 605,415	\$ 44,735
Certificates of obligation	51,055	-	(6,625)	44,430	6,720
Special tax revenue debt	529,020	-	(42,130)	486,890	7,150
Premium on general bonds	33,216	9,136	(5,774)	36,578	-
Premium on special bonds	43,377	-	(3,280)	40,097	-
Discount on special bonds	<u>(1,911)</u>	<u>-</u>	<u>230</u>	<u>(1,681)</u>	<u>-</u>
Net governmental bonds payable	1,244,532	83,811	(116,614)	1,211,729	58,605
Compensated absences	41,757	9,371	(29,839)	21,289	\$ 1,450
Claims	10,215	5,343	(3,768)	11,790	6,773
Estimated pollution remediation	14	35	(14)	35	-
Net pension oblg.	(111,857)	213,559	-	101,702	-
Net other postemploy benefit oblg.	<u>133,726</u>	<u>-</u>	<u>(32,418)</u>	<u>101,308</u>	<u>-</u>
Total governmental long-term liabilities	<u>\$ 1,318,387</u>	<u>\$ 312,119</u>	<u>\$ (182,653)</u>	<u>\$1,447,853</u>	<u>\$ 66,828</u>
Business-type activities:					
Water and sewer bonds	\$ 322,986	\$ 13,060	\$ (33,496)	\$ 302,550	\$ 23,820
Premium on water and sewer bonds	14,016	1,509	(1,673)	13,852	-
Storm water utility bonds	55,060	4,705	(3,935)	55,830	4,115
Premium/Discount on storm water utility	<u>2,807</u>	<u>628</u>	<u>(99)</u>	<u>3,336</u>	<u>-</u>
Net water and sewer bonds payable	394,869	19,902	(39,203)	375,568	27,935
Compensated Absences	2,583	895	(2,150)	1,328	253
Net pension oblg.	(7,769)	14,838	-	7,069	-
Net other postemploy benefit oblg.	9,316	-	(2,273)	7,043	-
Rebatable arbitrage payable	<u>125</u>	<u>766</u>	<u>-</u>	<u>891</u>	<u>-</u>
Total business-type long-term liabilities	<u>\$ 399,124</u>	<u>\$ 36,401</u>	<u>\$ (43,626)</u>	<u>\$ 391,899</u>	<u>\$ 28,188</u>

Net Pension Liability/Asset and OPEB Liability/Asset – The net pension and OPEB liability represents the actuarially-determined liability for employees’ projected pension and OPEB benefit payments to be provided to current active and inactive employees; that is attributed to those employees’ past periods of service, less the pension plans and OPEB plan’s fiduciary net position. The city allocates pension and OPEB items between governmental activities and business type activities based on employee payroll funding. The other postemployment benefits are expected to be paid in future years from future resources.

9. PRIOR YEAR BOND REFUNDINGS

In FY23 and in prior years, the City legally defeased certain general obligation, revenue, and other bonds by placing cash and/or proceeds of refunding bond issues in an irrevocable trust to provide for all future debt service payments on the refunded bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's report. As of September 30, 2023, previously defeased debt still outstanding amounted to \$0.

<u>Bond</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Par Amount</u>
Water and Wastewater System Revenue Bonds, Series 2012			
Serials	6/1/2029	3.250%	\$ 400,000
	6/1/2030	3.375%	830,000
	6/1/2031	3.500%	830,000
	6/1/2032	3.500%	830,000
			<u>\$ 2,890,000</u>
Water and Wastewater System Revenue Bonds, Series 2013A			
Serials	6/1/2026	4.000%	\$ 445,000
	6/1/2027	3.500%	445,000
	6/1/2028	3.625%	445,000
			<u>\$ 1,335,000</u>
Term 2031	6/1/2029	4.000%	\$ 445,000
	6/1/2030	4.000%	445,000
	6/1/2031	4.000%	445,000
			<u>\$ 1,335,000</u>
Term 2033	6/1/2032	4.000%	445,000
	6/1/2033	4.000%	445,000
			<u>\$ 890,000</u>
			<u><u>\$ 6,450,000</u></u>

10. INTERFUND TRANSACTIONS

A summary of interfund receivables and payables at September 30, 2023, is as follows (amounts in thousands):

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$9,030	\$ -
Nonmajor Funds	-	9,030
	<u>\$9,030</u>	<u>\$9,030</u>

The General Fund receivable represents cash provided to nonmajor funds and will be reimbursed in 2023.

Transfers between funds during the year were as follows (amounts in thousands):

	<u>Transfers Out</u>	<u>Transfers In</u>
Major Governmental Funds:		
General Fund	\$ 15,267	\$ 33,212
Street Capital Projects	4,915	4,751
Convention and Event Services	561	3,208
Debt Service Fund	-	<u>1,368</u>
Total Major Governmental Funds	20,743	42,539
Major Enterprise Fund-Water and Sewer	41,835	170
Major Enterprise Fund-Storm Water Utility	2,127	-
Other Funds:		
Nonmajor Governmental Funds	17,386	36,460
Internal Service Funds	-	<u>2,922</u>
Total All Funds	<u>\$82,091</u>	<u>\$82,091</u>

The Water and Sewer, Storm Water Utility, and Convention and Event Services transferred \$5,666,000 to the General Fund to cover their budgeted indirect costs.

The General Fund transferred \$8,026,000 to Street Maintenance Fund and Special Transportation (Handitran) to cover budgeted operating expenses.

The Enterprise Funds transferred \$21,928,000 to cover their budgeted operating costs.

The other General Fund transfers were to cover budgeted operating expenses in other funds.

11. MUNICIPAL SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

The City accounts for its landfill closure and post-closure care costs in accordance with GASB No. 18, "*Accounting for Municipal Solid Waste Landfill Closure and Post-closure Care Costs*."

State and federal laws and regulations require the City to place a final cover on its municipal landfill site when it stops accepting waste and to perform certain maintenance functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the City historically reported a portion of the closure and post-closure care costs as a liability on the Statement of Net Position in each period based on landfill capacity used as of each balance sheet date.

On September 30, 2020, an amended agreement to Lease and Operate the landfill was signed with Republic to allow for potential expansion and extension of useful service life. This agreement effectively shifted responsibility for the costs related to closing the landfill and maintaining the landfill after closure from the City to Republic. As a result, the accrued liability and related trust fund asset were removed from the City's financial statements effective 9/30/2021.

In addition, the amendment changes the basis for the royalty paid to the City to a percentage of gross revenue. In exchange for providing additional financial assurances, Republic is no longer required to fund the trust and will gradually regain the funds they deposited over time. The agreement to disburse these trust funds was approved independent of the amended lease. As a result of that approval, the City received a one-time payment of \$6.5 million from the disbursement of the trust fund. The City will receive an additional \$6.5 million by 2045. These amounts are in addition to the potential increase in revenue from landfill operations due to changes in the usage and royalty fee structure.

12. COMMITMENTS AND CONTINGENCIES

Trinity River Authority

The City entered into a 50-year contract dated October 10, 1973, with the Trinity River Authority (TRA) whereby the TRA agrees to provide supplemental sewage treatment for consideration. Payments by the City are based on metered usage, at rates designed to charge the City a pro rata share of the TRA's annual operating and maintenance expenses, and principal and interest requirements on bonds issued by the TRA.

Grant Audits

The City receives federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. City management believes such disallowances, if any, would be insignificant.

Construction Commitments

The City has various active construction projects as of September 30, 2023. The projects include construction in streets, parks, traffic, library, and water and sewer facilities. At year-end the City's significant commitments with contractors are as follows (amounts in thousands):

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Street Construction	\$ 58,904	\$ 67,032
Park Construction	28,378	48,316
Traffic Construction	6,240	659
Fire Construction	8,975	1,258
Storm Water Utility Construction	50,428	18,541
Water and Sewer Construction	181,211	77,810
	<u>\$ 334,136</u>	<u>\$ 213,616</u>

The street and traffic construction projects are funded primarily by permanent improvement bonds proceeds. The park construction projects are funded by permanent improvement bond proceeds, certificate of obligation proceeds, and park fee revenues. Water and sewer and storm water utility construction projects are funded by revenue bond proceeds and cash from operating revenues of the water and sewer and storm water systems.

Litigation

The City is currently involved in several lawsuits in which some liability is probable. The potential liability as of September 30, 2023, cannot be determined. Pursuant to the Texas Tort Claims Act, damages would be capped at \$250,000.

Various other claims and lawsuits are pending against the City. In the opinion of City Attorney's Office, the potential losses, in excess of the Self Insurance Risk Management Fund limitations (see Note 13) of insurance coverage, if any, on all claims will not have a materially adverse effect on the City's financial position as a whole.

13. RISK MANAGEMENT

The City's risk management activities are administered through various internal service funds.

Risk Management Fund (RMF)

The RMF was created for the purpose of acting on the City's behalf in financing various governmental programs as prescribed by ordinance or resolution of the City Council. In October 1986, the City Council adopted an ordinance to establish the City's Self-insurance and Risk Management Program (the "Program"). The purpose of the Program is to provide the City a defined and funded self-insurance program for bodily injury, property damage, personal injury, advertising injury, and regulatory injury.

On June 1, 2016, the City issued Combination Tax and Revenue Certificates of Obligation Series 2016C of \$14,150,000. The certificates were issued with the purpose of providing moneys to fund the Risk Management Fund, a self-insurance fund to protect the City and its officers, employees and agents from any insurable risk or hazard as permitted under Chapter 2259, Texas Government Code, as amended.

The payments out of the RMF for all purposes cannot exceed \$1,500,000 per occurrence and \$3,000,000 in aggregate in one annual period. Should claims exceed this amount, the excess claims are to be funded by other available City resources.

The RMF claims liabilities are actuarially determined annually to include the effects of specific incremental claims, adjustment expenses, and if probable and material, salvage and subrogation. The actuarially determined liabilities are reported at their present values using an expected future investment yield assumption of 1.0 percent.

Workers' Compensation

The City's workers' compensation plan provides City employees with workers' compensation coverage through the Workers' Compensation Fund (the "WCF"). Under this program, the WCF provides coverage for up to a maximum of \$750,000 per claim. The City purchases commercial insurance for claims in excess of coverage provided by the WCF. Over the past five years there have been four claims for which payments have been received totaling \$146,702.13 through the commercial insurance. All City departments participate in the workers' compensation program. Payments to the WCF from such departments are based on actuarial estimates of the amounts needed to pay prior and current year claims and related administrative expenses. The WCF claims liabilities are actuarially determined annually to take into consideration recently settled claims, the frequency of claims and other economic and social factors. The actuarially determined liabilities are reported at their present values using an expected future investment yield assumption of 1.0 percent.

Group Health

Group medical benefits are paid through the Group Health Fund. Revenues are recognized from payroll deductions and from City contributions for employee and dependent coverage. Changes in the balances of claims liabilities during fiscal 2023 and 2022 were as follows (amounts in thousands):

	Workers Compensation		Health		Self Insurance Risk Management	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Unpaid claims, Oct. 1	\$ 3,385	\$ 3,906	\$ 2,587	\$ 2,461	\$ 4,243	\$ 3,752
Incurred Claims (including IBNRs and changes in estimates)	1,426	433	28,290	29,390	2,037	2,709
Claim payments	(1,434)	(954)	(28,119)	(29,264)	(625)	(2,218)
Unpaid claims, Sept. 30	<u>\$ 3,377</u>	<u>\$ 3,385</u>	<u>\$ 2,758</u>	<u>\$ 2,587</u>	<u>\$ 5,655</u>	<u>\$ 4,243</u>

14. LEASES AND SBITA

Leases

Per GASB Statement No. 87, a lease is defined as a contractual agreement that conveys control of the right to use another entity's nonfinancial asset, for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction.

Lessee:

The City, as a lessee, has entered into lease agreements involving office buildings, facility space, a natatorium, radio communications equipment, golf cart equipment, parking lots, and wireless service agreements. The terms and conditions for these leases vary. Some leases are fixed, periodic payments over the lease term, which ranges

between 2-10 years. The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise. The related obligations are presented in the amounts equal to the present value of lease payments, payable during the remaining lease term. As the lessee, a lease liability and the associated lease asset is recognized on the government-wide Statement of Net Position.

The City did not incur expenses related to its leasing activities related to residual value guarantees, lease termination penalties or losses due to impairment. As a lessee, there are currently no agreements that include sale-leaseback and lease-leaseback transactions.

As of September 30, 2023 the City had minimum principal and interest payment requirements for its leasing activities, with a remaining term more than one year, as follows:

Fiscal Year Ending September 30	Principal	Interest	Total
2024	\$ 1,001,949	\$ 19,530	\$ 1,021,479
2025	301,353	9,289	310,642
2026	297,107	5,119	302,226
2027	70,177	2,718	72,895
2028	47,973	2,027	50,000
2029	119,743	2,089	121,832
	<u>\$ 1,838,301</u>	<u>\$ 40,772</u>	<u>\$ 1,879,073</u>

The following is a summary of lease liability transactions of the City for the year ended September 30, 2023 (amounts expressed in thousands):

	Balance beginning of year	Increases	Reductions	Balance at the End of the Year	Due Within One Year
Governmental activities:					
Leases payable	<u>\$ 2,921</u>	<u>\$ -</u>	<u>\$ (1,083)</u>	<u>\$ 1,838</u>	<u>\$ 1,002</u>

Lessor:

The City of Arlington is the Lessor related to Globe Life Field with Rangers Baseball, LLC. This lease existed at the beginning of the fiscal year and has 30 years remaining on contract. The City received combined annual payments of \$2,000,000. The City recognized net lease and interest revenue of \$710,040 in the fiscal year related to this lease. There were no inflows of resources recognized during the year ending September 30, 2023 for variable or other payments not previously included in the measurement of the lease receivable. As of September 30, 2023, the City's receivable for lease payments was \$50,224,153. Also, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of September 30, 2023, the balance of the deferred inflow of resources was \$49,578,929.

The City of Arlington is the Lessor related to Cowboy's Stadium with Cowboys Stadium, LP. This lease existed at the beginning of the fiscal year and has 15 years remaining on the contract. The City received combined annual payments of \$2,000,000. The City recognized net lease and interest revenue of \$403,678 in the fiscal year related to this lease. There were no inflows of resources recognized during the year that ended September 30, 2023 for variable or other payments not previously included in the measurement of the lease receivable. As of September 30, 2023, the City's receivable for lease payments was \$28,152,723. Also, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of September 30, 2023, the balance of the deferred inflow of resources was \$27,777,199.

Additionally, as the Lessor, the City leases City-owned properties such as buildings, office space, land, and a water pump station. These leases all had varying terms between 5 and 20 years. The City recognized \$161,666 in net lease and interest revenue during the current fiscal year related to these leases. As of September 30, 2023, the City's receivable for lease payments was \$11,361,335. Also, the City has deferred inflow of resources associated with these leases that will be recognized as revenue over the lease terms. As of September 30, 2023, the balance of deferred inflow of resources was \$11,052,227.

The City measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is measured as the amount of the lease receivable, adjusted for lease payments received before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. The City uses the lessee's rate or the rate disclosed in the agreement. If the rate is not readily available, the City uses its estimated incremental borrowing rate as the discount rate. The lease term includes the non-cancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee. The related receivables are presented in the Statement of Net Position for the amounts equal to the present value of lease payments expected to be received during the lease term.

Excluded Leases – Regulated

The Aviation Department does not recognize a lease receivable and a deferred inflow of resources for regulated leases. Regulated leases are certain leases that are subject to external laws, regulations, or legal rulings, e.g. the U.S. Department of Transportation and the Federal Aviation Administration, between airports and air carriers and other aeronautical users. Regulated leases include the following:

Airport Leases

The Aviation Department has entered into lease agreements with various individuals and companies for the lease of various items which include buildings, hangar, terminal building leases, and tie-down. These contracts have various leases dates ranging from 1984 to 2052. The annual amount expected to be received from these various leases is \$958,000. The City recognized net lease and interest revenue of \$1,119,368 in the fiscal year related to these leases.

Fixed Based Operators

The Aviation Department has entered into several contracts with Fixed Base Operators (FBO) for the lease of certain airport land and buildings. An FBO is a commercial enterprise that provides aeronautical services such as fueling, aircraft parking and storage to the general aviation community, and therefore is considered to be a regulated lease. The contracts have various start and end dates ranging from 2004 through 2034. The annual amount expected to be received from these various leases is \$152,000. The City recognized net lease and interest revenue of \$189,271 in the fiscal year related to these leases.

Subscription-Based Information Technology Arrangements

Per GASB Statement No. 96, a subscription-based information technology arrangement (SBITA) is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The City has entered into subscription-based arrangements for cloud storage, infrastructure planning, budget, court, financial, security and IT support software. These subscriptions all had varying terms between two and four years. The measurement of the SBITA liabilities is based on the present value of subscription payments expected to be paid during the subscription term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, and residual value guarantee payments that are fixed in substance.

As of September 30, 2023, the City had minimum principal and interest payment requirements for its subscription activities, with a remaining term more than one year, as follows:

Fiscal Year Ending September 30	Principal	Interest	Total
2024	\$ 1,596,326	\$ 24,753	\$ 1,621,079
2025	1,145,434	6,955	1,152,389
2026	145,021	1,182	146,203
2027	47,498	283	47,781
	<u>\$ 2,934,280</u>	<u>\$ 33,172</u>	<u>\$ 2,967,452</u>

The following is a summary of SBITA liability transactions of the City for the year ended September 30, 2023 (amounts expressed in thousands):

	Balance beginning of year*	Increases	Reductions	Balance at the End of the Year	Due Within One Year
Governmental activities:					
SBITA payable	<u>\$ 2,792</u>	<u>\$ 1,623</u>	<u>\$ (1,481)</u>	<u>\$ 2,934</u>	<u>\$ 1,597</u>
Total leases and SBITA payable	<u>\$ 5,713</u>	<u>\$ 1,623</u>	<u>\$ (2,564)</u>	<u>\$ 4,772</u>	<u>\$ 2,599</u>

*As restated for GASB Statement No. 96 implementation

15. PUBLIC-PRIVATE PARTNERSHIPS (PPP)

The City is the transferor in a service concession arrangement PPP with Republic Waste Services of Texas, LTD as operator for the operation of the City of Arlington Landfill. The agreement conveys to the operator the right, either through licenses or permits, to operate and maintain the City of Arlington Landfill in compliance with the landfill permits which includes, but is not limited to, operating and maintaining the scales and scale house, determining the disposal rate for any waste or material to be accepted at or disposed of in the Landfill, and disposal of all waste acceptable for disposal at the City of Arlington Landfill. To the extent the agreement remains in full force and effect and the City is in material compliance with the terms and conditions of the agreement, Republic shall pay to the City a lump-sum payment of \$3,000,000 on or prior to May 2, 2045 in addition to monthly usage fees. The total receivable

associated with the above PPP Arrangement is \$59.8 million as of September 30, 2023 and the deferred inflows resulting from such arrangements are \$58.8 million as of September 30, 2023. The discount rate applied to the measurement of the receivable for installment payments was 1.4%. There were no variable payments received under the arrangement.

