



2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED SEPTEMBER 30, 2024
City of Arlington, Texas



CITY OF ARLINGTON, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2024

PREPARED BY THE FINANCE DEPARTMENT



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, 2024
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March 18, 2025

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

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, 2024, 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 Mazars, LLP has issued an unmodified “clean” opinion on the City’s financial statements for the year ended September 30, 2024. 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 is centrally located in the Dallas/Fort Worth/Arlington metro area, just 8 miles south of DFW International Airport. Operating under a home rule charter, the city follows a Council-Manager government structure. Local legislative authority rests with the Mayor and eight City Council Members, with the Mayor and three Council Members elected citywide, and five by district. The Mayor and Council Members may serve no more than three (3) elected three year terms, and no more than nine (9) years as each. Further details regarding Mayor and Council terms can be found on page nine of this report. The City Manager, appointed by the Mayor and Council, serves as the chief executive of the municipal government. Additionally, the Council appoints members to various boards, commissions, and authorities, as needed to support city operations.

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

The City's reporting entity includes 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 stewardship through exercising legislative budgetary control at the fund level. Utilizing tools like a multi-year financial plan, capital budget, and annual budget, the city ensures responsible fiscal management. Budgetary decisions are guided by an annual evaluation of comprehensive financial policies and are reported with full transparency. With a focus on innovation, city staff continually improve processes and policies while fostering strong partnerships with local and regional nonprofit and for-profit organizations. Programs and services are designed to address community needs, with an emphasis on long-term sustainability. Driven by a strong commitment to enhancing residents' quality of life, Arlington's management and staff consistently uphold the highest standards of excellence.

Long Term Financial Planning

In recent years, Arlington has experienced significant economic growth, driving strategic investments, innovative initiatives, and an enhanced ability to serve the community. This progress is not merely the result of favorable circumstances, but stems from sound fiscal policies that have consistently guided decisions. Through thoughtful planning and commitment to progress, we have built a strong foundation that has propelled our city forward.

As we look ahead, we must adapt to a shifting economic landscape. While the city's revenues have rebounded significantly from the COVID-19 recession, the pace of growth has slowed, returning to pre-pandemic levels. Property tax values - our largest source of revenue - continue to rise, though the rate of growth has noticeably decelerated. Over the past decade, Arlington has seen substantial year-over-year increases in market values, with the exception of 2020, due to the pandemic. However, Arlington's market value is projected to grow only by 1.5% for 2025. The 2025 budget, along with future budgets, must adopt a more conservative approach compared to previous years due to economic factors. Even so, we remain focused on advancing meaningful progress for the community while operating within budgetary constraints.

The top five major employers listed below make up approximately 15.5% of the total employment of the City. Some of the major employers in the city include the following:

EMPLOYER	BUSINESS TYPE	NUMBER OF EMPLOYEES
General Motors Company	Auto Assembly/Financial	8,919
Arlington Independent School District	Public Education	8,646
University of Texas at Arlington	Higher Education	8,636
Texas Health Resources	Healthcare	4,062
Six Flags Over Texas	Amusement Park	3,900

Major taxpayers include General Motors Company, Oncor Electric Delivery, Loews Hotels Holding Corporation, S2 Forest Ridge LP/S2 Manchester/Valencia LLC, and Wil-Cpt Arlington Highlands 1 LP/Wil-Cpt Arlington making up approximately \$1.4B, 3.4% of the City's assessed value.

Arlington has consistently taken a proactive approach to managing its financial health, maintaining a built-in conservative bias. City leaders remain committed to carefully overseeing the city's fiscal condition and will continue to take practicable measures to safeguard Arlington's strong general obligation bond ratings: Aa1 from Moody's Investors Service, AAA from Standard and Poor's and AA+ from Fitch.

The FY25 budget was developed with a focus on maintaining financial stability while addressing the evolving needs of the community. Prioritizing long-term sustainability, the budget reflects a careful balance between conservative fiscal planning and strategic investments in delivery of core services and to support new cost service investments as approved by voters. Amid slowing revenue growth, city leaders are committed to prudent resource allocation to ensure the continued delivery of high-quality public services. The city continually seeks innovative solutions, cost-saving measures, and opportunities to deliver maximum value to our residents.

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



The 2024 budget focused on these same priorities and maintains the City's core value of quality and cost-effective service delivery. In 2024 (tax year 2023), the property tax rate is 58.98 cents. The 2025 rate (tax year 2024) is 1 cent higher than the rate in effect for the preceding year.

Major Initiatives/Highlights

Grand Opening of Loews Arlington Hotel and Convention Center

The opening of the Loews Hotel and Convention Center represents a major milestone for both Arlington and the North Texas region. As Loews' second and largest hotel in the city, this state-of-the-art property has become a premier destination for meetings, events, and leisure. The 888-room hotel was recognized by the Dallas Business Journal with the 2024 Best Real Estate Deal Award for Hospitality/Hotel. Adding to its footprint, Loews plans to build an upscale 513-room hotel near the National Medal of Honor Museum, replacing the existing 311-room Sheraton.

New Aviation Enterprise Fund

The city dissolved its FBO lease agreement with operators in 2024, making the city the sole operator of the Arlington Municipal Airport. The city purchased various assets worth approximately \$14 million, including business property for \$3 million, to aid in the operation of the airport. As part of the transaction, the city also assumed several subleases. These changes are reflected in the new Aviation enterprise fund as reported in the ACFR. Arlington is also partnering with Overair to develop and launch electric vertical takeoff and landing operations at the Arlington Municipal Airport. This strategic collaboration will expand the company's operations across North Texas by delivering fully integrated ecosystem solutions - from vertiports and advanced charging infrastructure to the implementation of electric aerial rideshare.

Successful Launch of New Trash Cart Program

Arlington replaced curbside bagged trash with new carts for residential waste collection to improve efficiency, reduce litter, and keep the city clean. Residents received carts and simple guidelines for an easy transition. The city launched the successful campaign with videos, infographics, social media, and a multilingual town hall to ensure proper waste disposal.

Park's 100th Anniversary and Opening of All-Inclusive Playground

Arlington Parks and Recreation marked its centennial, celebrating 100 years of Meadowbrook Park and its golf course. The city debuted a new, ability-inclusive playground at Meadowbrook Park during the celebration. Made possible by a generous \$500,000 grant from the Arlington Tomorrow Foundation, the playground includes wheelchair-friendly surfaces, musical instruments, and a wheelchair-accessible merry-go-round. This new addition ensures every child can play, making Arlington a more inclusive and welcoming community. The grand opening also featured carnival rides, live performances, and the unveiling of the "A Change in Direction" sculpture.

Texas Rangers/All-Star Activities

In addition to celebrating the Texas Rangers World Series championship with a victory parade this year, Arlington made the 2024 MLB All-Star Week unforgettable with a range of exciting events, including the renovation of Senter Park into the MLB & Texas Rangers All-Star Legacy Park and the Corey Seager Batting Cages. This project, in collaboration with the Texas Rangers, and the Seagers, aimed to support youth baseball, veterans, and under served communities. The city also hosted the All-Star FanFest, interactive exhibits, autograph signings, youth clinics, and the All-Star Game, creating a memorable experience for fans.

World Cup/INDYCAR Grandprix of Arlington

Arlington will host the most games of any city during the 2026 FIFA World Cup, with nine matches, including a semi-final, in the summer of 2026. The City Council is focusing on key areas like transportation, safety, community engagement, and beautification efforts with the new Clean Arlington initiative. With 3.8 million expected visitors and 100,000 international fans daily, the city is preparing for business outreach, volunteer opportunities, and planning for sustainability and logistics to ensure a successful event. Also in 2026, the INDYCAR Grand Prix of Arlington will feature a thrilling 2.73-mile track winding through the Entertainment District, with iconic landmarks like AT&T Stadium and Globe Life Field serving as stunning backdrops. This high speed spectacle promises to put Arlington on the map as a premier sports destination.

Other notable 2024 accomplishments include:

- **Jobs and Economy**

Arlington is experiencing transformative growth with several major economic development projects. The Anthem redevelopment of Lincoln Square will bring new housing, office space, and entertainment to North Arlington. E-space, Inc. is establishing its North American headquarters at Arlington Municipal airport, creating 400 high-paying aerospace jobs, while Acciona is setting up its US headquarters, adding up to 300 jobs in renewable energy and facility services. Mozee, Inc. will build its US headquarters and manufacturing plant, producing autonomous shuttles and hiring over 100 employees. Additionally, Arlington will welcome a \$410 million Loews Hotel in 2028 and the \$45 million Caravan Hotel by 2026, blending modern luxury with historic charm. These projects reinforce Arlington's focus on innovation, job creation, and economic vitality.

- **Meeting Community Needs**

Arlington is making significant strides to enhance quality of life and community infrastructure. The voter-approved ACTIV adult centers scheduled to open in 2025, offering state-of-the-art amenities for residents 50+ and serving as the city's largest recreation hub. High-speed internet access is expanding rapidly, with Arlington leading the nation in fiber deployment to benefit nearly 400,000 residents and 15 million visitors. Additionally, a new clean team initiative will tackle litter, graffiti, and maintenance issues to focus on keeping the city clean and vibrant.

- **Arlington Tomorrow Foundation**

The foundation was created to ensure that the financial proceeds from the City's natural gas drilling efforts continue to benefit Arlington and its residents for generations. Each year, the interest from the endowment is distributed as grants to local non-profits and government entities, supporting initiatives that enhance the lives of citizens and preserve Arlington's natural environment and quality of life. In 2024, the Foundation approved over \$1.7 million in grants for projects aimed at fostering safe, vibrant neighborhoods and promoting enriching leisure, educational, and cultural activities.

- **Museums & Art Exhibits**

Since opening this year, the Arlington Museum of Art has captivated visitors with immersive exhibits like *Pompeii: The Immortal City*. With its expansive 48,000-square-foot space at the Expo Center, the museum now offers even larger, interactive exhibits. The relocation is a key part of Arlington's strategy to boost cultural tourism and attract more visitors. Popular exhibits like *Heroes & Villains: The Art of the Disney Costume* and *All That Glitters: The Crown Jewels of Walt Disney Archives* have been major hits. With the opening of the National Medal of Honor Museum in early 2025, Arlington expects to attract additional visitors from across the country and to enhance the area's cultural and tourism appeal.

- **New and Improved Ask Arlington App**

The city launched the revamped Ask Arlington app this year, offering a more user-friendly experience for reporting issues, making request, and tracking progress. Whether reporting a pothole, requesting an extra trash cart, or accessing city services, the updated app has it all with real-time tracking, easy navigation, and direct access to important information, available in both English and Spanish.

Awards and Acknowledgments

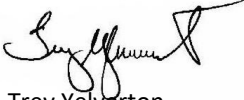
The City of Arlington has been recognized by the Government Finance Officers Association of the United States and Canada (GFOA) for its outstanding financial reporting. For the fiscal year ending September 30, 2023, Arlington received the Certificate of Achievement for Excellence in Financial Reporting, marking the 46th year 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 year, which represents the fourteenth consecutive year of recognition. Additionally, Arlington received the Distinguished Budget Presentation Award for the FY2024 budget from the GFOA, maintaining a remarkable streak of 37 years of earning this distinction.

The City has also received awards and accreditation's for departments including:

- Bloomberg Philanthropies' What Works Cities Certification – Gold Level
- Transparency Stars for Traditional Finance, Contracts & Procurement, Economic Development, Public Pensions, Debt Obligations, and Open Government & Compliance from the Texas Comptroller
- Commission for Accreditation of Park and Recreation Agencies (CAPRA)
- Texas 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
- TCEQ National Environmental Laboratory Accreditation Program for water lab

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

Respectfully submitted,



Trey Yelverton
City Manager

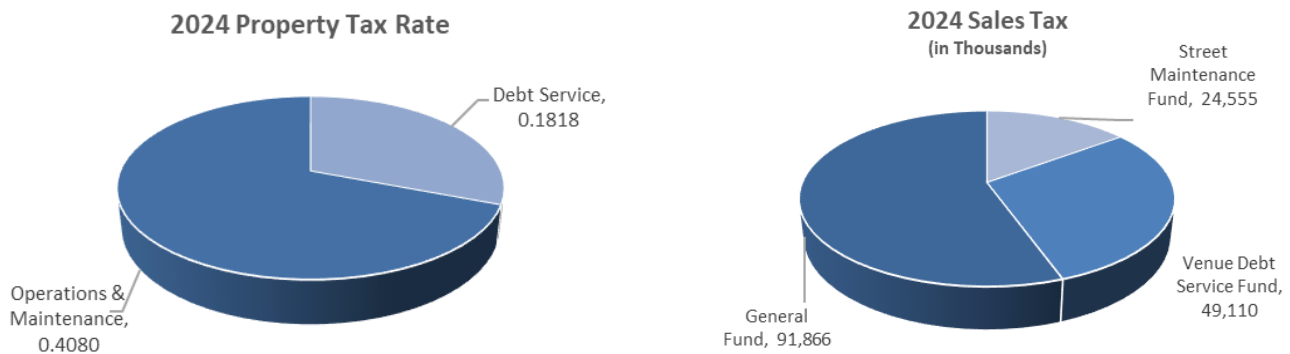


April Nixon
Finance Director

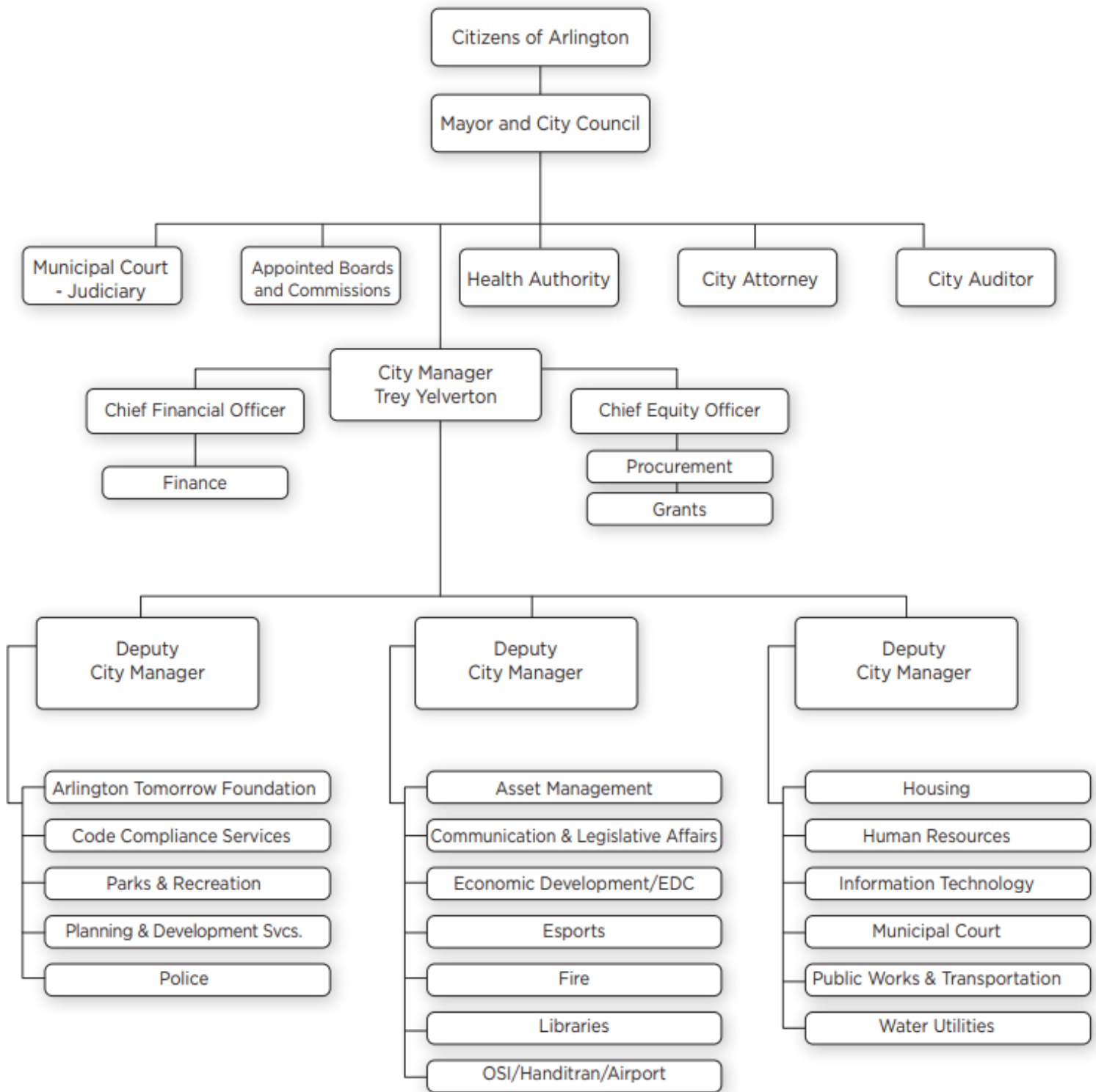
Local Economic Indicators

	2024	2023	2022
	(tax year 2023)	(tax year 2022)	(tax year 2021)
Property Tax Base (in thousands)*			
Personal	\$ 4,342,217	\$ 3,938,806	\$ 3,569,050
Real Estate	\$ 38,930,751	\$ 37,003,405	\$ 32,532,497
Mineral Lease Properties	\$ 59,377	\$ 418,095	\$ 208,981
Agricultural Properties	\$ 396	\$ 386	\$ 338
Total	\$ 43,332,741	\$ 41,360,692	\$ 36,310,866
Property Tax Rate			
Operations	0.4080	0.4030	0.4098
Debt Service	0.1818	0.1968	0.2100
Total	0.5898	0.5998	0.6198
Sales Tax (in thousands)			
Collections	\$ 165,531	\$ 160,596	\$ 155,848
Annual Growth	3.07%	3.05%	14.61%
Population	411,167	405,420	399,560
General Obligation Debt per Capita	1,724	\$ 1,652	\$ 1,679
Labor Force	234,994	231,982	218,601
Unemployment Rate	3.80%	3.80%	3.90%
Housing starts permits issued	413	673	649
Foreclosure (residential and commercial)	65	65	55
Occupancy Rates			
Office	88.40%	88.70%	89.90%
Industrial	94.00%	95.40%	96.40%
Retail	95.30%	95.30%	94.90%

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



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, 2023

Christopher P. Morrell

Executive Director/CEO

City Council

The Arlington City Council consists of a mayor and eight council members elected by the voters of Arlington. Five are elected from districts to represent geographic parts of the city.



Mauricio Galante
District 1



Raul H. Gonzalez
District 2



Nikkie Hunter
District 3



Andrew Piel
District 4



Rebecca Boxall
District 5



Long Pham
District 6



Bowie Hogg
District 7



Dr. Barbara Odom-Wesley
District 8

Districts 6, 7 and 8 are at-large and represent the entire city. The mayor and three at-large districts are elected by the entire city. Members serve staggered three-year terms with elections in May.





Independent Auditor's Report

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

Report on the Audit of the Financial Statements

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, 2024, 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, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Arlington Convention and Visitors Bureau, Inc., or the Arlington Tourism Public Improvement District, discretely presented component units of the City, which represent 5%, 4%, and 13%, 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%, 1%, and 0.4%, 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.

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 Mazars, LLP

**Dallas, Texas
March 18, 2025**



CITY OF ARLINGTON, TEXAS

Management's Discussion and Analysis For the Year Ended September 30, 2024 (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, 2024. 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 one 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 \$3.1B (net position). Of this amount, \$48.5M 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 \$104M during the current period primarily due to increases in property tax and investment activities.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$511.4M, a change of \$44.9M in comparison with the prior year. Within this total, \$385M is restricted for specific legal requirements and \$117.5M has been committed or assigned to specific types of expenditures, and \$2.6M is non-spendable. The remaining unassigned fund balance in the general fund can be used for any lawful purpose.
- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the general fund was \$95.5M, or approximately 31% of total general fund expenditures.

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 of 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:

- **Governmental Activities** - Functions of the city that are principally supported by taxes and intergovernmental revenues are reported here including general government, public safety, public works, public health, parks and recreation, public welfare, convention and event services and interest. Property taxes, sales taxes, and franchise fees provide most of the funding for these activities, with the addition of charges for services, grants, and contributions.
- **Business Type Activities** - Functions that are intended to recover all or a significant portion of their costs through user fees and charges are reported here. The City's water and sewer system and storm water utilities are reported here.
- **Component Units** - For fiscal year 2024, the city includes seven discretely presented component units in its report - Arlington Housing Authority (AHA), Arlington Convention and Visitors Bureau (ACVB), Arlington Housing Finance Corporation (AHFC), Arlington Tomorrow Foundation (ATF), Arlington Economic Development Corporation, the Arlington Convention Center Development Corporation (ACCDC) and Arlington Tourism Public Improvement District (ATPID).

The government-wide financial statements can be found on pages 29-31 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 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, 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 32 of this report.

Proprietary Funds

The City maintains three 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, storm water utilities, and aviation 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 (major fund), Storm Water Utility (major fund), and Aviation (non-major) 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 36 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 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 40 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 43 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 95 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 113-142 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 \$3.1B as of September 30, 2024.

Long-term liabilities, which consist of bonds, notes, leases, compensated absences and postemployment benefit obligations, decreased by \$17.6M from the previous year for governmental and business-type activities combined. The City's net OPEB liability decreased \$1.5M. The City's total pension liability for the year decreased by \$63.8M.

The largest portion of the City's net position \$2.84B (91.5%) 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)

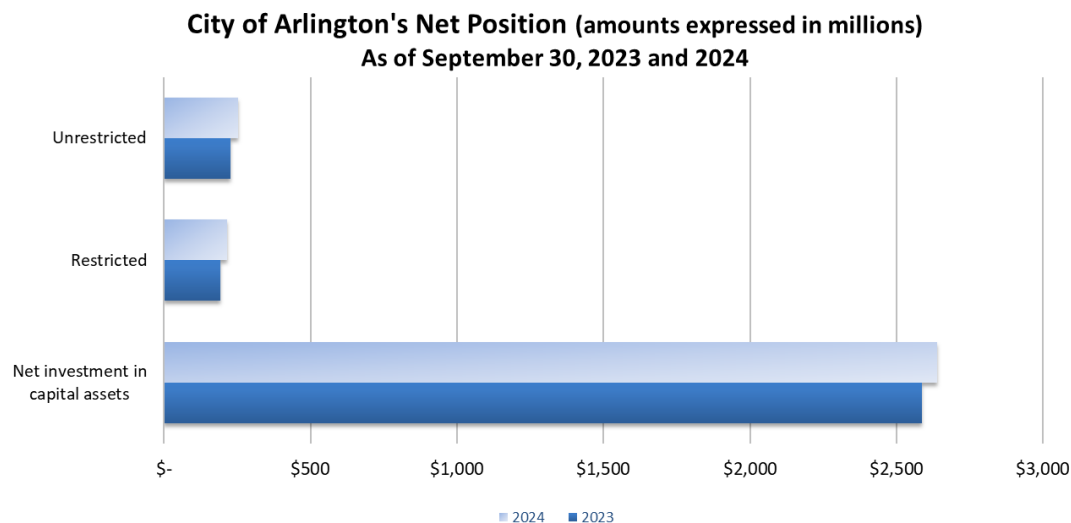
For the Years Ended September 30,

	Governmental Activities		Business-type Activities		Total	
	2023	2024	2023	2024	2023	2024
Current and other assets	\$ 716	\$ 752	\$ 366	\$ 386	\$ 1,082	\$ 1,138
Capital, lease, SBITA, and PPP assets	2,835	3,056	1,048	1,136	3,883	4,192
Total assets	3,551	3,808	1,414	1,522	4,965	5,330
Total deferred outflows of resources	158	96	10	6	168	102
Long-term liabilities outstanding	1,383	1,359	364	371	1,747	1,729
Other liabilities	141	141	60	67	201	208
Total liabilities	1,524	1,500	424	438	1,948	1,938
Total deferred inflows of resources	176	373	4	5	180	377
Net position:						
Net investment in capital assets	1,836	1,998	750	846	2,586	2,844
Restricted for debt service	58	86	64	54	122	139
Restricted for special revenue	56	59	-	-	56	59
Restricted for use of impact fees	15	17	-	-	15	17
Restricted for net OPEB asset	-	-	-	-	-	-
Restricted for net pension asset	-	1	-	-	-	1
Unrestricted	44	(137)	182	186	226	49
Total net position	\$ 2,009	\$ 2,024	\$ 996	\$ 1,085	\$ 3,005	\$ 3,109

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 \$216.5M (7.0%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of \$48.5M (1.6%) may be used to meet the government's ongoing obligations to citizens and creditors.