16. CONDENSED COMPONENT UNIT INFORMATION

The City includes seven discretely presented component units in its reporting entity (see note I.B.). Condensed component unit information for the year ended September 30, 2023, for all discretely presented component units is as follows (amounts in thousands):

Condensed Schedule of Net Position

	<u>Arlington Tomorrow Foundation</u>	<u>Housing Authority</u>	<u>Other Discretely Presented Component Units</u>	<u>Total Discretely Presented Component Units</u>
Current and other assets	\$ 91,107	\$ 7,732	\$ 57,345	\$ 156,184
Capital assets	-	587	15,050	15,637
Total assets	<u>91,107</u>	<u>8,319</u>	<u>72,395</u>	<u>171,821</u>
Other liabilities and deferred inflows of resources	1,718	2,079	5,396	9,193
Total liabilities	<u>1,718</u>	<u>2,079</u>	<u>5,396</u>	<u>9,193</u>
Net position:				
Net investment in capital assets	-	322	7,648	7,970
Restricted	89,389	43	6,544	95,976
Unrestricted	-	5,875	52,807	58,682
Total net position	<u>\$ 89,389</u>	<u>\$ 6,240</u>	<u>\$ 66,999</u>	<u>\$ 162,628</u>

Condensed Schedule of Activities

	<u>Arlington Tomorrow Foundation</u>	<u>Housing Authority</u>	<u>Other Discretely Presented Component Units</u>	<u>Total Discretely Presented Component Units</u>
Expenses	\$ 2,143	\$ 43,123	\$ 14,517	\$ 59,783
Program Revenues:				
Charges for services	-	42,683	35,472	78,155
Operating grants and contributions	-	-	1,966	1,966
Capital grants and contributions	-	-	-	-
Net Program (Expense) Revenue	<u>(2,143)</u>	<u>(440)</u>	<u>22,921</u>	<u>20,338</u>
Interest Revenues	2,739	27	1,049	3,815
Other NonTax General Revenues	13,647	42	709	14,398
Change in Net Position	14,243	(371)	24,679	38,551
*Net position, October 1	75,146	6,611	42,320	124,077
Net position, September 30	<u>\$ 89,389</u>	<u>\$ 6,240</u>	<u>\$ 66,999</u>	<u>\$ 162,628</u>

*as restated

17. TAX ABATEMENTS

As of September 30, 2023, the City of Arlington (City) provides for tax abatements and tax rebates through two mechanisms – Tax Abatement Agreements and Chapter 380 Agreements. The City's Tax Abatements are authorized under Chapter 312 of the Texas Tax Code and the City's Policy Statement for Tax Abatement. Under a tax abatement agreement, the taxable value is reduced by a specific percentage, and the amount of the abatement is deducted from the recipient's tax bill. The City's tax abatements are administered by Tarrant Appraisal District. Chapter 380 agreements are authorized under VTCA Local Government Code Chapter 380 and the City's Chapter 380 Economic Development Programs Policies and Procedures. Under a 380 agreement, the recipient pays the total taxes due to the City, and the City rebates a portion of taxes paid based on the terms of the agreement.

For financial reporting purposes, a tax abatement is defined as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments. A transaction's substance, not its form or title, is the key factor in determining whether the transaction meets the definition of a tax abatement for the purpose of this disclosure. Therefore, the City's 380 agreements are being disclosed, as the substance of the rebates meets the definition of a tax abatement for purposes of financial reporting.

The City provides tax abatements for economic development in three categories – (1) Development and Redevelopment, (2) Recruitment, and (3) Retention.

Development and Redevelopment

The City provides development and redevelopment tax abatements to encourage development of remaining Greenfield sites with highest and best uses, and transformational redevelopment of existing sites with high community impact. Abatements are obtained through an application and evaluation process, with ultimate approval authorized by the City Council. Property owners are required to complete the City's Application for Incentives providing a complete description of the project, method of financing, descriptive list of improvements, schedule for completion, estimated taxable value of improvements, level of abatement requested, jobs created (if applicable), and any other incentives requested. Applications are evaluated to determine if the project meets the criteria for a development/redevelopment tax abatement. The City abates up to 100% percent of the additional property tax resulting from the increased taxable value of the improvements. Property owners are required to pay 100% of the property tax on the base year value. The City may also rebate a portion of the sales, hotel occupancy, and mixed beverage taxes generated by a project. A portion of the City's local tax collections generated by the recipient's purchase or sale of taxable items associated with the project and consummated in the City may be rebated for a specified period. In exchange for the abatement/rebate, the recipient commits to comply with the terms of the agreement, such as project completion deadlines, capital investment, and minimum added value requirements. If the recipient fails to meet the improvement conditions, the agreement enters a breach status, and the City provides a 30-60-day cure period. If the recipient fails to cure the breach, the City may terminate the agreement and recapture any taxes abated/rebated per the terms of the agreement. As part of a tax abatement/rebate, the City may make other commitments to support development and redevelopment projects (e.g., development fee waivers, infrastructure improvements, etc.).

Recruitment

The City offers recruitment tax abatement agreements to attract and incentivize new business to the City. Abatements may be granted to a company agreeing to relocate to the City or to establish new business in the City; the project must meet requirements of the Tax Code and the City's policy statements to be considered for an abatement. The City may grant tax abatements for recruitment if the City Council finds the abatement is in the public interest because it will facilitate one or more of the following objectives: (1) increase the tax base, (2) provide quality employment, and (3) contribute to the diversity and quality of Arlington's business community. The value and duration of the tax abatement is determined by the degree to which the project meets the objectives of the City's Economic Development Strategic Plan, number and types of jobs to be created, and sales taxes, hotel taxes or

other incomes that would be generated. Additional levels of abatement are considered based upon the project's employment numbers, industry type, and wages. Applicants undergo the same application and evaluation process required for development/redevelopment abatements. The City abates up to 100% percent of the additional property taxes (*i.e.*, real estate, business personal property, or both) resulting from the increased taxable value of the project. The City may also rebate a portion of the sales, hotel occupancy, and mixed beverage taxes generated by a project. A portion of the City's local tax collections generated by the recipient's purchase or sale of taxable items associated with the project and consummated in the City may be rebated for a specified period. In exchange for the abatement/rebatements(s), the recipient commits to comply with the terms of the agreement, such as project completion deadlines, added value requirements, job creation, etc. If the recipient fails to comply, the same breach and recapture provisions described above may apply. Based on the economic impact of the project, the City may make other commitments to the recipient in addition to the tax abatement/rebate. Additional incentives include development fee waivers, infrastructure improvements, and grants for hiring Arlington residents.

Retention

The City offers retention tax abatements to incentivize existing businesses to remain in the City and to encourage renovation, expansion, and job growth. Abatements may be granted to existing businesses looking to expand and renovate existing facilities or to construct new facilities to accommodate product/service demand and employment growth. Criteria for retention abatements include increasing and preserving the City's tax base, creating and retaining employment opportunities, and updating the skills of existing employees. The value and duration of the tax abatement is determined by the degree to which the project meets the objectives of the City's Economic Development Strategic Plan, number and types of jobs to be created/retained, community impact, and sales taxes, hotel taxes or other incomes that would be generated. Additional levels of abatement are considered based upon the project's employment numbers, industry type, and wages. Applicants undergo the same application and evaluation process required for all abatements. The City abates up to 100% percent of the additional property tax (*i.e.*, real estate, business personal property, or both) resulting from the increased taxable value of the project. The City may also rebate a portion of the sales taxes and other income generated from the project. In exchange for abatement/rebate(s), the recipient commits to comply with the terms of the agreement, including project completion deadlines, added value and/or taxable sales requirements, and job creation and retention numbers. If the recipient fails to comply, the same breach and recapture provisions described for all abatements may apply. As part of a tax abatement, the City can make other commitments to support business retention (*e.g.*, development fee waivers, infrastructure improvements, hiring grants, etc.).

Tax Abatement Program					
Program	Property Tax	Sales Tax	Hotel Occupancy Tax	Mixed Beverage Taxes	Other Commitments
Development/Redevelopment	1,167,507	304,100	1,786,318	300,829	-
Recruitment	955,551	6,553,648	-	-	-
Retention	4,454,704	-	-	-	25,000
Total Tax Abated	6,577,762	6,857,749	1,786,318	300,829	25,000

For the fiscal year ended September 30, 2023, the City's property tax revenues were reduced by \$6,577,762 under active tax abatement and Chapter 380 agreements for Development/Redevelopment, Recruitment, and Retention. Sales tax revenues were reduced by a total of \$6,857,749 for Development/Redevelopment and Recruitment abatements. Hotel occupancy tax revenues were reduced by \$1,786,318 and mixed beverage taxes were reduced by \$300,829 for Development/Redevelopment abatements. In addition to tax abatements/rebates, recipients qualified for \$25,000 in other commitments from the City in the form of fee waivers and hiring grants.

As a result of the City's tax abatement/rebate program, the property tax base increased by more than \$3 billion with property value growth of 2,979% above the base year value. The projects receiving abatements/rebates of the City's sales tax, hotel occupancy tax, and mixed beverage taxes generated more than \$17.7 million in local tax revenue, of which 51% was rebated.

Tax revenues were reduced as a result of the City's tax abatement agreements only; no other governments' tax abatement agreements caused a reduction in the City's tax revenues. However, the City may also act as a conduit for the refunding of state sales, hotel occupancy, and mixed beverage taxes generated by a qualifying project under Sections 151.429 (h), 351.102, and 351.1022 of the Texas Tax Code, Section 2303.5055 of the Texas Government Code, and other applicable laws.

18. POLLUTION REMEDIATION

The City is responsible for following all applicable environmental rules when managing sites with environmental clean-up or management requirements. The Texas Commission on Environmental Quality (TCEQ) requires that the City conduct groundwater monitoring of the leaking petroleum storage tanks. The liability is calculated using the current value of outlays to remediate the properties – the amount that would be paid if all equipment, facilities, and services included in the estimate were acquired during the current period. The liability is an estimate and is subject to revision as a result of price increases or reductions, changes in technology, or changes in applicable laws or regulations. As of September 30, 2023, the environmental remediation liability is \$35,000.

19. SUBSEQUENT EVENTS

There were no subsequent events that require disclosure at this time.

**CITY OF ARLINGTON, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(AMOUNTS EXPRESSED IN THOUSANDS)**

	Budgeted Amounts		Actual Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	Adjustments to Budgetary Basis	Actual on Budgetary Basis	
REVENUES						
Taxes	\$ 214,503	\$ 214,503	\$ 216,346	\$ -	\$ 216,346	\$ 1,843
Licenses and permits	7,205	7,205	10,483	-	10,483	3,278
Utility franchise fees	37,114	37,114	22,429	10,967	33,396	(3,718)
Fines and forfeitures	7,218	7,218	4,784	-	4,784	(2,434)
Leases, rents and concessions	5,267	5,267	13,480	-	13,480	8,213
Service charges	17,635	17,635	9,417	5,658	15,075	(2,560)
Interest revenue	1,016	1,016	2,133	-	2,133	1,117
Other revenue	309	309	456	-	456	147
Net increase (decrease) in the fair value of investments	-	-	1,487	-	1,487	1,487
Total Revenues	<u>290,267</u>	<u>290,267</u>	<u>281,015</u>	<u>16,625</u>	<u>297,640</u>	<u>7,373</u>
EXPENDITURES						
Current-						
General government	73,351	73,351	71,543	(19,728)	51,815	21,537
Public safety	192,758	193,068	168,660	(13,211)	155,449	37,619
Public works	36,936	36,936	27,625	83	27,708	9,228
Public health	2,637	2,637	2,460	4	2,464	173
Parks and recreation	24,904	24,904	22,543	2,658	25,201	(297)
Capital Outlay	-	-	2,007	-	2,007	(2,007)
Total Expenditures	<u>330,586</u>	<u>330,896</u>	<u>294,838</u>	<u>(30,194)</u>	<u>262,637</u>	<u>68,259</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>(40,319)</u>	<u>(40,629)</u>	<u>(13,823)</u>	<u>46,819</u>	<u>35,003</u>	<u>75,632</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	8,933	8,933	33,212	(1,350)	31,862	22,929
Transfers out	(13,239)	(13,239)	(15,267)	2,005	(13,262)	(23)
Total Other Financing Sources (Uses)	<u>(4,306)</u>	<u>(4,306)</u>	<u>17,945</u>	<u>655</u>	<u>18,600</u>	<u>22,906</u>
Net Change in Fund Balances	<u>(44,626)</u>	<u>(44,936)</u>	<u>4,122</u>	<u>47,474</u>	<u>53,603</u>	<u>98,538</u>
Fund Balances, October 1	<u>82,416</u>	<u>82,416</u>	<u>82,416</u>	<u>82,416</u>	<u>82,416</u>	<u>-</u>
Fund Balances, September 30	<u>\$ 37,790</u>	<u>\$ 37,480</u>	<u>\$ 86,538</u>	<u>\$ 129,890</u>	<u>\$ 136,019</u>	<u>\$ 98,538</u>

**City of Arlington, Texas
Notes to Required Supplementary Information**

Budgetary Information

The City Council adopts an annual legal budget, which covers the General Fund. All unencumbered appropriations for the General Fund lapse at fiscal year-end. The budget for the General Fund is prepared on the modified accrual basis except for encumbrances which are treated as expenditures on the budgetary basis and interdepartmental expenses which are eliminated. The budgetary comparison schedule includes adjustments to the budgetary basis for the differences noted above and for certain other revenue and expenditure items which are reported in the City's budget differently than they are reported for accounting principles generally accepted in the United States.

Budgetary level of control is exercised at the fund level. The City Manager is authorized to transfer budgeted amounts within and among departments; however, any revisions that alter total expenditures of the General Fund must be approved by the City Council. During Fiscal Year 2023 there was an amendment to the Operating Budget to authorize an increase in full-time staff positions in the General Fund and increase appropriations in the General Fund for that position and for Advanced Emergency Medical Technician certification pay.

The Budgetary Comparison Schedule presents a comparison of budgetary data to actual results of operations for the General Fund, for which an annual operating budget is legally adopted. This fund utilizes the same basis of accounting for both budgetary purposes and actual results, with the following exceptions:

Certain interdepartmental revenues and expenses are included in budgetary basis revenues and expenditures but are eliminated from actual revenues and expenditures.

General Fund encumbrances are added to the actual expenditures for budgetary comparison. The City utilizes encumbrance accounting to ensure appropriated funds are adequately committed and remaining unspent balances are carried forward into the next fiscal year. Encumbrances are created for purchase order, grant match requirements, and capital project funding.

CITY OF ARLINGTON, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS-TMRS
LAST 10 FISCAL YEARS (will ultimately be displayed)

Fiscal year ending December 31,	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total pension liability			
Service Cost	\$ 22,819,492	\$ 24,035,779	\$ 26,189,763
Interest on total pension liability	69,393,550	71,780,403	72,528,701
Difference between expected and actual experience	(10,846,092)	(8,105,420)	1,387,760
Changes of assumptions	-	9,851,969	-
Benefit payments and refunds	(46,622,851)	(49,131,541)	(50,018,009)
Net change in total pension liability	34,744,099	48,431,190	50,088,215
Total pension liability-beginning	1,003,238,111	1,037,982,210	1,086,413,400
Total pension liability-ending	\$ 1,037,982,210	\$ 1,086,413,400	\$ 1,136,501,615
Plan fiduciary net position			
Contribution-employer	\$ 24,198,117	\$ 24,012,910	\$ 23,983,655
Contribution-member	10,501,146	10,884,708	11,245,390
Net investment income	51,180,304	1,377,207	62,140,092
Benefit payments and refunds	(46,622,851)	(49,131,541)	(50,018,009)
Administrative expense	(534,366)	(838,887)	(701,918)
Other	(43,934)	(41,433)	(37,818)
Net change in plan fiduciary net position	38,678,416	(13,737,036)	46,611,392
Plan fiduciary net position-beginning	894,699,665	933,378,081	919,641,045
Plan fiduciary net position-ending	\$ 933,378,081	\$ 919,641,045	\$ 966,252,437
 Net pension liability	 104,604,129	 166,772,355	 170,249,178
 Plan fiduciary net position as a percentage of total pension liability	 89.92%	 84.65%	 85.02%
 Covered payroll	 149,837,550	 154,372,375	 160,574,881
 Net pension liability as a percentage of covered payroll	 69.81%	 108.03%	 106.02%

Note: GASB 68 requires 10 fiscal years of data. The City will build this schedule over the next 10-year period.

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 27,615,497	\$ 28,887,256	\$ 30,217,987	\$ 31,806,730	\$ 31,842,328	\$ 33,724,840
75,735,090	79,408,986	83,399,154	87,803,207	91,640,326	96,193,891
6,101,332	6,665,740	7,744,979	2,170,782	11,973,234	19,402,794
-	-	4,696,314	-	-	-
(56,616,054)	(54,703,360)	(58,324,155)	(64,890,993)	(66,080,292)	(70,654,888)
52,835,865	60,258,622	67,734,279	56,889,726	69,375,596	78,666,637
1,136,501,615	1,189,337,480	1,249,596,102	1,317,330,381	1,374,220,107	1,443,595,703
\$ 1,189,337,480	\$ 1,249,596,102	\$ 1,317,330,381	\$ 1,374,220,107	\$ 1,443,595,703	\$ 1,522,262,340
\$ 26,419,418	\$ 28,034,989	\$ 29,405,032	\$ 187,107,707	\$ 32,711,607	\$ 20,727,511
11,876,965	12,429,434	13,023,433	13,445,849	13,448,518	14,267,738
133,891,278	(32,369,787)	159,738,998	89,261,871	182,776,361	(114,144,630)
(56,616,054)	(54,703,360)	(58,324,155)	(64,890,993)	(66,080,292)	(70,654,888)
(694,027)	(625,874)	(903,100)	(577,979)	(845,110)	(987,348)
(35,172)	(32,699)	(27,128)	(22,550)	5,788	1,178,200
114,842,408	(47,267,297)	142,913,080	224,323,905	162,016,872	(149,613,417)
966,252,437	1,081,094,845	1,033,827,548	1,176,740,628	1,401,064,533	1,563,081,405
\$ 1,081,094,845	\$ 1,033,827,548	\$ 1,176,740,628	\$ 1,401,064,533	\$ 1,563,081,405	\$ 1,413,467,988
108,242,635	215,768,553	140,589,732	(26,844,447)	(119,521,723)	108,758,330
90.90%	82.73%	89.33%	101.95%	108.28%	92.86%
169,628,359	177,549,206	185,842,479	192,069,624	192,052,642	203,775,466
63.81%	121.53%	75.65%	-13.98%	-62.23%	53.37%

CITY OF ARLINGTON, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)
SCHEDULE OF THE CITY'S CONTRIBUTIONS-TMRS
LAST 10 FISCAL YEARS (will ultimately be displayed)

	2015	2016	2017	2018
Actuarially Determined Contribution	\$ 23,963,340	\$ 24,833,575	\$ 25,821,067	\$ 27,624,357
Contributions in relation to the				
actuarially determined contribution	\$ 24,327,508	\$ 24,587,350	\$ 26,075,876	\$ 27,711,328
Contribution deficiency (excess)	\$ (364,168)	\$ 246,225	\$ (254,809)	\$ (86,971)
Covered payroll	\$ 153,414,470	\$ 164,680,024	\$ 167,367,622	\$ 175,499,227
Contributions as a percentage of				
covered payroll	16.24%	14.93%	15.58%	15.79%

Notes to Schedule of Contributions

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	20 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.5% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014–2018
Mortality	Post-retirement 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully general basis with scale UMP. Pre-retirement: PUB (10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes There were no benefit changes during the year.
GASB 68 requires 10 fiscal years of data. The City will build this schedule over the remaining 10-year period.

2019	2020	2021	2022	2023
\$ 29,093,440	\$ 29,866,086	\$ 31,360,302	\$ 23,896,550	\$ 21,528,919
\$ 29,102,133	\$ 30,010,778	\$ 31,713,751	\$ 20,249,587	\$ 21,219,509
\$ (8,693)	\$ (144,692)	\$ (353,449)	\$ 3,646,963	\$ 309,410
\$ 184,074,211	\$ 186,055,660	\$ 188,547,864	\$ 199,110,980	\$ 219,891,289
15.81%	16.13%	16.82%	10.17%	9.65%

CITY OF ARLINGTON, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)
PART-TIME, SEASONAL AND TEMPORARY EMPLOYEES DEFERRED INCOME PLAN
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS (will ultimately be displayed)

Fiscal year ending September 30	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Total pension liability				
Service cost	\$ 110,970	\$ 115,148	\$ 184,052	\$ 187,047
Interest on total pension liability	115,570	123,377	128,068	127,591
Difference between expected actual experience	957	(64,695)	(71,751)	(76,857)
Assumption changes	-	-	125,033	-
Benefit payments and refunds	(78,517)	(96,757)	(149,233)	(137,960)
Net change in total pension liability	<u>148,980</u>	<u>77,073</u>	<u>216,169</u>	<u>99,821</u>
Total pension liability-beginning	<u>2,085,050</u>	<u>2,234,030</u>	<u>2,311,103</u>	<u>2,527,272</u>
Total pension liability-ending	<u>\$ 2,234,030</u>	<u>\$ 2,311,103</u>	<u>\$ 2,527,272</u>	<u>\$ 2,627,093</u>
Plan fiduciary net position				
Contribution-employer	\$ 21,324	\$ 22,419	\$ 53,802	\$ 60,813
Contribution-member	99,684	98,985	100,575	101,289
Net investment income	220,495	63,092	98,561	130,343
Benefit payments and refunds	(78,517)	(96,757)	(149,233)	(137,960)
Administrative expense	(46,485)	(75,217)	(56,783)	(44,296)
Other	-	-	-	-
Net change in plan fiduciary net position	<u>216,501</u>	<u>12,522</u>	<u>46,922</u>	<u>110,189</u>
Plan fiduciary net position-beginning	<u>2,452,024</u>	<u>2,668,525</u>	<u>2,681,047</u>	<u>2,727,969</u>
Plan fiduciary net position-ending	<u>\$ 2,668,525</u>	<u>\$ 2,681,047</u>	<u>\$ 2,727,969</u>	<u>\$ 2,838,158</u>
Net pension asset	(434,495)	(369,944)	(200,697)	(211,065)
Plan fiduciary net position as a percentage of total pension asset	119.40%	116.00%	108.00%	108.00%
Covered payroll	3,320,801	3,299,575	3,352,337	3,373,159
Net pension asset as a percentage of covered payroll	15.20%	14.30%	6.00%	6.30%

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$	185,246	\$ 194,554	\$ 174,664	\$ 145,741	\$ 172,501	\$ 317,189
	131,661	134,220	141,268	149,886	147,791	156,178
	(114,652)	(47,470)	-	(199,230)	(68,355)	-
	-	-	-	-	-	-
	(173,000)	(138,464)	(122,330)	(135,887)	(167,480)	(145,580)
	29,255	142,840	193,602	(39,490)	84,457	327,787
	2,627,093	2,656,348	2,799,188	2,992,790	2,953,300	3,037,757
\$	2,656,348	\$ 2,799,188	\$ 2,992,790	\$ 2,953,300	3,037,757	3,365,544
\$	46,504	\$ 82,293	\$ 76,850	\$ 73,688	121,509	130,281
	100,133	109,711	98,126	81,877	94,781	170,838
	71,859	206,103	248,242	314,938	(391,970)	122,887
	(173,000)	(138,464)	(122,330)	(135,887)	(167,480)	(145,580)
	(64,053)	(79,339)	(57,037)	(49,162)	(68,138)	(66,946)
	-	-	24,800	-	-	-
	(18,557)	180,304	268,651	285,454	(411,298)	211,480
	2,838,158	2,819,601	2,999,905	3,268,556	3,554,010	3,142,712
\$	2,819,601	\$ 2,999,905	\$ 3,268,556	\$ 3,554,010	\$ 3,142,712	\$ 3,354,192
	(163,253)	(200,717)	(275,766)	(600,710)	(104,955)	11,352
	106.15%	107.20%	109.20%	120.30%	103.46%	99.66%
	3,335,054	3,555,541	3,270,867	3,702,619	3,895,957	5,694,600
	4.90%	5.50%	8.40%	16.22%	2.69%	-0.20%

CITY OF ARLINGTON, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)
PART-TIME, SEASONAL AND TEMPORARY EMPLOYEES DEFERRED INCOME PLAN
SCHEDULE OF THE CITY'S CONTRIBUTIONS
LAST 10 FISCAL YEARS (will ultimately be displayed)

Fiscal year ending September 30,	2014	2015	2016	2017	2018
Actuarially determined contribution	\$ 21,324	\$ 22,419	\$ 53,802	\$ 81,875	\$ 71,762
Actual contribution	21,324	22,419	53,802	60,813	46,504
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ 21,062	\$ 25,258
Covered payroll	\$ 2,849,197	\$ 2,590,679	\$ 3,352,500	\$ 3,376,300	\$ 3,337,767
Contribution as a percentage of covered payroll	0.7%	0.9%	1.6%	1.8%	1.4%

Notes to Schedule

Valuation date:

The actuarially determined contribution rate documented in the schedule is calculated as of July 1, 2021. The actuarial methods and assumptions used to determine the contribution rates reported in that schedule include:

Actuarial cost method	Aggregate cost method
Amortization method	Level percent of payroll, open
Asset valuation method	Market value
Investment rate of return	5.0%
Projected salary increases	3.0%
Inflation rate	2.5%
Cost of living increases	none
Mortality	RP-2000 Combined tables with Blue Collar adjustment, projected with scale BB

2019	2020	2021	2022	2023
\$ 92,340	\$ 83,313	\$ 73,688	\$ 94,781	\$ 153,754
82,293	76,850	73,688	94,781	130,281
\$ 10,047	\$ 6,463	\$ -	\$ -	\$ 23,473
\$ 3,657,033	\$ 3,270,867	\$ 2,729,233	\$ 3,159,367	\$ 5,694,600
2.3%	2.3%	2.7%	3.0%	2.3%

CITY OF ARLINGTON, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)

SCHEDULE OF CHANGES IN THE CITY'S NET OPEB LIABILITY AND RELATED RATIOS - DISABILITY INCOME PLAN
LAST 10 FISCAL YEARS (will ultimately be displayed)

Fiscal year ending December 31,	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total OPEB liability			
Service Cost	\$ -	\$ -	\$ -
Interest on total pension liability	70,519	68,017	67,549
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	40,256	(91,774)
Changes of assumptions	-	-	-
Benefit payments and refunds	(121,545)	(119,556)	(115,737)
Net change in total OPEB liability	<u>(51,026)</u>	<u>(11,283)</u>	<u>(139,962)</u>
Total OPEB liability-beginning	<u>1,471,153</u>	<u>1,420,127</u>	<u>1,408,844</u>
Total OPEB liability-ending	<u><u>\$ 1,420,127</u></u>	<u><u>\$ 1,408,844</u></u>	<u><u>\$ 1,268,882</u></u>
Plan fiduciary net position			
Employer contributions	\$ 69,396	\$ 73,960	\$ 80,319
Nonemployer contributing entities contributions	-	-	-
Employee contributions	-	-	-
OPEB plan net investment income	96,395	(23,482)	155,531
Benefit payments	(121,545)	(119,556)	(115,737)
OPEB plan administrative expense	(18,204)	(6,607)	(32,464)
Other	-	-	-
Net change in plan fiduciary net position	<u>26,042</u>	<u>(75,685)</u>	<u>87,649</u>
Plan fiduciary net position - beginning	<u>1,295,794</u>	<u>1,321,836</u>	<u>1,246,151</u>
Plan fiduciary net position - ending	<u><u>\$ 1,321,836</u></u>	<u><u>\$ 1,246,151</u></u>	<u><u>\$ 1,333,800</u></u>
Net OPEB liability (asset) - ending	<u><u>\$ 98,291</u></u>	<u><u>\$ 162,693</u></u>	<u><u>\$ (64,918)</u></u>
 Plan fiduciary net position as a percentage of total OPEB liability (asset)	 93.08%	 88.45%	 105.12%
Covered payroll	N/A	N/A	N/A
 Total OPEB liability as a percentage of payroll	 N/A	 N/A	 N/A

Notes There were no benefit changes during the year.

GASB 75 requires 10 fiscal years of data. The City will build this schedule over the remaining 10-year period.

In September of 2012, the City amended the Disability Income Plan to close the plan to any future disabled employees. There is no longer any liability attributable to the City's active employees.

<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ -	\$ -	\$ -
60,415	57,653	52,702
-	-	-
42,447	(32,836)	24,873
(34,196)	-	-
(121,149)	(126,683)	(120,988)
(52,483)	(101,866)	(43,413)
1,268,882	1,216,399	1,114,533
<u>\$ 1,216,399</u>	<u>\$ 1,114,533</u>	<u>\$ 1,071,120</u>

\$ 74,524	\$ 80,675	\$ 94,869
-	-	-
-	-	-
153,452	43,751	(184,849)
(121,149)	(126,683)	(120,988)
(11,389)	(33,402)	(11,715)
-	-	-
95,438	(35,659)	(222,683)
1,333,800	1,429,238	1,393,579
<u>\$ 1,429,238</u>	<u>\$ 1,393,579</u>	<u>\$ 1,170,896</u>
<u>\$ (212,839)</u>	<u>\$ (279,046)</u>	<u>\$ (99,776)</u>

117.50%	125.00%	109.32%
N/A	N/A	N/A
N/A	N/A	N/A



CITY OF ARLINGTON, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)
SCHEDULE OF THE CITY'S CONTRIBUTIONS-DISABILITY INCOME PLAN
LAST 10 FISCAL YEARS (will ultimately be displayed)

FY Ending September 30,	Actuarially Determined Contribution	Annual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2018	\$ 36,205	\$ 72,769	\$ (36,564)	N/A	N/A
2019	\$ 40,577	\$ 76,844	\$ (36,267)	N/A	N/A
2020	\$ 61,806	\$ 77,848	\$ (16,042)	N/A	N/A
2021	\$ -	\$ 76,654	\$ (76,654)	N/A	N/A
2022	\$ -	\$ 105,519	\$ (105,519)	N/A	N/A
2023	\$ -	\$ 14,689	\$ (14,689)	N/A	N/A

Notes to Schedule of Contributions

Valuation Date: December 31, 2022

Methods and Assumptions:

Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Dollar
Amortization Period	1 years remaining, as of the beginning of FYE 23
Asset Valuation	Market Value
Investment Rate of Return	5.00%
Inflation	2.50%
Salary Increases	N/A; no active employees
Mortality	The mortality table for disabled retirees was the gender-distinct 2019 Municipal Retirees of Texas mortality tables were used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied to reflect impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables to account for future mortality improvements and are applied before the 3.5% and 3.0% minimum mortality floors are applied.
Cost of Living Adjustment	The TMRS offset is assumed to increase by 1.38% per annum. The offsets are assumed to increase in January.
Commencement of Plan Benefits	Age 65 for participants on the LTD plan
Notes	GASB 75 requires 10 fiscal years of data. The City will build this schedule over the remaining 10-year period.

CITY OF ARLINGTON, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)

SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS – POSTEMPLOYMENT HEALTHCARE PLAN

LAST 10 FISCAL YEARS (will ultimately be displayed)

The following table discloses certain historical trend information (amounts expressed in millions, except for percentages):

Fiscal year ending December 31,	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total OPEB liability			
Service Cost	1,955,045	2,288,267	2,267,816
Interest on total pension liability	4,055,831	3,688,623	4,077,730
Difference between expected and actual experience	-	1,772,265	(3,486,806)
Changes of assumptions	5,533,607	(2,475,508)	6,920,378
Benefit payments and refunds	(5,722,995)	(7,726,176)	(5,854,499)
Net change in total OPEB liability	5,821,488	(2,452,529)	3,924,619
Total OPEB liability-beginning	108,336,234	114,157,722	111,705,193
Total OPEB liability-ending	\$ 114,157,722	\$ 111,705,193	\$ 115,629,812
 Covered employee payroll	 151,329,108	 171,282,611	 167,712,006
 Total OPEB liability as a percentage of payroll	 75.36%	 69.14%	 68.95%

Changes of assumptions reflect a change in the discount rate from 1.84% as of December 31, 2021 to 4.05% as of December 31, 2022, and updates to the health care trend assumption.

Note: GASB 75 requires 10 fiscal years of data. The City will build this schedule over the next 10-year period.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

<u>2020</u>	<u>2021</u>	<u>2022</u>
2,601,055	3,256,735	3,207,862
3,123,353	2,619,684	2,375,998
8,814,880	(2,275,506)	(9,774,732)
8,918,233	360,464	(21,217,754)
(6,707,698)	(6,047,590)	(5,534,007)
16,749,823	(2,086,213)	(30,942,633)
115,629,812	132,379,635	130,293,422
\$ 132,379,635	130,293,422	99,350,789
192,069,624	192,052,642	203,775,466
68.92%	67.84%	48.76%

CITY OF ARLINGTON, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)
SCHEDULE OF CHANGES IN THE CITY'S SUPPLEMENTAL DEATH BENEFITS FUND-TMRS
LAST 10 FISCAL YEARS (will ultimately be displayed)

Fiscal year ending December 31,	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total OPEB liability			
Service Cost	\$ 220,517	\$ 284,079	\$ 241,595
Interest on total pension liability	280,476	284,647	309,177
Difference between expected and actual experience	-	(107,778)	(238,208)
Changes of assumptions	716,266	(633,002)	1,642,715
Benefit payments and refunds	(67,851)	(71,020)	(74,337)
Net change in total OPEB liability	1,149,408	(243,074)	1,880,942
Total pension liability-beginning	7,343,661	8,493,069	8,249,995
Total OPEB liability-ending	\$ 8,493,069	\$ 8,249,995	\$ 10,130,937
Covered employee payroll	n/a	n/a	n/a
Total OPEB liability as a percentage of payroll	n/a	n/a	n/a

Methods and Assumptions:

Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Discount rate	4.05%
Retirees' share of benefit-related Costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB No. 68.
Mortality rates – service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates- disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

Note: GASB 75 requires 10 fiscal years of data. The City will build this schedule over the next 10-year period. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 364,932	\$ 441,721	\$ 489,061
282,562	246,262	242,125
(181,851)	(61,484)	72,889
1,678,100	413,423	(4,606,685)
(76,828)	(211,258)	(224,153)
2,066,915	828,664	(4,026,763)
10,130,937	12,197,852	13,026,516
\$ 12,197,852	\$ 13,026,516	\$ 8,999,753
n/a	n/a	n/a
n/a	n/a	n/a



NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

FEDERAL TRANSIT ADMINISTRATION FUND - This fund accounts for money received from the Urban Mass Transportation Administration and related expenditures for the operation of a transportation system for the elderly and handicapped and various capital expenditures for transportation related projects.

STREET MAINTENANCE FUND - This fund accounts for money received from the Street Maintenance Fee to be used for the maintenance, rehabilitation, and repair of existing city streets.

DOWNTOWN TAX INCREMENT FINANCING (DOWNTOWN TIF) FUND - This fund was established to facilitate redevelopment in the downtown area.

TEXAS DEPARTMENT OF TRANSPORTATION FUND - This fund accounts for money received from the State Department of Highways and Public Transportation and summarizes related expenditures for statewide transportation enforcement programs.

COMMUNITY DEVELOPMENT BLOCK GRANT FUND - This fund accounts for money received from the Federal Department of Housing and Urban Development through the block grant program. These funds are used to help the City as a whole and specific sectors for various projects as allowable in the grant funding guidelines.

HOME INVESTMENT PARTNERSHIP FUND - This fund accounts for money received from the Federal Department of Housing and Urban Development through the HOME program grant. These funds are to expand the supply of decent, affordable housing for the low and very-low income families in Arlington.

FEDERAL EMERGENCY MANAGEMENT AGENCY FUND (FEMA) - This fund accounts for money received from the Department of Homeland Security. These funds are used to support the Emergency Operations Center.

GAS LEASE FUND – This fund accounts for the money received for various gas leases throughout the City.

INNOVATION AND VENTURE CAPITAL FUND - This fund supports costs associated with the City's economic development and various Chapter 380 agreements.

PARK PERFORMANCE FUND - This fund accounts for the revenues and expenditures from golf and other recreational activities.

OTHER SPECIAL REVENUE FUNDS - Other Special Revenue Funds consist of special revenue funds which are individually insignificant to the Special Revenue Fund's assets, liabilities, revenues, expenditures, and fund balance as a whole. These funds are the Texas Department of Aviation, Federal Drug Enforcement Administration, North Central Texas Council of Governments, Emergency Physicians' Advisory Board, Emergency Shelter Grant, Arlington

Telecable, Law Enforcement Officers Standards and Education, Court Security, Police Restricted Fund, Texas Criminal Justice Division, U.S. Department of Justice, Court Technology Fund, Texas State Library, Local Law Enforcement Block Grant, Gifts and Donations, Auto Theft Prevention, Historic Preservation, Tax Increment Reinvestment Zone #5, International Corridor TIRZ #7, Juvenile Case Manager, Texas Parks and Wildlife, Viridian TIRZ #6, Downtown BID, Miscellaneous Grants, and Building Rehabilitation.

CAPITAL PROJECTS FUNDS

MUNICIPAL OFFICE FACILITIES CAPITAL PROJECTS FUND - The primary purpose of this fund is to account for expenditures connected with the planning, construction, and refurbishing of various municipal office buildings.

AIRPORT CAPITAL PROJECTS FUND - The primary purpose of this fund is to account for terminal expansion, runways, or other airport construction and related projects.

PARK CAPITAL PROJECTS FUND - The primary purpose of this fund is to account for parkland acquisition, construction of swimming pools, and other park and recreation related construction, as well as various other park and recreation related projects.