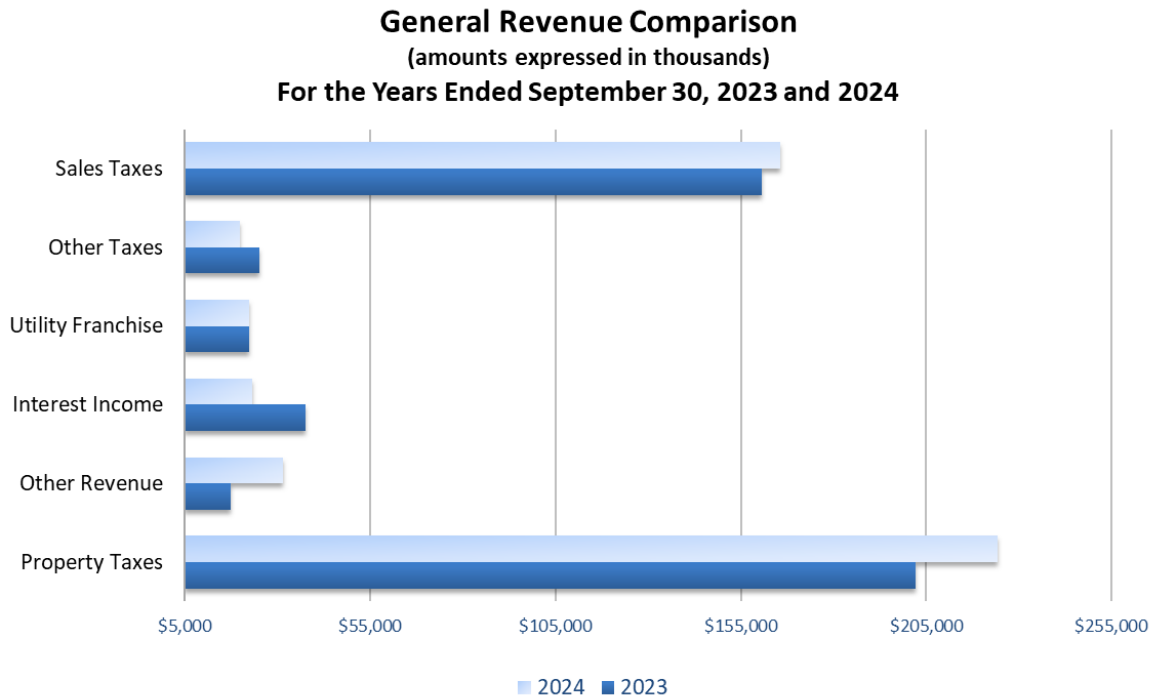
At the end of the current fiscal year, the City reports positive balances in all reported categories of net position, both for the governmental and business-type activities. Overall net position changed \$104M from the prior fiscal year.



Governmental Activities

The City's general revenues increased compared to the prior year, increased overall by .91%. Property tax revenue accounted for much of the increase this year compared to last.

Property tax collections changed from the prior year by about \$22.1M and Arlington once again saw growth in assessed valuation. The residential property values increased by 6.9% and commercial property values increased by 2.19% compared to the prior year. The property tax rate for 2024 was set at \$0.5898 per \$100 assessed valuation: down 0.01 from \$0.5998 in the prior year.

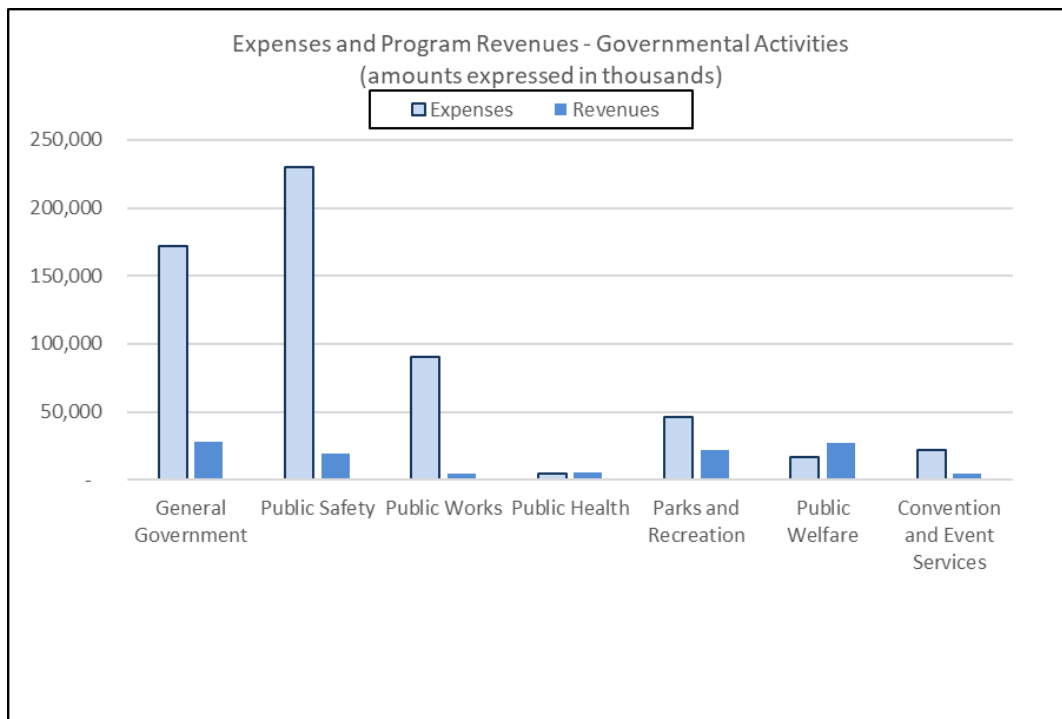


Charges for services and capital grants and contributions remained relatively unchanged from the prior year. However, operating grants and contributions saw a \$1.3M increase, mainly driven by higher public safety-related grants. Additionally, interest income rose by \$12M compared to the previous year, benefiting from favorable market conditions.

Sales tax revenue grew by \$4.9M, a 3.1% increase, consistent with historical trends. However, utility franchise fee collections declined by 1.0% in 2024, largely due to a drop in electrical franchise fees as well as reductions in telephone and cable television franchise fees.

Overall, expenses rose by approximately \$19.2M (3.4%) compared to the previous year. The primary driver of this increase was \$15.3M in public safety expenditures. This surge is mainly due to the acquisition of a new fire apparatus and the hiring of 24 additional police officers and 40 new firefighters, as well as the funding of previously frozen positions in both the police and fire departments from fiscal year 2021. Public welfare expenses decreased by \$19M primarily due to reduced Chapter 380 agreements. Additionally, general government expenses increased \$20.5M from prior year, an increase primarily driven by higher operational costs.

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	
	2023	2024	2023	2024	2023	2024
Revenues						
Program Revenues:						
Charges for services	\$ 71,333	\$ 71,485	\$ 215,991	\$ 229,755	\$ 287,324	\$ 301,240
Operating grants and contributions	24,544	37,160	-	-	24,544	37,160
Capital grants and contributions	2,200	2,250	7,875	6,713	10,075	8,963
General Revenues:						
Taxes	387,710	409,411	-	-	387,710	409,411
Utility franchise fees	22,429	22,205	-	-	22,429	22,205
Interest income	11,321	23,233	10,792	15,162	22,113	38,395
Other	50,120	21,020	4,407	11,000	54,527	32,020
Total revenues	569,657	586,764	239,065	262,630	808,722	849,394
Expenses						
General government	151,737	172,227	-	-	151,737	172,227
Public Safety	214,764	230,108	-	-	214,764	230,108
Public Works	86,916	90,291	-	-	86,916	90,291
Public Health	3,732	4,546	-	-	3,732	4,546
Parks and recreation	48,097	46,366	-	-	48,097	46,366
Public welfare	35,467	16,468	-	-	35,467	16,468
Convention and event services	22,249	22,155	-	-	22,249	22,155
Water, sewer and storm water, aviation	-	-	141,238	163,438	141,238	163,438
Total expenses	562,962	582,161	141,238	163,438	704,200	745,599
Increase in net position before transfers	6,695	4,603	97,827	99,192	104,522	103,795
Transfers and capital contributions	43,791	36,801	(43,791)	(36,801)	-	-
Increase (decrease) in net position	50,486	41,404	54,036	62,391	104,522	103,795
Net Position, October 1, Restated*	1,958,647	1,982,690	942,200	1,022,679	2,900,847	3,005,369
Net Position, September 30	\$ 2,009,133	\$ 2,024,094	\$ 996,236	\$ 1,085,070	\$ 3,005,369	\$ 3,109,164

* See Note I.R.

Business-type Activities

During the current fiscal year, net position for business-type activities changed \$62.4M from the prior fiscal year for an ending balance of \$1,085.1B. 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 \$23.6M in business-type activities (Water and Wastewater/Storm Water Utility/Aviation) 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 \$22.2M from the prior year driven by increases in salaries and wages and the creation of the Enterprise Aviation Fund which incurred \$9M in expenses.

CAPITAL, LEASE, SBITA, and PPP ASSETS/DEBT ADMINISTRATION

Capital, Lease, SBITA, and PPP Assets

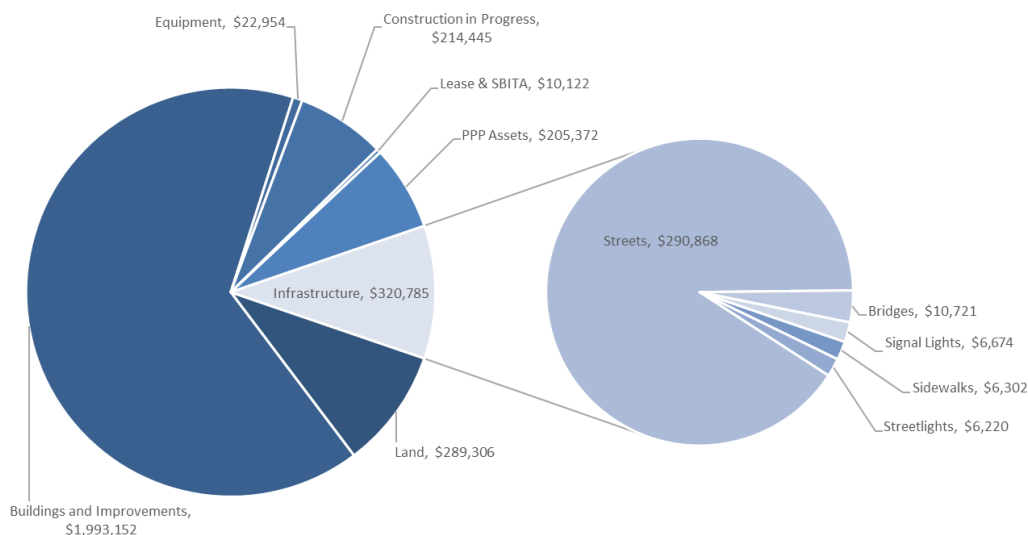
The City's net investment in capital assets for its governmental and business-type activities as of September 30, 2024, amounts to \$4.2B (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, park facilities, roads, highways, bridges, water treatment plants, lease, SBITA, and PPP assets and stadiums. The total change in capital, lease, SBITA, and PPP assets for the current fiscal year was \$309.1M. This is a 1.08% 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, SBITA, and PPP asset activity.

City of Arlington's Capital, Lease, SBITA, and PPP Assets (in thousands, net of depreciation and amortization)						
	Governmental activities		Business-type activities		Total	
	2023	2024	2023	2024	2023	2024
Land	\$ 294,329	\$ 289,306	\$ 23,757	\$ 29,916	\$ 318,086	\$ 319,222
Buildings and improvements	2,059,554	1,993,152	6,861	32,355	2,066,415	2,025,507
Machinery and equipment	18,638	22,954	419	762	19,057	23,716
Construction in progress	136,107	214,445	208,430	235,117	344,537	449,562
Infrastructure	321,233	320,785	-	-	321,233	320,785
Lease and SBITA assets	4,669	10,122	-	269	4,669	10,391
PPP assets	-	205,372	-	-	-	205,372
Drainage system	-	-	106,911	110,506	106,911	110,506
Water and sewer system	-	-	701,954	726,916	701,954	726,916
Totals	\$ 2,834,530	\$ 3,056,136	\$ 1,048,332	\$ 1,135,841	\$ 3,882,862	\$ 4,191,977

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

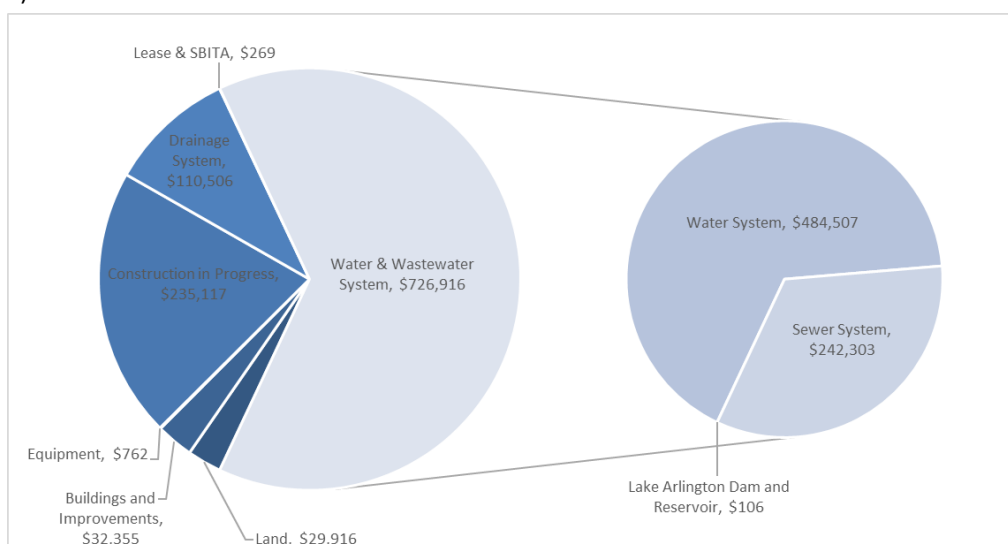
- Private developer capital contributions of \$6.7M to the City's water and sewer infrastructure in connection with various residential and commercial developments
- Water and sewer system capital improvements and expansion of \$54.9M
- Storm drainage system capital improvements and expansion of \$18.2M
- Street construction projects capital outlay totaling \$48.4M
- Improvements to parks and recreation facilities of \$39.5M
- Aviation FBO acquisition of \$14M asset addition
- PPP asset addition for the Arlington Convention Center totaling \$205.4M

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



Asset	Book Value	Accumulated Depreciation	Net Value
Sidewalks	\$ 72,348	\$ (66,046)	\$ 6,302
Streetlights	21,685	(15,465)	6,220
Streets	971,919	(681,051)	290,868
Bridges	43,200	(32,479)	10,721
Signal Lights	20,787	(14,113)	6,674
	<u>\$ 1,129,939</u>	<u>\$ (809,154)</u>	<u>\$ 320,785</u>

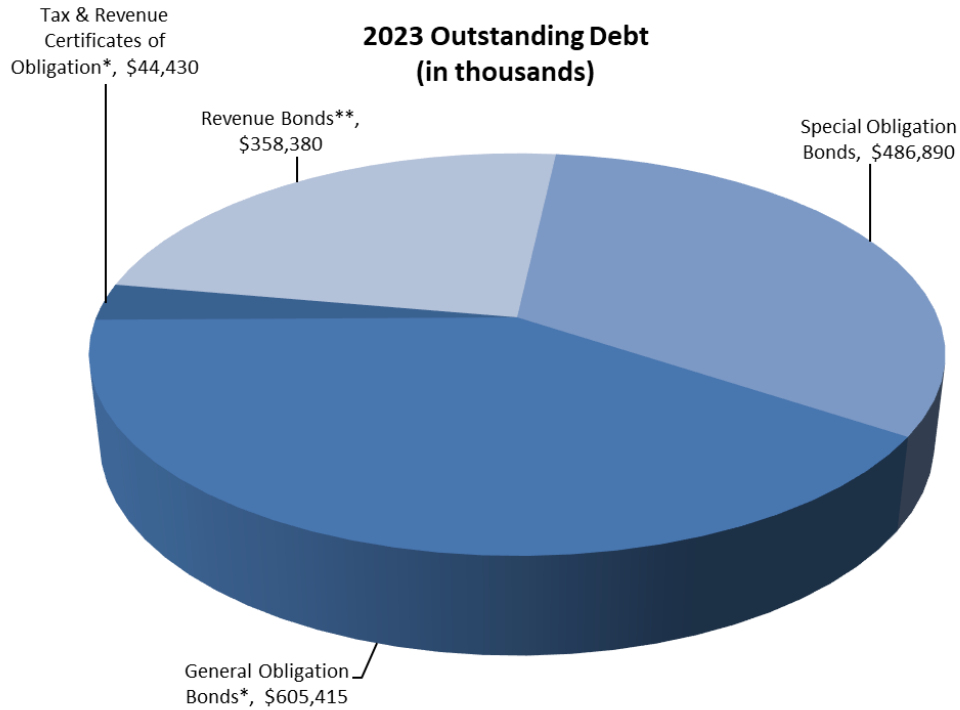
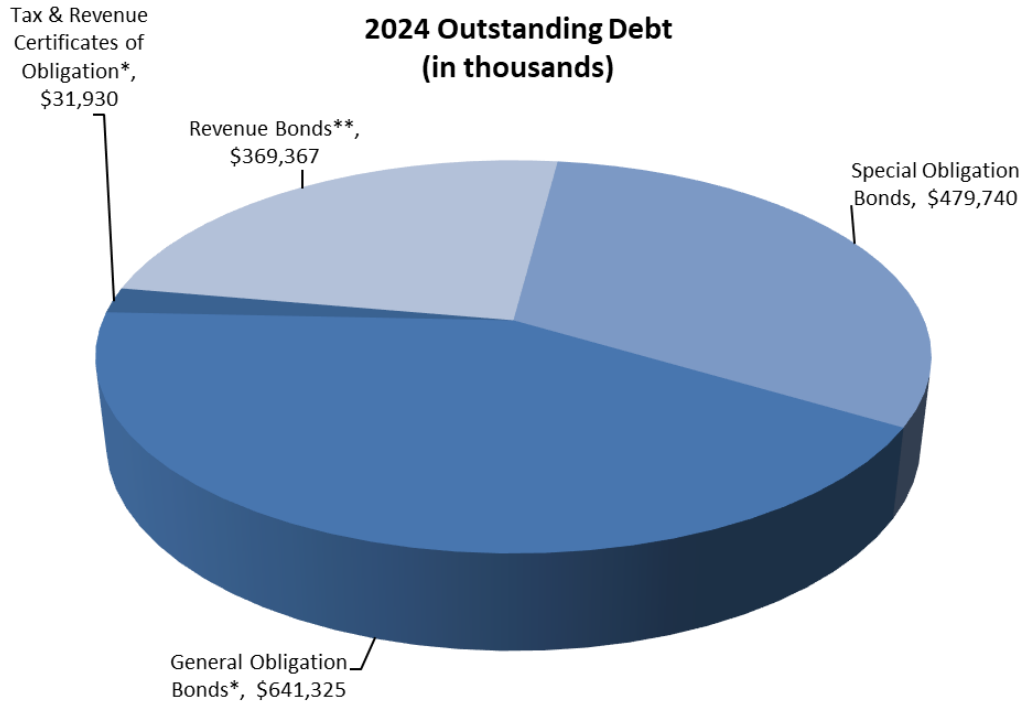
The City's business-type activities infrastructure investment, including accumulated depreciation, breaks down as follows (in thousands):



Asset	Book Value	Accumulated Depreciation	Net Value
Lake Arlington Dam and Reservoir	\$ 2,619	\$ (2,513)	\$ 106
Water System	779,731	(295,224)	484,507
Sewer System	400,469	(158,166)	242,303
	<u>\$ 1,182,819</u>	<u>\$ (455,903)</u>	<u>\$ 726,916</u>

Debt

At the end of the current fiscal year, the City had total bonded debt outstanding of \$1.52B, a slight increase from the prior year.



*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	
	2023	2024	2023	2024	2023	2024
General obligation bonds (backed by the City)	\$ 605,415	\$ 641,325	\$ -	\$ -	\$ 605,415	\$ 641,325
Combination tax and revenue certificates of obligation (backed by the City)	44,430	31,930	-	-	44,430	31,930
Special tax revenue bonds	486,890	479,740	-	-	486,890	479,740
Revenue bonds (backed by fee revenues)	-	-	358,380	369,367	358,380	369,367
Total	\$ 1,136,735	\$ 1,152,995	\$ 358,380	\$ 369,367	\$ 1,495,115	\$ 1,522,362

During the current fiscal year, the City issued \$75.8M in Permanent Improvement Bonds, \$7.7M in Tax Increment Revenue Bonds, \$30M in Water and Wastewater System Revenue Bonds and \$9.5M 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 2024, the City's debt ratings were as follows by type and agency:

	Fitch	S&P	Moody's
City GO/CO	AA+	AAA	Aa1
WWS Revenue	AAA	AAA	Aa1
Storm Water Revenue	AAA	AAA	Aa1
Venue Senior (Sales Tax/HOT/STMV) - Underlying (Series 2017/2018A & B)	AA+	AA	Aa1
Venue Senior (Sales Tax/HOT/STMV) - Insurance (Series 2017/2018A & B)		AA	
Venue Subordinate (Sales Tax/HOT/STMV) - Underlying (Series 2018C)			Aa2
Venue Subordinate (Sales Tax/HOT/STMV) - Insurance (Series 2018C)		AA	
Stadium (Ticket and Parking Tax)*	NR	NR	NR
Ballpark (Ticket and Parking Tax)*	NR	NR	NR

^ Venue Senior Lien (Series 2017, 2018A & B) – Insured by Assured Guaranty (AG)

^ Venue Subordinate Lien (Series 2018C) – Insured by Build America Mutual Assurance Corp (BAM)

* AMBAC insured / AMBAC no longer rated

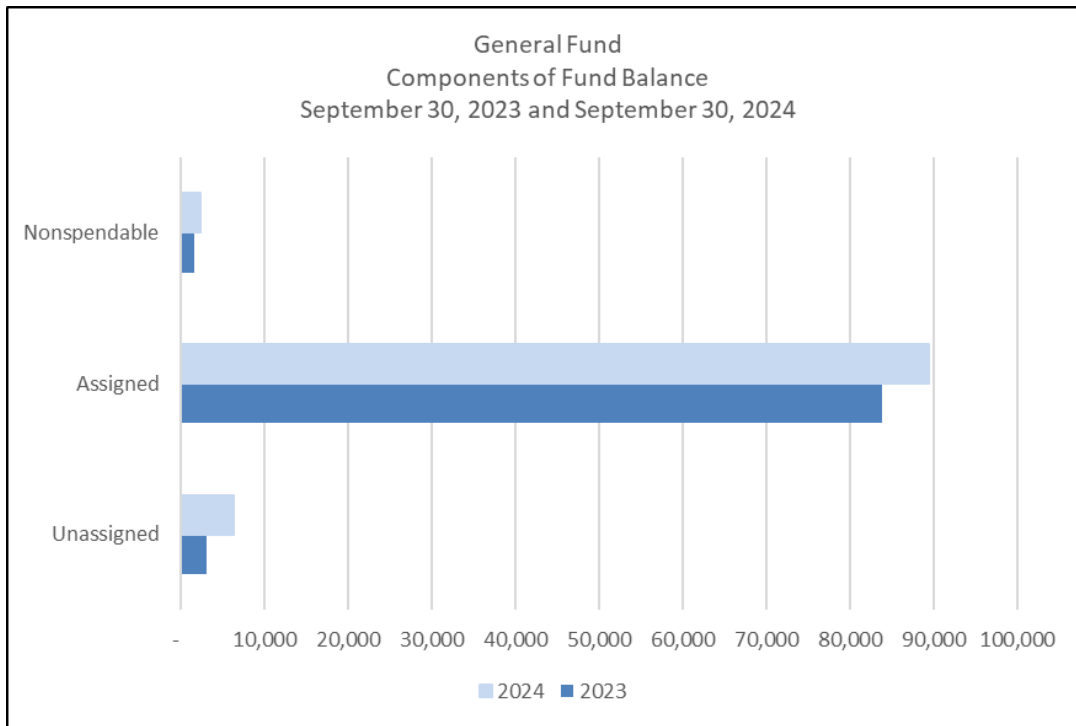
General bonded debt per capita increased from \$1,691 in 2023 to \$1,724 in 2024.

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 1.73%.

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, 2024 was \$11.4M.

THE CITY'S FUNDS

The governmental funds of the City reported a combined fund balance of \$511.4M. The General Fund balance was \$97.8M, which changed \$11.3M from the previous year, primarily due to increased tax revenue. The Debt Service fund balance increased \$27.5M, ending the year with \$85.7M. The increase was a result of the reduced debt payments and increased sales taxes received during the fiscal year. Other changes in fund balances noted include:



- Street Capital Projects fund balance increased in fiscal year 2024, up from \$113M to \$137.6M.
- The City's water and sewer fund net position of \$858.9M increased by \$33M in the current year. The increase in net position is primarily due to operating revenues exceeding expenses by \$60.7M, capital contributions of \$6.7M and net transfers out of \$46.1M.
- The Storm Water Utility fund saw an increase of \$20.1M to net position in 2024. Storm water fee revenues exceeded fund expenses by \$18.6M and transfers out of \$3.2M were completed, increasing net position to \$195.8M at the end of the fiscal year.
- In 2024, the City entered an agreement with GKY Realty, Ltd. and Harrison Aviation, Ltd. to dissolve the FBO lease arrangement previously in effect, effective April 1, 2024, making the City the sole operator of Arlington Municipal Airport. The City owns most of the land, buildings, and hangars at the Airport and paid \$14 million for additional assets. Prior to this agreement, the Operators managed the Airport under a separate agreement with the City. As part of the new deal, the City also purchased business property from Harrison for \$3 million. Several subleases previously held by GKY were assigned to the City. During 2024, the City created the enterprise Aviation fund to account for the activity and operations of the Airport.

GENERAL FUND BUDGET HIGHLIGHTS

During fiscal year 2024 there were two amendments to the general fund operating budget. The first, decreased expenditures by \$1.2M, increased expenditures by \$1M to support relocation expenses and lease payments, and decreased budgeted revenues by \$1.4M due to the creation of the enterprise Aviation Fund. The second, increased expenditures and revenues each by \$227,967 for building management and rental revenue related to new lease agreements for 401, 501, and 601 Sanford Street.