TAX INCREMENT REINVESTMENT ZONE #5 FUND – The purpose of this fund is to account for the infrastructure construction and other capital project expenditures related to flood control, transportation, streetscape, public safety and other amenity improvements within the surrounding TIRZ Core Area to unify the Arlington Entertainment Area.

TRAFFIC CAPITAL PROJECTS FUND - The primary purpose of this fund is to account for construction of the City's streetlight and traffic signal systems, to perform thoroughfare analysis and to design and install various other traffic related projects.

OTHER CAPITAL PROJECTS FUNDS – Other Capital Projects Funds consist of capital project funds which are individually insignificant to the Capital Projects Fund's assets, liabilities, revenues, expenditures, and fund balance as a whole. These funds are Police Capital Projects, Fire Capital Projects, Library Capital Projects, Technical Capital Projects, and Infrastructure Maintenance Reserve.

CITY OF ARLINGTON, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023
(AMOUNTS EXPRESSED IN THOUSANDS)

	Special Revenue				
	Federal Transit Administration	Street Maintenance	Downtown TIF	Texas Department of Transportation	Community Development Block Grant
ASSETS					
Cash and cash-equivalents	\$ -	\$ 29,391	\$ 9,028	\$ 3	\$ -
Land held for resale	-	-	-	-	-
Receivables (net of allowances for uncollectibles)					
Taxes	-	-	-	-	-
Sales taxes	-	4,140	-	-	-
Lease	-	-	-	-	-
Other	-	-	-	-	3
Inventory, at cost	-	-	-	-	-
Due from other governments	3,198	-	-	156	844
Prepaid expenditures	-	-	-	-	-
Total Assets	<u>\$ 3,198</u>	<u>\$ 33,531</u>	<u>\$ 9,028</u>	<u>\$ 159</u>	<u>\$ 847</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 1,538	\$ 2,615	\$ 1,725	\$ 6	\$ 384
Retainage payable	-	78	-	-	-
Unearned Revenue	-	-	-	-	-
Due to other funds	1,660	-	-	-	463
Total Liabilities	<u>3,198</u>	<u>2,693</u>	<u>1,725</u>	<u>6</u>	<u>847</u>
Deferred Inflows of Resources:					
Leases	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Nonspendable:					
Inventory	-	-	-	-	-
Restricted for:					
Capital projects	-	-	-	-	-
Special revenue	-	30,838	7,303	153	-
Reserve for Authorized Expenditures	-	-	-	-	-
Committed to:					
Capital projects	-	-	-	-	-
Special revenue	-	-	-	-	-
Assigned to:					
Park Performance	-	-	-	-	-
Capital Projects	-	-	-	-	-
Special revenue	-	-	-	-	-
Total Fund Balance	<u>-</u>	<u>30,838</u>	<u>7,303</u>	<u>153</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 3,198</u>	<u>\$ 33,531</u>	<u>\$ 9,028</u>	<u>\$ 159</u>	<u>\$ 847</u>

Home Investment Partnership	FEMA	Gas Lease	Innovation and Venture Capital	Park Performance	Other Special Revenue	Municipal Office Facilities	Airport
\$ -	\$ -	\$ 13,251	\$ 10,501	\$ 2,692	\$ 15,864	\$ 5,262	\$ 1,819
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	273	-	-	-	-
-	7	73	25	341	1,111	-	-
-	-	-	-	212	-	-	-
2,052	3,915	-	-	-	2,735	-	-
-	-	-	-	-	-	-	-
<u>\$ 2,052</u>	<u>\$ 3,922</u>	<u>\$ 13,324</u>	<u>\$ 10,799</u>	<u>\$ 3,245</u>	<u>\$ 19,710</u>	<u>\$ 5,262</u>	<u>\$ 1,819</u>
\$ 245	\$ 261	\$ 103	\$ -	\$ 728	\$ 2,232	\$ 88	\$ 1
-	-	-	-	-	-	-	-
-	70	-	-	255	145	-	-
1,807	3,535	-	-	-	1,565	-	-
<u>2,052</u>	<u>3,866</u>	<u>103</u>	<u>-</u>	<u>983</u>	<u>3,942</u>	<u>88</u>	<u>1</u>
-	-	-	222	-	-	-	-
-	-	-	<u>222</u>	-	-	-	-
-	-	-	-	212	-	-	-
-	-	-	-	-	-	-	-
-	-	-	10,577	-	6,847	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	5,174	1,818
-	56	13,221	-	-	8,085	-	-
-	-	-	-	2,050	-	-	-
-	-	-	-	-	10	-	-
-	-	-	-	-	826	-	-
<u>-</u>	<u>56</u>	<u>13,221</u>	<u>10,577</u>	<u>2,262</u>	<u>15,768</u>	<u>5,174</u>	<u>1,818</u>
<u>\$ 2,052</u>	<u>\$ 3,922</u>	<u>\$ 13,324</u>	<u>\$ 10,799</u>	<u>\$ 3,245</u>	<u>\$ 19,710</u>	<u>\$ 5,262</u>	<u>\$ 1,819</u>

CITY OF ARLINGTON, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023
(AMOUNTS EXPRESSED IN THOUSANDS)

	Park	TIRZ #5	Traffic	Other Capital Projects	Total Nonmajor Governmental Funds
ASSETS					
Cash and cash-equivalents	\$ 74,481	\$ 1,316	\$ 4,481	\$ 39,475	\$ 207,564
Land held for resale	-	-	-	7,653	7,653
Receivables (net of allowances for uncollectibles)					
Taxes	-	-	-	-	-
Sales taxes	-	-	-	-	4,140
Lease	-	-	-	-	273
Other	-	-	-	-	1,560
Inventory, at cost	-	-	-	-	212
Due from other governments	-	-	-	-	12,900
Prepaid expenditures	-	-	-	-	-
Total Assets	<u>\$ 74,481</u>	<u>\$ 1,316</u>	<u>\$ 4,481</u>	<u>\$ 47,128</u>	<u>\$ 234,302</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 3,674	\$ -	\$ 7	\$ 490	\$ 14,097
Retainage payable	836	-	-	-	914
Unearned Revenue	-	-	-	-	470
Due to other funds	-	-	-	-	9,030
Total Liabilities	<u>4,510</u>	<u>-</u>	<u>7</u>	<u>490</u>	<u>24,511</u>
Deferred Inflows of Resources:					
Lease	-	-	-	-	222
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>222</u>
Fund Balances:					
Nonspendable:					
Inventory	-	-	-	-	212
Restricted for:					
Capital projects	69,971	1,316	4,474	46,638	122,399
Special revenue	-	-	-	-	55,718
Reserve for Authorized Expenditures	-	-	-	-	-
Committed to:					
Capital projects	-	-	-	-	6,992
Special revenue	-	-	-	-	21,362
Assigned to:					
Park Performance	-	-	-	-	2,050
Capital Projects	-	-	-	-	10
Special revenue	-	-	-	-	826
Total Fund Balance	<u>69,971</u>	<u>1,316</u>	<u>4,474</u>	<u>46,638</u>	<u>209,569</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 74,481</u>	<u>\$ 1,316</u>	<u>\$ 4,481</u>	<u>\$ 47,128</u>	<u>\$ 234,302</u>



CITY OF ARLINGTON, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(AMOUNTS EXPRESSED IN THOUSANDS)

	Special Revenue				
	Federal Transit Administration	Street Maintenance	Downtown TIF	Texas Department of Transportation	Community Development Block Grant
REVENUES					
Taxes	\$ -	\$ 23,849	\$ 2,233	\$ -	\$ -
Leases, rents and concessions	-	-	-	-	-
Service charges	229	-	-	-	-
Intergovernmental	4,139	-	-	543	4,860
Interest revenue	-	916	333	-	-
Net increase (decrease) in the fair value of investments	-	534	-	-	-
Contributions	-	-	-	-	-
Gas lease royalty	-	-	-	-	-
Gas lease other	-	-	-	-	-
Other	15	37	-	-	-
Total Revenues	<u>4,383</u>	<u>25,336</u>	<u>2,566</u>	<u>543</u>	<u>4,860</u>
EXPENDITURES					
Current:					
General government	-	-	3,435	-	-
Public safety	-	-	-	-	-
Public works	-	29,113	-	650	-
Public health	-	-	-	-	-
Public welfare	5,777	-	-	-	4,860
Parks and recreation	-	-	-	-	-
Convention and event services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	<u>5,777</u>	<u>29,113</u>	<u>3,435</u>	<u>650</u>	<u>4,860</u>
Net change in fund balances	<u>(1,394)</u>	<u>(3,777)</u>	<u>(869)</u>	<u>(107)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Issuance of bonds	-	-	-	-	-
Proceeds from refunding bond issue	-	-	-	-	-
Issuance of certificates of obligation	-	-	-	-	-
Bond premium	-	-	-	-	-
Amount to Fund Escrow	-	-	-	-	-
Transfers in	1,384	6,643	-	107	-
Transfers out	-	(1,007)	-	-	-
Total Other Financing Sources (Uses)	<u>1,384</u>	<u>5,636</u>	<u>-</u>	<u>107</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources (uses) over (under) expenditures and other uses	(10)	1,859	(869)	-	-
Fund Balance, October 1	10	28,979	8,172	153	-
Fund Balance, September 30	<u>\$ -</u>	<u>\$ 30,838</u>	<u>\$ 7,303</u>	<u>\$ 153</u>	<u>\$ -</u>

Special Revenue						Capital Projects	
Home Investment Partnership	FEMA	Gas Lease	Innovation and Venture Capital	Park Performance	Other Special Revenue	Municipal Office Facilities	Airport
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,641	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	16,113	1,280	-	-
1,710	3,119	-	-	-	9,849	-	-
-	-	396	248	28	123	108	48
-	-	294	442	-	2	(1)	39
-	-	-	-	-	-	-	-
-	-	6,410	-	-	-	-	-
-	-	310	-	-	-	-	-
-	-	-	1,161	123	1,501	-	-
1,710	3,119	7,410	1,851	16,264	29,396	107	87
-	-	-	-	-	1,927	1,482	-
-	3,119	-	-	-	13,799	-	-
-	-	-	-	-	10,871	-	-
-	-	-	-	-	1,235	-	-
1,710	-	285	20,504	-	2,346	-	-
-	-	-	-	16,844	7	-	-
-	-	-	-	-	5,559	-	-
-	-	-	-	-	-	-	33
1,710	3,119	285	20,504	16,844	35,744	1,482	33
-	-	7,125	(18,653)	(580)	(6,348)	(1,375)	54
-	-	-	-	-	-	4,336	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	464	-
-	-	-	-	-	-	-	-
-	-	-	234	1,100	4,707	-	-
-	-	(8,508)	-	-	(5,692)	-	(33)
-	-	(8,508)	234	1,100	(985)	4,800	(33)
-	-	(1,383)	(18,419)	520	(7,333)	3,425	21
-	56	14,604	28,996	1,742	23,101	1,749	1,797
\$ -	\$ 56	\$ 13,221	\$ 10,577	\$ 2,262	\$ 15,768	\$ 5,174	\$ 1,818

CITY OF ARLINGTON, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2023
 (AMOUNTS EXPRESSED IN THOUSANDS)

	Capital Projects			Other Capital Projects	Nonmajor Governmental Funds
	Park	TIRZ #5	Traffic		
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 42,723
Leases, rents and concessions	-	-	-	-	-
Service charges	1,718	-	-	-	19,340
Intergovernmental	-	-	-	-	24,220
Interest revenue	1,731	21	152	348	4,452
Net increase (decrease) in the fair value of investments	1,053	-	89	(4)	2,448
Contributions	817	-	-	-	817
Gas lease royalty	-	-	-	-	6,410
Gas lease other	-	-	-	-	310
Other	1,148	-	-	102	4,087
Total Revenues	<u>6,467</u>	<u>21</u>	<u>241</u>	<u>446</u>	<u>104,807</u>
EXPENDITURES					
Current:					
General government	-	-	-	148	6,992
Public safety	-	-	-	1,325	18,243
Public works	-	-	-	-	40,634
Public health	-	-	-	-	1,235
Public welfare	-	-	-	-	35,482
Parks and recreation	-	-	-	-	16,851
Convention and event services	-	-	-	-	5,559
Capital outlay	22,194	-	880	4,165	27,272
Total Expenditures	<u>22,194</u>	<u>-</u>	<u>880</u>	<u>5,638</u>	<u>152,268</u>
Net change in fund balances	<u>(15,727)</u>	<u>21</u>	<u>(639)</u>	<u>(5,192)</u>	<u>(47,461)</u>
OTHER FINANCING SOURCES (USES)					
Issuance of bonds	998	-	-	25,431	30,765
Proceeds from refunding bond issue	-	-	-	-	-
Issuance of certificates of obligation	-	-	-	-	-
Bond premium	107	-	-	2,719	3,290
Amount to Fund Escrow	-	-	-	-	-
Transfers in	20,825	-	-	1,460	36,460
Transfers out	(2,103)	-	-	(43)	(17,386)
Total Other Financing Sources (Uses)	<u>19,827</u>	<u>-</u>	<u>-</u>	<u>29,567</u>	<u>53,129</u>
Excess (deficiency) of revenues and other financing sources (uses) over (under) expenditures and other uses	4,100	21	(639)	24,375	5,668
Fund Balance, October 1	65,871	1,295	5,113	22,263	203,901
Fund Balance, September 30	<u>\$ 69,971</u>	<u>\$ 1,316</u>	<u>\$ 4,474</u>	<u>\$ 46,638</u>	<u>\$ 209,569</u>

CITY OF ARLINGTON, TEXAS
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(AMOUNTS EXPRESSED IN THOUSANDS)

	Budgeted Amounts		Actual Amounts			Variance with
	Original	Final	Actual	Adjustments to Budgetary Basis	Actual on Budgetary Basis	Final Budget- Positive (Negative)
REVENUES						
Taxes	\$ 67,625	\$ 67,625	\$ 118,946	(52,181)	\$ 66,765	\$ (860)
Interest revenue	310	310	1,278	-	1,278	968
Net increase (decrease) in fair value of investments	-	-	250	-	250	250
Leases, rents and concessions	-	-	2,000	-	2,000	2,000
Other revenue	-	-	169	-	169	169
Total Revenues	67,935	67,935	122,643	(52,181)	70,462	2,527
EXPENDITURES						
Debt Service-						
Principal retirement	71,313	71,313	107,794	(42,130)	65,664	5,649
Redemption premium	-	-	-	-	-	-
Interest and fiscal charges	861	861	35,378	(12,617)	22,761	(21,900)
Total Expenditures	72,174	72,174	143,172	(54,747)	88,425	(16,251)
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(4,239)	(4,239)	(20,529)	2,566	(17,963)	(13,724)
OTHER FINANCING SOURCES						
Bond premium	-	-	2,338	-	2,338	2,338
Proceeds from bonds	800	800	14,715	-	14,715	13,915
Issuance of refunding bonds	-	-	-	-	-	-
Refunding bond principal	-	-	-	-	-	-
Amount used to fund escrow account	-	-	-	-	-	-
Transfers in	1,536	1,536	1,368	-	1,368	(168)
Transfers out	-	-	-	-	-	-
Total Other Financing Sources	2,336	2,336	18,421	-	18,421	16,085
Net Change In Fund Balances	(1,903)	(1,903)	(2,108)	2,566	458	2,361
Fund Balances - Beginning	60,305	60,305	60,305	-	60,305	-
Fund Balances - Ending	\$ 58,402	\$ 58,402	\$ 58,197	\$ 2,566	\$ 60,763	\$ 2,361

**CITY OF ARLINGTON, TEXAS
BUDGETARY COMPARISON SCHEDULE
STREET MAINTENANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(AMOUNTS EXPRESSED IN THOUSANDS)**

	Budgeted Amounts		Actual Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	Adjustments to Budgetary Basis	Actual on Budgetary Basis	
REVENUES						
Taxes	\$ 22,818	\$ 22,818	\$ 23,849	\$ -	\$ 23,886	\$ 1,068
Interest revenue	170	170	916	-	1,450	1,280
Net increase (decrease) in the fair value of investments	-	-	534	517	517	517
Other revenue	-	-	37	-	-	-
Total Revenues	<u>22,988</u>	<u>22,988</u>	<u>25,336</u>	<u>517</u>	<u>25,853</u>	<u>2,865</u>
EXPENDITURES						
Current-						
Public works	30,442	34,442	29,113	(3,179)	25,934	8,508
Total Expenditures	<u>30,442</u>	<u>34,442</u>	<u>29,113</u>	<u>(3,179)</u>	<u>25,934</u>	<u>8,508</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>(7,454)</u>	<u>(11,454)</u>	<u>(3,777)</u>	<u>3,696</u>	<u>(81)</u>	<u>11,373</u>
OTHER FINANCING SOURCES						
Transfers in	7,206	7,206	6,643	-	7,206	-
Transfers out	(1,412)	(1,412)	(1,007)	-	(1,570)	(158)
Total Other Financing Sources	<u>5,794</u>	<u>5,794</u>	<u>5,636</u>	<u>-</u>	<u>5,636</u>	<u>(158)</u>
Net Change In Fund Balances	<u>(1,660)</u>	<u>(5,660)</u>	<u>1,859</u>	<u>3,696</u>	<u>5,555</u>	<u>11,215</u>
Fund Balances - Beginning	<u>28,979</u>	<u>28,979</u>	<u>28,979</u>	<u>-</u>	<u>22,937</u>	<u>(6,042)</u>
Fund Balances - Ending	<u>\$ 27,319</u>	<u>\$ 23,319</u>	<u>\$ 30,838</u>	<u>\$ 3,696</u>	<u>\$ 28,492</u>	<u>\$ 5,173</u>

**CITY OF ARLINGTON, TEXAS
BUDGETARY COMPARISON SCHEDULE
PARK PERFORMANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(AMOUNTS EXPRESSED IN THOUSANDS)**

	Budgeted Amounts		Actual Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	Adjustments to Budgetary Basis	Actual on Budgetary Basis	
REVENUES						
Service charges	\$ 14,708	\$ 14,708	\$ 16,113	\$ -	\$ 16,113	\$ 1,405
Interest revenue	-	-	28	-	28	28
Other Revenue	-	-	123			
Total Revenues	14,708	14,708	16,264	-	16,141	1,433
EXPENDITURES						
Current-						
Parks and recreation	17,382	17,382	16,844	(91)	16,753	629
Total Expenditures	17,382	17,382	16,844	(91)	16,753	629
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(2,674)	(2,674)	(580)	91	(612)	2,062
OTHER FINANCING USES						
Transfers in	2,345	2,345	1,100	-	1,100	(1,245)
Transfers out	-	-	-	-	-	-
Total Other Financing Uses	2,345	2,345	1,100	-	1,100	(1,245)
Net Change In Fund Balances	(329)	(329)	520	91	488	817
Fund Balances - Beginning	1,742	1,742	1,742	-	1,742	
Fund Balances - Ending	\$ 1,413	\$ 1,413	\$ 2,262	\$ 91	\$ 2,230	\$ 817