Actual expenditures on a budgetary basis of \$347.7M were less than budgeted expenditures of \$361.9M. Revenues on a budgetary basis were less than the budgeted amount of \$353.1M by \$1.5M. Taxes, licenses and permits, and other revenues were lower 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 2025 Budget also focuses on public safety funding, opening, and maintaining City facilities. General Fund property tax revenues are budgeted at \$152M and sales taxes increased to \$97.2M. Key budget priorities in 2025 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 2025 are budgeted at \$336.7M, and total General Fund expenditures are expected to be \$335.5M, an increase of \$13.1M over 2024.

The General Fund's largest single revenue source is property taxes. This revenue represents 46.7% of the General Fund budget. The property tax rate for 2025 is \$0.5998 per \$100 valuation. The tax rate is split out into two categories, operations, and maintenance, \$0.4146 per \$100 valuation, to the General Fund, and interest and sinking, \$0.1852 per \$100 valuation, for debt service. The General Fund property tax revenue for 2025 is estimated to be \$152M, up \$7.2M (1.05%) 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 2025 is estimated at \$97.2M, an increase of \$4.1M from 2024 estimates.

The City's Water and Sewer Fund accounts for approximately 28.8% 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 \$100.8M and \$93M respectively for FY 2025. 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 2025 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, 500 E. Border St., 11th Floor, 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, 2024
(AMOUNTS EXPRESSED IN THOUSANDS)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 514,334	\$ 69,428	\$ 583,762	\$ 95,528
Investments	-	-	-	91,892
Land held for resale	7,653	-	7,653	-
Receivables (net of allowance for uncollectibles):				
Taxes	8,139	-	8,139	-
Sales taxes	27,904	-	27,904	3,986
Trade accounts	-	16,490	16,490	-
Franchise fees	5,406	-	5,406	-
Unbilled trade accounts	-	14,138	14,138	-
Special assessments	122	-	122	-
Accrued interest	5,575	174	5,749	233
Lease	85,190	2,757	87,947	-
PPP receivable	58,133	-	58,133	-
Other	16,924	698	17,622	1,622
Internal balances	5,634	(5,634)	-	-
Due from component units	489	-	489	-
Due from other governments	13,251	-	13,251	-
Inventory of supplies	2,455	4,681	7,136	-
Prepaid expenses	124	-	124	370
Net pension asset	671	-	671	-
Net OPEB asset	186	-	186	-
Restricted assets-				
Bond contingency-				
Investments	-	32,350	32,350	-
Capital construction-				
Capital Investments	-	226,426	226,426	-
Escrow	-	14,530	14,530	-
Meter deposits-				
Investments	-	9,728	9,728	-
Capital and Lease Assets-				
Land	289,306	29,916	319,222	10,500
Buildings and improvements	2,663,971	64,282	2,728,253	934
Water and sewer system	-	1,182,819	1,182,819	-
Machinery and equipment	167,625	13,960	181,585	6,753
Infrastructure	1,129,939	-	1,129,939	-
Lease and SBITA assets	16,060	583	16,643	-
PPP Asset	207,446	-	207,446	-
Drainage systems	-	172,160	172,160	-
Construction in progress	214,445	235,117	449,562	-
Accumulated depreciation/amortization	(1,632,656)	(562,996)	(2,195,652)	(1,907)
Total Assets	3,808,326	1,521,607	5,329,933	209,911
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on debt refunding	6,627	379	7,006	-
Pension items	74,968	4,672	79,640	-
OPEB items	14,458	884	15,342	-
Total Assets and Deferred Outflows of Resources	3,904,379	1,527,542	5,431,921	209,911

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, 2024
(AMOUNTS EXPRESSED IN THOUSANDS)

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
LIABILITIES				
Accounts payable and accrued liabilities	46,125	8,407	54,532	5,009
Unearned revenue	8,171	286	8,457	4,418
Retainage payable	6,441	-	6,441	-
Accrued interest	6,245	-	6,245	-
Payable from restricted assets-				
Accounts payable and accrued liabilities	-	9,814	9,814	-
Retainage payable	-	5,996	5,996	-
Accrued interest	-	3,535	3,535	-
Meter deposits	-	9,728	9,728	-
Noncurrent liabilities:				
Due within one year:				
Estimated claims payable	5,822	-	5,822	-
General obligation and certificates	53,465	-	53,465	-
Special tax revenue debt	9,270	-	9,270	-
Accrued compensated absences	1,689	203	1,892	3
Revenue bonds	-	28,985	28,985	-
Leases and SBITA payable	3,901	392	4,293	-
Due in more than one year:				
Estimated claims payable	5,620	-	5,620	-
Rebatable arbitrage payable	2,114	318	2,432	-
Total other postemployment benefit liability	99,903	6,945	106,848	-
General obligation and certificates	657,868	-	657,868	-
Special tax revenue debt	506,448	-	506,448	-
Estimated pollution remediation	38	-	38	-
Accrued compensated absences	38,144	2,705	40,849	283
Revenue bonds	-	357,682	357,682	-
Net pension liability	42,057	2,924	44,981	-
Leases and SBITA payable	6,543	-	6,543	-
Total Liabilities	1,499,864	437,920	1,937,784	9,713
DEFERRED INFLOWS OF RESOURCES				
Pension items	7,590	-	7,590	-
OPEB items	28,075	1,842	29,917	-
PPP related	261,401	-	261,401	-
Leases related	83,355	2,710	86,065	-
Total Liabilities and Deferred Inflows of Resources	1,880,285	442,472	2,322,757	9,713
NET POSITION				
Net investment in capital assets	1,998,472	845,640	2,844,112	10,564
Restricted for debt service	85,698	53,638	139,336	-
Restricted for special revenue	59,237	-	59,237	-
Restricted for use of impact fees	17,114	-	17,114	-
Restricted for net pension asset	671	-	671	-
Restricted for net OPEB asset	186	-	186	-
Restricted for housing assistance	-	-	-	142
Restricted for Arlington Economic Development	-	-	-	67,826
Unrestricted (deficit)	(137,284)	185,792	48,508	121,666
Total Net Position	\$ 2,024,094	\$ 1,085,070	\$ 3,109,164	\$ 200,198

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, 2024
(AMOUNTS EXPRESSED IN THOUSANDS)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-type Activities	Total	
Primary Government:								
Governmental Activities:								
General government	\$ 134,010	\$ 27,710	\$ 486	\$ -	\$ (105,814)	\$ -	\$ (105,814)	\$ -
Public safety	230,108	10,343	9,151	-	(210,614)	-	(210,614)	-
Public works	90,291	2,153	-	2,000	(86,138)	-	(86,138)	-
Public health	4,546	5,296	-	-	750	-	750	-
Parks and recreation	46,366	20,813	424	250	(24,879)	-	(24,879)	-
Public welfare	16,468	302	27,099	-	10,933	-	10,933	-
Convention and event services	22,155	4,868	-	-	(17,287)	-	(17,287)	-
Interest	38,217	-	-	-	(38,217)	-	(38,217)	-
Total Governmental Activities	582,161	71,485	37,160	2,250	(471,266)	-	(471,266)	-
Business-Type Activities:								
Water and sewer	143,308	196,590	-	6,713	-	59,995	59,995	-
Storm water utility	11,091	27,838	-	-	-	16,747	16,747	-
Aviation	9,039	5,327	-	-	-	(3,712)	(3,712)	-
Total Business-Type Activities	163,438	229,755	-	6,713	-	73,030	73,030	-
Total Primary Government	\$ 745,599	\$ 301,240	\$ 37,160	\$ 8,963	\$ (471,266)	\$ 73,030	\$ (398,236)	\$ -
Component Units:								
Arlington Housing Authority	\$ 52,290	\$ -	\$ 52,309	\$ -	\$ -	\$ -	\$ -	\$ 19
Arlington Convention and Visitors Bureau	12,696	7,250	5,242	-	-	-	-	(204)
Arlington Tomorrow Foundation	8,804	-	-	-	-	-	-	(8,804)
Arlington Housing Finance Corporation	622	368	-	-	-	-	-	(254)
Arlington Tourism Public Improvement District	3,728	3,737	-	-	-	-	-	9
Arlington Convention Center Development Corp	72	68	-	-	-	-	-	(4)
Arlington Economic Development Corp	14,726	24,555	-	-	-	-	-	9,829
Total Component Units	\$ 92,938	\$ 35,978	\$ 57,551	\$ -	\$ -	\$ -	\$ -	\$ 591
General Revenues:								
Taxes:								
Property taxes					224,172	-	224,172	-
Sales taxes					165,531	-	165,531	-
Criminal justice tax					218	-	218	-
State liquor tax					2,777	-	2,777	-
Bingo tax					103	-	103	-
TIF/TIRZ					1,133	-	1,133	-
Occupancy tax					15,477	-	15,477	-
Franchise fee based on gross receipts					22,205	-	22,205	-
Intergovernmental revenues					-	3,500	3,500	-
Interest/Dividend revenue					23,233	15,162	38,395	5,923
Net increase (decrease) in fair value of investments					8,071	7,500	15,571	15,616
Other					12,949	-	12,949	15,440
Transfers					36,801	(36,801)	-	-
Total General Revenues and Transfers					512,670	(10,639)	502,031	36,979
Changes in Net Position					41,404	62,391	103,795	37,570
Net Position - Beginning, Restated (See Note I.R.)					1,982,690	1,022,679	3,005,369	162,628
Net Position - Ending					\$ 2,024,094	\$ 1,085,070	\$ 3,109,164	\$ 200,198

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

CITY OF ARLINGTON, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2024
(AMOUNTS EXPRESSED IN THOUSANDS)

	General	Debt Service	Streets Capital Projects	Convention and Event Services	Other Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 62,739	\$ 76,921	\$ 146,031	\$ 5,274	\$ 193,032	\$ 483,997
Land held for resale	-	-	-	-	7,653	7,653
Receivables (net of allowance for uncollectibles)						
Taxes	5,632	553	-	1,954	-	8,139
Sales taxes	15,945	7,973	-	-	3,986	27,904
Franchise fees	5,406	-	-	-	-	5,406
Special assessments	-	-	122	-	-	122
Accrued interest	5,221	288	-	49	-	5,558
Lease agreements	57,212	-	-	27,713	265	85,190
PPP receivable	58,133	-	-	-	-	58,133
Other	12,524	85	2	431	3,447	16,489
Due from component units	489	-	-	-	-	489
Due from other funds	10,015	-	-	-	-	10,015
Due from other governments	-	-	-	-	13,251	13,251
Prepaid Expenditures	124	-	-	-	-	124
Inventory of supplies, at cost	2,248	-	-	-	207	2,455
Total Assets	\$ 235,688	\$ 85,820	\$ 146,155	\$ 35,421	\$ 221,841	\$ 724,925
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 17,223	\$ 2	\$ 5,907	\$ 172	\$ 19,650	\$ 42,954
Retainage payable	-	-	2,534	-	3,907	6,441
Unearned revenue	2,071	120	122	637	5,221	8,171
Due to other funds	-	-	-	-	10,015	10,015
Total Liabilities	19,294	122	8,563	809	38,793	67,581
Deferred Inflows of Resources;						
Taxes	4,858	-	-	-	-	4,858
Landfill	1,722	-	-	-	-	1,722
Lease agreements	55,953	-	-	27,212	190	83,355
PPP agreements	56,029	-	-	-	-	56,029
Total Deferred Inflows of Resources	118,562	-	-	27,212	190	145,964
Fund Balances:						
Nonspendable:						
Inventory	2,248	-	-	-	207	2,455
Prepaid items	124	-	-	-	-	124
Restricted for:						
Debt Service	-	85,698	-	-	-	85,698
Capital projects	-	-	137,592	-	102,891	240,483
Special revenue	-	-	-	-	59,237	59,237
Committed to:						
Capital projects	-	-	-	-	6,774	6,774
Special revenue	-	-	-	-	10,750	10,750
Assigned to:						
Working capital	29,887	-	-	-	-	29,887
Subsequent years' expenditures	21,063	-	-	-	-	21,063
Compensated absences	1,675	-	-	-	-	1,675
Other post employment benefits	1,718	-	-	-	-	1,718
Future initiatives	17,151	-	-	-	-	17,151
Dispatch	1,332	-	-	-	-	1,332
Information technology	4,212	-	-	-	-	4,212
Business Continuity	4,062	-	-	-	-	4,062
Park performance	-	-	-	-	2,181	2,181
Event Reserve Trust Fund	8,350	-	-	-	-	8,350
Special revenue	-	-	-	7,400	818	8,218
Unassigned	6,010	-	-	-	-	6,010
Total fund balances	97,832	85,698	137,592	7,400	182,858	511,380
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 235,688	\$ 85,820	\$ 146,155	\$ 35,421	\$ 221,841	\$ 724,925

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, 2024
(AMOUNTS EXPRESSED IN THOUSANDS)**

Total fund balances per balance sheet \$ 511,380

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

Capital, lease, SBITA, and PPP assets used in governmental activities are not financial resources and, therefore, are not reported in the funds (excluding \$22,025 recorded in the internal service funds). 3,034,112

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

Taxes 4,858

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. 45,557

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	\$	(1,152,995)	
Premium on bonds		(75,738)	
Discount on bonds		1,681	
Deferred outflow of resources (refunding)		6,627	
Accrued interest payable		(6,245)	
Estimated pollution remediation		(38)	
Compensated absences		(39,833)	
Lease and SBITA		(10,444)	
Rebatable arbitrage payable		(2,114)	
Pension:			
Net pension asset (liability)	\$	(41,386)	
Deferred inflow/outflow-actuarial gain,			
assumption changes and contributions		67,378	25,992
Other Post Employment Benefits (OPEB)			
Total OPEB liability		(99,717)	
Deferred inflow/outflow-actuarial gain,			
assumption changes and contributions		(13,617)	(113,334)
Deferred inflow of resources (PPP)		(205,372)	(1,571,813)

Net position of governmental activities \$ 2,024,094

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, 2024
(AMOUNTS EXPRESSED IN THOUSANDS)

	General	Debt Service	Streets Capital Projects	Convention and Event Services	Other Nonmajor Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 234,944	\$ 123,356	\$ -	\$ 11,504	\$ 39,731	\$ 409,535
Licenses and permits	10,168	-	-	-	-	10,168
Utility franchise fees	22,205	-	-	-	-	22,205
Fines and forfeitures	5,918	-	-	-	-	5,918
Leases, rents and concessions	13,417	-	-	3,181	10	16,608
Service charges	10,208	-	1,297	1,687	23,273	36,465
Interest revenue	5,337	4,451	5,188	100	7,396	22,472
Net increase (decrease) in fair value of investments	949	11	2,887	31	3,676	7,554
Contributions	-	-	2,000	-	950	2,950
Intergovernmental revenues	426	60	-	-	35,974	36,460
Gas lease royalty	-	-	-	-	2,278	2,278
Other	41	-	-	351	11,081	11,473
Total Revenues	303,613	127,878	11,372	16,854	124,369	584,086
EXPENDITURES						
Current-						
General government	65,431	-	-	-	6,396	71,827
Public safety	193,488	-	-	-	28,835	222,323
Public works	26,864	-	-	-	44,716	71,580
Public health	2,841	-	-	-	1,617	4,458
Public welfare	-	-	-	-	16,398	16,398
Parks and recreation	18,605	-	-	-	18,471	37,076
Convention and event services	-	-	-	15,263	6,862	22,125
Capital outlay	-	-	48,367	-	48,401	96,768
Debt service-						
Principal retirement	-	67,367	-	-	-	67,367
Interest and fiscal charges	-	46,136	-	-	-	46,136
Total Expenditures	307,229	113,503	48,367	15,263	171,696	656,058
Excess (deficiency) of revenues over (under) expenditures	(3,616)	14,375	(36,995)	1,591	(47,327)	(71,972)
OTHER FINANCING SOURCES (USES)						
Issuance of bonds	-	-	57,051	-	18,798	75,849
Refunded bond principal	-	7,685	-	-	-	7,685
Bond premium	-	1,624	4,874	-	1,607	8,105
Transfers in	38,114	3,817	958	3,306	31,292	77,487
Transfers out	(23,204)	-	(1,319)	(3,347)	(24,425)	(52,295)
Total Other Financing Sources (Uses)	14,910	13,126	61,564	(41)	27,272	116,831
Net Change in Fund Balances	11,294	27,501	24,569	1,550	(20,055)	44,859
Fund Balances, October 1, Restated (See Note I.R.)	86,538	58,197	113,023	5,850	202,913	466,521
Fund Balances, September 30	\$ 97,832	\$ 85,698	\$ 137,592	\$ 7,400	\$ 182,858	\$ 511,380

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, 2024
(AMOUNTS EXPRESSED IN THOUSANDS)**

Net change in fund balances - total governmental funds **\$ 44,859**

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. 111,600

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. (88,264)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 946

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	(83,535)	
Repayment of general obligation debt	67,275	
Proceeds from issuance of bonds - premiums	(8,104)	
Amortization of bond premium, deferred loss	<u>7,788</u>	
		(16,576)

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	(18,592)	
Accrued interest expense	(289)	
Estimated pollution remediation	(3)	
Net pension asset (liability)	(4,365)	
Net OPEB liability	978	
Arbitrage liability	(2,114)	
Estimated settlement	<u>1,900</u>	
		(22,485)

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. 11,324

Change in net position of governmental activities **\$ 41,404**

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, 2024
(AMOUNTS EXPRESSED IN THOUSANDS)

	Business-type Activities Enterprise Funds				Governmental Activities - Internal Service Funds
	Water and Sewer	Storm Water Utility	Aviation - Non Major	Total	
ASSETS					
Current Assets:					
Cash and cash equivalent investments	\$ 52,239	\$ 14,121	\$ 3,068	\$ 69,428	\$ 30,337
Receivables (net of allowances for uncollectibles):					
Trade accounts	13,399	2,868	223	16,490	-
Accrued interest	151	-	23	174	17
Unbilled trade accounts	12,884	1,254	-	14,138	-
Leases receivable	2,722	-	35	2,757	-
Other	462	-	236	698	435
Inventory of supplies, at cost	4,681	-	-	4,681	-
Subtotal	86,538	18,243	3,585	108,366	30,789
Restricted Assets:					
Bond contingency-cash and cash-like investments	18,117	1,332	-	19,449	-
Capital construction-cash and cash-like investments	85,187	29,181	-	114,368	-
Total Current Assets	189,842	48,756	3,585	242,183	30,789
Noncurrent Assets:					
Restricted Assets:					
Bond contingency-					
Investments	11,595	1,306	-	12,901	-
Capital construction-					
Investments	83,467	28,591	-	112,058	-
Escrow	14,530	-	-	14,530	-
Meter deposit investments	9,728	-	-	9,728	-
Capital Assets:					
Land	7,956	15,828	6,132	29,916	-
Buildings and improvements	9,261	-	55,021	64,282	467
Water and sewer system	1,182,819	-	-	1,182,819	-
Machinery and equipment	13,706	23	231	13,960	67,327
Drainage system	-	172,160	-	172,160	-
Right to use asset - SBITA	522	61	-	583	-
Construction-in-progress	171,733	61,694	1,690	235,117	-
Accumulated depreciation and amortization	(471,759)	(61,712)	(29,525)	(562,996)	(45,769)
Total Capital Assets Net of Accumulated Depreciation and Amortization	914,238	188,054	33,549	1,135,841	22,025
Total Noncurrent Assets	1,033,558	217,951	33,549	1,285,058	22,025
Total Assets	1,223,400	266,707	37,134	1,527,241	52,814
Deferred Outflows of Resources:					
Deferred charges on debt refunding	243	136	-	379	-
Pension items	4,672	-	-	4,672	-
OPEB items	884	-	-	884	-
Total Assets and Deferred Outflows of Resources	\$ 1,229,199	\$ 266,843	\$ 37,134	\$ 1,533,176	\$ 52,814

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, 2024
(AMOUNTS EXPRESSED IN THOUSANDS)

	Business-type Activities Enterprise Funds				Governmental Activities - Internal Service Funds
	Water and Sewer	Storm Water Utility	Aviation - Non Major	Total	
LIABILITIES					
Current Liabilities:					
Accounts payable and accrued liabilities	\$ 7,086	\$ 625	\$ 696	\$ 8,407	\$ 1,449
Accrued compensated absences	174	29	-	203	-
Revenue bonds payable from unrestricted assets	6,323	4,545	286	11,154	-
Current Liabilities Payable From Restricted Assets:					
Accounts payable and accrued liabilities	6,151	3,663	-	9,814	-
Retainage payable	5,284	712	-	5,996	-
Accrued interest	2,970	565	-	3,535	-
Estimated claims payable	-	-	-	-	5,822
Revenue bonds payable from restricted assets	18,117	-	-	18,117	-
Meter deposits	9,728	-	-	9,728	-
Total Current Liabilities	<u>55,833</u>	<u>10,139</u>	<u>982</u>	<u>66,954</u>	<u>7,271</u>
Noncurrent Liabilities:					
Estimated claims payable	-	-	-	-	5,618
Rebatable arbitrage payable	101	217	-	318	-
Compensated absences	2,241	382	82	2,705	13
Revenue bonds payable from unrestricted assets	297,416	60,266	-	357,682	-
Net pension liability	2,924	-	-	2,924	-
SBITA lease liability	351	41	-	392	-
OPEB liability	6,945	-	-	6,945	-
Total Noncurrent Liabilities	<u>309,978</u>	<u>60,906</u>	<u>82</u>	<u>370,966</u>	<u>5,631</u>
Total Liabilities	<u>365,811</u>	<u>71,045</u>	<u>1,064</u>	<u>437,920</u>	<u>12,902</u>
Deferred Inflows of Resources:					
Lease related	2,675	-	35	2,710	-
OPEB items	1,842	-	-	1,842	-
Total Liabilities and Deferred Inflows of Resources	<u>370,328</u>	<u>71,045</u>	<u>1,099</u>	<u>442,472</u>	<u>12,902</u>
NET POSITION					
Net investment in capital assets	659,904	152,187	33,549	845,640	22,025
Restricted for debt service	51,000	2,638	-	53,638	-
Unrestricted	147,967	40,973	2,486	191,426	17,887
Total Net Position	<u>\$ 858,871</u>	<u>\$ 195,798</u>	<u>\$ 36,035</u>	<u>1,090,704</u>	<u>\$ 39,912</u>
Reconciliation to government-wide statements of net position:					
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(5,634)	
Net position of business-type activities				<u>\$ 1,085,070</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, 2024
(AMOUNTS EXPRESSED IN THOUSANDS)

	Business-type Activities Enterprise Funds				Governmental Activities- Internal Service Funds
	Water and Sewer	Storm Water Utility	Aviation - Non Major	Total	
Operating Revenues:					
Water sales	\$ 97,257	\$ -	\$ -	\$ 97,257	\$ -
Sewer service	86,105	-	-	86,105	-
Storm water fee - commercial	-	12,431	-	12,431	-
Storm water fee - residential	-	13,266	-	13,266	-
FBO fuel	-	-	2,904	2,904	-
Rents and royalties	-	-	2,017	2,017	-
Service charges	-	-	-	-	48,158
Sundry	13,228	2,141	3,906	19,275	-
Total Operating Revenues	196,590	27,838	8,827	233,255	48,158
Operating Expenses:					
Purchase of water	22,686	-	-	22,686	-
Purchase of sewage treatment	46,377	-	-	46,377	-
Purchase of fuel	-	-	2,161	2,161	2,673
Salaries and wages	18,114	2,937	1,203	22,254	171
Benefits	5,199	837	353	6,389	25
Operations and maintenance	19,922	2,071	3,895	25,888	4,757
Claims (net of adjustments)	-	-	-	-	38,144
Depreciation	23,100	3,381	1,427	27,908	4,731
Miscellaneous services	451	-	-	451	-
Total Operating Expenses	135,849	9,226	9,039	154,114	50,501
Operating Income (Loss)	60,741	18,612	(212)	79,141	(2,343)
Nonoperating Revenues (Expenses):					
Interest revenue	12,626	2,352	184	15,162	780
Net increase in the fair value of investments	5,991	1,395	114	7,500	517
Gain on sale of assets	-	-	-	-	435
Interest expense and fiscal charges	(7,133)	(1,865)	-	(8,998)	-
Total Nonoperating Revenues (Expenses)	11,484	1,882	298	13,664	1,732
Income (loss) before transfers and contributions	72,225	20,494	86	92,805	(611)
Contributions in aid of construction	6,713	-	-	6,713	-
Transfers in	170	2,800	10,588	13,558	11,609
Transfers out	(46,070)	(3,207)	(1,082)	(50,359)	-
Change in Net Position	33,038	20,087	9,592	62,717	10,998
Total Net Position, October 1*	825,833	175,711	26,443	1,027,987	28,914
Total Net Position, September 30	\$ 858,871	\$ 195,798	\$ 36,035	\$ 1,090,704	\$ 39,912
Net change in net position - total enterprise funds				\$ 62,717	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(326)	
Change in net position of business-type activities				\$ 62,391	

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

* Aviation restated beginning balance (See Note I.R.).

CITY OF ARLINGTON, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024
(AMOUNTS EXPRESSED IN THOUSANDS)

	Business-type Activities Enterprise Funds				Governmental Activities- Internal Service Funds
	Water and Sewer	Storm Water Utility	Aviation Nonmajor	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	\$ 194,487	\$ 26,488	\$ 8,333	\$ 229,308	\$ 48,098
Cash payments to suppliers	(87,929)	(1,740)	(5,073)	(94,742)	(43,486)
Cash payments to employees	(21,854)	(3,234)	(1,501)	(26,589)	(183)
Net Cash Provided By Operating Activities	84,704	21,514	1,759	107,977	4,429
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers in	170	2,800	10,588	13,558	11,609
Transfers out	(46,070)	(3,207)	(1,082)	(50,359)	-
Net Cash Provided By (Used For) Noncapital Financing Activities	(45,900)	(407)	9,506	(36,801)	11,609
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition and construction of capital assets	(55,445)	(18,283)	(15,128)	(88,856)	(12,133)
Increase/Decrease in escrow balance	11,844	-	-	11,844	-
Proceeds from sales of capital assets	-	-	-	-	544
Proceeds from issuance of long-term debt	30,045	10,191	-	40,236	-
Repayment of long-term debt	(25,150)	(4,115)	-	(29,265)	-
Interest payment long-term debt	(8,851)	(1,745)	-	(10,596)	-
Net Cash Provided By Capital Related Financing Activities	(47,557)	(13,952)	(15,128)	(76,637)	(11,589)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from interest earnings	12,514	2,352	275	15,141	768
Purchase of investments	(140,518)	(36,263)	-	(176,781)	-
Maturities/sales of investments	167,023	48,529	-	215,552	-
Net Cash Provided By Investing Activities	39,019	14,618	275	53,912	768
Net Increase (Decrease) In Cash And Cash Equivalents	30,266	21,773	(3,588)	48,451	5,734
Cash and cash equivalents, October 1	125,277	22,861	6,656	154,794	24,603
Cash and cash equivalents, September 30	\$ 155,543	\$ 44,634	\$ 3,068	\$ 203,245	\$ 30,337
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ 60,741	\$ 18,612	\$ (212)	\$ 79,141	\$ (2,343)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	23,100	3,381	1,427	27,908	4,731
Amortization of bond premium	2,594	431	-	3,025	-
Amortization of deferred loss on bond refunding	(91)	(20)	-	(111)	-
Provision for bad debts	3	46	-	49	-
(Increase) decrease in-					
Receivables	(2,106)	(1,349)	(492)	(3,947)	(61)
Inventory of supplies	(1,957)	-	-	(1,957)	-
Prepaid expenses	-	-	-	-	-
Increase (decrease) in-					
Accounts payable and accrued liabilities	(477)	(220)	981	284	537
Net pension/OPEB liability	562	61	35	658	-
Estimated claims payable	-	-	-	-	1,552
Retainage payable	696	339	-	1,035	-
Meter deposits	375	-	-	375	-
Accrued compensated absences	1,264	233	20	1,517	13
Total adjustments	23,963	2,902	1,971	28,836	6,772
Net Cash Provided By Operating Activities	\$ 84,704	\$ 21,514	\$ 1,759	\$ 107,977	\$ 4,429
Noncash investing, capital, and financing activities:					
Contributions of capital assets from developers	6,713	-	-	6,713	-

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, 2024
(AMOUNTS EXPRESSED IN THOUSANDS)

	Pension and Other Employee Benefit Trust Funds	Custodial Funds
ASSETS		
Cash and cash equivalents	\$ -	\$ 3,665
Investments		
Money market fund	352	-
Corporate bonds	2,529	-
Fixed income mutual bond funds	843	-
Common stock mutual bond funds	904	-
Total Investments	<u>4,628</u>	<u>-</u>
Total Assets	<u><u>\$ 4,628</u></u>	<u><u>\$ 3,665</u></u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ -	\$ -
Restricted for individuals, organizations, and other governments	<u>-</u>	<u>-</u>
Total Liabilities	<u><u>-</u></u>	<u><u>-</u></u>
NET POSITION		
Restricted for pensions	3,393	-
Restricted for OPEB	1,235	-
Restricted for individuals, organizations, and other governments	<u>-</u>	<u>3,665</u>
Total Net Position	<u><u>\$ 4,628</u></u>	<u><u>\$ 3,665</u></u>

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, 2024
(AMOUNTS EXPRESSED IN THOUSANDS)

	Pension and Other Employee Benefit Trust Funds	Custodial Funds
ADDITIONS		
Employer contributions	\$ 140	\$ -
Employee contributions	279	-
Net change in fair value of investments	672	-
Other additions (deductions)	-	12,903
Seizures	-	32
Total Additions	<u>1,091</u>	<u>12,935</u>
DEDUCTIONS		
Benefits	793	-
Plan administration	98	-
Other deductions	-	12,419
Total Deductions	<u>891</u>	<u>12,419</u>
Increase (Decrease) in Net Position	200	516
Net Position, October 1	4,428	3,149
Net Position, September 30	<u>\$ 4,628</u>	<u>\$ 3,665</u>

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



CITY OF ARLINGTON, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

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, subscription, and PPP 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), its component units, and entities for which the government is 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 (the "ATF") oversees an endowment fund with a corpus of \$114 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 (the "EDC") was formed in 2015 to create a vibrant, globally connected and innovative community that fosters equitable growth for all. The EDC recruits business and industry, helps local companies grow and generates quality job opportunities throughout the Arlington metro area. The EDC also seeks to attract and retain community business partners, businesses, and workforce members to invest and make their home in Arlington. The board of directors is made up of the seven members appointed by the Mayor and City Council. The EDC's management is designated by the City and City employees are responsible for the daily activities of the EDC; accordingly, the City has financial accountability over the EDC's activities. Separate Arlington Economic Development Corporation component unit financial statements are not prepared.

Arlington Tourism Public Improvement District

The Arlington Tourism Public Improvement District (the "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 500 E. Border Street, 11th Floor, 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. The enterprise funds are made up of the Water and Sewer Utility, Storm Water Utility funds, and the Aviation nonmajor fund. GAAP sets forth minimum criteria (percentage of assets, liabilities, deferrals, revenues or expenditures/expenses of either fund category for 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, however, report only assets and liabilities and therefore have no 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 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 acquisition, 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 total 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, Storm Water Utility fund, and the Aviation nonmajor 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 Convention Center.
- e. 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, Storm Water Utility Fund (both of which are major funds) and the Aviation fund, a nonmajor Enterprise fund created in FY24. 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. The Aviation fund accounts for all airport related activities including fuel sales and various leases.

The City created an additional business-type, the Aviation Enterprise Fund, to report and manage the activities of the Arlington Municipal Airport and its related activities. This change resulted from moving existing balances and activities that were previously reported in the City's existing non-major governmental funds that will be in the new Aviation Enterprise Fund. These funds include a gas lease fund, an airport grants fund, an airport capital project fund, and an airport bond fund. The existing aviation-related assets which were previously reported as aviation assets used in Governmental Activities showed a net book value of \$19,288,121. These assets will be recognized in the Aviation Enterprise Fund as non-depreciable and depreciable assets, as appropriate, within the newly created Aviation Enterprise Fund.

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 were 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 benefiting period.

G. Capital, Lease, SBITA, and PPP Assets

Capital, lease, SBITA, and PPP 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, SBITA, and PPP 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, SBITA, and PPP 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	45-50
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, SBITA, or PPP 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 1.08% 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 \$487.1K. Detailed pension information is discussed in footnote 6.

Beginning in fiscal year 2017, and in accordance with GASB 75, the City's 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. 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 leave pay up to 120 days maximum is paid if termination is through retirement or death.

Accumulated vacation and sick leave are 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 payables 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. Non-spendable 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. 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, SBITA and PPP 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 2024, the City adopted the following Governmental Accounting Standards Board ("GASB") Statement:

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.

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. 101, *Compensated Absences*, is effective for the City beginning in fiscal year 2025. The 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.

Statement No. 102, *Certain Risk Disclosures*, is effective for the City beginning in fiscal year 2025. This statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. These concentrations and constraints limit a government's ability to acquire resources or control spending. The objective is to provide users with timely information with which to understand and anticipate certain risks to a government's financial condition.

Statement No. 103, *Financial reporting Model Improvements*, is effective for the City beginning in fiscal year 2026. The objective of this statement is to provide an easily readable analysis of the government's financial activities based on currently known facts, decisions, or conditions. This objective is met by increasing the focus on the explanations of the reasons for changes from year to year in the government wide financial statements and fund financial statements.

Statement No. 104, *Disclosure of Certain Capital Assets*, is effective for the City beginning in fiscal year 2026. The Statement is to provide essential information about certain types of capital assets to be disclosed separately in the capital asset note disclosures. This objective will require disclosure of the ending balance of capital assets held for sale, historical cost and accumulated depreciation by major class of asset and carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset.

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

R. Restatement – Change within Financial Reporting Entity

At the beginning of fiscal year 2024, the City created a new business-type enterprise fund, the Aviation Fund. The purpose of this fund is to present the financial activity and account for the City's operations and activities related to the City of Arlington Municipal Airport (the "Airport"). Previously, the City accounted for the Airport's operations and activities in Other Nonmajor Governmental Funds. In accordance with GASB Statement No. 100, the City has restated the beginning net position/fund balance for the fiscal year ended September 30, 2024 to reflect this change within the financial reporting entity, as follows (amounts in thousands):

			Government-Wide	
	Other Nonmajor Governmental Funds	Aviation Fund	Governmental Activities	Business-Type Activities
Beginning Net Position/Fund Balance as previously reported	\$ 209,569	\$ -	\$ 2,009,133	\$ 996,236
Creation of Aviation Fund	\$ (6,656)	\$ 6,656	\$ (26,443)	\$ 26,443
Net Position/Fund Balance, as restated	<u>\$ 202,913</u>	<u>\$ 6,656</u>	<u>\$ 1,982,690</u>	<u>\$ 1,022,679</u>

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 2024, there were two (2) amendments to the Operating Budget, one to establish the Aviation Fund as an Enterprise fund within the City's annual operating budget and to authorize a decrease in full-time staff positions in the General Fund, a decrease in General Fund expenditure appropriations, and establish authorized full-time staff positions, expenditure appropriations, and proposed revenues in the Aviation Fund. The amendment also included adding one (1) full-time position in the Fire Department and will increase General Fund's authorized appropriations to cover relocation expenses and lease payments for temporary space for City Staff while the City Office Tower is being renovated. The other amendment authorized an increase in appropriations in the General Fund for expenses associated with taking over management of the buildings located at 401, 501, 601 Sanford Street, Arlington, Texas, 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	Nonmajor Funds	Total
\$ 10,249	\$ 56	\$ 183	\$ 62,733	\$ 73,221

B. Excess of expenditures over appropriations

For the year ended September 30, 2024, there were no expenditures exceeding budget in the aggregate.

C. Deficit fund equity

There were no funds with a deficit fund balance as of September 30, 2024.

III. DETAILED NOTES ON ALL FUNDS

1. CASH, CASH EQUIVALENTS AND INVESTMENTS

Deposits - At September 30, 2024, the carrying amount of the City's demand deposits was \$3,779,377 (bank balance, \$4,834,408). The balance in cash on hand was \$36,265 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 \$514,334, Business-type Activities \$337,932, Custodial Funds \$3,665, Pension Trust Investment Funds \$4,628.

As of September 30, 2024, the City had the following investments (amounts in thousands):

Cash, Cash-Like Investments	Fair Value	Avg Maturity (in days)	Credit Risk
Treasury	3,109	506	AA+
Agency	593,638	501	AAA
Pools	160,484	1	AAA
Non-Texas Municipal	22,233	522	AA+
Certificates of Deposit	9,002	15	AAA
Money Market Fund	68,279	1	AAA
	<u>\$ 856,744</u>		

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 \$160,484 (amounts in thousands), recorded at amortized cost or net asset value (NAV).

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, 2024 (amounts in thousands):

	Fair Value Measurements Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
9/30/2024			
Investments by Fair Value Level			
Treasury	3,009	-	3,009
Agency	593,638	-	593,638
Non-Texas Municipal	22,251	-	22,251
	618,898	-	618,898

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 FY24 was \$62,061,939,678 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, 2023, upon which the original FY24 levy was based, was \$40,985,244.

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, 2024, the City had a tax rate of \$0.5898 (\$0.4080 for general government and \$0.1818 for debt service) per \$100 assessed valuation with a tax margin of \$1.9102 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 \$682,654,115 could be raised per year before the limit is reached, based on the current year's appraised net taxable value of approximately \$40,985,244.

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 home to AT&T Stadium, home of the Dallas Cowboys, and Globe Life Field, home of the Texas Rangers. The City financed a portion of the construction of both venues by issuing 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 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 by issuing \$297,990,000 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 issuing the City's \$110,200,000 Senior Lien Special Tax 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") to lease 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 for guaranteed annual rental payments of \$1 million for the

first 10 years and \$1.25 million annually 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 \$359,192,556.31. The Stadium Lease falls within the scope of GASB Statement No. 87, which governs lease accounting, and is further detailed in Note I, Section I and Note 14 of the financial statements.

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. On September 30, 2024, outstanding conduit debt was \$112,595,000.

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 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 renewal.

In July 2013, the Cowboys and AT&T reached an agreement for the stadium's naming rights. 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 according to the rules and regulations of Major League Baseball. The Texas Rangers are based in the city and play their home games at Globe Life Park. 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 the 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 for 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 an accumulated depreciation of \$123,761,793.02.

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. On September 30, 2024, outstanding conduit debt was \$305,452,000.

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 will remain in Arlington and 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, 2024 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):

	General	Debt Service	Storm Water Utility	Water & Sewer	Street Capital Projects	Convention & Event Services	Other Nonmajor Funds	Internal Service Funds	Total
Receivables:									
Taxes	\$ 9,108	\$ 553	\$ -	\$ -	\$ -	\$ 1,954	\$ -	\$ -	\$ 11,615
Franchise Fees	5,406	-	-	-	-	-	-	-	5,406
Trade Accounts	-	-	2,981	14,853	-	-	223	-	18,057
Unbilled Trade Account	-	-	1,254	13,351	-	-	-	-	14,605
Special Assessments	-	-	-	-	122	-	-	-	122
Sales Taxes	15,945	7,973	-	-	-	-	3,986	-	27,904
Lease agreements	57,212	-	-	2,722	-	27,713	300	-	87,947
PPP Receivable	58,133	-	-	-	-	-	-	-	58,133
Accrued Interest	5,221	288	-	151	-	49	23	17	5,749
Other	12,524	85	-	462	2	431	3,683	435	17,622
Gross Receivables	163,549	8,899	4,235	31,539	124	30,147	8,215	452	247,160
Less: Allowance for Uncollectibles	(3,476)	-	(113)	(1,921)	-	-	-	-	(5,510)
Net total Receivables	\$ 160,073	\$ 8,899	\$ 4,122	\$ 29,618	\$ 124	\$ 30,147	\$ 8,215	\$ 452	\$ 241,650

5. CAPITAL, LEASE, SBITA, and PPP ASSETS

Capital, lease, SBITA, and PPP asset activity for the year ended September 30, 2024 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	\$ 288,197	\$ 1,109	\$ -	\$ 289,306
Construction in progress-other	135,547	112,582	(33,684)	214,445
Total capital assets, not being depreciated	423,744	113,691	(33,684)	503,751
Capital, lease, SBITA, & PPP assets, being depreciated/amortized:				
Buildings and improvements	2,655,077	8,894	-	2,663,971
Equipment	155,781	14,489	(2,645)	167,625
Right-to-Use buildings	1,319	3,075	(309)	4,085
Right-to-Use equipment	2,675	1,844	(1,640)	2,879
Right-to-Use SBITA assets	4,415	5,153	(472)	9,096
PPP assets	-	207,446	-	207,446
Infrastructure	1,109,595	20,344	-	1,129,939
Total capital, lease, SBITA & PPP assets, being depreciated/amortized	3,928,862	261,245	(5,066)	4,185,041
Less accumulated depreciation/amortization for:				
Buildings and improvements	608,602	62,217	-	670,819
Equipment	137,219	9,987	(2,535)	144,671
Right-to-Use buildings	437	1,201	(126)	1,512
Right-to-Use equipment	1,796	269	(1,177)	888
Right-to-Use SBITA assets	1,506	2,180	(148)	3,538
PPP assets	-	2,074	-	2,074
Infrastructure	788,362	20,792	-	809,154
Total accumulated depreciation/amortization	1,537,922	98,720	(3,986)	1,632,656
Total capital, lease, SBITA, & PPP assets, being depreciated/amortized, net	2,390,940	162,525	(1,080)	2,552,385
Governmental activities capital, lease, SBITA, & PPP assets, net	\$ 2,814,684	\$ 276,216	\$ (34,764)	\$ 3,056,136

*As restated for change within the financial reporting entity - See Note I.R.

	Balance at Beginning Of Year*	Additions	Retirements	Balance at End Of Year
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 29,889	\$ 27	\$ -	\$ 29,916
Construction in progress	208,990	74,275	(48,148)	235,117
Total capital assets, not being depreciated	238,879	74,302	(48,148)	265,033
Capital and SBITA assets, being depreciated:				
Buildings and improvements	50,284	13,998	-	64,282
Drainage System	165,204	6,956	-	172,160
Water and sewer system	1,135,438	47,381	-	1,182,819
Machinery and equipment	13,463	497	-	13,960
Right-to-use SBITA assets	-	583	-	583
Total capital and SBITA assets, being depreciated	1,364,389	69,415	-	1,433,804
Less accumulated depreciation for:				
Buildings and improvements	30,343	1,584	-	31,927
Drainage System	58,293	3,361	-	61,654
Water and sewer system	433,484	22,419	-	455,903
Machinery and equipment	12,968	230	-	13,198
Right-to-use SBITA assets	-	314	-	314
Total accumulated depreciation	535,088	27,908	-	562,996
Total capital and SBITA assets, being depreciated/amortized, net	829,301	41,507	-	870,808
Business-type activities capital and SBITA assets, net	\$ 1,068,180	\$ 115,809	\$ (48,148)	\$ 1,135,841

*As restated for change within the financial reporting entity - See Note I.R.

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

Governmental activities:	
General government	\$ 59,384
Public safety	4,934
Parks and recreation	8,169
Public works	21,501
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	4,732
Total depreciation and amortization expense – governmental activities	\$ 98,720
Business-type activities:	
Storm water utility	\$ 3,381
Water and sewer	23,100
Nonmajor fund - Aviation	1,427
Total depreciation expense – business-type activities	\$ 27,908

	(Amounts expressed in thousands)			
	Balance at Beginning Of Year	<u>Additions</u>	<u>Retirements</u>	Balance at End Of Year
Arlington Housing Authority, Inc				
Capital, lease and SBITA assets, being depreciated:				
Buildings and Improvements	\$ 677	\$ -	\$ -	677
Lease Assets	257	1,000	(257)	1,000
SBITA Assets	243	-	-	243
Furniture, equipment, and machinery	443	-	-	443
Total capital, lease, and SBITA assets, being depreciated/amortized	1,620	1,000	(257)	2,363
Less accumulated depreciation/amortization for:				
Furniture, buildings, lease and SBITA assets, machinery and equipment	(1,033)	(164)	164	(1,033)
Total accumulated depreciation/amortization	(1,033)	(164)	164	(1,033)
Arlington Housing Authority, Inc.				
Capital Assets, net	\$ 587	\$ 836	\$ (93)	\$ 1,330

	(Amounts expressed in thousands)			
	Balance at Beginning Of Year	<u>Transfers and Additions</u>	<u>Transfers and Retirements</u>	Balance at End Of Year
Arlington Convention and Visitors Bureau, Inc.				
Capital assets, being depreciated:				
Property and fixtures	\$ 274	\$ 8	\$ -	282
Event fixtures	208	-	-	208
Computer equipment and software	198	24	(5)	217
Leasehold improvements	4,175	168	85	4,428
Construction in progress	85	-	(85)	-
Total capital assets, being depreciated	4,940	200	(5)	5,135
Less accumulated depreciation for:				
Machinery, equipment, construction in progress	(545)	(260)	4	(801)
Total accumulated depreciation	(545)	(260)	4	(801)
Arlington Convention and Visitors Bureau, Inc.				
Capital Assets, net	\$ 4,395	\$ (60)	\$ (1)	\$ 4,334

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 a 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, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	2,238
Inactive employees entitled to but not yet receiving benefits	1,558
Active Employees	<u>2,762</u>
	6,558

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 actuarial 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 9.95% and 11.04% in calendar years 2023 and 2024, respectively. The City's contributions to TMRS for the year ended September 30, 2024, were \$30,055,863.

D. Net Pension Liability (Asset)

The City's Net Pension Liability (Asset) was measured as of December 31, 2023, 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, 2023 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 were 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 improvement. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and a 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 as of December 31, 2022. The assumptions were adopted in 2023 and first used in the December 31, 2023 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rate (APRs) are 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 in order 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 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 24 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	6.70%
Core Fixed Income	6.0%	4.70%
Non-Core Fixed Income	20.0%	8.00%
Other Public and Private Markets	12.0%	8.00%
Real Estate	12.0%	7.60%
Hedge Funds	5.0%	6.40%
Private Equity	10.0%	11.60%
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	97.16%
Covered payroll	\$ 226,087,513

Net pension liability (asset) as a percentage of covered employee payroll

19.90%

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)	\$ 256,895,638	\$ 44,980,733	\$ (130,001,054)

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, 2024, the City recognized pension expense of \$30,055,863.

At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources
Differences between expected and actual economic experience	\$ 39,996,611
Changes of assumptions	66,820
Net difference between projected actual earnings on pension plan investments	12,851,494
Contributions subsequent to the measurement date	18,958,856
Total	\$ 71,873,781

\$18,958,856 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, 2025. 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:	
2025	\$ 17,500,242
2026	17,883,683
2027	31,299,009
2028	(13,768,009)
Total	\$ 52,914,925

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

Total pension liability

Service Cost	\$ 37,485,310
Interest (on the Total Pension Liability)	101,455,419
Change in benefit terms including substantively automatic status	-
Difference between expected and actual experience	8,119,451
Changes in assumptions	(10,638,277)
Benefit payments, including refunds of employee contributions	<u>(75,851,511)</u>
Net change in plan fiduciary net position	60,570,392
Total pension liability - beginning	<u>1,522,226,340</u>
Total pension liability - ending	<u><u>\$ 1,582,796,732</u></u>

Plan fiduciary net position

Contributions - employer	\$ 21,822,391
Contributions - employee	15,832,543
Net investment income	163,592,578
Benefit payments, including refunds of employee contribution	(75,851,511)
Administrative Expense	(1,040,740)
Other	<u>(7,272)</u>
Net change in plan fiduciary net position*	124,347,989
Plan fiduciary net position - beginning	<u>1,413,468,010</u>
Plan fiduciary net position - ending	<u><u>1,537,815,999</u></u>
Net pension liability	\$ 44,980,733

*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 500 E. Border Street, 11th Floor, 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 actuarial 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 actuarial determined rate recommended by an independent actuary. The actuarial 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 actuarial determined rate and the contribution rate of plan members. For the year ended June 30, 2024, the active member average contribution rate was 3.0 percent of annual pay and the City's average contribution rate was 3 percent of annual payroll. The city's contributions to the plan for the year ended September 30, 2024, was \$88,659 and was equal to the required contributions.

At the June 30, 2024 valuation and measurement date, the following employees were covered by the terms:

Inactive employees or beneficiaries currently receiving benefits	34
Inactive employees entitled to but not yet receiving benefits	2,148
Active Employees	627
	<hr/> 2,809

Net Pension Liability (Asset)

The City's Net Pension Liability (Asset) was measured as of June 30, 2024 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, 2024 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 Asset (a)-(b)
Balance at 10/01/2023	\$ 3,365,544	\$ 3,354,192	\$ 11,352
Changes for the year:			
Service Cost	181,855	-	181,855
Interest	163,810	-	163,810
Change of benefit term	(256,386)	-	(256,386)
Difference between expected and actual experience	(389,446)	-	(389,446)
Changes of assumptions	(13,942)	-	(13,942)
Contributions-employer	-	129,174	(129,174)
Contributions-employee	-	101,406	(101,406)
Net investment income	-	216,291	(216,291)
Benefit payments, including refunds of employee contributions	(360,541)	(360,541)	-
Administrative expense	-	(78,820)	78,820
Other changes	-	-	-
Net changes	(674,650)	7,510	(682,160)
Balance at 9/30/24	\$ 2,690,894	\$ 3,361,702	\$ (670,808)

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	\$ (452,285)	\$ (670,808)	\$ (855,429)

Pension Plan Fiduciary Net Position

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

For the year ended September 30, 2024, the City recognized pension expense of \$438,937.

At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources
Differences between expected and actual economic experience	-
Changes of assumptions	-
Net difference between projected and actual earnings on pension plan investments	176,061
Contributions subsequent to the measurement date	-
Total	\$ 176,061

\$0 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:	
2025	\$ 79,919
2026	110,372
2027	(3,469)
2028	(10,761)
Total	\$ 176,061

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, 2024, the Thrift plan was fully funded and the fair market value of plan assets, including accrued interest, was \$356,327,000.

The City's total payroll during fiscal 2024 was \$250,203,000. The current year contribution was calculated based on a covered payroll of \$217,213,000, resulting in a required and actual employer contribution of \$4,639,000 and actual employee contributions of \$11,609,000. The employer contribution represents 2.14 percent of the covered payroll. The employee contribution represents approximately 5.34 percent of the covered payroll.