**CITY OF ARLINGTON, TEXAS
BUDGETARY COMPARISON SCHEDULE
CONVENTION AND EVENT SERVICES
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(AMOUNTS EXPRESSED IN THOUSANDS)**

	Budgeted Amounts		Actual Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	Adjustments to Budgetary Basis	Actual on Budgetary Basis	
REVENUES						
Taxes	\$ 9,137	\$ 9,137	\$ 11,036	\$ -	\$ 11,036	\$ 1,899
Service charges	2,108	2,108	2,338	-	2,338	230
Stadium Rent/Naming Rights	2,500	2,500	2,769	-	2,769	269
Interest revenue	-	-	19	-	19	19
Net increase (decrease) in the fair value of investments	-	-	51	-	51	51
Other	-	-	448	-	448	448
Total Revenues	<u>13,745</u>	<u>13,745</u>	<u>16,661</u>	<u>-</u>	<u>16,661</u>	<u>2,916</u>
EXPENDITURES						
Current-						
Convention & event services	11,682	11,682	16,464	(5,427)	11,037	645
Total Expenditures	<u>11,682</u>	<u>11,682</u>	<u>16,464</u>	<u>(5,427)</u>	<u>11,037</u>	<u>645</u>
Excess Of Revenues Over Expenditures	<u>2,063</u>	<u>2,063</u>	<u>197</u>	<u>5,427</u>	<u>5,624</u>	<u>3,561</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	3,208	3,208	3,208	-	3,208	-
Transfers out	(6,304)	(6,304)	(561)	(5,743)	(6,304)	-
Total Other Financing Sources (Uses)	<u>(3,096)</u>	<u>(3,096)</u>	<u>2,647</u>	<u>(5,743)</u>	<u>(3,096)</u>	<u>-</u>
Net Change In Fund Balances	<u>(1,033)</u>	<u>(1,033)</u>	<u>2,844</u>	<u>(316)</u>	<u>2,528</u>	<u>3,561</u>
Fund Balances - Beginning	<u>(2,015)</u>	<u>(2,015)</u>	<u>3,006</u>	<u>-</u>	<u>3,006</u>	<u>(5,021)</u>
Fund Balances - Ending	<u>\$ (3,048)</u>	<u>\$ (3,048)</u>	<u>\$ 5,850</u>	<u>\$ (316)</u>	<u>\$ 5,534</u>	<u>\$ 8,582</u>

**CITY OF ARLINGTON, TEXAS
BUDGETARY COMPARISON SCHEDULE
WATER AND SEWER FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(AMOUNTS EXPRESSED IN THOUSANDS)**

	Budgeted Amounts		Actual Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	Adjustments to Budgetary Basis	Actual on Budgetary Basis	
REVENUES						
Water sales	\$ 88,596	\$ 88,596	\$ 96,066	\$ (475)	\$ 95,591	\$ 6,995
Sewer service	79,243	79,243	82,517	(98)	82,419	3,176
Sundry	11,854	11,854	13,053	(3)	13,050	1,196
Total Operating Revenues	179,693	179,693	191,636	(576)	191,060	11,367
EXPENDITURES						
Purchases of water	\$ 25,983	\$ 25,983	\$ 22,112	\$ -	\$ 22,112	\$ 3,871
Purchase of sewage treatment	42,029	42,029	41,886	-	41,886	143
Salaries and wages	14,235	14,235	13,872	-	13,872	363
Benefits	4,142	4,142	6,060	(1,703)	4,357	(215)
Operations and maintenance	19,991	19,991	17,776	2,523	20,299	(308)
Franchise fees	10,220	10,220	-	10,967	10,967	(747)
Payment in lieu of taxes	4,801	4,801	-	4,801	4,801	-
Depreciation	-	-	21,779	(21,779)	-	-
Miscellaneous services	1,246	1,246	392	-	392	854
Total Operating Expenses	122,647	122,647	123,877	(5,191)	118,686	3,961
Operating Income	57,046	57,046	67,759	4,615	72,374	15,328
NONOPERATING REVENUES (EXPENSES):						
Interest revenue	1,313	1,313	9,155	(2,974)	6,181	4,868
Net increase (decrease) in the fair value of investments	-	-	3,631	(3,631)	-	-
Interest expense and fiscal charges	(33,553)	(33,553)	(7,319)	(24,560)	(31,879)	1,674
Total Nonoperating Revenues (Expenses)	(32,240)	(32,240)	5,467	(31,165)	(25,698)	6,542
Income (loss) before operating transfers and contributions	24,806	24,806	73,226	(26,550)	46,676	21,870
Contributions in aid of construction	-	-	7,875	-	7,875	(7,875)
Transfers in	27,763	27,763	170	(6,577)	(6,407)	(34,170)
Transfers out	(4,010)	(4,010)	(41,835)	23,061	(18,774)	(14,764)
Change in net position	48,559	48,559	39,436	(10,066)	29,370	(19,189)
Total net position-beginning	786,397	786,397	786,397	0	786,397	-
Total net position-ending	\$ 834,956	\$ 834,956	\$ 825,833	\$ (10,066)	\$ 815,767	\$ (19,189)

CITY OF ARLINGTON, TEXAS
BUDGETARY COMPARISON SCHEDULE
STORM WATER UTILITY
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(AMOUNTS EXPRESSED IN THOUSANDS)

	Budgeted Amounts		Actual Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	Adjustments to Budgetary Basis	Actual on Budgetary Basis	
REVENUES						
Storm water fee- commercial	\$ 11,529	\$ 11,529	\$ 11,620	\$ (35)	\$ 11,585	\$ 56
Storm water fee- residential	12,354	12,354	12,703	(34)	12,669	315
Miscellaneous	213	213	32	(979)	(947)	(1,160)
Total Operating Revenues	24,096	24,096	24,355	(1,048)	23,307	(789)
EXPENDITURES						
Salaries and wages	\$ 3,018	\$ 3,018	\$ 2,440	\$ (133)	\$ 2,307	\$ 711
Employees' retirement	787	787	777	-	777	10
Supplies	-	-	-	-	-	-
Maintenance and repairs	551	551	1,655	(599)	1,056	(505)
Utilities	-	-	-	-	-	-
Depreciation	-	-	3,193	(3,193)	-	-
Miscellaneous services	2,099	2,099	-	(2,182)	(2,182)	4,281
Total Operating Expenses	6,455	6,455	8,065	(6,107)	1,958	4,497
Operating Income	17,641	17,641	16,290	5,059	21,349	3,708
NONOPERATING REVENUES (EXPENSES):						
Interest revenue	-	-	1,637	(1,637)	-	-
Net increase (decrease) in the fair value of investments	-	-	776	(776)	-	-
Interest expense and fiscal charges	(6,310)	(6,310)	(1,930)	(2,043)	(3,973)	2,337
Total Nonoperating Revenues (Expenses)	(6,310)	(6,310)	483	(4,456)	(3,973)	2,337
Income (loss) before operating transfers and contributions	11,331	11,331	16,773	603	17,376	6,045
Transfers in	-	-	-	-	-	-
Transfers out	(11,993)	(11,993)	(2,127)	(10,700)	(12,827)	(834)
Change in net position	(662)	(662)	14,646	(10,097)	4,549	5,211
Total net position-beginning	125,593	125,593	161,065	(21,809)	786,397	-
Total net position-ending	\$ 124,931	\$ 124,931	\$ 175,711	\$ (31,906)	\$ 790,946	\$ 5,211

INTERNAL SERVICE FUNDS

FLEET SERVICES FUND - The purpose of this fund is to account for the purchase of City vehicles and to provide maintenance services for such vehicles.

SELF INSURANCE RISK MANAGEMENT FUND - The purpose of this fund is to provide the City an appropriate amount of money with which it can pay claims arising out of the Covered Risks for which the City may be liable, all as part of its self-insurance plan.

WORKERS' COMPENSATION FUND - The City's workers' compensation program provides City employees with workers' compensation insurance. The purpose of this fund is to account for the activity of such program.

GROUP HEALTH FUND - The City's group health insurance program provides City employees with health insurance. The purpose of this fund is to account for the activity of such program.

CITY OF ARLINGTON, TEXAS
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2023
(AMOUNTS EXPRESSED IN THOUSANDS)

	Fleet Services	Self Insurance Risk Management
ASSETS		
Current Assets:		
Cash and cash-equivalent investments	\$ 3,346	\$ 7,641
Receivables (net of allowances for uncollectibles)		
Trade accounts	-	-
Accrued Interest	-	6
Other	1	376
Prepaid expenses	-	-
Inventory of supplies, at cost	-	-
Total Current Assets	3,347	8,023
Noncurrent Assets:		
Capital Assets:		
Buildings and improvements	467	-
Machinery and equipment	57,318	-
Less accumulated depreciation	(43,053)	-
Total Capital Assets (Net of Accumulated Depreciation)	14,732	-
Total Assets	18,079	8,023
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued liabilities	684	-
Estimated claims payable	-	1,035
Due to other funds	-	-
Total Current Liabilities	684	1,035
Noncurrent Liabilities:		
Estimated claims payable	-	2,720
Accrued compensated absences	-	-
Total Noncurrent Liabilities	-	2,720
Total Liabilities	684	3,755
NET POSITION		
Net investment in capital assets	14,732	-
Unrestricted	2,663	4,268
Total Net Position	\$ 17,395	\$ 4,268

Workers Compensation	Group Health	Total
\$ 4,516	\$ 9,100	\$ 24,603
-	-	-
-	-	6
(2)	-	375
-	-	-
-	-	-
4,514	9,100	24,984
-	-	467
-	-	57,318
-	-	(43,053)
-	-	14,732
4,514	9,100	39,716
6	222	912
1,080	2,758	4,873
-	-	-
1,086	2,980	5,785
2,297	-	5,017
-	-	-
2,297	-	5,017
3,383	2,980	10,802
-	-	14,732
1,131	6,120	14,182
\$ 1,131	\$ 6,120	\$ 28,914

CITY OF ARLINGTON, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(AMOUNTS EXPRESSED IN THOUSANDS)

	Fleet Services	Self Insurance Risk Management
OPERATING REVENUES:		
Service charges	\$ 10,397	\$ -
Total Operating Revenues	10,397	-
OPERATING EXPENSES:		
Salaries and wages	92	-
Benefits	23	-
Supplies	3,618	-
Maintenance and repairs	241	-
Utilities	57	-
Claims (net of adjustments)	-	625
Legal and professional	-	7
Depreciation	3,668	-
Miscellaneous services	3,465	-
Total Operating Expenses	11,164	632
OPERATING INCOME (LOSS)	(767)	(632)
NON-OPERATING REVENUES (EXPENSES):		
Interest revenue	-	98
Miscellaneous revenue	-	-
Net increase (decrease) in the fair value of investments	-	118
Gain (Loss) on sale of assets	490	-
Total Non-operating Revenues (Expenses)	490	216
Income (Loss) Before Transfers	(277)	(416)
Transfers In	2,922	-
Transfers Out	-	-
Change In Net Position	2,645	(416)
Total Net Position, October 1	14,750	4,684
Total Net Position, September 30	\$ 17,395	\$ 4,268

Workers Compensation	Group Health	Total
\$ 1,800	\$ 30,881	\$ 43,078
<u>1,800</u>	<u>30,881</u>	<u>43,078</u>
-	-	92
-	-	23
-	-	3,618
-	-	241
-	-	57
1,434	28,119	30,178
275	-	282
-	-	3,668
-	1,422	4,887
<u>1,709</u>	<u>29,541</u>	<u>43,046</u>
<u>91</u>	<u>1,340</u>	<u>32</u>
154	-	252
-	-	-
-	-	118
-	-	490
<u>154</u>	<u>-</u>	<u>860</u>
245	1,340	892
-	-	2,922
-	-	-
<u>245</u>	<u>1,340</u>	<u>3,814</u>
886	4,780	25,100
<u>\$ 1,131</u>	<u>\$ 6,120</u>	<u>\$ 28,914</u>

CITY OF ARLINGTON, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(AMOUNTS EXPRESSED IN THOUSANDS)

	Fleet Services	Risk Management
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 10,398	\$ -
Cash payments to suppliers	(7,709)	(1,393)
Cash payments to employees	(127)	-
Net Cash Provided By (Used For) Operating Activities	<u>2,562</u>	<u>(1,393)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers in	2,922	-
Transfers out	-	-
Net Cash Provided By Noncapital Financing Activities	<u>2,922</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(6,726)	-
Proceeds from sales of capital assets	510	-
Net Cash Used For Capital and Related Financing Activities	<u>(6,216)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from interest earnings	-	143
Net increase (decrease) in the fair value of investments	-	118
Net Cash Provided By Investing Activities	<u>-</u>	<u>261</u>
Net decrease in cash and cash equivalents	(732)	(1,132)
Cash and cash-equivalent investments at October 1	4,078	8,773
Cash and cash-equivalent investments at September 30	<u>\$ 3,346</u>	<u>\$ 7,641</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities		
Operating Income (Loss)	<u>\$ (767)</u>	<u>\$ (632)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	3,668	-
(Increase) decrease in-		
Inventory of supplies	-	-
Accounts receivable	1	(273)
Prepaid expenses	-	-
Increase (decrease) in-		
Accounts payable and accrued liabilities	(328)	-
Estimated claims payable	-	(488)
Accrued compensated absences	(12)	-
Total adjustments	<u>3,329</u>	<u>(761)</u>
Net Cash Provided By (Used For) Operating Activities	<u>\$ 2,562</u>	<u>\$ (1,393)</u>

<u>Workers'</u> <u>Compensation</u>	<u>Group</u> <u>Health</u>	<u>Totals</u>
\$ 1,936	30,881	\$ 43,215
(1,716)	(29,633)	(40,451)
-	-	(127)
220	1,248	2,637
-	-	2,922
-	-	-
-	-	2,922
-	-	(6,726)
-	-	510
-	-	(6,216)
-	-	143
-	-	118
-	-	261
374	1,248	(242)
4,142	7,852	24,845
<u>\$ 4,516</u>	<u>\$ 9,100</u>	<u>\$ 24,603</u>
<u>\$ 91</u>	<u>\$ 1,340</u>	<u>\$ 32</u>
-	-	3,668
-	-	-
136	-	(136)
-	-	-
1	(263)	(590)
(8)	171	(325)
-	-	(12)
129	(92)	2,605
<u>\$ 220</u>	<u>\$ 1,248</u>	<u>\$ 2,637</u>



FIDUCIARY FUNDS

PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS:

PART-TIME DEFERRED INCOME TRUST FUND - The purpose of this fund is to account for assets held for part-time employees as an alternative retirement plan to Social Security.

DISABILITY INCOME PLAN FUND - The purpose of this fund is to account for the accumulation of resources for disability benefit payments to qualified employees who become disabled due to illness or accident.

CUSTODIAL FUNDS:

ESCROW FUND - The purpose of this fund is to account for assets held by the City in a fiduciary capacity as custodian or agent for individuals, other funds within the City, other governmental units, and private organizations. These include amounts held for court proceedings and amounts held for infrastructure improvements donated by developers.

CITY OF ARLINGTON, TEXAS
COMBINING STATEMENT OF PENSION AND OTHER EMPLOYEE
BENEFIT TRUST FUNDS NET POSITION
FIDUCIARY FUNDS
AS OF SEPTEMBER 30, 2023
(AMOUNTS EXPRESSED IN THOUSANDS)

Pension and Other Employee Benefit Trust Funds			
	Part-Time Deferred Income Trust	Disability Income Plan	Total
ASSETS			
Cash and cash-equivalent investments	\$ -	\$ -	\$ -
Investments:			
Money market fund	96	22	118
Corporate bonds	1,928	644	2,572
Fixed income mutual funds	642	215	857
Common stock mutual funds	657	224	881
Total investments	3,323	1,105	4,428
Total Assets	\$ 3,323	\$ 1,105	\$ 4,428
LIABILITIES			
Payables	-	-	-
Total Liabilities	-	-	-
NET POSITION			
Restricted for pensions	3,323	-	3,323
Restricted for OPEB	-	1,105	1,105
Total Net Position	\$ 3,323	\$ 1,105	\$ 4,428

CITY OF ARLINGTON, TEXAS
COMBINING STATEMENT OF CUSTODIAL FUNDS
FIDUCIARY FUNDS
AS OF SEPTEMBER 30, 2023
(AMOUNTS EXPRESSED IN THOUSANDS)

	Escrow Fund
ASSETS	
Cash and cash-equivalent investments	\$ 3,149
Total Assets	<u>\$ 3,149</u>
LIABILITIES	
Accounts payable and accrued liabilities	\$ -
Total Liabilities	<u>\$ -</u>
NET POSITION	
Restricted for individuals, organizations, other governments	<u>\$ 3,149</u>

CITY OF ARLINGTON, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
EMPLOYEE BENEFIT TRUST FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(AMOUNTS EXPRESSED IN THOUSANDS)

	Pension and Other Employee Benefit Trust Funds		
	Part-Time Deferred Income Trust	Disability Income Plan	Total
ADDITIONS			
Employer contributions	\$ 122	\$ 14	\$ 136
Employee contributions	207	-	207
Net change in fair value of investments	155	60	215
Other additions	-	-	-
Total Additions	484	74	558
DEDUCTIONS			
Benefits	141	114	255
Plan administration	53	6	59
Other deductions	-	-	-
Total Deductions	194	120	314
Increase in Net Position	290	(46)	244
Net Position, October 1	3,033	1,151	4,184
Net Position, September 30	\$ 3,323	\$ 1,105	\$ 4,428

CITY OF ARLINGTON, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION (continued)
FIDUCIARY FUNDS - CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(AMOUNTS EXPRESSED IN THOUSANDS)

	Fiduciary Funds - Custodial Funds
	Escrow Fund
ADDITIONS	
Employer contributions	\$ -
Employee contributions	-
Net appreciation in fair value of investments	-
Other additions	13,645
Seizures	85
Total Additions	13,730
DEDUCTIONS	
Benefits	-
Plan administration	-
Other deductions	13,397
Total Deductions	13,397
Increase in Net Position	333
Net Position, October 1	2,816
Net Position, September 30	\$ 3,149



DISCRETELY PRESENTED COMPONENT UNITS

ARLINGTON HOUSING AUTHORITY - The purpose of the Arlington Housing Authority (AHA) is to provide low income housing assistance within the City. The AHA issues separate financial statements.

ARLINGTON CONVENTION AND VISITORS BUREAU, INC. - The purpose of the Arlington Convention and Visitors Bureau (ACVB) is to promote tourism within the City. The ACVB issues separate financial statements.

ARLINGTON TOMORROW FOUNDATION - The purpose of the Arlington Tomorrow Foundation is to oversee an endowment fund created by natural gas revenues to be used for the benefit of the Arlington community.

ARLINGTON HOUSING FINANCE CORPORATION - The purpose of the Arlington Housing Finance Corporation (AHFC) is to provide financial assistance to low income, multi-family residences and single-family homebuyers within the City.

ARLINGTON CONVENTION CENTER DEVELOPMENT CORPORATION - The purpose of the Arlington Convention Center Development Corporation (ACCDC) is to promote tourism and the convention and hotel industry.

ARLINGTON ECONOMIC DEVELOPMENT CORPORATION – The purpose of the Arlington Economic Development Corporation is to bring about and fund business recruitment and redevelopment projects.

ARLINGTON TOURISM PUBLIC IMPROVEMENT DISTRICT – The purpose of the Arlington Tourism Public Improvement District is to improve convention and group hotel bookings and hotel room night consumption in the City.

CITY OF ARLINGTON, TEXAS
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
AS OF SEPTEMBER 30, 2023
(AMOUNTS EXPRESSED IN THOUSANDS)

	Arlington Housing Authority	Arlington Convention & Visitors Bureau	Arlington Tomorrow Foundation
ASSETS			
Current Assets:			
Cash and cash-equivalent investments	\$ 5,933	\$ 1,750	\$ 12,686
Investments	1,247	-	78,205
Receivables (net of allowances for uncollectibles):			
Accrued interest	-	-	216
Taxes	-	-	-
Other	552	216	-
Prepaid expenses	-	101	-
Total Current Assets	<u>7,732</u>	<u>2,067</u>	<u>91,107</u>
Non-Current Assets:			
Capital Assets-			
Land	-	-	-
Buildings and improvements	-	-	-
Machinery and equipment	1,620	4,395	-
Accumulated depreciation	(1,033)	-	-
Total Non-Current Assets	<u>587</u>	<u>4,395</u>	<u>-</u>
Total Assets	<u>8,319</u>	<u>6,462</u>	<u>91,107</u>
LIABILITIES			
Accounts payable and accrued liabilities	1,945	565	1,718
Unearned revenue	134	74	-
Total Liabilities	<u>2,079</u>	<u>639</u>	<u>1,718</u>
NET POSITION			
Net investment in capital assets	322	4,395	-
Restricted for endowments	-	-	89,389
Restricted for housing assistance	43	-	-
Restricted for expendable for operations	-	-	-
Unrestricted	5,875	1,428	-
Total Net Position	<u>\$ 6,240</u>	<u>\$ 5,823</u>	<u>\$ 89,389</u>

<u>Arlington Housing Finance Corporation</u>	<u>Arlington Tourism Public Improvement District</u>	<u>Arlington Convention Center Development Corporation</u>	<u>Arlington Economic Development Corporation</u>	<u>Total</u>
\$ 2,878	\$ 2,206	\$ -	\$ 45,333	\$ 70,786
-	-	-	-	\$ 79,452
-	-	-	-	216
-	-	-	4,140	4,140
-	587	59	-	1,414
-	75	-	-	176
<u>2,878</u>	<u>2,868</u>	<u>59</u>	<u>49,473</u>	<u>156,184</u>
4,654	-	-	5,846	10,500
-	-	-	-	-
-	155	-	-	6,170
-	-	-	-	(1,033)
<u>4,654</u>	<u>155</u>	<u>-</u>	<u>5,846</u>	<u>15,637</u>
<u>7,532</u>	<u>3,023</u>	<u>59</u>	<u>55,319</u>	<u>171,821</u>
48	-	33	290	4,599
<u>4,386</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,594</u>
<u>4,434</u>	<u>-</u>	<u>33</u>	<u>290</u>	<u>9,193</u>
3,098	155	-	-	7,970
-	-	-	-	89,389
-	-	-	-	43
-	-	-	6,544	6,544
-	2,868	26	48,485	58,682
<u>\$ 3,098</u>	<u>\$ 3,023</u>	<u>\$ 26</u>	<u>\$ 55,029</u>	<u>\$ 162,628</u>

**CITY OF ARLINGTON, TEXAS
COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(AMOUNTS EXPRESSED IN THOUSANDS)**

Functions/Programs	Program Revenues				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Arlington Housing Authority
Component Units:					
Arlington Housing Authority	\$ 43,123	\$ 42,683	\$ -	\$ -	\$ (440)
Arlington Convention and Visitors Bureau	8,855	6,778	1,966	-	-
Arlington Tomorrow Foundation	2,143	-	-	-	-
Arlington Housing Finance Corporation	156	1,758	-	-	-
Arlington Tourism Public Improvement District	2,342	3,251	-	-	-
Arlington Convention Center Development Corp	60	65	-	-	-
Arlington Economic Development Corporation	3,104	23,620	-	-	-
Total Component Units	\$ 59,783	\$ 78,155	\$ 1,966	\$ -	\$ (440)

General revenues:

Interest/Dividend revenue	\$ 27
Other	13
Net increase	-
(decrease) in the fair value of investments	29
Total general revenues and transfers	69
Change in net position	(371)
*Net position, October 1	6,611
Net position, September 30	\$ 6,240

*as restated

**Net (Expenses) Revenue and
Changes in Net Position**

Arlington Convention & Visitors Bureau	Arlington Tomorrow Foundation	Arlington Housing Finance Corporation	Arlington Tourism Public Improvement District	Arlington Convention Center Development Corporation	Arlington Economic Development Corporation	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (440)
(111)	-	-	-	-	-	(111)
-	(2,143)	-	-	-	-	(2,143)
-	-	1,602	-	-	-	1,602
-	-	-	909	-	-	909
-	-	-	-	5	-	5
-	-	-	-	-	20,516	20,516
<u>\$ (111)</u>	<u>\$ (2,143)</u>	<u>\$ 1,602</u>	<u>\$ 909</u>	<u>\$ 5</u>	<u>\$ 20,516</u>	<u>\$ 20,338</u>
\$ 70	\$ 2,739	\$ -	\$ 68	\$ -	\$ 911	\$ 3,815
460	5,743	-	-	-	-	6,216
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	7,904	-	-	-	249	8,182
<u>530</u>	<u>16,386</u>	<u>-</u>	<u>68</u>	<u>-</u>	<u>1,160</u>	<u>18,213</u>
419	14,243	1,602	977	5	21,676	38,551
5,404	75,146	1,496	2,046	21	33,353	124,077
<u>\$ 5,823</u>	<u>\$ 89,389</u>	<u>\$ 3,098</u>	<u>\$ 3,023</u>	<u>\$ 26</u>	<u>\$ 55,029</u>	<u>\$ 162,628</u>



CITY OF ARLINGTON, TEXAS
CAPITAL ASSETS USED IN OPERATION OF GOVERNMENTAL FUNDS - BY SOURCES
AS OF SEPTEMBER 30, 2023
(AMOUNTS EXPRESSED IN THOUSANDS)

GOVERNMENTAL FUNDS CAPITAL ASSETS:	
Land	\$ 294,329
Buildings	2,458,993
Improvements other than buildings	235,901
Machinery and equipment	99,405
Construction-in-progress	136,107
Infrastructure	1,109,595
Total Governmental Funds Capital Assets	<u>\$ 4,334,330</u>
 INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS:	
General Fund	\$ 3,088,628
Capital Projects Fund	1,245,702
Total Governmental Funds Capital Assets	<u>\$ 4,334,330</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts.

Generally, the capital assets of internal service funds are included as governmental activities the statement of net position.

CITY OF ARLINGTON, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
AS OF SEPTEMBER 30, 2023
(AMOUNTS EXPRESSED IN THOUSANDS)

Function and Activity	Total	Land	Buildings	Improvements Other than Buildings	Machinery and Equipment
Administration:					
Technology services	\$ 14,279	\$ -	\$ -	\$ -	\$ 14,279
Tax	6	-	-	-	6
City administration	2,557,891	176,000	2,299,690	72,644	9,557
Convention center	537	-	-	-	537
Total Administration	2,572,713	176,000	2,299,690	72,644	24,379
Operations:					
Fire	51,686	(208)	17,013	-	34,881
Municipal court	2,051	-	642	-	1,409
Police	41,811	654	21,490	79	19,588
Parks and recreation	324,832	82,355	97,839	138,997	5,641
Communication services	88	-	-	-	88
Airport	47,386	6,132	22,030	18,993	231
Total Operations	467,854	88,933	159,014	158,069	61,838
Development:					
Community development	6,310	-	289	4,832	1,189
Engineering services	137	-	-	-	137
Transportation	41,614	29,396	-	356	11,862
Total Development	48,061	29,396	289	5,188	13,188
Total Capital Assets Allocated to Functions	3,088,628	294,329	2,458,993	235,901	99,405
Infrastructure	1,109,595				
Construction in Progress	136,107				
Total Governmental Funds Capital Assets	\$ 4,334,330				

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts.

Generally, the capital assets of internal service funds are included as governmental activities the statement of net position.

CITY OF ARLINGTON, TEXAS
SCHEDULE OF CHANGES IN CAPITAL ASSETS -
BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(AMOUNTS EXPRESSED IN THOUSANDS)

Function and Activity	Governmental Funds			Governmental Funds
	Assets			Assets
	October 1, 2022	Additions	Deletions	September 30, 2023
Administration:				
Technology services	\$ 14,279	\$ -	\$ -	\$ 14,279
Tax	6	-	-	6
City administration	2,552,015	5,876	-	2,557,891
Convention center	537	-	-	537
Total Administration	<u>2,566,837</u>	<u>5,876</u>	<u>-</u>	<u>2,572,713</u>
OPERATIONS:				
Fire	47,987	3,881	(182)	51,686
Municipal court	2,051	-	-	2,051
Police	43,187	85	(1,461)	41,811
Parks and recreation	317,562	7,827	(557)	324,832
Communication services	88	-	-	88
Airport	47,361	25	-	47,386
Total Operations	<u>458,236</u>	<u>11,818</u>	<u>(2,200)</u>	<u>467,854</u>
DEVELOPMENT:				
Community development	2,525	3,785	-	6,310
Engineering services	137	-	-	137
Transportation	40,575	1,699	(660)	41,614
Total Development	<u>43,237</u>	<u>5,484</u>	<u>(660)</u>	<u>48,061</u>
Infrastructure	<u>1,073,878</u>	<u>35,717</u>	<u>-</u>	<u>1,109,595</u>
Construction in Progress	<u>102,768</u>	<u>87,166</u>	<u>(53,827)</u>	<u>136,107</u>
Total Governmental Funds Capital Assets	<u>\$ 4,244,956</u>	<u>\$ 146,061</u>	<u>\$ (56,687)</u>	<u>\$ 4,334,330</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts.

Generally, the capital assets of internal service funds are included as governmental activities the statement of net position.



STATISTICAL SECTION (Unaudited)

The City of Arlington's statistical section presents detailed information as a context for understanding the information in the Comprehensive Annual Financial Report, which details the City's overall financial health and well-being.

FINANCIAL TRENDS – The financial trends schedules contain information to help financial statement users understand how the city's financial position has changed over time.

REVENUE CAPACITY – The Revenue Capacity schedules contain information to help financial statement users assess the City's most significant local revenue source, the property tax.

DEBT CAPACITY – The Debt Capacity schedules present information to help financial statement users assess the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION – The Demographic and Economic Statistic schedules offer demographic and economic indicators to help financial statement users understand the environment within which the City's financial activities take place.

OPERATING INFORMATION – The Operating Information schedules contain service and infrastructure data to help financial statement users understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

CITY OF ARLINGTON, TEXAS
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited) (In Thousands)

	Fiscal Year			
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Governmental activities				
Net investment in capital assets	\$ 1,106,840	\$ 1,106,327	\$ 1,055,902	\$ 1,130,555
Restricted (Debt Srvcs/Impact Fee/Endowments/Spec Rev)	41,902	42,149	36,068	29,169
Unrestricted	57,744	76,379	181,216	110,143
Total governmental activities net position	<u>\$ 1,206,486</u>	<u>\$ 1,224,855</u>	<u>\$ 1,273,186</u>	<u>\$ 1,269,867</u>
Business-type activities				
Net investment in capital assets	\$ 618,187	\$ 622,780	\$ 639,243	\$ 653,455
Restricted	16,169	14,947	18,150	20,334
Unrestricted	29,687	45,365	51,776	61,652
Total business-type activities net position	<u>\$ 664,043</u>	<u>\$ 683,092</u>	<u>\$ 709,169</u>	<u>\$ 735,441</u>
Primary government				
Net investment in capital assets	\$ 1,725,027	\$ 1,729,107	\$ 1,695,145	\$ 1,784,010
Restricted (Debt Srvcs/Impact Fee)	58,071	57,096	54,218	49,503
Unrestricted	87,431	121,744	233,324	171,795
Total primary government net position	<u>\$ 1,870,529</u>	<u>\$ 1,907,947</u>	<u>\$ 1,982,687</u>	<u>\$ 2,005,308</u>

Source: City of Arlington Finance Department

Note: Fiscal Year 2014 amounts have been restated for the impact of GASB Statement No. 68.

Note: Fiscal Year 2017 amounts have been restated for the impact of GASB Statement No. 75.

Table 1

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 881,082	\$ 1,462,715	\$ 1,864,421	\$ 1,872,543	\$ 1,768,655	\$ 1,836,472
50,408	65,742	104,569	91,922	153,749	128,538
241,799	50,411	76,926	5,678	36,243	44,123
<u>\$ 1,173,289</u>	<u>\$ 1,578,868</u>	<u>\$ 2,045,916</u>	<u>\$ 1,970,143</u>	<u>\$ 1,958,647</u>	<u>\$ 2,009,133</u>
\$ 694,201	\$ 653,396	\$ 690,058	\$ 739,140	\$ 833,906	\$ 750,148
39,028	118,649	107,246	102,695	82,037	63,852
24,483	29,756	45,273	36,206	26,257	182,236
<u>\$ 757,712</u>	<u>\$ 801,801</u>	<u>\$ 842,577</u>	<u>\$ 878,041</u>	<u>\$ 942,200</u>	<u>\$ 996,236</u>
\$ 1,575,283	\$ 2,116,111	\$ 2,554,479	\$ 2,611,683	\$ 2,602,561	\$ 2,586,620
89,436	184,391	211,815	194,617	235,786	192,390
266,282	80,167	122,199	41,884	62,500	226,359
<u>\$ 1,931,001</u>	<u>\$ 2,380,669</u>	<u>\$ 2,888,493</u>	<u>\$ 2,848,184</u>	<u>\$ 2,900,847</u>	<u>\$ 3,005,369</u>

CITY OF ARLINGTON, TEXAS
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
(accrual basis of accounting)
(Unaudited) (In Thousands)

	Fiscal Year			
	2014	2015	2016	2017
Expenses				
Governmental activities:				
General government	\$ 74,183	\$ 69,680	\$ 75,486	\$ 77,110
Public safety	146,899	142,489	156,414	170,459
Public works	63,566	64,549	61,115	68,036
Public health	2,740	2,849	2,741	2,934
Parks and recreation	34,075	33,410	32,449	34,204
Public welfare	11,558	10,019	14,978	10,280
Convention and event services	7,366	8,387	8,384	13,987
Lease expense	-	-	-	-
Interest on long term debt	28,703	22,299	23,016	19,209
Total governmental activities expenses	\$ 369,090	\$ 353,682	\$ 374,583	\$ 396,219
Business-type activities:				
Water and sewer	95,820	97,118	98,697	107,537
Stormwater	4,972	5,040	5,740	6,208
Total business-type activities expenses	\$ 100,792	\$ 102,158	\$ 104,437	\$ 113,745
Total primary government expenses	\$ 469,882	\$ 455,840	\$ 479,020	\$ 509,964
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 23,650	\$ 25,617	\$ 21,863	\$ 24,579
Public safety	19,337	17,957	16,392	15,412
Public works	1,412	1,585	2,085	2,491
Public health	3,447	3,508	3,393	3,536
Parks and recreation	10,187	10,356	11,180	9,775
Public welfare	224	220	216	215
Convention and event services	2,739	2,852	3,680	3,107
Operating grants and contributions	9,953	12,700	62,107	14,754
Capital grants and contributions	4,910	10,479	5,814	9,442
Total governmental activities program revenues	\$ 75,859	\$ 85,274	\$ 126,730	\$ 83,311
Business-type activities:				
Charges for services:				
Water and sewer	\$ 116,145	\$ 123,870	\$ 131,086	\$ 138,007
Storm water utility	10,774	12,160	13,575	15,011
Capital grants and contributions	3,136	1,148	1,820	3,552
Other	-	-	-	-
Total business-type activities program revenues	\$ 130,055	\$ 137,178	\$ 146,481	\$ 156,570
Total primary government program revenues	\$ 205,914	\$ 222,452	\$ 273,211	\$ 239,881
Net (Expense) Revenue				
Governmental activities	\$ (293,231)	\$ (268,408)	\$ (247,853)	\$ (312,908)
Business-type activities	29,263	35,020	42,044	42,825
Total Primary government net expense	\$ (263,968)	\$ (233,388)	\$ (205,809)	\$ (270,083)
General Revenues				
and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes	\$ 113,432	\$ 118,785	\$ 121,943	\$ 131,243
Sales taxes	93,127	97,895	102,580	105,352
Other taxes	17,192	18,893	20,430	23,163
Gas Lease	-	-	-	-
Franchise fees	26,970	26,477	25,435	24,859
Investment earnings	3,356	3,330	4,023	4,714
Net increase (decrease) in fair value	(469)	(294)	(598)	(1,027)
Other	3,808	5,156	6,084	3,852
Special Item	-	-	-	-
Transfers	15,355	16,535	16,619	17,101
Total governmental activities	\$ 272,771	\$ 286,777	\$ 296,516	\$ 309,257
Business-type activities:				
Investment earnings	\$ 348	\$ 465	\$ 687	\$ 1,098
Gain on sale/retirement of capital assets	59	99	(35)	(550)
Miscellaneous	2	-	-	-
Transfers	(15,355)	(16,535)	(16,619)	(17,101)
Total Business-type activities	\$ (14,946)	\$ (15,971)	\$ (15,967)	\$ (16,553)
Total primary government	\$ 257,825	\$ 270,806	\$ 280,549	\$ 292,704
Change in Net Position				
Governmental activities	\$ (87,793)	\$ 18,369	\$ 48,663	\$ (3,651)
Business-type activities	7,997	19,049	26,077	26,272
Total primary government	\$ (79,796)	\$ 37,418	\$ 74,740	\$ 22,621

Source: City of Arlington Finance Department

Note: Fiscal Year 2014 amounts have been restated for the impact of GASB Statement No. 68. Impact of change to Governmental activities is \$(67,333) and to Business-type activities is \$(6,320).