There were no material changes to the Thrift plan during fiscal 2024. 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, 2024, are as follows (amounts in thousands):

TMRS	\$ 30,056
THRIFT	4,639
PSTDIP	129
	<u>\$ 34,824</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 actuarial 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, 2024. (amounts in thousands):

STATEMENT OF FIDUCIARY NET POSITION		STATEMENT OF CHANGES IN FIDUCIARY NET POSITION	
ASSETS		ADDITIONS	
Cash and cash-like investments	\$ -	Employer contributions	\$ 68
Investments:		Employee contributions	-
Money market fund	30	Net appreciation in fair value of investments	173
Corporate bonds	712	Other additions	-
Fixed income mutual funds	238	Total Additions	241
Common stock mutual funds	255		
Total investments	1,235		
Total Assets	1,235	DEDUCTIONS	
		Benefits	95
LIABILITIES		Plan administration	16
Accounts payable	-	Other deductions	-
Total Liabilities	-	Total Deductions	111
NET POSITION		Increase (Decrease) in Net Position	130
Restriction for Pensions	-	Net Position, October 1	1,105
Restricted for OPEB	1,235		
Total Net Position	\$ 1,235	Net Position, September 30	\$ 1,235

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:

- Former employees who were receiving disability income from the trust as of September 18, 2012, and
- 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, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

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

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, 2024, the City contributed \$68,298 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, 2023.

Actuarial assumptions:

The Total Disability Income Plan Liability in the December 31, 2023 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 Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a)-(b)
Balance at 10/01/2023	\$ 1,071,120	\$ 1,170,896	\$ (99,776)
Changes for the year:			
Service Cost	-	-	-
Interest on total OPEB liability	50,846	-	50,846
Change of benefit term	-	-	-
Difference between expected and actual experience	-	-	-
Changes of assumptions or other inputs	(13,020)	-	(13,020)
Employer contributions	-	26,082	(26,082)
Net investment income	-	104,442	(104,442)
Benefit payments	(108,413)	(108,413)	-
Administrative expense	-	(6,484)	6,484
Net changes	(70,587)	15,627	(86,214)
Balance at 9/30/24	\$ 1,000,533	\$ 1,186,523	\$ (185,990)

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)	\$ (111,367)	\$ (185,990)	\$ (251,402)

At September 30, 2024, 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
Differences between expected and actual experience	\$ -
Changes of assumptions and other inputs	-
Contributions subsequent to the measurement date	45,794
Net difference between projected and actual earnings on OPEB plan investments	106,303
Total	\$ 152,097

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:	
2025	\$ 28,593
2026	46,238
2027	41,094
2028	(9,622)
Total	\$ 106,303

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, 2023, there were 283 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 contribution; 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 contribution 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 contribution, but may elect insurance benefits and pay the full premium.
4. Retirees who retired prior to 1/1/2008 have a City contribution 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 contribution was changed to a flat rate based on date of retirement. The contribution for retirees over the age of 65 has \$50 of the contribution 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, 2024 were \$5,505,000.

At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	918
Inactive employees entitled to but not yet receiving benefits	283
Active Employees	<u>2,710</u>
	3,911

Net OPEB Liability

The City's Total OPEB Liability was measured as of December 31, 2023.

Actuarial assumptions:

The Total OPEB Liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Individual Entry-Age
Discount Rate	3.77%
Inflation	2.50% per year
Salary Increases	3.60% to 11.85%, including inflation
Demographic Assumptions	Based on the 2023 experience study conducted for the Texas Municipal Retirement System (TMRS).
Mortality	For healthy retirees, the 2019 Municipal Retirees of Texas mortality tables are used, with male rates multiplied by 103% and female rates multiplied by 105%. The rates are projected on a fully generational basis using the ultimate mortality improvement rate in the MP -2021 table to account for future mortality improvements
Health Care Trend Rates	Pre-65: Initial rate of 7.00% declining to an ultimate rate of 4.25% after 14 years; Post-65: Initial rate of 6.10% declining to an ultimate rate of 4.25% after 10 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 4.05% as of December 31, 2022 to 3.77% as of December 31, 2023. 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 10/01/2023	\$ 99,350,789
Changes for the year:	
Service Cost	2,079,711
Interest on total OPEB liability	3,954,412
Change of benefit term	-
Difference between expected and actual experience	(4,076,064)
Changes of assumptions or other inputs	1,205,084
Benefit payments	(5,501,705)
Net changes	(2,338,562)
Balance at 9/30/24	\$ 97,012,227

Covered-employee payroll	\$226,087,513
Total OPEB liability as a percentage of covered payroll	42.91%

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 3.77%, 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 (2.77%) or 1-percentage-point higher (4.77%) than the current rate:

	Discount Rate (2.77%)	Discount Rate (3.77%)	Discount Rate (4.77%)
City's total OPEB liability	\$ 106,427,208	\$ 97,012,227	\$ 88,802,775

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	\$ 92,992,042	\$ 97,012,227	\$ 101,654,362

At September 30, 2024, 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	\$ 4,079,623	\$ 12,765,869
Changes of assumptions and other inputs	7,106,715	15,509,890
Benefit payments subsequent to the measurement date	3,562,964	-
Total	\$ 14,749,302	\$ 28,275,759

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:	
2025	\$ (2,181,189)
2026	(2,116,860)
2027	(2,601,498)
2028	(4,942,624)
2029	(4,809,030)
Thereafter	(438,220)
Total	\$ (17,089,421)

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, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1,767
Inactive employees entitled to but not yet receiving benefits	451
Active Employees	<u>2,762</u>
	4,980

Contributions

The total contribution rate is for .30% of employee gross earnings, with .13% of that rate being the retiree portion. The City’s contributions to TMRS for the year ended September 30, 2024, were \$638,418.

Total OPEB Liability

The City’s Total OPEB Liability was measured as of December 31, 2023.

Actuarial assumptions:

The Total OPEB Liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	3.60% - 11.85% per year
Discount Rate	3.77%

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, 2021, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period ending December 31, 2022.

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 3.77%, down from 4.05% in the previous year. The discount rate was based on Fidelity index’s “20-Year Municipal GO AA Index” rate as of December 31, 2023.

Changes in the Total OPEB Liability

	Total OPEB Liability (a)
Balance at 10/01/2023	\$ 8,999,753
Changes for the year:	
Service Cost	248,696
Interest on total OPEB liability	363,574
Change of benefit term	-
Difference between expected and actual experience	12,329
Changes of assumptions or other inputs	504,626
Benefit payments	(293,914)
Net changes	835,311
Balance at 9/30/24	\$ 9,835,064

Covered payroll \$226,087,513

Total OPEB liability as a percentage of covered payroll 4.35%

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 3.77%, 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 (2.77%) or 1-percentage-point higher (4.77%) than the current rate:

	Discount Rate (2.77%)	Discount Rate (3.77%)	Discount Rate (4.77%)
City's total OPEB liability	\$ 11,755,462	\$ 9,835,064	\$ 8,332,761

At September 30, 2024, 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	\$ -	\$ 65,256
Changes of assumptions and other inputs	-	1,576,121
Benefit subsequent to the measurement date	441,310	-
Total	\$ 441,310	\$ 1,641,377

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:	
2024	\$ (200,493)
2025	(423,233)
2026	(667,017)
2027	(399,329)
2028	48,695
Total	\$ (1,641,377)

Expenses (Reduction of Expenses)

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

HEALTH	4,609,927
DIP	(2,403)
Death Benefit	342,940
	<u>4,950,464</u>

8. DEBT AND LIABILITIES

General Obligation Bonds

On June 18, 2024, the City issued Permanent Improvement Bonds, Series 2024A of \$75,850,000 with an interest rate of 4.00 to 5.00 percent and serial maturities on August 15 from 2025 through 2044. Interest on the bonds is due every February 15 and August 15, beginning February 15, 2025. 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 2024A Bonds. Total interest requirements for the Series 2024A bonds at a rate from 4.00 to 5.00 percent is \$38,382,527 in the aggregate.

On June 18, 2024, the City issued Permanent Improvement Refunding Bonds, Series 2024B of \$7,685,000 with an interest rate of 3.50 to 5.00 percent and serial maturities on August 15 from 2025 through 2034. 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, to achieve debt service savings; and (ii) pay costs of issuance associated with the sale of the 2024B Bonds. Total interest requirements for the Series 2024B bonds at a rate from 3.50 to 5.00 percent is \$3,268,500 in the aggregate. The current refunding resulted in the reacquisition price exceeding the net carrying amount of the old debt by \$35,306. As a result of the transaction, the City reduced total debt service by \$589,085 and resulted in an economic gain of \$412,159.

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

Governmental activities	2-5%	\$	388,570
Governmental activities refunding	1-5%		113,725
Total Governmental		\$	<u>502,295</u>

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

Year Ending September 30	Principal	Interest
2025	\$ 38,415	\$ 21,529
2026	38,495	19,156
2027	37,750	17,469
2028	35,215	15,731
2029	33,095	14,231
2030-2034	158,955	50,258
2035-2039	111,695	21,711
2040-2044	48,675	4,925
	<u>\$ 502,295</u>	<u>\$ 165,010</u>

General obligation debt authorized and unissued as of September 30, 2024, amounted to \$229,435,000.

General Obligation Pension Bonds

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

Year Ending September 30	Principal	Interest
2025	\$ 9,090	\$ 2,262
2026	9,155	2,198
2027	9,245	2,109
2028	9,345	2,010
2029	9,465	1,888
2030-2034	49,595	7,175
2035-2039	43,135	2,284
	<u>\$ 139,030</u>	<u>\$ 19,926</u>

Certificates of Obligation

Annual debt service requirements to maturity for certificates of obligation of the primary government as of September 30, 2024 are as follows (amounts in thousands):

Year Ending September 30	Principal	Interest
2025	\$ 5,960	\$ 1,036
2026	5,975	863
2027	4,595	647
2028	4,020	487
2029	3,545	348
2030-2034	6,240	654
2035-2039	1,595	72
	<u>\$ 31,930</u>	<u>\$ 4,107</u>

Special Tax Revenue Debt

Annual debt service requirements to maturity for special tax revenue of the primary government as of September 30, 2024 are as follows (amounts in thousands):

Year Ending September 30	Principal	Interest
2025	\$ 9,270	\$ 22,801
2026	10,300	22,327
2027	11,705	21,788
2028	13,215	21,178
2029	13,880	20,512
2030-2034	88,935	90,414
2035-2049	332,435	112,109
	<u>\$ 479,740</u>	<u>\$ 311,129</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 20, 2024, the City issued \$30,045,000 in Water and Wastewater System Revenue Improvement and Refunding Bonds, Series 2024 which partially refunded Water and Wastewater System Revenue Bonds, Series 2014A of \$1,330,000. 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 2025 to 2044. Interest, at a rate of 4.00 to 5.00 percent, is \$14,566,155 in the aggregate. The current refunding resulted in the reacquisition price exceeding the net carrying amount of the old debt by \$1,130. As a result of the transaction, the City reduced total debt service payments by \$105,251 and resulted in an economic gain of \$69,923.

Also on June 20, 2024, the City issued \$9,490,000 in Municipal Drainage Utility System Revenue Bonds, Series 2024. 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 2025 to 2044. Interest, at a rate of 4.00 to 5.00 percent, is \$4,528,405 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
2025	\$ 18,170	\$ 8,734	\$ 6,270	\$ 337	\$ 4,545	\$ 2,243
2026	18,075	8,061	6,270	319	4,510	2,096
2027	18,080	7,245	6,270	299	4,480	1,931
2028	16,925	6,450	6,260	277	4,445	1,763
2029	15,160	5,701	6,255	253	4,410	1,591
2030-2034	71,900	19,269	28,505	914	18,185	5,630
2035-2039	49,030	7,255	24,205	308	14,600	2,587
2040-2044	16,070	1,403	-	-	6,030	526
	<u>\$ 223,410</u>	<u>\$ 64,118</u>	<u>\$ 84,035</u>	<u>\$ 2,707</u>	<u>\$ 61,205</u>	<u>\$ 18,367</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, 2024, net pledged revenues for the water enterprise fund were \$96,467,000 and debt service on the revenue bonds was \$23,820,000.

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, 2024, gross pledged revenues for the City's Storm Water Utility were \$24,325,000 and debt service on the revenue bonds was \$4,115,000.

The following is a summary of long-term liability transactions of the City for the year ended September 30, 2024 (amounts expressed in thousands):

	10/1/2023	Increases	Reductions	9/30/2024	Due Within One Year
Governmental activities:					
General obligation debt	\$ 605,415	\$ 83,535	\$ (47,625)	\$ 641,325	\$ 47,505
Certificates of obligation	44,430	-	(12,500)	31,930	5,960
Special tax revenue debt	486,890	-	(7,150)	479,740	9,270
Premium on special bonds	40,097	-	(3,341)	36,756	-
Premium on general bonds	36,578	8,104	(5,920)	38,762	-
Discount on general bonds	(765)	-	83	(682)	-
Discount on special bonds	(916)	-	136	(780)	-
Net governmental bonds payable	1,211,729	91,639	(76,317)	1,227,051	62,735
Compensated absences	21,289	21,455	(2,911)	39,833	1,689
Claims	11,790	6,425	(6,773)	11,442	5,822
Estimated pollution remediation	35	38	(35)	38	-
Net pension liability	101,702	-	(59,645)	42,057	-
Net other post-employment benefit liability	101,308	-	(1,405)	99,903	-
Rebateable abitrage payable	-	2,114	-	2,114	-
Total governmental long-term liabilities	\$ 1,447,853	\$ 121,671	\$ (147,086)	\$ 1,422,438	\$ 70,246
Business-type activities:					
Water and sewer bonds	\$ 302,550	\$ 30,762	\$ (25,150)	\$ 308,162	\$ 24,440
Premium on water and sewer bonds	13,852	1,878	(2,036)	13,694	-
Storm water utility bonds	55,830	9,490	(4,115)	61,205	4,545
Premium/Discount on storm water utility bonds	3,336	640	(370)	3,606	-
Net water and sewer bonds payable	375,568	42,770	(31,671)	386,667	28,985
Compensated Absences	1,328	1,858	(278)	2,908	203
Net pension liability	7,069	-	(4,145)	2,924	-
Net other postemployment benefit liability	7,043	-	(98)	6,945	-
Rebatable arbitrage payable	891	-	(573)	318	-
Total business-type long term liabilities	\$ 391,899	\$ 44,628	\$ (36,765)	\$ 399,762	\$ 29,188

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.

9. PRIOR YEAR BOND REFUNDINGS

In FY24 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, 2024, previously defeased debt still outstanding amounted to \$0.

<u>Bond</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Par Amount</u>
Permanent Improvement and Refunding Bonds, Series 2014			
Serials	8/15/2031	3.500%	\$ 725,000
	8/15/2032	4.000%	725,000
	8/15/2033	4.000%	720,000
	8/15/2034	4.000%	<u>720,000</u>
			<u>\$ 2,890,000</u>
Combination Tax and Revenue Certificate of Obligation, Series 2014			
Serials	8/15/2031	3.000%	\$ 1,445,000
	8/15/2032	4.000%	1,445,000
Term 2034	8/15/2033	4.000%	1,445,000
	8/15/2034	4.000%	<u>1,445,000</u>
			<u>\$ 5,780,000</u>
			<u><u>\$ 8,670,000</u></u>

<u>Bond</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Par Amount</u>
Water and Wastewater System Revenue Bonds, Series 2014A	6/1/2033	4.000%	\$ 665,000
Term 2034	6/1/2034	4.000%	<u>665,000</u>
			<u>\$ 1,330,000</u>

10. INTERFUND TRANSACTIONS

A summary of interfund receivables and payables at September 30, 2024, is as follows (amounts in thousands):

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 10,015	\$ -
Nonmajor Funds	-	10,015
	<u>\$ 10,015</u>	<u>\$ 10,015</u>

The General Fund receivable represents cash provided to nonmajor funds and will be reimbursed in 2025. Transfers between funds during the year were as follows (amounts in thousands):

	Transfers Out	Transfers In
Major Governmental Funds:		
General Fund	\$ 23,204	\$ 38,114
Street Capital Projects	1,319	958
Convention and Event Services	3,347	3,306
Debt Service Fund	-	3,817
Total Major Governmental Funds	27,870	46,195
Major Enterprise Fund-Water and Sewer	46,070	170
Major Enterprise Fund-Storm Water Utility	3,207	2,800
Other Funds:		
Nonmajor Governmental Funds	24,425	31,292
Nonmajor Enterprise Funds	1,082	10,588
Internal Service Funds	-	11,609
Total All Funds	\$ 102,654	\$ 102,654

The Water and Sewer, Storm Water Utility, and Convention and Event Services transferred \$6,119,000 to the General Fund to cover their budgeted indirect costs.

The General Fund transferred \$8,165,000 to Street Maintenance Fund and Special Transportation (Handitrans) to cover budgeted operating expenses.

The Enterprise Funds transferred \$19,124,000 to General Fund 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. Beyond the initial 50-year period, the contract states that it shall continue in effect until any outstanding bonds or any bonds issued to refund same, if any, have been paid in full. 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, 2024. 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):

Project	Spent-to-Date	Remaining Commitment
Street Construction	\$ 88,862	\$ 56,152
Park Construction	64,912	23,289
Traffic Construction	7,750	562
Fire Construction	10,276	10,668
Storm Water Utility Construction	61,694	27,971
Water and Sewer Construction	198,408	40,770
	<u>\$ 431,902</u>	<u>\$ 159,412</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, sewer and storm water utility construction projects are funded by revenue bond proceeds and cash from operating revenues of the water, 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, 2024, 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 the 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 \$114,136.52 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 2024 and 2023 were as follows (amounts in thousands):

	Workers Compensation		Health		Self Insurance Risk Management	
	2024	2023	2024	2023	2024	2023
Unpaid claims, Oct. 1	\$ 3,377	\$ 3,385	\$ 2,758	\$ 2,587	\$ 5,655	\$ 4,243
Incurring Claims (including IBNRs and changes in estimates)	3,734	1,426	32,197	28,290	1,863	2,037
Claim payments	(2,920)	(1,434)	(31,957)	(28,119)	(3,267)	(625)
Unpaid claims, Sept. 30	<u>\$ 4,191</u>	<u>\$ 3,377</u>	<u>\$ 2,998</u>	<u>\$ 2,758</u>	<u>\$ 4,251</u>	<u>\$ 5,655</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, 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 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 noncancelable 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 of September 30, 2024, 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
2025	\$ 2,129,906	\$ 50,113	\$ 2,180,019
2026	1,108,100	25,663	1,133,763
2027	507,392	16,495	523,887
2028	726,798	6,724	733,522
2029	114,280	1,811	116,091
Thereafter	70,095	738	70,833
	<u>\$ 4,656,571</u>	<u>\$ 101,544</u>	<u>\$ 4,758,115</u>

The following is a summary of lease liability transactions of the City for the year ended September 30, 2024 (amounts expressed in thousands):

	Balance Beginning of the Year	Increases	Reductions	Balance at the End of the Year	Due within One Year
Governmental activities:					
Leases payable	<u>\$ 1,838</u>	<u>\$ 4,919</u>	<u>\$ (2,100)</u>	<u>\$ 4,657</u>	<u>\$ 2,130</u>

Lessor

The City of Arlington is the Lessor related to Globe Life Field with Rangers Baseball, LLC. This lease was in existence as of the beginning of the fiscal year and has 29 years remaining on the contract. The City received combined annual payments of \$2,000,000. The City recognized net Lease and Interest Revenue of \$691,906 in the fiscal year related to this lease. There were no inflows of resources recognized during the year ended September 30, 2024 for variable or other payments not previously included in the measurement of the lease receivable. As of September 30, 2024, the City's receivable for lease payments was \$48,916,059. 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, 2024, the balance of the deferred inflow of resources was \$47,975,298.

The City of Arlington is the Lessor related to Cowboy's Stadium with Cowboys Stadium, LP. This lease was in existence as of the beginning of the fiscal year and has 14 years remaining on the contract. The City received combined annual payments of \$2,000,000. The City recognized net Lease and Interest Revenue of \$381,222 in the fiscal year related to this lease. There were no inflows of resources recognized during the year ended September 30, 2024 for variable or other payments not previously included in the measurement of the lease receivable. As of September 30, 2024, the City's receivable for lease payments was \$26,533,946. 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, 2024, the balance of the deferred inflow of resources was \$26,004,186.

Additionally, as the Lessor, the City leases City-owned properties such as buildings, office spaces, land, and water pump stations. These leases all had varying terms between 5 and 20 years. The City recognized \$164,631 in net lease and interest revenue during the current fiscal year related to these leases. As of September 30, 2024, the City's receivable for lease payments was \$12,497,089. 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, 2024, the balance of deferred inflow of resources was \$12,085,364.

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 noncancelable 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.

Aviation Enterprise Fund

The City dissolved its Fixed Based Operator (FBO) lease agreement with operators in 2024, making the City the sole operator of the Arlington Municipal Airport. An FBO is a commercial enterprise that provides aeronautical services such as fueling, aircraft parking and storage to the general aviation community. The City purchased various assets worth approximately \$14 million and assumed several subleases as part of the transaction.

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 \$303,485. The City recognized net lease and interest revenue of \$202,325 in the fiscal year related to these leases.

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. As part of the purchase of the FBO, the City assumed various regulated leases. The annual amount expected to be received from these regulated leases is \$2,009,801. The City recognized net lease and interest revenue of \$1,336,309 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-like transaction. The City has entered into subscription-based arrangements for cloud storage, infrastructure planning, budget, court, financial, security, and IT support. 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, 2024, the City had minimum principal and interest payment requirements for its governmental subscription activities, with a remaining term more than one year, as follows:

Fiscal Year Ending					
September 30		Principal		Interest	Total
2025	\$	1,771,349	\$	58,775	\$ 1,830,124
2026		799,373		41,927	841,300
2027		726,080		31,569	757,649
2028		701,421		21,494	722,915
2029		725,881		11,360	737,241
Thereafter		1,062,970		876	1,063,846
	\$	5,787,074	\$	166,001	\$ 5,953,075

The following is a summary of SBITA liability transactions of the City for the year ended September 30, 2024 (amounts expressed in thousands):

	Balance beginning of year	Increases	Reductions	Balance at End of Year	Due Within One Year
Governmental activities:					
SBITA payable	\$ 2,934	\$ 5,153	\$ (2,300)	\$ 5,787	\$ 1,771
Business activities:					
SBITA payable	-	583	(191)	392	392
Total SBITA payable	<u>\$ 2,934</u>	<u>\$ 5,736</u>	<u>\$ (2,491)</u>	<u>\$ 6,179</u>	<u>\$ 2,163</u>
Total Leases and SBITA payable	<u>\$ 4,772</u>	<u>\$ 10,655</u>	<u>\$ (4,591)</u>	<u>\$ 10,836</u>	<u>\$ 4,293</u>

15. 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, 2024, for all discretely presented component units is as follows (amounts in thousands):

Condensed Schedule of Net Position

	Arlington Tomorrow Foundation	Housing Authority	Arlington Economic Development Corporation	Other Discretely Presented Component Units	Total Discretely Presented Component Units
Current and other assets	\$ 114,579	\$ 8,432	\$ 62,329	\$ 8,291	\$ 193,631
Capital assets	-	1,330	5,846	9,104	16,280
Total assets	<u>114,579</u>	<u>9,762</u>	<u>68,175</u>	<u>17,395</u>	<u>209,911</u>
Other liabilities and deferred inflows of resources	<u>1,010</u>	<u>2,959</u>	<u>349</u>	<u>5,395</u>	<u>9,713</u>
Total liabilities	<u>1,010</u>	<u>349</u>	<u>349</u>	<u>5,395</u>	<u>9,713</u>
Net position:					
Net investment in capital assets	-	268	5,846	4,450	10,564
Restricted	-	142	61,980	-	62,122
Unrestricted	<u>113,569</u>	<u>6,393</u>	<u>-</u>	<u>7,550</u>	<u>127,512</u>
Total net position	<u>\$ 113,569</u>	<u>\$ 6,803</u>	<u>\$ 67,826</u>	<u>\$ 12,000</u>	<u>\$ 200,198</u>

Condensed Schedule of Activities

	Arlington Tomorrow Foundation	Housing Authority	Arlington Economic Development Corporation	Other Discretely Presented Component Units	Total Discretely Presented Component Units
Expenses	\$ 8,804	\$ 52,290	\$ 14,726	\$ 17,118	\$ 92,938
Program Revenues:					
Charges for services	-	-	24,555	11,423	35,978
Operating grants and contributions	-	52,309	-	5,242	57,551
Capital grants and contributions	-	-	-	-	-
Net Program (Expense) Revenue	<u>(8,804)</u>	<u>19</u>	<u>9,829</u>	<u>(453)</u>	<u>591</u>
Interest/dividend/change in FMV revenues	<u>18,127</u>	<u>79</u>	<u>2,964</u>	<u>369</u>	<u>21,539</u>
Other non tax general revenues	<u>14,857</u>	<u>465</u>	<u>4</u>	<u>114</u>	<u>15,440</u>
Changes in Net Position	<u>24,180</u>	<u>563</u>	<u>12,797</u>	<u>30</u>	<u>37,570</u>
Net position, October 1	<u>89,389</u>	<u>6,240</u>	<u>55,029</u>	<u>11,970</u>	<u>162,628</u>
Net position, September 30	<u>\$ 113,569</u>	<u>\$ 6,803</u>	<u>\$ 67,826</u>	<u>\$ 12,000</u>	<u>\$ 200,198</u>

16. TAX ABATEMENTS

As of September 30, 2024, 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 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	\$ 1,211,518	\$ 336,181	\$ 1,806,677	\$ 478,766	\$ 4,787,222	
Recruitment	1,027,339	6,165,797	-	-	524,000	
Retention	3,912,238	-	-	-	248,893	
Total Tax Abated	\$ 6,151,095	\$ 6,501,978	\$ 1,806,677	\$ 478,766	\$ 5,560,115	

For the fiscal year ended September 30, 2024, the City's property tax revenues were reduced by \$6,151,095 under active tax abatement and Chapter 380 agreements for Development/Redevelopment, Recruitment, and Retention. Sales tax revenues were reduced by a total of \$6,501,978 for Development/Redevelopment and Recruitment abatements. Hotel occupancy tax revenues were reduced by \$1,806,677 and mixed beverage taxes were reduced by \$478,766 for Development/Redevelopment abatements. In addition to tax abatements/rebatements, recipients qualified for \$5,560,115 in other commitments from the City in the form of fee waivers, hiring grants, relocation and retention incentives, and reimbursements for infrastructure improvements.