Table 2

	2018		2019		2020		2021		2022		2023
\$	81,032	\$	82,037	\$	78,057	\$	125,142	\$	125,031	\$	123,341
	167,064		187,839		136,008		161,468		183,230		214,764
	65,482		75,818		45,503		74,761		91,298		86,916
	3,067		3,610		3,219		2,548		3,025		3,732
	35,599		37,161		29,474		30,915		42,481		48,097
	68,964		11,132		47,780		26,442		43,975		35,467
	16,439		15,416		17,329		14,573		20,660		22,249
	-		-		-		-		(46)		173
	29,247		37,378		38,627		39,204		37,649		28,223
\$	466,894	\$	450,391	\$	395,997	\$	475,053	\$	547,303	\$	562,962
	108,471		113,341		110,095		124,936		122,599		131,243
	6,651		6,411		8,443		7,956		8,741		9,995
\$	115,122	\$	119,752	\$	118,538	\$	132,892	\$	131,340	\$	141,238
\$	582,016	\$	570,143	\$	514,535	\$	607,945	\$	678,643	\$	704,200
	25,798		29,217		25,378		26,270		36,250		32,667
	14,405		15,337		13,655		10,698		11,052		10,488
	2,473		2,309		1,983		2,856		2,245		2,211
	3,273		4,025		4,513		5,410		6,565		3,591
	10,909		11,206		10,916		14,685		18,122		17,028
	288		262		198		168		221		241
	3,120		2,296		942		1,157		1,809		5,107
	20,591		15,849		21,764		58,366		44,613		24,544
	4,544		410,903		380,662		4,136		4,068		2,200
\$	85,401	\$	491,404	\$	460,011	\$	123,746	\$	124,945	\$	98,077
\$	155,958	\$	155,189	\$	165,047	\$	169,901	\$	192,877	\$	191,636
	16,384		18,014		19,650		20,526		22,072		24,355
	5,662		4,978		3,194		3,715		6,342		7,875
	-		-		-		-		-		-
\$	178,004	\$	178,181	\$	187,891	\$	194,142	\$	221,291	\$	223,866
\$	263,405	\$	669,585	\$	647,902	\$	317,888	\$	346,236	\$	321,943
\$	(381,493)	\$	41,013	\$	64,014	\$	(351,307)	\$	(422,358)	\$	(464,885)
	62,882		58,429		69,353		61,250		89,951		82,628
\$	(318,611)	\$	99,442	\$	133,367	\$	(290,057)	\$	(332,407)	\$	(382,257)
\$	143,826	\$	154,606	\$	165,284	\$	170,967	\$	177,412	\$	202,028
	109,645		118,724		115,098		135,979		155,848		160,596
	23,960		27,372		23,669		26,240		30,864		25,086
	-		-		-		-		-		-
	25,166		24,921		22,048		21,468		23,193		22,429
	9,276		11,329		7,077		2,362		2,950		11,321
	(1,384)		3,351		943		(102)		(10,745)		6,083
	6,125		5,217		5,389		9,583		8,263		44,037
	-		-		-		-		-		-
	34,364		18,769		29,312		19,882		23,077		43,791
\$	350,978	\$	364,289	\$	368,820	\$	386,379	\$	410,862	\$	515,371
\$	1,850	\$	3,014	\$	329	\$	788	\$	(7,303)	\$	10,792
	(862)		1,662		406		189		4,588		4,407
	-		-		-		-		-		-
	(34,364)		(18,769)		(28,696)		(19,882)		(23,077)		(43,791)
\$	(33,376)	\$	(14,093)	\$	(27,961)	\$	(18,905)	\$	(25,792)	\$	(28,592)
\$	317,602	\$	350,196	\$	340,859	\$	367,474	\$	385,070	\$	486,779
\$	(30,515)	\$	405,302	\$	432,834	\$	35,072	\$	(11,496)	\$	50,486
	29,506		44,336		41,392		42,345		64,159		54,036
\$	(1,009)	\$	449,638	\$	474,226	\$	77,417	\$	52,663	\$	104,522

CITY OF ARLINGTON, TEXAS
FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited) (In Thousands)

	Fiscal Year			
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General fund				
Nonspendable:				
Inventory	\$ 1,206	\$ 1,207	\$ 1,265	\$ 1,243
Prepays	23	71	117	-
Committed to:				
Utility rate case	500	500	-	-
Capital projects	-	-	-	-
Assigned to:				
Encumbrances	4,449	5,598	8,515	8,794
Working capital	17,537	18,162	19,717	20,055
Subsequent years' expenditure	6,313	6,538	6,918	7,220
Compensated absences	1,372	1,443	1,402	1,299
Other post employment benefits	1,718	1,718	1,718	1,718
Landfill proceeds/future initiatives	17,151	17,151	17,151	17,151
Dispatch	756	916	830	987
Information Technology	195	119	305	290
Telecommunications	-	-	-	-
Business continuity	4,062	4,062	4,062	4,062
Arbitrage	-	-	-	-
Infrastructure	-	-	-	-
Gas lease proceeds	-	-	-	-
Group Health	-	-	-	-
Event reserve trust fund	-	-	-	-
Unassigned	909	538	478	30
Total general fund	<u>\$ 56,191</u>	<u>\$ 58,023</u>	<u>\$ 62,478</u>	<u>\$ 62,849</u>
All Other Governmental Funds				
Nonspendable:				
Inventory	\$ 249	\$ 240	\$ 237	\$ 219
Prepays	11,166	5,740	1,685	-
Restricted for:				
Capital projects	99,932	109,099	97,784	87,655
Special Revenue	64,931	60,099	54,577	111,884
Committed to:				
Capital projects	25,725	27,516	44,867	57,845
Special Revenue	21,471	25,534	73,800	5,669
Assigned to:				
Capital projects	-	-	-	-
Special Revenue	823	589	318	239
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 224,297</u>	<u>\$ 228,817</u>	<u>\$ 273,268</u>	<u>\$ 263,511</u>

Source: City of Arlington Finance Department

Table 3

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 1,231 28	\$ 1,587 -	\$ 2,160 5	\$ 2,314 -	\$ 1,895 -	\$ 1,582 -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
21,116	22,151	20,426	20,099	24,032	29,495
15,248	15,107	11,440	14,536	21,393	20,545
1,537	1,363	1,561	1,531	1,287	1,450
1,718	1,718	1,718	1,718	1,718	1,718
17,151	17,151	17,151	17,151	17,151	17,151
600	717	617	1,021	1,874	2,437
159	173	232	436	1,010	2,139
-	-	-	-	-	-
4,062	4,062	4,062	4,062	4,062	4,062
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,350	4,850
3,456	1,869	11,238	24,400	6,645	1,109
\$ 66,306	\$ 65,898	\$ 70,610	\$ 87,268	\$ 82,417	\$ 86,538
\$ 231 -	\$ 241 -	\$ 142 -	\$ 214 -	\$ 214 -	\$ 212 -
347,828	112,886	127,058	144,809	200,893	235,422
65,644	81,545	93,825	84,907	140,121	113,915
68,113	57,829	27,252	3,601	1,749	6,992
21,884	26,051	32,553	35,619	23,291	21,362
-	-	-	-	-	-
169	403	1,847	2,111	5,497	8,736
-	-	-	-	-	-
\$ 503,869	\$ 278,955	\$ 282,677	\$ 271,261	\$ 371,765	\$ 386,639

CITY OF ARLINGTON, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited) (In Thousands)

	Fiscal Year			
	2014	2015	2016	2017
REVENUES:				
Taxes:	\$ 224,401	\$ 235,986	\$ 245,678	\$ 260,653
Licenses and permits	7,589	7,448	9,063	9,662
Franchise fees	26,970	26,477	25,435	24,859
Fines and forfeitures	15,191	13,847	11,996	10,858
Leases, rents, and concessions	9,890	10,203	9,848	10,099
Service charges	19,705	20,316	22,089	20,252
Investment income	3,252	3,322	3,936	4,432
Net increase (decrease) in fair value of investment	(477)	(301)	(592)	(996)
Contributions	4,910	6,290	5,373	9,442
Intergovernmental	15,476	12,700	62,857	14,754
Gas lease	8,351	10,287	5,196	8,221
Miscellaneous	2,783	8,569	5,003	2,585
Total Revenues	338,041	355,144	405,882	374,821
EXPENDITURES:				
General government	43,045	41,924	45,692	46,945
Public safety	142,556	141,550	145,733	157,252
Public works	45,965	45,723	42,215	45,569
Public health	2,621	2,762	2,637	2,741
Public welfare	11,558	8,497	9,768	10,277
Parks and recreation	25,628	26,246	26,347	28,165
Convention and event services	7,366	8,037	8,283	13,640
Operating expenditures	-	-	-	-
Capital outlay	30,912	43,274	55,815	77,115
Debt Service:				
Principal retirement	50,810	54,815	60,500	35,190
Redemption premium	168	13	701	-
Interest and fiscal charges	23,689	23,624	24,119	22,571
Bond issuance cost	-	-	-	-
Total expenditures	384,318	396,465	421,810	439,465
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(46,277)	(41,321)	(15,928)	(64,644)
OTHER FINANCING SOURCES (USES):				
Bonds issued*	43,450	32,004	64,585	64,550
Capital lease	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Refunding bonds issued	-	36,845	47,365	128,440
Refunding bond principal	-	-	-	(172,000)
Bond premium	2,900	4,468	8,935	26,003
Payment of escrow for refunding	-	(40,435)	(53,710)	(8,752)
Gain on sale of land	-	-	-	-
Bond discount	-	-	-	-
Transfers in	39,573	43,241	90,512	51,980
Transfers out	(24,517)	(28,450)	(92,853)	(34,963)
Total other financing sources (uses)	61,406	47,673	64,834	55,258
NET CHANGE IN FUND BALANCES	\$ 15,129	\$ 6,352	\$ 48,906	\$ (9,386)
Capitalized Capital outlay	30,077	41,252	55,394	79,498
Debt service as a percentage of noncapital expenditures	21.0%	22.1%	23.1%	16.0%

Source: City of Arlington Finance Department

* Note: Bond issued includes general obligation bonds and certificates of obligation and commercial paper
Investment income includes net increase (decrease) in fair value of investments

Table 4

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 278,344	\$ 301,400	\$ 304,093	\$ 334,071	\$ 365,951	\$ 389,051
9,278	9,955	9,796	10,133	10,930	10,483
25,166	24,921	22,048	21,468	23,193	22,429
10,305	10,853	9,205	6,974	6,726	4,784
11,044	11,672	12,252	12,744	15,251	18,249
22,071	25,073	22,359	26,749	34,113	31,095
9,068	10,871	6,504	2,200	2,805	11,092
(1,378)	3,283	655	(126)	(11,152)	5,965
4,544	410,903	380,662	4,136	4,068	2,200
20,591	15,849	21,766	58,366	59,225	62,193
7,568	7,099	3,973	4,647	9,255	6,720
4,972	3,214	3,658	8,176	3,813	4,819
401,573	835,093	796,971	489,538	524,178	569,080
52,520	49,480	46,099	72,678	70,006	82,808
162,441	172,697	178,796	162,639	166,838	196,986
49,099	55,557	31,479	56,420	67,469	68,349
2,869	3,425	2,987	2,572	3,150	3,695
67,075	10,033	47,765	28,504	43,962	35,482
29,746	29,757	28,886	27,970	32,776	39,397
16,036	15,110	17,898	15,595	20,406	22,023
-	-	-	-	-	-
303,477	721,573	451,945	36,566	38,349	82,466
38,630	35,605	35,920	87,640	51,150	107,794
-	-	-	-	-	-
34,427	42,751	44,910	45,828	44,390	35,378
-	-	-	-	-	-
756,320	1,135,988	886,685	536,412	538,496	674,378
(354,747)	(300,895)	(89,714)	(46,874)	(14,318)	(105,298)
524,684	60,820	232,216	40,145	92,745	59,959
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(5,862)	(9,826)	(9,979)	-	14,715
43,616	6,436	9,826	7,023	6,430	8,749
-	-	(173,273)	-	(10,646)	-
-	-	-	-	-	-
-	-	-	-	-	-
70,623	49,605	67,230	62,893	68,889	78,999
(40,361)	(35,426)	(27,449)	(47,966)	(47,447)	(38,129)
598,562	75,573	98,724	52,116	109,971	124,293
\$ 243,815	\$ (225,322)	\$ 9,010	\$ 5,242	\$ 95,653	\$ 18,995
311,245	725,746	457,561	40,687	40,060	92,234
16.4%	19.1%	18.8%	26.9%	19.2%	24.6%

CITY OF ARLINGTON, TEXAS
TAXABLE VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years (In Thousands)
(Unaudited)

Table 5

Fiscal Year	Tax Year	Estimated Actual Value of Taxable Property		Total Taxable Value ⁽¹⁾	Total Direct Tax Rate
		Real Property	Personal Property		
2014	2013	\$ 15,451,540	\$ 2,636,867	\$ 18,088,407	0.6480
2015	2014	16,086,303	2,819,463	18,905,766	0.6480
2016	* 2015	16,580,450	3,020,914	19,601,363	0.6480
2017	2016	18,575,013	2,804,068	21,379,081	0.6448
2018	2017	20,651,783	2,851,409	23,503,192	0.6398
2019	2018	23,037,575	2,884,307	25,921,882	0.6348
2020	2019	26,076,603	3,161,407	29,238,010	0.6240
2021	2020	26,769,744	3,266,890	30,036,634	0.6225
2022	2021	28,408,779	3,255,944	31,664,722	0.6198
2023	2022	32,326,479	3,410,832	35,737,311	0.5998

Sources:

City of Arlington Finance Department
Tarrant Appraisal District

Notes:

The City budgets tax revenue based on the tax valuation from the previous tax year.

(1) Taxable and estimated actual value of taxable property is obtained from the certified value as of September of each tax year including minimum estimated value of property under protest.

* 2016 certified values as of December's tax year.

CITY OF ARLINGTON, TEXAS
DIRECT AND OVERLAPPING PROPERTY TAX RATES (per \$100 of assessed value)
Last Ten Fiscal Years
(Unaudited)

Table 6

Tax Year ⁽³⁾	City Direct Rates			Overlapping Rates						
	Operating/ General Rate	General Obligation Debt Service	Total Direct	Arlington Independent School District ⁽¹⁾	Fort Worth Independent School District ⁽¹⁾	HEB Independent School District ⁽¹⁾	Kennedale Independent School District ⁽¹⁾	Mansfield Independent School District ⁽¹⁾	Tarrant County ⁽²⁾	Viridian Management District
2014	0.4423	0.2057	0.6480	1.29	1.32	1.39	1.49	1.53	0.66	0.45
2015	0.4460	0.2020	0.6480	1.41	1.35	1.35	1.49	1.51	0.66	0.45
2016	0.4538	0.1910	0.6448	1.39	1.35	1.32	1.49	1.51	0.65	0.45
2017	0.4409	0.1989	0.6398	1.37	1.35	1.26	1.48	1.54	0.63	0.45
2018	0.4428	0.1920	0.6348	1.37	1.35	1.27	1.45	1.54	0.61	0.45
2019	0.4467	0.1773	0.6240	1.30	1.28	1.22	1.35	1.46	0.62	0.45
2020	0.4085	0.2140	0.6225	1.39	1.38	1.20	1.34	1.45	0.62	0.45
2021	0.4098	0.2100	0.6198	1.36	1.34	1.16	1.30	1.42	0.61	0.45
2022	0.4030	0.1968	0.5998	1.31	1.28	1.11	1.23	1.33	0.61	0.45
2023	0.4080	0.1818	0.5898	1.12	1.06	0.92	1.14	1.15	0.53	0.45

Sources:

City of Arlington Finance Department
Tarrant Appraisal District

Notes:

⁽¹⁾ A single property owner's total tax rate would only include one independent school district's (Arlington, Fort Worth, Hurst-Euless-Bedford, Kennedale, or Mansfield) tax rate.

⁽²⁾ Includes the tax rates for Tarrant County, Tarrant Regional Water District, Tarrant County Hospital, and Tarrant County College.

⁽³⁾ The City budgets tax revenue based on the tax valuation from the previous tax year. For example, the rates in 2022 determine revenue for fiscal year 2023.

CITY OF ARLINGTON, TEXAS
 PRINCIPAL PROPERTY TAX PAYERS
 Current Year and Ten Years Ago
 (Unaudited)

Table 7

2023			2014		
<u>Taxpayer</u>	<u>Total Taxable Value</u>	<u>Percentage of Total City Taxable Value</u>	<u>Taxpayer</u>	<u>Total Taxable Value</u>	<u>Percentage of Total City Taxable Value</u>
General Motors Corp. *	\$298,910,750	0.84 %	General Motors Corp.	\$253,222,418	1.40 %
S2 Forest Ridge LP/S2 Manchester/Valencia LLC	224,529,246	0.63	Oncor Electric Delivery	151,740,179	0.84
Oncor Electric Delivery	219,289,793	0.61	Arlington Highlands LLP	146,427,000	0.81
BMF IV TX Aspen Court LLC	192,800,000	0.54	Parks at Arlington	142,695,717	0.79
Arlington Highlands LLP	169,911,667	0.48	Chesapeake Operating (Wi)	122,475,510	0.68
United Parcel Service Inc.	157,981,719	0.44	Six Flags Fund II LTD	89,155,407	0.49
Arlington Stadium Hotel Owner LLC	145,087,724	0.41	DFW Midstream Services LLC	66,251,584	0.37
Parks at Arlington LP	135,089,906	0.38	Enervest Operating	64,791,920	0.36
Total E&P USA Barnett LLC	134,322,850	0.38	Wal Mart Real Estate Bus LLC	63,408,655	0.35
East Lamar Apartments LLC/Polk 724 Apartments LLC	130,700,000	0.37	Lincoln Square Dunhill LP	63,020,863	0.35
Total	<u>\$1,808,623,655</u>	<u>5.06 %</u>	Total	<u>\$1,163,189,253</u>	<u>6.43 %</u>

*General Motors Corp. taxable value shown for 2022 property tax; calculation error for 2023 on Tarrant Appraisal District, waiting for correction.

Sources:

City of Arlington Finance Department
 Tarrant Appraisal District

CITY OF ARLINGTON, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years
(Unaudited)

Table 8

Fiscal Year	Taxes Levied Within the Fiscal Year		Collected Within the Fiscal Year of the Levy		Collections Related to Prior Years ⁽¹⁾	Total Collections to Date				
	of the Levy		Amount	% of Levy		Amount	% of Levy			
2014	\$	115,297,239	\$	114,468,630	99.28	\$	354,141	\$	114,822,771	99.59
2015		120,592,214		119,624,237	99.20		380,137		120,004,374	99.51
2016		124,591,144		123,750,524	99.33		559,351		124,309,875	99.77
2017		134,181,351		133,179,070	99.25		640,737		133,819,807	99.73
2018		146,675,357		145,497,705	99.20		1,029,167		146,526,872	99.90
2019		159,006,103		157,799,647	99.24		378,277		158,177,924	99.48
2020		173,123,630		171,641,052	99.14		(116,753)		171,524,299	99.08
2021		180,533,780		179,138,820	99.23		(41,297)		179,097,523	99.20
2022		187,661,342		186,434,621	99.35		(145,978)		186,288,643	99.27
2023		202,978,970		201,618,836	99.33		220,093		201,838,929	99.44

Source:

Tarrant County Tax Office

Notes:

Negative collections to prior years are due to refunds exceeding collections.

⁽¹⁾ Prior year collections exclude penalty and interest.