As a result of the City's tax abatement/rebate program, the property tax base increased by more than \$1.8 billion with property value growth of more than 2,063% above the base year value. The projects receiving abatements/rebatements of the City's sales tax, hotel occupancy tax, and mixed beverage taxes generated more than \$17 million in local tax revenue, of which 52% 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.

17. 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 \$58.1 million as of September 30, 2024, and the deferred inflows resulting from such arrangements are \$56 million as of September 30, 2024. 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.

The City (transferor) has entered into a public-private partnership (PPP) arrangement with the Arlington Convention Center Hotel Owner, LLC (operator) for the construction and operation of a convention center and parking facility (leased premises). During fiscal year 2024, the leased premises were completed and placed into service. Under the agreements, the City retains ownership of the land and leased premises, and the operator leases the leased premises for a nominal fee of \$10 per year. The agreement includes an option for the operator to purchase the leased premises after 30 years for \$100 million, less lease payments, all operating costs paid by the operator as described in the agreements, and all project costs as defined by the agreements. As of September 30, 2024, the City has recognized a PPP asset in the amount of \$207.5M and a deferred inflow of resources in the amount of \$205.4M for the transfer of the leased premises. This PPP asset is included in governmental capital and lease assets on the Statement of Net Position.

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, 2024, the environmental remediation liability is \$38,000.

19. SUBSEQUENT EVENTS

Water & Wastewater System Revenue Bonds, Series 2025 (TWDB)

On February 25, 2025, the City of Arlington issued \$16,585,000 of water and wastewater system bonds to the Texas Water Development Board to fund various water projects.

Risks and Uncertainties

On January 27, 2025, Office of Management and Budget (OMB) issued M 25-13, pausing all activities related to obligation or disbursement of all federal financial assistance with certain exceptions. The memo has since been rescinded; however, it is unclear whether future assistance could be at risk. The potential impacts of the executive orders on the City's future federal financial assistance have not been evaluated.

CITY OF ARLINGTON, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2024
(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	\$ 246,352	\$ 246,352	\$ 234,944	\$ 5,819	\$ 240,763	\$ (5,589)
Licenses and permits	10,635	10,635	10,168	-	10,168	(467)
Utility franchise fees	32,627	32,627	22,205	11,050	33,255	628
Fines and forfeitures	5,805	5,805	5,918	-	5,918	113
Leases, rents and concessions	10,154	10,154	13,417	-	13,417	3,263
Service charges	9,276	9,276	10,208	-	10,208	932
Interest revenue	3,894	3,894	5,575	-	5,575	1,681
Intergovernmental revenues	32,097	32,097	426	31,847	32,273	176
Other revenue	2,282	2,282	41	-	41	(2,241)
Net increase (decrease) in the fair value of investments	-	-	949	(949)	-	-
Total Revenues	353,122	353,122	303,851	47,767	351,618	(1,504)
EXPENDITURES						
Current-						
General government	89,417	89,417	65,431	13,150	78,581	10,836
Public safety	215,163	215,163	193,488	20,434	213,922	1,241
Public works	33,213	33,213	26,864	5,495	32,359	854
Public health	2,795	2,795	2,841	(55)	2,786	9
Parks and recreation	21,311	21,311	18,605	1,451	20,056	1,255
Capital Outlay	-	-	-	-	-	-
Total Expenditures	361,899	361,899	307,229	40,475	347,704	14,195
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(8,777)	(8,777)	(3,378)	7,292	3,914	12,691
OTHER FINANCING SOURCES (USES)						
Transfers in	22,135	22,135	38,114	(16,870)	21,244	(891)
Transfers out	(16,547)	(16,547)	(23,204)	8,790	(14,414)	2,133
Total Other Financing Sources (Uses)	5,588	5,588	14,910	(8,080)	6,830	1,242
Net Change In Fund Balances	(3,189)	(3,189)	11,532	(788)	10,744	13,933
Fund Balances, October 1, Restated	86,538	86,538	86,538	86,538	86,538	-
Fund Balances, September 30	\$ 83,349	\$ 83,349	\$ 98,070	\$ 85,750	\$ 97,282	\$ 13,933

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)
BUDGETARY COMPARISON SCHEDULE CONVENTION AND
EVENT SERVICES
FOR THE YEAR ENDED SEPTEMBER 30, 2024
(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	\$ 11,035	\$ 11,035	\$ 11,504	\$ -	\$ 11,504	\$ 469
Service charges	1,335	1,335	1,687	-	1,687	352
Stadium Rent/Naming Rights	2,500	2,500	3,181	-	3,181	681
Interest revenue	-	-	100	-	100	100
Net increase (decrease) in fair value of investments	-	-	31	-	31	31
Other	-	-	351	-	351	351
Total Revenues	<u>14,870</u>	<u>14,870</u>	<u>16,854</u>	<u>-</u>	<u>16,854</u>	<u>1,984</u>
EXPENDITURES						
Current-						
Convention & event services	14,230	14,230	15,263	(5,799)	9,464	4,766
Total Expenditures	<u>14,230</u>	<u>14,230</u>	<u>15,263</u>	<u>(5,799)</u>	<u>9,464</u>	<u>4,766</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>640</u>	<u>640</u>	<u>1,591</u>	<u>5,799</u>	<u>7,390</u>	<u>6,750</u>
OTHER FINANCING SOURCES						
Transfers in	3,306	3,306	3,306	-	3,306	-
Transfers out	(7,153)	(7,153)	(3,347)	(3,306)	(6,653)	500
Total Other Financing Sources	<u>(3,847)</u>	<u>(3,847)</u>	<u>(41)</u>	<u>(3,306)</u>	<u>(3,347)</u>	<u>500</u>
Net Change In Fund Balances	<u>(3,207)</u>	<u>(3,207)</u>	<u>1,550</u>	<u>2,493</u>	<u>4,043</u>	<u>7,250</u>
Fund Balances - Beginning	<u>(5,850)</u>	<u>(5,850)</u>	<u>5,850</u>	<u>(316)</u>	<u>5,534</u>	<u>8,582</u>
Fund Balances - Ending	<u>\$ (9,057)</u>	<u>\$ (9,057)</u>	<u>\$ 7,400</u>	<u>\$ 2,177</u>	<u>\$ 9,577</u>	<u>\$ 18,634</u>

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

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
Differences 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	103,792,210	1,086,413,400
Total pension liability-ending	\$ 1,037,982,210	\$ 152,223,400	\$ 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 (asset)	 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	 15,437,235	 160,574,881
 Net pension liability (asset) as a percentage of covered payroll	 69.81%	 108.03%	 106.02%

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$	27,615,497	\$ 28,887,256	\$ 30,217,987	\$ 31,806,730	\$ 31,842,328	\$ 33,724,840	\$ 37,485,310
	75,735,090	79,408,986	83,399,154	87,803,207	91,640,326	96,193,891	101,455,419
	6,101,332	6,665,740	7,744,979	2,170,782	11,973,234	19,402,794	8,119,451
	-	-	4,696,314	-	-	-	(10,638,277)
	(56,616,054)	(54,703,360)	(58,324,155)	(64,890,993)	(66,080,292)	(70,654,888)	(75,851,511)
	52,835,865	60,258,622	67,734,279	56,889,726	69,375,596	78,666,637	60,570,392
	1,136,501,615	1,189,337,480	1,249,596,102	1,317,330,381	1,374,220,107	1,443,595,703	1,522,262,340
\$	1,189,337,480	\$ 1,249,596,102	\$ 1,317,330,381	\$ 1,374,220,107	\$ 1,443,595,703	\$ 1,522,262,340	\$ 1,582,832,732
\$	26,419,418	\$ 28,034,989	\$ 29,405,032	\$ 187,107,707	\$ 32,711,607	\$ 20,727,511	\$ 21,822,391
	11,876,965	12,429,434	13,023,433	13,445,849	13,448,518	14,267,738	15,832,543
	133,891,278	(32,369,787)	159,738,998	89,261,871	182,776,361	(114,144,630)	163,592,578
	(56,616,054)	(54,703,360)	(58,324,155)	(64,890,993)	(66,080,292)	(70,654,888)	(75,851,511)
	(694,027)	(625,874)	(903,100)	(577,979)	(845,088)	(987,348)	(1,040,740)
	(35,172)	(32,699)	(27,128)	(22,550)	5,788	1,178,200	(7,272)
	114,842,408	(47,267,297)	142,913,080	224,323,905	162,016,894	(149,613,417)	124,347,989
	966,252,437	1,081,094,845	1,033,827,548	1,176,740,628	1,401,064,533	1,563,081,427	1,413,468,010
\$	1,081,094,845	\$ 1,033,827,548	\$ 1,176,740,628	\$ 1,401,064,533	\$ 1,563,081,427	\$ 1,413,468,010	\$ 1,537,815,999
	108,242,635	215,768,553	140,589,732	(26,844,447)	(119,521,723)	108,758,330	44,980,733
	90.90%	82.73%	89.33%	101.95%	108.28%	92.86%	97.16%
	169,628,359	177,549,206	185,842,479	192,069,624	192,052,642	203,775,466	226,087,513
	63.81%	121.53%	75.65%	-13.98%	-62.23%	53.37%	19.90%

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

	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	25 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 vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

Other Information:

Notes There were no benefit changes during the year.

2019	2020	2021	2022	2023	2024
\$ 29,093,440	\$ 29,866,086	\$ 31,360,302	\$ 23,896,550	\$ 21,528,919	\$ 25,299,037
\$ 29,102,133	\$ 30,010,778	\$ 31,713,751	\$ 20,249,587	\$ 21,219,509	\$ 26,015,181
\$ (8,693)	\$ (144,692)	\$ (353,449)	\$ 3,646,963	\$ 309,410	\$ (716,144)
\$ 184,074,211	\$ 186,055,660	\$ 188,547,864	\$ 199,110,980	\$ 219,891,289	\$ 242,227,015
15.81%	16.13%	16.82%	10.17%	9.65%	10.74%

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

Fiscal year ending September 30	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Total pension liability				
Service Cost	\$ 115,148	\$ 184,052	\$ 187,047	\$ 185,246
Interest on total pension liability	123,377	128,068	127,591	131,661
Differences between expected and actual experience	(64,695)	(71,751)	(76,857)	(114,652)
Assumption changes	-	125,033	-	-
Benefit payments and refunds	(96,757)	(149,233)	(137,960)	(173,000)
Net change in total pension liability	77,073	216,169	99,821	29,255
Total pension liability-beginning	2,234,030	2,311,103	2,527,272	2,627,093
Total pension liability-ending	\$ 2,311,103	\$ 2,527,272	\$ 2,627,093	\$ 2,656,348
Plan fiduciary net position				
Contribution-employer	\$ 22,419	\$ 53,802	\$ 60,813	\$ 46,504
Contribution-member	98,985	100,575	101,289	100,133
Net investment income	63,092	98,561	130,343	71,859
Benefit payments and refunds	(96,757)	(149,233)	(137,960)	(173,000)
Administrative expense	(75,217)	(56,783)	(44,296)	(64,053)
Other	-	-	-	-
Net change in plan fiduciary net position	12,522	46,922	110,189	(18,557)
Plan fiduciary net position-beginning	2,668,525	2,681,047	2,727,969	2,838,158
Plan fiduciary net position-ending	\$ 2,681,047	\$ 2,727,969	\$ 2,838,158	\$ 2,819,601
 Net pension liability (asset)	 (369,944)	 (200,697)	 (211,065)	 (163,253)
 Plan fiduciary net position as a percentage of total pension liability	 116.00%	 108.00%	 108.00%	 106.15%
 Covered payroll	 2,590,679	 3,352,500	 3,376,300	 3,337,767
 Net pension liability (asset) as a percentage of covered payroll	 -14.30%	 -6.00%	 -6.30%	 -4.90%

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$	194,554	\$ 174,664	\$ 145,741	\$ 172,501	\$ 317,189	\$ 181,855
	134,220	141,268	149,886	147,791	156,178	163,810
	(47,470)	-	(199,230)	(68,355)	-	(256,386)
	-	-	-	-	-	(389,446)
	(138,464)	(122,330)	(135,887)	(167,480)	(145,580)	(13,942)
	142,840	193,602	(39,490)	84,457	327,787	(360,541)
	2,656,348	2,799,188	2,992,790	2,953,300	3,037,757	(674,650)
	2,656,348	2,799,188	2,992,790	2,953,300	3,037,757	3,365,544
\$	2,799,188	\$ 2,992,790	\$ 2,953,300	\$ 3,037,757	\$ 3,365,544	\$ 2,690,894
\$	82,293	\$ 76,850	\$ 73,688	\$ 121,509	\$ 130,281	\$ 129,174
	109,711	98,126	81,877	94,781	170,838	101,406
	206,103	248,242	314,938	(391,970)	122,887	216,291
	(138,464)	(122,330)	(135,887)	(167,480)	(145,580)	(360,541)
	(79,339)	(57,037)	(49,162)	(68,180)	(66,946)	(78,820)
	-	24,800	-	-	-	-
	180,304	268,651	285,454	(411,340)	211,480	7,510
	2,819,601	2,999,905	3,268,556	3,554,010	3,142,712	3,354,192
\$	2,999,905	\$ 3,268,556	\$ 3,554,010	\$ 3,142,670	\$ 3,354,192	\$ 3,361,702
	(2,007,177)	(275,766)	(600,710)	(104,955)	11,352	(670,808)
	107.20%	109.20%	120.30%	103.46%	99.66%	124.93%
	3,657,033	3,270,867	2,729,233	3,159,367	5,694,600	3,380,200
	-5.50%	-8.40%	-22.00%	-3.30%	0.20%	-19.85%

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

Fiscal year ending September 30,	2015	2016	2017	2018	2019
Actuarially Determined Contribution	\$ 22,419	\$ 53,802	\$ 81,875	\$ 71,762	\$ 92,340
Actual contribution	22,419	53,802	60,813	46,504	82,293
Contribution deficiency (excess)	\$ -	\$ -	\$ 21,062	\$ 25,258	\$ 10,047
Covered payroll	\$ 2,590,679	\$ 3,352,500	\$ 3,376,300	\$ 3,337,767	\$ 3,657,033
Contributions as a percentage of covered payroll	0.9%	1.6%	1.8%	1.4%	2.3%

Notes to Schedule

Actuarially determined contribution rates are calculated at June 30 of the previous year end for the fiscal year in which contributions are reported.

The actuarially methods and assumptions used to determine the contribution rates reported 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. 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.

	2020	2021	2022	2023	2024
\$	83,313	\$ 73,688	\$ 94,781	\$ 153,754	\$ 121,687
	76,850	73,688	94,781	130,281	129,174
\$	6,463	\$ -	\$ -	\$ 23,473	\$ (7,487)
\$	3,270,867	\$ 2,729,233	\$ 3,159,367	\$ 5,694,600	\$ 3,380,200
	2.3%	2.7%	3.0%	2.3%	3.8%

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 pension 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	(51,026)	(11,283)	(139,962)
Total OPEB liability-beginning	1,471,153	1,420,127	1,408,844
Total OPEB liability-ending	\$ 1,420,127	\$ 1,408,844	\$ 1,268,882
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	26,042	(75,685)	87,649
Plan fiduciary net position-beginning	1,295,794	1,321,836	1,246,151
Plan fiduciary net position-ending	\$ 1,321,836	\$ 1,246,151	\$ 1,333,800
Net OPEB liability (asset)-ending	\$ 98,291	\$ 162,693	\$ (64,918)
Plan fiduciary net position as a percentage of total pension liability	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>	<u>2023</u>
\$	- \$	- \$	- \$	-
	60,415	57,653	52,702	50,846
	-	-	-	-
	42,447	(32,836)	24,873	(13,020)
	(34,196)	-	-	-
	(121,149)	(126,683)	(120,988)	(108,413)
	(52,483)	(101,866)	(43,413)	(70,587)
	1,268,882	1,216,399	1,114,533	1,071,120
\$	1,216,399 \$	1,114,533 \$	1,071,120 \$	1,000,533
\$	74,524 \$	80,675 \$	94,869 \$	26,082
	-	-	-	-
	-	-	-	-
	153,452	43,751	(184,849)	104,442
	(121,149)	(126,683)	(120,988)	(108,413)
	(11,389)	(33,402)	(11,715)	(6,484)
	-	-	-	-
	95,438	(35,659)	(222,683)	15,627
	1,333,800	1,429,238	1,393,579	1,170,896
\$	1,429,238 \$	1,393,579 \$	1,170,896 \$	1,186,523
\$	(212,839) \$	(279,046) \$	(99,776) \$	(185,990)
	117.50%	125.00%	109.32%	118.59%
	N/A	N/A	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
2024	\$ -	\$ 68,298	\$ (68,298)	N/A	N/A

Notes to Schedule of Contributions

Valuation Date: December 31, 2023

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 anum. 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
Differences 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 payroll	\$ 151,329,108	\$ 171,282,611	\$ 167,712,006
Total OPEB liability as a percentage of payroll	75.36%	69.14%	68.95%

The ending Total OPEB Liability was as of December 31, 2023.

Changes of assumptions reflect a change in the discount rate from 4.05% as of December 31, 2022 to 3.77% as of December 31, 2023, 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>	<u>2023</u>
\$	2,601,055	\$ 3,256,735	\$ 3,207,862	\$ 2,079,711
	3,123,353	2,619,684	2,375,998	3,954,412
	8,814,880	(2,275,506)	(9,774,732)	(4,076,064)
	8,918,233	360,464	(21,217,754)	1,205,084
	(6,707,698)	(6,047,590)	(5,534,007)	(5,501,705)
	16,749,823	(2,086,213)	(30,942,633)	(2,338,562)
	115,629,812	132,379,635	130,293,422	99,350,789
\$	132,379,635	\$ 130,293,422	\$ 99,350,789	\$ 97,012,227
\$	192,069,624	\$ 192,052,642	\$ 203,775,466	\$ 226,087,513
	68.92%	67.84%	48.76%	42.91%

CITY 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	280,475	284,647	309,177
Differences 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	1,149,407	(243,074)	1,880,942
Total OPEB liability-beginning	7,343,661	8,493,069	8,249,995
Total OPEB liability-ending	\$ 8,493,068	\$ 8,249,995	\$ 10,130,937
Covered 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. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
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 the most recent Scale MP-2021 (with immediate convergence) 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>	<u>2023</u>
\$	364,932	\$ 441,721	\$ 489,061	\$ 248,696
	282,562	246,262	242,125	363,574
	(181,851)	(61,484)	72,889	12,329
	1,678,100	413,423	(4,606,685)	504,626
	(76,828)	(211,258)	(224,153)	(293,914)
	2,066,915	828,664	(4,026,763)	835,311
	10,130,937	12,197,852	13,026,516	8,999,753
\$	12,197,852	\$ 13,026,516	\$ 8,999,753	\$ 9,835,064
	n/a	n/a	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 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, Gifts and Donations, Auto Theft Prevention, Historic Preservation, Tax Increment Reinvestment Zone #5, Juvenile Case Manager, Texas Parks and Wildlife, Viridian TIRZ #6, Downtown BID, Miscellaneous Grants, Disaster Assistance, and Building Rehabilitation, Lamar Blvd PID.

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.

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, 2024
(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	\$ -	\$ 31,767	\$ 8,450	\$ -	\$ -
Land held for resale	-	-	-	-	-
Receivables (net of allowance for uncollectibles)					
Sales taxes	-	3,986	-	-	-
Lease agreements	-	-	-	-	-
Other	-	-	-	-	-
Due from other governments	2,482	-	-	458	946
Inventory of supplies, at cost	-	-	-	-	-
Total Assets	<u>\$ 2,482</u>	<u>\$ 35,753</u>	<u>\$ 8,450</u>	<u>\$ 458</u>	<u>\$ 946</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 296	\$ 3,236	\$ -	\$ 425	\$ 255
Retainage payable	-	163	-	-	1
Unearned revenue	-	-	-	-	-
Due to other funds	2,186	-	-	-	690
Total Liabilities	<u>2,482</u>	<u>3,399</u>	<u>-</u>	<u>425</u>	<u>946</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	-	32,354	8,450	33	-
Committed to:					
Capital projects	-	-	-	-	-
Special revenue	-	-	-	-	-
Assigned to:					
Park performance	-	-	-	-	-
Special revenue	-	-	-	-	-
Total Fund Balance	<u>-</u>	<u>32,354</u>	<u>8,450</u>	<u>33</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 2,482</u>	<u>\$ 35,753</u>	<u>\$ 8,450</u>	<u>\$ 458</u>	<u>\$ 946</u>

Special Revenue						Capital Projects	
Home Investment Partnership	FEMA	Gas Lease	Innovation and Venture Capital	Park Performance	Other Special Revenue	Municipal Office Facilities	Park
\$ -	\$ -	\$ 2,085	\$ 10,941	\$ 2,891	\$ 22,357	\$ 8,132	\$ 56,261
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	265	-	-	-	-
-	-	226	25	320	2,873	-	3
464	5,513	-	-	-	3,388	-	-
-	-	-	-	207	-	-	-
<u>\$ 464</u>	<u>\$ 5,513</u>	<u>\$ 2,311</u>	<u>\$ 11,231</u>	<u>\$ 3,418</u>	<u>\$ 28,618</u>	<u>\$ 8,132</u>	<u>\$ 56,264</u>
\$ 282	\$ 179	\$ 85	\$ -	\$ 758	\$ 4,021	\$ 1,265	\$ 8,218
-	-	-	-	-	1,329	93	2,321
-	155	-	-	272	4,789	-	5
182	5,123	-	-	-	1,834	-	-
<u>464</u>	<u>5,457</u>	<u>85</u>	<u>-</u>	<u>1,030</u>	<u>11,973</u>	<u>1,358</u>	<u>10,544</u>
-	-	-	190	-	-	-	-
-	-	-	190	-	-	-	-
-	-	-	-	207	-	-	-
-	-	-	-	-	-	-	45,720
-	56	-	11,041	-	7,303	-	-
-	-	-	-	-	-	6,774	-
-	-	2,226	-	-	8,524	-	-
-	-	-	-	2,181	-	-	-
-	-	-	-	-	818	-	-
<u>-</u>	<u>56</u>	<u>2,226</u>	<u>11,041</u>	<u>2,388</u>	<u>16,645</u>	<u>6,774</u>	<u>45,720</u>
<u>\$ 464</u>	<u>\$ 5,513</u>	<u>\$ 2,311</u>	<u>\$ 11,231</u>	<u>\$ 3,418</u>	<u>\$ 28,618</u>	<u>\$ 8,132</u>	<u>\$ 56,264</u>

(Continued)

CITY OF ARLINGTON, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024
(AMOUNTS EXPRESSED IN THOUSANDS)

	Capital Projects			Total Nonmajor Governmental Funds
	TIRZ #5	Traffic	Other Capital Projects	
ASSETS				
Cash and cash equivalents	\$ 1,393	\$ 3,159	\$ 45,596	\$ 193,032
Land held for resale	-	-	7,653	7,653
Receivables (net of allowance for uncollectibles)				
Sales taxes	-	-	-	3,986
Lease agreements	-	-	-	265
Other	-	-	-	3,447
Due from other governments	-	-	-	13,251
Inventory of supplies, at cost	-	-	-	207
Total Assets	\$ 1,393	\$ 3,159	\$ 53,249	\$ 221,841
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ 319	\$ 311	\$ 19,650
Retainage payable	-	-	-	3,907
Unearned revenue	-	-	-	5,221
Due to other funds	-	-	-	10,015
Total Liabilities	-	319	311	38,793
Deferred Inflows of Resources:				
Leases	-	-	-	190
Total Deferred Inflows of Resources	-	-	-	190
Fund Balances:				
Nonspendable:				
Inventory	-	-	-	207
Restricted for:				
Capital projects	1,393	2,840	52,938	102,891
Special revenue	-	-	-	59,237
Committed to:				
Capital projects	-	-	-	6,774
Special revenue	-	-	-	10,750
Assigned to:				
Park performance	-	-	-	2,181
Special revenue	-	-	-	818
Total Fund Balance	1,393	2,840	52,938	182,858
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 1,393	\$ 3,159	\$ 53,249	\$ 221,841



CITY OF ARLINGTON, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024
(AMOUNTS EXPRESSED IN THOUSANDS)

	Special Revenue				
	Federal Transit Administration	Street Maintenance	Downtown TIF	Texas Department of Transportation	Community Development Block Grant
REVENUES					
Taxes	\$ -	\$ 24,555	\$ 2,329	\$ -	\$ -
Leases, rents and concessions	-	-	-	-	-
Service charges	259	18	-	-	-
Interest revenue	-	1,271	292	-	-
Net increase (decrease) in the fair value of investments	-	645	159	-	-
Contributions	-	-	-	-	-
Intergovernmental revenues	3,329	-	-	735	2,567
Gas lease royalty	-	-	-	-	-
Other	29	57	-	-	-
Total Revenues	3,617	26,546	2,780	735	2,567
EXPENDITURES					
Current:					
General government	-	-	1,633	-	-
Public safety	-	-	-	-	-
Public works	-	30,947	-	813	-
Public health	-	-	-	-	-
Public welfare	4,624	-	-	-	2,567
Parks and recreation	-	-	-	-	-
Convention and event services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	4,624	30,947	1,633	813	2,567
Net change in fund balances	(1,007)	(4,401)	1,147	(78)	-
OTHER FINANCING SOURCES (USES)					
Issuance of bonds	-	-	-	-	-
Bond premium	-	-	-	-	-
Transfers in	1,007	7,476	-	-	-
Transfers out	-	(1,559)	-	(42)	-
Total Other Financing Sources (Uses)	1,007	5,917	-	(42)	-
Excess (deficiency) of revenues and other financing sources (uses) over (under) expenditures and other uses	-	1,516	1,147	(120)	-
Fund Balance, October 1, Restated (See Note I.R.)	-	30,838	7,303	153	-
Fund Balance, September 30	\$ -	\$ 32,354	\$ 8,450	\$ 33	\$ -

Special Revenue						Capital Projects	
Home Investment Partnership	FEMA	Gas Lease	Innovation and Venture Capital	Park Performance	Other Special Revenue	Municipal Office Facilities	Park
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,847	\$ -	\$ -
-	-	-	10	-	-	-	-
-	-	-	-	17,492	2,247	-	3,257
-	-	340	346	127	344	235	2,727
-	-	176	172	46	92	139	1,295
-	-	-	-	700	-	-	250
682	5,704	-	-	-	22,957	-	-
-	-	2,278	-	-	-	-	-
-	-	48	1,038	102	9,705	-	-
682	5,704	2,842	1,566	18,467	48,192	374	7,529
-	-	-	-	-	1,108	3,474	-
-	5,704	-	-	-	22,484	-	-
-	-	-	-	-	12,956	-	-
-	-	-	-	-	1,617	-	-
682	-	316	6,741	-	1,468	-	-
-	-	-	-	18,471	-	-	-
-	-	-	-	-	6,862	-	-
-	-	-	-	-	3,878	-	39,486
682	5,704	316	6,741	18,471	50,373	3,474	39,486
-	-	2,526	(5,175)	(4)	(2,181)	(3,100)	(31,957)
-	-	-	-	-	-	2,764	8,812
-	-	-	-	-	-	236	753
-	-	3,442	5,639	130	6,248	1,700	5,650
-	-	(12,125)	-	-	(3,190)	-	(7,509)
-	-	(8,683)	5,639	130	3,058	4,700	7,706
-	-	(6,157)	464	126	877	1,600	(24,251)
-	56	8,383	10,577	2,262	15,768	5,174	69,971
\$ -	\$ 56	\$ 2,226	\$ 11,041	\$ 2,388	\$ 16,645	\$ 6,774	\$ 45,720

(continued)

CITY OF ARLINGTON, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024
(AMOUNTS EXPRESSED IN THOUSANDS)

	Capital Projects			
	TIRZ #5	Traffic	Other Capital Projects	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 39,731
Leases, rents and concessions	-	-	-	10
Service charges	-	-	-	23,273
Interest revenue	54	163	1,497	7,396
Net increase (decrease) in the fair value of investments	23	105	824	3,676
Contributions	-	-	-	950
Intergovernmental revenues	-	-	-	35,974
Gas lease royalty	-	-	-	2,278
Other	-	1	101	11,081
Total Revenues	77	269	2,422	124,369
EXPENDITURES				
Current:				
General government	-	-	181	6,396
Public safety	-	-	647	28,835
Public works	-	-	-	44,716
Public health	-	-	-	1,617
Public welfare	-	-	-	16,398
Parks and recreation	-	-	-	18,471
Convention and event services	-	-	-	6,862
Capital outlay	-	1,903	3,134	48,401
Total Expenditures	-	1,903	3,962	171,696
Net change in fund balances	77	(1,634)	(1,540)	(47,327)
OTHER FINANCING SOURCES (USES)				
Issuance of bonds	-	-	7,222	18,798
Bond premium	-	-	618	1,607
Transfers in	-	-	-	31,292
Transfers out	-	-	-	(24,425)
Total Other Financing Sources (Uses)	-	-	7,840	27,272
Excess (deficiency) of revenues and other financing sources (uses) over (under) expenditures and other uses	77	(1,634)	6,300	(20,055)
Fund Balance, October 1, Restated (See Note I.R.)	1,316	4,474	46,638	202,913
Fund Balance, September 30	\$ 1,393	\$ 2,840	\$ 52,938	\$ 182,858

**CITY OF ARLINGTON, TEXAS
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024
(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	\$ 71,457	\$ 71,457	\$ 123,356	\$ (54,243)	\$ 69,113	\$ (2,344)
Interest revenue	1,499	1,499	4,451	-	4,451	2,952
Net increase (decrease) in fair value of investments	-	-	11	-	11	11
Leases, rents and concessions	-	-	-	-	-	-
Other revenue	-	-	60	-	60	60
Total Revenues	<u>72,956</u>	<u>72,956</u>	<u>127,878</u>	<u>(54,243)</u>	<u>73,635</u>	<u>679</u>
EXPENDITURES						
Debt Service-						
Principal retirement	67,326	67,326	67,367	(7,150)	60,217	7,109
Redemption premium	-	-	-	-	-	-
Interest and fiscal charges	7,691	7,691	46,136	(22,786)	23,350	(15,659)
Total Expenditures	<u>75,017</u>	<u>75,017</u>	<u>113,503</u>	<u>(29,936)</u>	<u>83,567</u>	<u>(8,550)</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>(2,061)</u>	<u>(2,061)</u>	<u>14,375</u>	<u>(24,307)</u>	<u>(9,932)</u>	<u>(7,871)</u>
OTHER FINANCING SOURCES (USES)						
Bond premium	-	-	1,624	-	1,624	1,624
Proceeds from bonds	800	800	7,685	-	7,685	6,885
Issuance of refunding bonds	-	-	-	-	-	-
Refunding bond principal	-	-	-	-	-	-
Amount used to fund escrow account	-	-	-	-	-	-
Transfers in	1,536	1,536	3,817	-	3,817	2,281
Transfers out	-	-	-	-	-	-
Total Other Financing Sources	<u>2,336</u>	<u>2,336</u>	<u>13,126</u>	<u>-</u>	<u>13,126</u>	<u>10,790</u>
Net Change In Fund Balances	<u>275</u>	<u>275</u>	<u>27,501</u>	<u>(24,307)</u>	<u>3,194</u>	<u>2,919</u>
Fund Balances - Beginning	<u>58,402</u>	<u>58,402</u>	<u>58,197</u>	<u>2,566</u>	<u>60,763</u>	<u>2,361</u>
Fund Balances - Ending	<u>\$ 58,677</u>	<u>\$ 58,677</u>	<u>\$ 85,698</u>	<u>\$ (21,741)</u>	<u>\$ 63,957</u>	<u>\$ 5,280</u>

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

Budgetary Information

The City Council adopts an annual legal budget, which includes 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 generally accepted accounting principles 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 City Council. During fiscal year 2024, there were two (2) amendments to the Operating Budget, one to establish the Aviation Fund as an Enterprise fund within the City's annual operating budget and to authorize a decrease in full-time staff positions in the General Fund, a decrease in General Fund expenditure appropriations, and establish authorized full-time staff positions, expenditure appropriations, and proposed revenues in the Aviation Fund. The amendment also included adding one (1) full-time position in the Fire Department and will increase the General Fund's authorized appropriations to cover relocation expenses and lease payments for temporary space for City staff while the City Office Tower is renovated. The other amendment authorized an increase in appropriations in the General Fund for expenses associated with taking over management of the buildings located at 401, 501, and 601 Sanford Street in Arlington, and increase Street Maintenance Fund appropriation to provide additional resources for contracted street maintenance.

CITY OF ARLINGTON, TEXAS
BUDGETARY COMPARISON SCHEDULE
STREET MAINTENANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2024
(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	\$ 26,161	\$ 26,161	\$ 24,555	\$ -	\$ 24,555	\$ (1,606)
Interest revenue	824	824	1,271	-	1,271	447
Net increase (decrease) in fair value of investments	-	-	645	(110)	535	535
Other revenue	-	-	75	-	75	75
Total Revenues	<u>26,985</u>	<u>26,985</u>	<u>26,546</u>	<u>(110)</u>	<u>26,436</u>	<u>(549)</u>
EXPENDITURES						
Current-						
Public works	40,546	40,546	30,947	7,370	38,317	2,229
Total Expenditures	<u>40,546</u>	<u>40,546</u>	<u>30,947</u>	<u>7,370</u>	<u>38,317</u>	<u>2,229</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>(13,561)</u>	<u>(13,561)</u>	<u>(4,401)</u>	<u>(7,480)</u>	<u>(11,881)</u>	<u>1,680</u>
OTHER FINANCING SOURCES						
Transfers in	7,445	7,445	7,476	-	7,476	31
Transfers out	(255)	(255)	(1,559)	-	(1,559)	(1,304)
Total Other Financing Sources	<u>7,190</u>	<u>7,190</u>	<u>5,917</u>	<u>-</u>	<u>5,917</u>	<u>(1,273)</u>
Net Change In Fund Balances	<u>(6,371)</u>	<u>(6,371)</u>	<u>1,516</u>	<u>(7,480)</u>	<u>(5,964)</u>	<u>407</u>
Fund Balances - Beginning	<u>27,319</u>	<u>23,319</u>	<u>30,838</u>	<u>3,696</u>	<u>28,492</u>	<u>5,173</u>
Fund Balances - Ending	<u>\$ 20,948</u>	<u>\$ 16,948</u>	<u>\$ 32,354</u>	<u>\$ (3,784)</u>	<u>\$ 22,528</u>	<u>\$ 5,580</u>

CITY OF ARLINGTON, TEXAS
BUDGETARY COMPARISON SCHEDULE
PARK PERFORMANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2024
(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	\$ 15,800	\$ 15,800	\$ 17,492	\$ -	\$ 17,492	\$ 1,692
Interest revenue	-	-	173	-	173	173
Other revenue	-	-	802	-	802	802
Total Revenues	<u>15,800</u>	<u>15,800</u>	<u>18,467</u>	<u>-</u>	<u>18,467</u>	<u>2,667</u>
EXPENDITURES						
Current-						
Parks and recreation	19,284	19,284	18,471	(152)	18,319	965
Total Expenditures	<u>19,284</u>	<u>19,284</u>	<u>18,471</u>	<u>(152)</u>	<u>18,319</u>	<u>965</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>(3,484)</u>	<u>(3,484)</u>	<u>(4)</u>	<u>152</u>	<u>148</u>	<u>3,632</u>
OTHER FINANCING SOURCES						
Transfers in	2,547	2,547	130	-	130	(2,417)
Transfers out	-	-	-	-	-	-
Total Other Financing Sources	<u>2,547</u>	<u>2,547</u>	<u>130</u>	<u>-</u>	<u>130</u>	<u>(2,417)</u>
Net Change In Fund Balances	<u>(937)</u>	<u>(937)</u>	<u>126</u>	<u>152</u>	<u>278</u>	<u>(659)</u>
Fund Balances - Beginning	<u>1,413</u>	<u>1,413</u>	<u>2,262</u>	<u>91</u>	<u>2,353</u>	<u>940</u>
Fund Balances - Ending	<u>\$ 476</u>	<u>\$ 476</u>	<u>\$ 2,388</u>	<u>\$ 243</u>	<u>\$ 2,631</u>	<u>\$ 281</u>

CITY OF ARLINGTON, TEXAS
BUDGETARY COMPARISON SCHEDULE
WATER AND SEWER FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024
(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	\$ 91,681	\$ 91,681	\$ 97,257	\$ (412)	\$ 96,845	\$ 5,164
Sewer service	87,289	87,289	86,105	(737)	85,368	(1,921)
Sundry	9,687	9,687	13,228	(9)	13,219	3,532
Total Operating Revenues	188,657	188,657	196,590	(1,158)	195,432	6,775
EXPENDITURES						
Purchases of water	25,983	25,983	22,686	-	22,686	3,297
Purchase of sewage treatment	47,308	47,308	46,377	-	46,377	931
Salaries and wages	15,870	15,870	18,114	(1,263)	16,851	(981)
Benefits	4,660	4,660	5,199	(273)	4,926	(266)
Operations and maintenance	19,432	19,432	19,922	(534)	19,388	44
Franchise fees	10,886	10,886	-	11,050	11,050	(164)
Payment in lieu of taxes	4,958	4,958	-	4,958	4,958	-
Depreciation	-	-	23,100	(23,100)	-	-
Miscellaneous services	1,279	1,279	451	-	451	828
Total Operating Expenses	130,376	130,376	135,849	(9,162)	126,687	3,689
Operating Income	58,281	58,281	60,741	8,004	68,745	10,464
NONOPERATING REVENUES (EXPENSES):						
Interest revenue	3,686	3,686	12,626	(2,931)	9,695	6,009
Net increase (decrease) in the fair value of investments	-	-	5,991	(5,859)	132	132
Interest expense and fiscal charges	(33,463)	(33,463)	(7,133)	(24,027)	(31,160)	2,303
Total Nonoperating Revenues (Expenses)	(29,777)	(29,777)	11,484	(32,817)	(21,333)	8,444
Income (loss) before operating transfers and contributions	28,504	28,504	72,225	(24,813)	47,412	18,908
Contributions in aid of construction	-	-	6,713	-	6,713	6,713
Transfers in	3,579	3,579	170	-	170	(3,409)
Transfers out	(32,029)	(32,029)	(46,070)	16,008	(30,062)	1,967
Change In net position	54	54	33,038	(8,805)	24,233	(24,179)
Total net position-beginning	825,833	825,833	825,833	-	825,833	-
Total net position-ending	\$ 825,887	\$ 825,887	\$ 858,871	\$ (8,805)	\$ 850,066	\$ (24,179)

CITY OF ARLINGTON, TEXAS
BUDGETARY COMPARISON SCHEDULE
STORM WATER UTILITY
FOR THE YEAR ENDED SEPTEMBER 30, 2024
(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	\$ 12,197	\$ 12,197	\$ 12,431	\$ (88)	\$ 12,343	\$ 146
Storm water fee - residential	13,053	13,053	13,266	(85)	13,181	128
Sundry	1,031	1,031	2,141	(1,378)	763	(268)
Total Operating Revenues	26,281	26,281	27,838	(1,551)	26,287	6
EXPENDITURES						
Purchases of water	-	-	-	-	-	-
Purchase of fuel	-	-	-	-	-	-
Salaries and wages	3,010	3,010	2,937	(132)	2,805	205
Benefits	867	867	837	-	837	30
Operations and maintenance	611	611	2,071	613	2,684	(2,073)
Claims (net of adjustments)	-	-	-	-	-	-
Depreciation/amortization	-	-	3,381	(3,381)	-	-
Miscellaneous services	2,419	2,419	-	-	-	2,419
Total Operating Expenses	6,907	6,907	9,226	(2,900)	6,326	581
Operating Income	19,374	19,374	18,612	1,349	19,961	(587)
NONOPERATING REVENUES (EXPENSES):						
Interest revenue	-	-	2,352	(2,352)	-	-
Net increase (decrease) in the fair value of investments	-	-	1,395	(1,395)	-	-
Interest expense and fiscal charges	(6,310)	(6,310)	(1,865)	(2,561)	(4,426)	1,884
Total Nonoperating Revenues (Expenses)	(6,310)	(6,310)	1,882	(6,308)	(4,426)	1,884
Income (loss) before operating transfers and contributions	13,064	13,064	20,494	(4,959)	15,535	2,471
Contributions in aid of construction	-	-	-	-	-	-
Transfers in	-	-	2,800	-	2,800	2,800
Transfers out	(12,425)	(12,425)	(3,207)	-	(3,207)	9,218
Change In net position	639	639	20,087	(4,959)	15,128	14,489
Total net position-beginning	175,711	175,711	175,711	-	175,711	-
Total net position-ending	\$ 176,350	\$ 176,350	\$ 195,798	\$ (4,959)	\$ 190,839	\$ 14,489

CITY OF ARLINGTON, TEXAS
BUDGETARY COMPARISON SCHEDULE
AVIATION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024
(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						
FBO Fuel	\$ 3,106	\$ 3,106	\$ 2,904	\$ -	\$ 2,904	\$ (202)
Rents and Royalties	1,800	1,800	2,017	-	2,017	217
Intergovernmental Revenues	-	-	3,500	(3,500)	-	-
Sundry	26	26	406	-	406	380
Total Operating Revenues	<u>4,932</u>	<u>4,932</u>	<u>8,827</u>	<u>(3,500)</u>	<u>5,327</u>	<u>395</u>
EXPENDITURES						
Purchases of water	-	-	-	-	-	-
Purchases of fuels	2,345	2,345	2,161	58	2,219	126
Purchase of sewage treatment	-	-	-	-	-	-
Salaries and wages	-	-	1,203	62	1,265	(1,265)
Benefits	-	-	353	-	353	(353)
Operations and maintenance	2,032	2,032	3,895	(2,059)	1,836	196
Claims (net of adjustments)	-	-	-	9	9	(9)
Depreciation / amortizations	-	-	1,427	(1,427)	-	-
Miscellaneous services	-	-	-	-	-	-
Total Operating Expenses	<u>4,377</u>	<u>4,377</u>	<u>9,039</u>	<u>(3,357)</u>	<u>5,682</u>	<u>(1,305)</u>
Operating Income	<u>555</u>	<u>555</u>	<u>(212)</u>	<u>(143)</u>	<u>(355)</u>	<u>(910)</u>
NONOPERATING REVENUES (EXPENSES):						
Interest revenue	-	-	184	(184)	-	-
Net increase (decrease) in the fair value of investments	-	-	114	(114)	-	-
Interest expense and fiscal charges	-	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>-</u>	<u>298</u>	<u>(298)</u>	<u>-</u>	<u>-</u>
Income (loss) before operating transfers and contributions	<u>555</u>	<u>555</u>	<u>86</u>	<u>(441)</u>	<u>(355)</u>	<u>(910)</u>
Contributions in aid of construction	-	-	-	-	-	-
Transfers in	-	-	10,588	-	10,588	10,588
Transfers out	(516)	(516)	(1,082)	-	(1,082)	(566)
Change In net position	<u>39</u>	<u>39</u>	<u>9,592</u>	<u>(441)</u>	<u>9,151</u>	<u>9,112</u>
Total net position-beginning	<u>26,443</u>	<u>26,443</u>	<u>26,443</u>	<u>-</u>	<u>26,443</u>	<u>-</u>
Total net position-ending	<u>\$ 26,482</u>	<u>\$ 26,482</u>	<u>\$ 36,035</u>	<u>\$ (441)</u>	<u>\$ 35,594</u>	<u>\$ 9,112</u>





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, 2024
(AMOUNTS EXPRESSED IN THOUSANDS)

	Fleet Services	Self Insurance Risk Management	Workers Compensation	Group Health	Total
ASSETS					
Current Assets:					
Cash and cash equivalent investments	\$ 4,156	\$ 8,384	\$ 4,455	\$ 13,342	\$ 30,337
Receivables (net of allowances for uncollectibles)					
Accrued interest	-	17	-	-	17
Other	-	274	161	-	435
Total Current Assets	<u>4,156</u>	<u>8,675</u>	<u>4,616</u>	<u>13,342</u>	<u>30,789</u>
Noncurrent Assets:					
Capital Assets:					
Buildings and improvements	467	-	-	-	467
Machinery and equipment	67,327	-	-	-	67,327
Accumulated depreciation and amortization	(45,769)	-	-	-	(45,769)
Total Capital Assets (Net of Accumulated Depreciation)	<u>22,025</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,025</u>
Total Assets	<u>26,181</u>	<u>8,675</u>	<u>4,616</u>	<u>13,342</u>	<u>52,814</u>
LIABILITIES					
Current Liabilities:					
Accounts payable and accrued liabilities	918	-	87	444	1,449
Estimated claims payable	-	1,444	1,380	2,998	5,822
Total Current Liabilities	<u>918</u>	<u>1,444</u>	<u>1,467</u>	<u>3,442</u>	<u>7,271</u>
Noncurrent Liabilities:					
Estimated claims payable	-	2,807	2,811	-	5,618
Compensated absences	13	-	-	-	13
Total Noncurrent Liabilities	<u>13</u>	<u>2,807</u>	<u>2,811</u>	<u>-</u>	<u>5,631</u>
Total Liabilities	<u>931</u>	<u>4,251</u>	<u>4,278</u>	<u>3,442</u>	<u>12,902</u>
NET POSITION					
Net investment in capital assets	22,025	-	-	-	22,025
Unrestricted	3,225	4,424	338	9,900	17,887
Total Net Position	<u>\$ 25,250</u>	<u>\$ 4,424</u>	<u>\$ 338</u>	<u>\$ 9,900</u>	<u>\$ 39,912</u>

CITY OF ARLINGTON, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024
(AMOUNTS EXPRESSED IN THOUSANDS)

	Fleet Services	Self Insurance Risk Management	Workers Compensation	Group Health	Total
OPERATING REVENUES:					
Service charges	\$ 10,238	\$ -	\$ 2,185	\$ 35,735	\$ 48,158
Total Operating Revenues	<u>10,238</u>	<u>-</u>	<u>2,185</u>	<u>35,735</u>	<u>48,158</u>
OPERATING EXPENSES:					
Purchase of fuel	2,673	-	-	-	2,673
Salaries and wages	171	-	-	-	171
Benefits	25	-	-	-	25
Operations and maintenance	3,830	16	310	601	4,757
Claims (net of adjustments)	-	3,267	2,920	31,957	38,144
Depreciation	4,731	-	-	-	4,731
Total Operating Expenses	<u>11,430</u>	<u>3,283</u>	<u>3,230</u>	<u>32,558</u>	<u>50,501</u>
OPERATING INCOME (LOSS)	<u>(1,192)</u>	<u>(3,283)</u>	<u>(1,045)</u>	<u>3,177</u>	<u>(2,343)</u>
NON-OPERATING REVENUES (EXPENSES):					
Interest revenue	-	168	174	438	780
Net increase in the fair value of inves	-	274	78	165	517
Gain on sale of assets	435	-	-	-	435
Total Non-operating Revenues (Expenses)	<u>435</u>	<u>442</u>	<u>252</u>	<u>603</u>	<u>1,732</u>
Income (Loss) Before Transfers	<u>(757)</u>	<u>(2,841)</u>	<u>(793)</u>	<u>3,780</u>	<u>(611)</u>
Transfers in	<u>8,612</u>	<u>2,997</u>	<u>-</u>	<u>-</u>	<u>11,609</u>
Change In Net Position	<u>7,855</u>	<u>156</u>	<u>(793)</u>	<u>3,780</u>	<u>10,998</u>
Total Net Position, October 1	<u>17,395</u>	<u>4,268</u>	<u>1,131</u>	<u>6,120</u>	<u>28,914</u>
Total Net Position, September 30	<u>\$ 25,250</u>	<u>\$ 4,424</u>	<u>\$ 338</u>	<u>\$ 9,900</u>	<u>\$ 39,912</u>

CITY OF ARLINGTON, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024
(AMOUNTS EXPRESSED IN THOUSANDS)

	Fleet Services	Risk Management
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 10,239	\$ 102
Cash payments to suppliers	(6,269)	(2,786)
Cash payments to employees	(183)	-
Net Cash Provided By (Used For) Operating Activities	3,787	(2,684)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers in	8,612	2,997
Transfers out	-	-
Net Cash Provided By Noncapital Financing Activities	8,612	2,997
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(12,133)	-
Proceeds from sales of capital assets	544	-
Net Cash Used For Capital and Related Financing Activities	(11,589)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from interest earnings	-	156
Net increase (decrease) in the fair value of investments	-	274
Net Cash Provided By Investing Activities	-	430
Net decrease in cash and cash equivalents	810	743
Cash and cash-equivalent investments at October 1	3,346	7,641
Cash and cash-equivalent investments at September 30	\$ 4,156	\$ 8,384
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities		
Operating Income (Loss)	\$ (1,192)	\$ (3,283)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	4,731	-
(Increase) decrease in-		
Inventory of supplies	-	-
Accounts receivable	-	102
Prepaid expenses	-	-
Increase (decrease) in-		
Accounts payable and accrued liabilities	235	-
Estimated claims payable	-	497
Accrued compensated absences	13	-
Total adjustments	4,979	599
Net Cash Provided By (Used For) Operating Activities	\$ 3,787	\$ (2,684)

Workers' Compensation	Group Health	Totals
\$ 2,022	\$ 35,735	\$ 48,098
(2,335)	(32,096)	(43,486)
-	-	(183)
(313)	3,639	4,429
-	-	11,609
-	-	-
-	-	11,609
-	-	(12,133)
-	-	544
-	-	(11,589)
174	438	768
78	165	517
252	603	1,285
(61)	4,242	5,734
4,516	9,100	24,603
\$ 4,455	\$ 13,342	\$ 30,337
\$ (1,045)	\$ 3,177	\$ (2,343)
-	-	4,731
-	-	-
(163)	-	(61)
-	-	-
80	222	537
815	240	1,552
-	-	13
732	462	6,772
\$ (313)	\$ 3,639	\$ 4,429





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, 2024
(AMOUNTS EXPRESSED IN THOUSANDS)