CITY OF ARLINGTON, TEXAS
RATIO OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(Unaudited)

Table 9

Fiscal Year	Governmental Activities				Business-Type Activities		Total Primary Government	Percentage of Total Taxable Value	Estimated Population	Per Capita ⁽⁴⁾	Percentage of Personal Income
	General Obligation Bonds	Certificates of Obligation ⁽¹⁾	Special Tax Revenue Debt ⁽²⁾	Capital Leases ⁽³⁾	Water and Sewer Revenue Bonds	Stormwater Bonds					
2014	\$ 252,197,000	\$ 80,340,000	\$ 207,827,000	\$ -	\$ 133,307,000	\$ 22,601,000	\$ 696,272,000	3.85%	375,305	\$ 1,855	0.78%
2015	265,434,000	67,525,000	185,051,000	9,860,000	141,410,000	21,228,000	690,508,000	3.65%	379,716	1,818	0.71%
2016	307,231,000	62,490,000	156,570,000	9,403,000	173,125,000	19,860,000	728,679,000	3.72%	383,899	1,898	0.75%
2017	341,307,000	61,430,000	128,229,000	9,692,100	207,079,000	27,493,000	775,230,100	3.63%	388,225	1,997	0.79%
2018	367,669,000	60,595,000	625,932,000	10,109,500	241,475,000	31,797,000	1,337,577,500	5.69%	392,462	3,408	1.25%
2019	390,273,000	61,085,000	622,408,000	8,591,900	335,072,000	36,970,000	1,454,399,900	5.61%	395,477	3,678	1.30%
2020	581,276,000	64,875,000	616,494,000	3,437,000	310,399,000	45,480,000	1,621,961,000	5.55%	394,266	4,114	1.37%
2021	577,579,000	57,580,000	568,685,000	3,038,000	337,548,000	51,828,000	1,596,258,000	5.31%	393,420	4,057	1.27%
2022	623,380,000	51,055,000	570,803,000	5,165,352	339,575,000	59,240,000	1,649,218,352	5.21%	399,560	4,128	1.24%
2023	641,993,000	44,430,000	525,306,000	5,872,677	315,747,000	59,261,000	1,592,609,677	4.46%	405,420	3,928	n/a

Sources:
City of Arlington Finance Department

Notes:
Details regarding the City's outstanding debt can be found in the notes to the financial statements.
⁽¹⁾ Certificates of Obligation include Tax and Revenue certificates.
⁽²⁾ Special Tax Revenue Debt include Venue debt and TIR25 Bonds from 2022 to 2023.
⁽³⁾ Leases include contracts with Motorola, Dell, and Club Car. Motorola paid off in FY21.
⁽⁴⁾ See Table 13 for personal income and population data.

CITY OF ARLINGTON, TEXAS
RATIO OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years
(Unaudited)

Table 10

Fiscal Year	General Bonded Debt Outstanding				Percentage of Actual Taxable Value of Property ⁽¹⁾	Per Capita ⁽²⁾	Estimated Population ⁽²⁾
	General Obligation Bonds	Certificates of Obligations	Available Resources Restricted for Repayment of Debt (Fund Balance)	Net General Bonded Debt Outstanding			
2014	252,197,000	80,340,000	(2,769,146)	329,767,854	1.82%	879	375,305
2015	265,434,000	67,525,000	(2,482,205)	330,476,795	1.75%	870	379,716
2016	307,231,000	62,490,000	(2,260,181)	367,460,819	1.87%	957	383,899
2017	341,307,000	61,430,000	(2,767,737)	399,969,263	1.87%	1,030	388,225
2018	367,669,000	60,595,000	(2,988,983)	425,275,017	1.81%	1,084	392,462
2019	390,273,000	61,085,000	(3,566,517)	447,791,483	1.73%	1,132	395,477
2020	581,276,000	64,875,000	(2,935,009)	643,215,991	2.20%	1,631	394,266
2021	577,579,000	57,580,000	(4,374,131)	630,784,869	2.10%	1,603	393,420
2022	623,380,000	51,055,000	(3,445,344)	670,989,656	2.12%	1,679	399,560
2023	641,993,000	44,430,000	(926,780)	685,496,220	1.92%	1,691	405,420

Source:

City of Arlington Finance Department

Notes:

Details regarding the city's outstanding debt can be found in the notes to the financial statements.

⁽¹⁾ See Table 5 for property value data.

⁽²⁾ See Table 13 for per Capita and population data.

CITY OF ARLINGTON, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of September 30, 2023
(Unaudited)

Table 11

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Arlington ISD	\$ 1,225,554,956	78.10%	\$ 957,158,421
Fort Worth ISD	1,504,885,000	0.21%	3,160,259
Hurst-Euless-Bedford I.S.D.	295,350,000	6.50%	19,197,750
Kennedale I.S.D.	62,915,025	56.42%	35,496,657
Mansfield I.S.D.	761,994,839	28.94%	220,521,306
Tarrant County	376,120,000	15.53%	58,411,436
Tarrant County College District	591,230,000	15.53%	91,818,019
Tarrant County Hospital District	448,410,000	15.53%	69,638,073
Viridian Municipal Management	250,030,000	100.00%	250,030,000
Subtotal overlapping debt	5,516,489,820		1,705,431,922
*City of Arlington, Net Debt Outstanding	1,217,601,677	100.00%	1,217,601,677
Total direct and overlapping debt	\$ 6,734,091,497		\$ 2,923,033,599

Sources:

City of Arlington Finance Department
Municipal Advisory Council of Texas

Note:

*City of Arlington's Net Debt Outstanding includes General Obligations, Certificate Obligations, Special Tax Revenue, TIRZ5, Capital Leases, Premium, Discount, and Pension Obligation Bonds.

CITY OF ARLINGTON, TEXAS
 PLEDGED-REVENUE COVERAGE
 Last Ten Fiscal Years
 (In Thousands)
 (Unaudited)

Table 12

Waterworks and Sewer System Revenue Bonds					
Fiscal Year	Total Revenues ⁽¹⁾	Less: Operating Expenses ⁽²⁾	Net Available Revenue ⁽³⁾	Average Annual Requirement	Times Coverage ⁽⁴⁾
2014	\$ 116,145	\$ 78,672	\$ 37,473	\$ 8,195	4.57
2015	123,870	79,958	43,912	8,582	5.12
2016	131,086	78,839	52,247	10,559	4.95
2017	138,007	86,631	51,376	12,651	4.06
2018	155,958	85,204	70,754	14,744	4.80
2019	155,189	87,754	67,435	19,514	3.46
2020	165,047	84,722	80,325	18,874	4.26
2021	169,901	98,894	71,007	19,401	3.66
2022	192,877	93,963	98,914	19,316	5.12
2023	191,636	102,098	89,538	18,186	4.92

Storm Water Utility					
Fiscal Year	Total Revenues ⁽¹⁾	Less: Operating Expenses ⁽²⁾	Net Available Revenue ⁽³⁾	Average Annual Requirement	Times Coverage ⁽⁴⁾
2014	\$ 10,774	\$ 2,908	\$ 7,866	\$ 1,774	4.43
2015	12,160	3,110	9,050	1,747	5.18
2016	13,575	3,430	10,145	1,720	5.90
2017	15,011	3,441	11,570	1,786	6.48
2018	16,384	3,903	12,481	2,026	6.16
2019	18,014	3,597	14,417	2,328	6.19
2020	19,650	4,908	14,742	2,716	5.43
2021	20,526	4,273	16,253	3,060	5.31
2022	22,072	4,593	17,479	3,520	4.97
2023	24,355	4,872	19,483	3,580	5.44

Source:
 City of Arlington Finance Department

Notes:

- ⁽¹⁾ Revenue determined on the full accrual basis and includes nonoperating interest
⁽²⁾ Total expenses less depreciation and bond interest
⁽³⁾ Gross operating revenues (1) less expenses (2)
⁽⁴⁾ Net revenue available for debt service (3) divided by average annual debt service requirement

CITY OF ARLINGTON, TEXAS
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Calendar Years
 (Unaudited)

Table 13

Year	Estimated Population ^(a)	Personal Income ^(b) (thousands of dollars)	Per Capita		Median Age ^(c)	School Enrollment ^(d)	Unemployment Rate ^(e)
			Personal	Income ^(b)			
2014	375,305	\$ 89,814,369	\$	46,169	32	64,688	5.2%
2015	379,716	96,600,949		48,727	33	63,882	4.0%
2016	383,899	96,909,978		48,050	33	63,210	3.8%
2017	388,225	97,639,160		47,525	33	62,181	3.9%
2018	392,462	106,829,236		51,239	33	61,076	3.5%
2019	395,477	112,046,590		53,292	34	59,900	3.4%
2020	394,266	118,090,622		55,615	34	59,532	6.8%
2021	393,420	125,334,153		58,940	35	56,840	6.1%
2022	399,560	133,502,348		62,586	33	56,311	3.9%
2023	405,420	N/R		N/R	N/R	56,167	3.8%

Sources:

- (a) North Central Texas Council of Governments and City of Arlington Finance Department
- (b) Bureau of Economic Analysis (BEA) - Tarrant County
- (c) U.S. Census Bureau - Arlington
- (d) Texas Education Agency (AISD)
- (e) Bureau of Labor Statistics Data (Annual Average Oct.-Sept.)

Notes:

N/R - not reported

CITY OF ARLINGTON, TEXAS
PRINCIPAL EMPLOYERS
Current Year and Ten Years Ago
(Unaudited)

Table 14

2023			
<u>Employer</u>	<u>Type of Business</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
Arlington Independent School District	Public Education	9,429	4.06%
Texas Health Resources	Health Care	6,619	2.85%
General Motors Co.	Automobile Assembly	5,640	2.43%
University of Texas at Arlington	Higher Education	5,600	2.41%
Six Flags Over Texas	Amusement Park	3,800	1.64%
The Parks at Arlington	Retail	3,500	1.51%
GM Financial	Financial Services	3,300	1.42%
City of Arlington	Municipality	2,800	1.21%
Texas Rangers Baseball Club	Sports/Entertainment	2,000	0.86%
J.P. Morgan-Chase	Banking Services	1,900	0.82%
Total		44,588	19.21%

2014			
<u>Employer</u>	<u>Type of Business</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
Arlington Independent School District	Public Education	8,000	3.96%
University of Texas at Arlington	Higher Education	5,300	2.62%
General Motors	Automobile Assembly	4,440	2.20%
Six Flags Over Texas	Amusement Park	3,800	1.88%
The Parks at Arlington	Retail	3,500	1.73%
Texas Health Resources	Health	2,871	1.42%
City of Arlington	Municipality	2,487	1.23%
GM Financial	Financial Services	2,000	0.99%
JP Morgan Chase Bank	Banking Services	1,965	0.97%
Texas Rangers Baseball Club	Major League Baseball & Hockey	1,881	0.93%
Total		36,244	17.93%

Sources:

City of Arlington Finance Department

Notes:

2023 Labor Force Estimate is 231,982

2014 Labor Force Estimate is 202,112

CITY OF ARLINGTON, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	Fiscal Year			
	2014	2015	2016	2017
Strategic Support				
Communication and Legislative Affairs	-	33	41	41
City Attorney's Office	38	38	38	39
City Manager's Office	3	3	3	3
Internal Auditor's Office	5	5	5	5
Human Resources	19	21	21	21
Judiciary	6	7	7	7
Municipal Court	41	42	43	43
Information Technology	55	55	56	58
Finance*	71	36	35	35
Document Services	8	8	8	8
Economic Development & Capital Investment				
Economic Development	3	4	4	4
Planning and Development Services	71	70	68	70
Aviation	8	9	9	9
Convention Center	31	31	31	31
Strategic Initiatives	-	-	-	-
Business Diversity Office	-	-	-	-
Transportation	-	-	-	-
Economic Development Corporation	-	-	-	-
Neighborhood Services				
Police	836	838	835	839
Fire**	443	447	472	470
Code Compliance Services	62	64	64	64
Park and Recreation	102	104	106	108
Park Performance Fund	69	74	74	85
Library	68	68	68	68
Capital Investment				
Public Works & Transportation	85	85	85	87
Street Maintenance Fund	93	93	92	92
Asset Management	-	-	-	-
Fleet Services Fund	1	1	1	1
Water Utilities Fund	223	218	204	202
Storm Water Utility Fund	27	27	27	29
Grant Funds***	113	111	123	148
Total	<u>2,481</u>	<u>2,492</u>	<u>2,520</u>	<u>2,567</u>

Source:

City of Arlington Finance Department

* 2015 Finance split into two separate departments Finance and Management Resources.

* 2018 Management Resources changed to Communication and Legislative Affairs.

**2012-2018 Fire umbrellas communication services fund and EPAB.

***2022 American Rescue Plan Grant added to Grant Funds.

Table 15

Fiscal Year					
2018	2019	2020	2021	2022	2023
41	41	41	41	46	46
38	38	38	38	39	39
3	3	3	3	4	4
5	5	5	5	5	5
26	26	26	26	27	25
6	6	6	6	6	6
40	39	39	38	37	36
58	58	58	58	58	63
35	36	36	37	39	40
8	8	8	8	5	5
4	10	10	10	10	11
72	58	61	62	65	66
9	9	9	9	9	-
31	31	31	30	30	30
-	9	9	9	9	7
-	-	-	-	4	4
-	-	-	-	-	13
-	-	-	-	4	7
846	859	879	897	906	911
496	500	505	505	508	515
64	67	68	66	68	71
108	109	116	115	116	116
86	86	88	91	93	96
68	68	68	68	68	68
87	54	54	54	54	54
92	92	92	92	92	92
-	32	33	33	35	40
1	1	1	1	1	1
198	205	205	205	216	218
30	31	32	37	38	38
165	154	115	116	170	170
2,617	2,635	2,636	2,660	2,762	2,797

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public safety										
Police										
Number of employees	643	643	639	640	644	653	682	669	694	709
Number of dispatch calls	134,160	135,047	136,069	134,451	124,669	183,650	161,396	110,985	109,192	113,560
Fire										
Number of employees	443	445	470	477	477	494	508	508	566	562
Number of service calls	38,542	40,717	42,325	43,897	44,654	46,457	43,971	54,170	57,292	55,308
Parks and recreational										
Parks - program registrations	42,692	53,395	57,405	40,124	44,341	50,617	4,128	6,776	6,180	6,320
Memberships	35,661	32,396	29,468	25,560	27,686	54,846	40,355	56,519	47,789	55,631
Library										
Libraries*	7	7	7	7	7	7	7	7	7	7
Collection size	624,002	625,267	630,315	609,403	524,746	555,102	503,197	584,991	546,710	535,549
Average monthly circulation	175,601	179,734	181,812	172,019	171,228	171,375	137,411	138,115	156,625	156,222
Water and sewer										
Number of accounts	101,107	101,733	102,193	102,757	103,333	104,140	105,180	105,884	106,517	107,407
Average daily water consumption (gallons)	53,350,000	52,481,000	46,160,656	51,091,670	53,780,000	49,498,917	50,500,417	50,339,124	57,607,000	56,053,000
Ozonated treatment capacity (gpd)	172,500,000	172,500,000	172,500,000	172,500,000	172,500,000	172,500,000	172,500,000	172,500,000	172,500,000	172,500,000
Number of sewer connections	99,279	99,944	100,387	100,932	101,463	102,266	103,328	104,028	104,590	105,508
Golf Course										
Number of clinics	64	71	39	29	21	28	4	10	15	17
Number of participants in clinics	204	534	348	208	243	188	15	122	146	145
Number of private lessons	1,747	2,098	1,664	1,477	1,031	1,022	935	1,069	988	920

Source:
 City of Arlington Finance Department

Notes:
 Police: Employment represents full-time sworn officers
 Fire: Employment represents full-time civilian, sworn and dispatch. Number of Service Calls represent all incidents including mutual aid given.
 * Central Library was vacated in Feb 2015 and temporarily replaced as the Central
 Central Express location closed at the end of March and the New Central Library

CITY OF ARLINGTON, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years
(Unaudited)

Table 17

Function/Program	Fiscal Year			Fiscal Year						
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public safety										
Police stations	4	4	4	4	4	4	4	4	4	4
Fire stations	17	17	17	17	17	17	17	17	17	17
Miles of streets and alleys										
Streets- paved (lane miles)	3,161	3,225	3,277	3,350	3,419	3,458	3,503	3,540	3,567	3,602
Sidewalks (lane miles)	1,030	1,048	1,057	1,069	1,094	1,103	1,112	1,119	1,128	1,133
Cultural and recreational										
Parks (acres) (golf courses included)	4,710	4,714	4,714	4,718	4,718	4,718	4,714	4,595	4,607	4,603
Swimming pools	7	7	7	7	7	7	7	7	7	7
Tennis courts	45	45	45	44	44	44	49	45	41	41
Pickleball courts	-	-	-	-	-	-	-	-	11	11
Recreation centers	4	4	4	4	4	4	5	5	7	7
Senior center	2	2	2	2	2	2	2	1	1	0
Miles of park trails*	54	54	54	55	55	56	56	46	85	84
Sports fields-youth	77	77	77	77	77	77	77	77	73	73
Basketball courts-outdoors**	21	21	21	26	26	26	66	97	21	22
Number of golf courses	4	4	4	4	4	4	4	4	4	4
Water and Sewer										
Water mains (miles)	1,578	1,582	1,589	1,596	1,620	1,654	1,666	1,652	1,456	1,465
Fire hydrants	11,018	11,067	11,120	11,280	11,405	11,595	11,683	11,766	10,128	10,251
Sanitary sewers (miles)	1,302	1,306	1,317	1,332	1,343	1,356	1,317	1,323	1,249	1,257

* Dirt trails included starting 2022

** Hoops counted instead of courts 2020-2021

Source:

City of Arlington Finance Department

CITY OF ARLINGTON, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
ANALYSIS OF FUNDING PROGRESS AND CONTRIBUTION RATES
Last Ten Fiscal Years
(In Thousands)
(Unaudited)

Table 18

Fiscal Year	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability	(3) Funded Ratio (1/2)	(4) Unfunded Actuarial Accrued Liability	(5) Annual Covered Payroll	(6) UAAL as a Percentage of ACP (4/5)	(7) Total TMRS Required Contribution Rate	(8) Prior Service Portion of the TMRS Rate
2014	842,194	1,003,238	83.9%	161,044	150,941	106.7%	15.62%	6.88%
2015	893,065	1,037,982	86.0%	144,917	149,837	96.7%	15.08%	6.36%
2016	939,247	1,086,413	86.5%	147,166	154,372	95.3%	15.73%	6.27%
2017	984,568	1,136,502	86.6%	151,934	160,575	94.6%	15.58%	6.51%
2018	1,036,661	1,189,337	87.2%	152,676	169,628	90.0%	15.79%	6.54%
2019	1,084,556	1,249,596	86.8%	165,040	177,549	93.0%	15.81%	6.54%
2020	1,144,057	1,317,330	86.8%	173,273	185,842	93.2%	16.13%	6.87%
2021	1,357,258	1,374,220	98.8%	16,962	192,070	8.8%	16.82%	7.26%
2022	1,440,888	1,443,560	99.8%	2,672	192,053	1.4%	10.17%	0.59%
2023	1,488,582	1,522,226	97.8%	33,644	203,775	16.5%	9.65%	0.10%

Source: City of Arlington Finance Department