	Pension and Other Employee Benefit Trust Funds		
	Part-Time Deferred Income Trust	Disability Income Plan	Total
ASSETS			
Investments:			
Money market fund	\$ 322	\$ 30	\$ 352
Corporate bonds	1,817	712	2,529
Fixed income mutual bond funds	605	238	843
Common stock mutual bond funds	649	255	904
Total Investments	3,393	1,235	4,628
Total Assets	\$ 3,393	\$ 1,235	\$ 4,628
NET POSITION			
Restricted for pensions	3,393	-	3,393
Restricted for OPEB	-	1,235	1,235
Total Net Position	\$ 3,393	\$ 1,235	\$ 4,628

CITY OF ARLINGTON, TEXAS
COMBINING STATEMENT OF CUSTODIAL FUNDS
FIDUCIARY FUNDS
AS OF SEPTEMBER 30, 2024
(AMOUNTS EXPRESSED IN THOUSANDS)

	<u>Escrow Fund</u>
ASSETS	
Cash and cash equivalents	\$ 3,665
Total Assets	<u>\$ 3,665</u>
NET POSITION	
Restricted for individuals, organizations, other governments	<u>\$ 3,665</u>

CITY OF ARLINGTON, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
EMPLOYEE BENEFIT TRUST FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024
(AMOUNTS EXPRESSED IN THOUSANDS)

	Pension and Other Employee Benefit Trust Funds		
	Part-Time Deferred Income Trust	Disability Income Plan	Total
ADDITIONS			
Employer contributions	\$ 72	\$ 68	\$ 140
Employee contributions	279	-	279
Net depreciation in fair value of investments	499	173	672
Total Additions	850	241	1,091
DEDUCTIONS			
Benefits	698	95	793
Plan administration	82	16	98
Total Deductions	780	111	891
Change in Net Position	70	130	200
Net Position, October 1	3,323	1,105	4,428
Net Position, September 30	\$ 3,393	\$ 1,235	\$ 4,628

CITY OF ARLINGTON, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS - CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024
(AMOUNTS EXPRESSED IN THOUSANDS)

	Escrow Fund
ADDITIONS	
Other additions	\$ 12,903
Seizures	32
Total Additions	<u>12,935</u>
DEDUCTIONS	
Other deductions	<u>12,419</u>
Total Deductions	<u>12,419</u>
Change in Net Position	516
Net Position, October 1	<u>3,149</u>
Net Position, September 30	<u><u>\$ 3,665</u></u>





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, 2024
(AMOUNTS EXPRESSED IN THOUSANDS)**

	Arlington Housing Authority	Arlington Convention & Visitors Bureau	Arlington Tomorrow Foundation
ASSETS			
Current Assets:			
Cash and cash-equivalent investments	\$ 6,273	\$ 1,685	\$ 23,893
Investments	1,420	-	90,472
Receivables (net of allowances for uncollectibles):			
Accrued interest	19	-	214
Taxes	-	-	-
Other	669	254	-
Prepaid expenses	51	186	-
Total Current Assets	<u>8,432</u>	<u>2,125</u>	<u>114,579</u>
Non-Current Assets:			
Capital Assets-			
Land	-	-	-
Buildings and improvements	934	-	-
Machinery and equipment	1,429	5,134	-
Accumulated depreciation	(1,033)	(801)	-
Total Non-Current Assets	<u>1,330</u>	<u>4,333</u>	<u>-</u>
Total Assets	<u>9,762</u>	<u>6,458</u>	<u>114,579</u>
LIABILITIES			
Accounts payable and accrued liabilities	2,959	556	1,010
Unearned revenue	-	105	-
Total Liabilities	<u>2,959</u>	<u>661</u>	<u>1,010</u>
NET POSITION			
Net investment in capital assets	268	4,333	-
Restricted for housing assistance	142	-	-
Restricted for expendable for operations	-	-	-
Unrestricted	6,393	1,464	113,569
Total Net Position	<u>\$ 6,803</u>	<u>\$ 5,797</u>	<u>\$ 113,569</u>

Arlington Housing Finance Corporation	Arlington Tourism Public Improvement District	Arlington Convention Center Development Corporation	Arlington Economic Development Corporation	Total
\$ 2,734	\$ 2,577	\$ 23	\$ 58,343	\$ 95,528
-	-	-	-	91,892
-	-	-	-	233
-	-	-	3,986	3,986
-	691	8	-	1,622
-	133	-	-	370
<u>2,734</u>	<u>3,401</u>	<u>31</u>	<u>62,329</u>	<u>193,631</u>
4,654	-	-	5,846	10,500
-	-	-	-	934
-	190	-	-	6,753
-	(73)	-	-	(1,907)
<u>4,654</u>	<u>117</u>	<u>-</u>	<u>5,846</u>	<u>16,280</u>
<u>7,388</u>	<u>3,518</u>	<u>31</u>	<u>68,175</u>	<u>209,911</u>
69	344	8	349	5,295
<u>4,313</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,418</u>
<u>4,382</u>	<u>344</u>	<u>8</u>	<u>349</u>	<u>9,713</u>
-	117	-	5,846	10,564
-	-	-	-	142
-	-	-	61,980	61,980
<u>3,006</u>	<u>3,057</u>	<u>23</u>	<u>-</u>	<u>127,512</u>
<u>\$ 3,006</u>	<u>\$ 3,174</u>	<u>\$ 23</u>	<u>\$ 67,826</u>	<u>\$ 200,198</u>

CITY OF ARLINGTON, TEXAS
COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED SEPTEMBER 30, 2024
(AMOUNTS EXPRESSED IN THOUSANDS)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Component Units:				
Arlington Housing Authority	\$ 52,290	\$ -	\$ 52,309	\$ -
Arlington Convention and Visitors Bureau	12,696	7,250	5,242	-
Arlington Tomorrow Foundation	8,804	-	-	-
Arlington Housing Finance Corporation	622	368	-	-
Arlington Tourism Public Improvement District	3,728	3,737	-	-
Arlington Convention Center Development Corp	72	68	-	-
Arlington Economic Development Corporation	14,726	24,555	-	-
Total Component Units	\$ 92,938	\$ 35,978	\$ 57,551	\$ -

General Revenues:

Interest/Dividend revenue
Net increase (decrease) in fair value of investments
Other
Total General Revenues and Transfers
Changes in Net Position
Net Position - Beginning
Net Position - Ending

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

Net (Expenses) Revenues and Changes in Net Position

Arlington Housing Authority	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
\$ 19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19
-	(204)	-	-	-	-	-	(204)
-	-	(8,804)	-	-	-	-	(8,804)
-	-	-	(254)	-	-	-	(254)
-	-	-	-	9	-	-	9
-	-	-	-	-	(4)	-	(4)
-	-	-	-	-	-	9,829	9,829
<u>\$ 19</u>	<u>\$ (204)</u>	<u>\$ (8,804)</u>	<u>\$ (254)</u>	<u>\$ 9</u>	<u>\$ (4)</u>	<u>\$ 9,829</u>	<u>\$ 591</u>
79	88	3,428	111	118	1	2,098	5,923
-	-	14,699	51	-	-	866	15,616
465	90	14,857	-	24	-	4	15,440
<u>544</u>	<u>178</u>	<u>32,984</u>	<u>162</u>	<u>142</u>	<u>1</u>	<u>2,968</u>	<u>36,979</u>
563	(26)	24,180	(92)	151	(3)	12,797	37,570
6,240	5,823	89,389	3,098	3,023	26	55,029	162,628
<u>\$ 6,803</u>	<u>\$ 5,797</u>	<u>\$ 113,569</u>	<u>\$ 3,006</u>	<u>\$ 3,174</u>	<u>\$ 23</u>	<u>\$ 67,826</u>	<u>\$ 200,198</u>



CITY OF ARLINGTON, TEXAS
CAPITAL ASSETS USED IN OPERATION OF GOVERNMENTAL FUNDS - BY SOURCES
AS OF SEPTEMBER 30, 2024
(AMOUNTS EXPRESSED IN THOUSANDS)

GOVERNMENTAL FUNDS CAPITAL ASSETS:

Land	\$ 289,306
Buildings	2,436,964
Improvements other than buildings	225,802
Machinery and equipment	101,009
Construction-in-progress	214,445
Infrastructure	1,129,939
Total Governmental Funds Capital Assets	\$ 4,397,465

INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS:

General Fund	\$ 3,053,081
Capital Projects Fund	1,344,384
Total Governmental Funds Capital Assets	\$ 4,397,465

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 OF FUNCTION AND ACTIVITY
AS OF SEPTEMBER 30, 2024
(AMOUNTS EXPRESSED IN THOUSANDS)

Function and Activity	Total	Land	Buildings	Improvements Other than Buildings	Machinery and Equipment
Administration:					
Technology services	\$ 14,445	\$ -	\$ -	\$ -	\$ 14,445
Tax	6	-	-	-	6
City administration	2,564,724	176,000	2,299,691	79,476	9,557
Convention center	576	-	-	-	576
Total Administration	2,579,751	176,000	2,299,691	79,476	24,584
Operations:					
Fire	53,211	(208)	17,013	-	36,406
Municipal court	2,010	-	642	-	1,368
Police	41,849	654	21,490	79	19,626
Parks and recreation	327,009	82,355	97,839	141,059	5,756
Communication services	88	-	-	-	88
Total Operations	424,167	82,801	136,984	141,138	63,244
Development:					
Community development	6,363	-	289	4,832	1,242
Engineering services	137	-	-	-	137
Transporation	42,663	30,505	-	356	11,802
Total Development	49,163	30,505	289	5,188	13,181
Total Capital Assets Allocated to Functions	3,053,081	289,306	2,436,964	225,802	101,009
Infrastructure	1,129,939				
Construction in Progress	214,445				
Total Governmental Funds Capital Assets	\$ 4,397,465				

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, 2024
(AMOUNTS EXPRESSED IN THOUSANDS)

Function and Activity	Governmental Funds			Governmental Funds	
	Assets			Assets	
	October 1, 2023	Additions	Deletions	September 30, 2024	
Administration:					
Technology services	\$ 14,279	\$ 166	\$ -	\$ 14,445	
Tax	6	-	-	6	
City administration	2,557,891	6,832	-	2,564,723	
Convention center	537	39	-	576	
Total Administration	<u>2,572,713</u>	<u>7,037</u>	<u>-</u>	<u>2,579,750</u>	
Operations:					
Fire	51,686	1,525	-	53,211	
Municipal court	2,051	29	-	2,080	
Police	41,811	38	(70)	41,779	
Parks and recreation	324,832	2,177	-	327,009	
Communication services	88	-	-	88	
Total Operations	<u>420,468</u>	<u>3,769</u>	<u>(70)</u>	<u>424,167</u>	
Development:					
Community development	6,310	53	-	6,363	
Engineering services	137	-	-	137	
Transportation	41,614	1,500	(450)	42,664	
Total Development	<u>48,061</u>	<u>1,553</u>	<u>(450)</u>	<u>49,164</u>	
Infrastructure	<u>1,109,595</u>	<u>20,344</u>	<u>-</u>	<u>1,129,939</u>	
Construction in Progress	<u>136,107</u>	<u>112,581</u>	<u>(34,243)</u>	<u>214,445</u>	
Total Governmental Funds Capital Assets	<u>\$ 4,286,944</u>	<u>\$ 145,284</u>	<u>\$ (34,763)</u>	<u>\$ 4,397,465</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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental activities				
Net investment in capital assets	\$ 1,106,327	\$ 1,055,902	\$ 1,130,555	\$ 881,082
Restricted (Debt Srvcs/Impact Fee/Endowments/Spec Rev)	42,149	36,068	29,169	50,408
Unrestricted	<u>76,379</u>	<u>181,216</u>	<u>110,143</u>	<u>241,799</u>
Total governmental activities net position	<u>\$ 1,224,855</u>	<u>\$ 1,273,186</u>	<u>\$ 1,269,867</u>	<u>\$ 1,173,289</u>
Business-type activities				
Net investment in capital assets	\$ 622,780	\$ 639,243	\$ 653,455	\$ 694,201
Restricted	14,947	18,150	20,334	39,028
Unrestricted	<u>45,365</u>	<u>51,776</u>	<u>61,652</u>	<u>24,483</u>
Total business-type activities net position	<u>\$ 683,092</u>	<u>\$ 709,169</u>	<u>\$ 735,441</u>	<u>\$ 757,712</u>
Primary government				
Net investment in capital assets	\$ 1,729,107	\$ 1,695,145	\$ 1,784,010	\$ 1,575,283
Restricted (Debt Srvcs/Impact Fee)	57,096	54,218	49,503	89,436
Unrestricted	<u>121,744</u>	<u>233,324</u>	<u>171,795</u>	<u>266,282</u>
Total primary government net position	<u>\$ 1,907,947</u>	<u>\$ 1,982,687</u>	<u>\$ 2,005,308</u>	<u>\$ 1,931,001</u>

Source: City of Arlington Finance Department

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

Table 1

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 1,462,715	\$ 1,864,421	\$ 1,872,543	\$ 1,692,854	\$ 1,836,472	\$ 1,998,472
65,742	104,569	91,922	265,606	128,538	162,906
50,411	76,926	5,678	187	44,123	(137,284)
<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>	<u>\$ 2,024,094</u>
\$ 653,396	\$ 690,058	\$ 739,140	\$ 83	\$ 750,148	\$ 845,640
118,649	107,246	102,695	82,037	63,852	53,638
29,756	45,273	36,206	26,257	182,236	185,792
<u>\$ 801,801</u>	<u>\$ 842,577</u>	<u>\$ 878,041</u>	<u>\$ 108,377</u>	<u>\$ 996,236</u>	<u>\$ 1,085,070</u>
\$ 2,116,111	\$ 2,554,479	\$ 2,611,683	\$ 2,526,760	\$ 2,586,620	\$ 2,844,112
184,391	211,815	194,617	347,643	192,390	216,544
80,167	122,199	41,884	26,444	226,359	48,508
<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>	<u>\$ 3,109,164</u>

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

	Fiscal Year			
	2015	2016	2017	2018
Expenses				
Governmental activities:				
General government	\$ 69,680	\$ 75,486	\$ 77,110	\$ 81,032
Public safety	142,489	156,414	170,459	167,064
Public works	64,549	61,115	68,036	65,482
Public health	2,849	2,741	2,934	3,067
Parks and recreation	33,410	32,449	34,204	35,599
Public welfare	10,019	14,978	10,280	68,964
Convention and event services	8,387	8,384	13,987	16,439
Lease expense	-	-	-	-
Interest on long term debt	22,299	23,016	19,209	29,247
Total governmental activities expenses	\$ 353,682	\$ 374,583	\$ 396,219	\$ 466,894
Business-type activities:				
Water and sewer	\$ 97,118	\$ 98,697	\$ 107,537	\$ 108,471
Stormwater	5,040	5,740	6,208	6,651
Aviation - nonmajor	-	-	-	-
Total business-type activities expenses	\$ 102,158	\$ 104,437	\$ 113,745	\$ 115,122
Total primary government expenses	\$ 455,840	\$ 479,020	\$ 509,964	\$ 582,016
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 25,617	\$ 21,863	\$ 24,579	\$ 25,798
Public safety	17,957	16,392	15,412	14,405
Public works	1,585	2,085	2,491	2,473
Public health	3,508	3,393	3,536	3,273
Parks and recreation	10,356	11,180	9,775	10,909
Public welfare	220	216	215	288
Convention and event services	2,852	3,680	3,107	3,120
Operating grants and contributions	12,700	62,107	14,754	20,591
Capital grants and contributions	10,479	5,814	9,442	4,544
Total governmental activities program revenues	\$ 85,274	\$ 126,730	\$ 83,311	\$ 85,401
Business-type activities:				
Charges for services:				
Water and sewer	\$ 123,870	\$ 131,086	\$ 138,007	\$ 155,958
Storm water utility	12,160	13,575	15,011	16,384
Aviation - nonmajor	-	-	-	-
Capital grants and contributions	1,148	1,820	3,552	5,662
Other	-	-	-	-
Total business-type activities program revenues	\$ 137,178	\$ 146,481	\$ 156,570	\$ 178,004
Total primary government program revenues	\$ 222,452	\$ 273,211	\$ 239,881	\$ 263,405
Net (Expense) Revenue				
Governmental activities	\$ (268,408)	\$ (247,853)	\$ (312,908)	\$ (381,493)
Business-type activities	35,020	42,044	42,825	62,882
Total Primary government net expense	\$ (233,388)	\$ (205,809)	\$ (270,083)	\$ (318,611)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes	\$ 118,785	\$ 121,943	\$ 131,243	\$ 143,826
Sales taxes	97,895	102,580	105,352	109,645
Other taxes	18,893	20,430	23,163	23,960
Gas Lease	-	-	-	-
Franchise fees	26,477	25,435	24,859	25,166
Investment earnings	3,330	4,023	4,714	9,276
Net increase (decrease) in fair value	(294)	(598)	(1,027)	(1,384)
Other	5,156	6,084	3,852	6,125
Special Item	-	-	-	-
Transfers	16,535	16,619	17,101	34,364
Total governmental activities	\$ 286,777	\$ 296,516	\$ 309,257	\$ 350,978
Business-type activities:				
Investment earnings	\$ 465	\$ 687	\$ 1,098	\$ 1,850
Gain on sale/retirement of capital assets	99	(35)	(550)	(862)
Miscellaneous	-	-	-	-
Transfers	(16,535)	(16,619)	(17,101)	(34,364)
Total Business-type activities	\$ (15,971)	\$ (15,967)	\$ (16,553)	\$ (33,376)
Total primary government	\$ 270,806	\$ 280,549	\$ 292,704	\$ 317,602
Change in Net Position				
Governmental activities	\$ 18,369	\$ 48,663	\$ (3,651)	\$ (30,515)
Business-type activities	19,049	26,077	26,272	29,506
Total primary government	\$ 37,418	\$ 74,740	\$ 22,621	\$ (1,009)

Source: City of Arlington Finance Department

Table 2

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$	82,037	\$ 78,057	\$ 125,142	\$ 125,031	\$ 123,341	\$ 134,010
	187,839	136,008	161,468	183,230	214,764	230,108
	75,818	45,503	74,761	91,298	86,916	90,291
	3,610	3,219	2,548	3,025	3,732	4,546
	37,161	29,474	30,915	42,481	48,097	46,366
	11,132	47,780	26,442	43,975	35,467	16,468
	15,416	17,329	14,573	20,660	22,249	22,155
	-	-	-	(46)	173	-
	37,378	38,627	39,204	37,649	28,223	38,217
\$	450,391	\$ 395,997	\$ 475,053	\$ 547,303	\$ 562,962	\$ 582,161
\$	113,341	\$ 110,095	\$ 124,936	\$ 122,599	\$ 131,243	\$ 143,308
	6,411	8,443	7,956	8,741	9,995	11,091
	-	-	-	-	-	9,039
\$	119,752	\$ 118,538	\$ 132,892	\$ 131,340	\$ 141,238	\$ 163,438
\$	570,143	\$ 514,535	\$ 607,945	\$ 678,643	\$ 704,200	\$ 745,599
\$	29,217	\$ 25,378	\$ 26,270	\$ 36,250	\$ 32,667	\$ 27,710
	15,337	13,655	10,698	11,052	10,488	10,343
	2,309	1,983	2,856	2,245	2,211	2,153
	4,025	4,513	5,410	6,565	3,591	5,296
	11,206	10,916	14,685	18,122	17,028	20,813
	262	198	168	221	241	302
	2,296	942	1,157	1,809	5,107	4,868
	15,849	21,764	58,366	44,613	24,544	37,160
	410,903	380,662	4,136	4,068	2,200	2,250
\$	491,404	\$ 460,011	\$ 123,746	\$ 124,945	\$ 98,077	\$ 110,895
\$	155,189	\$ 165,047	\$ 169,901	\$ 192,877	\$ 191,636	\$ 196,590
	18,014	19,650	20,526	22,072	24,355	27,838
	-	-	-	-	-	5,327
	4,978	3,194	3,715	6,342	7,875	6,713
	-	-	-	-	-	-
\$	178,181	\$ 187,891	\$ 194,142	\$ 221,291	\$ 223,866	\$ 236,468
\$	669,585	\$ 647,902	\$ 317,888	\$ 346,236	\$ 321,943	\$ 347,363
\$	41,013	\$ 64,014	\$ (351,307)	\$ (422,358)	\$ (464,885)	\$ (471,266)
	58,429	69,353	61,250	89,951	82,628	73,030
\$	99,442	\$ 133,367	\$ (290,057)	\$ (332,407)	\$ (382,257)	\$ (398,236)
\$	154,606	\$ 165,284	\$ 170,967	\$ 177,412	\$ 202,028	\$ 224,172
	118,724	115,098	135,979	155,848	160,596	165,531
	27,372	23,669	26,240	30,864	25,086	19,708
	-	-	-	-	-	-
	24,921	22,048	21,468	23,193	22,429	22,205
	11,329	7,077	2,362	2,950	11,321	23,233
	3,351	943	(102)	(10,745)	6,083	8,071
	5,217	5,389	9,583	8,263	44,037	12,949
	-	-	-	-	-	-
	18,769	29,312	19,882	23,077	43,791	36,801
\$	364,289	\$ 368,820	\$ 386,379	\$ 410,862	\$ 515,371	\$ 512,670
\$	3,014	\$ 329	\$ 788	\$ (7,303)	\$ 10,792	\$ 22,662
	1,662	406	189	4,588	4,407	-
	-	-	-	-	-	3,500
	(18,769)	(28,696)	(19,882)	(23,077)	(43,791)	(36,801)
\$	(14,093)	\$ (27,961)	\$ (18,905)	\$ (25,792)	\$ (28,592)	\$ (10,639)
\$	350,196	\$ 340,859	\$ 367,474	\$ 385,070	\$ 486,779	\$ 502,031
\$	405,302	\$ 432,834	\$ 35,072	\$ (11,496)	\$ 50,486	\$ 41,404
	44,336	41,392	42,345	64,159	54,036	62,391
\$	449,638	\$ 474,226	\$ 77,417	\$ 52,663	\$ 104,522	\$ 103,795

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

	Fiscal Year			
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General fund				
Nonspendable:				
Inventory	\$ 1,207	\$ 1,265	\$ 1,243	\$ 1,231
Prepays	71	117	-	28
Committed to:				
Utility rate case	500	-	-	-
Capital projects	-	-	-	-
Assigned to:				
Encumbrances	5,598	8,515	8,794	-
Working capital	18,162	19,717	20,055	21,116
Subsequent years' expenditure	6,538	6,918	7,220	15,248
Compensated absences	1,443	1,402	1,299	1,537
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	916	830	987	600
Information technology	119	305	290	159
Telecommunications	-	-	-	-
Business continuity	4,062	4,062	4,062	4,062
Arbitrage	-	-	-	-
Infrastructure	-	-	-	-
Gas lease proceeds	-	-	-	-
Group Health	-	-	-	-
Event reserve trust fund	-	-	-	-
Unassigned	538	478	30	3,456
Total general fund	<u>\$ 58,023</u>	<u>\$ 62,478</u>	<u>\$ 62,849</u>	<u>\$ 66,306</u>
All Other Governmental Funds				
Nonspendable:				
Inventory	\$ 240	\$ 237	\$ 219	\$ 231
Prepays	5,740	1,685	-	-
Restricted for:				
Capital projects	109,099	97,784	87,655	347,828
Special Revenue	60,099	54,577	111,884	65,644
Committed to:				
Capital projects	27,516	44,867	57,845	68,113
Special Revenue	25,534	73,800	5,669	21,884
Assigned to:				
Capital projects	-	-	-	-
Special Revenue	589	318	239	169
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 228,817</u>	<u>\$ 273,268</u>	<u>\$ 263,511</u>	<u>\$ 503,869</u>

Source: City of Arlington Finance Department

Table 3

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$	1,587	\$ 2,160	\$ 2,314	\$ 1,895	\$ 1,582	\$ 2,248
	-	5	-	-	-	124
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	22,151	20,426	20,099	24,032	29,495	29,887
	15,107	11,440	14,536	21,393	20,545	21,063
	1,363	1,561	1,531	1,287	1,450	1,675
	1,718	1,718	1,718	1,717	1,718	1,718
	17,151	17,151	17,151	17,151	17,151	17,151
	717	617	1,021	1,874	2,437	1,332
	173	232	436	1,010	2,139	4,212
	-	-	-	-	-	-
	4,062	4,062	4,062	4,062	4,062	4,062
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	1,350	4,850	8,350
	1,869	11,238	24,400	6,645	1,109	6,010
\$	65,898	\$ 70,610	\$ 87,268	\$ 82,416	\$ 86,538	\$ 97,832
\$	241	\$ 142	\$ 214	\$ 214	\$ 212	\$ 207
	-	-	-	-	-	-
	112,886	127,058	144,809	200,893	235,422	240,483
	81,545	93,825	84,907	140,121	113,915	144,935
	57,829	27,252	3,601	1,749	6,992	6,774
	26,051	32,553	35,619	23,291	21,362	10,750
	-	-	-	-	-	-
	403	1,847	2,111	5,498	8,736	10,399
	-	-	-	-	-	-
\$	278,955	\$ 282,677	\$ 271,261	\$ 371,766	\$ 386,639	\$ 413,548

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

	Fiscal Year			
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
REVENUES:				
Taxes:	\$ 235,986	\$ 245,678	\$ 260,653	\$ 278,344
Licenses and permits	7,448	9,063	9,662	9,278
Franchise fees	26,477	25,435	24,859	25,166
Fines and forfeitures	13,847	11,996	10,858	10,305
Leases, rents, and concessions	10,203	9,848	10,099	11,044
Service charges	20,316	22,089	20,252	22,071
Investment income	3,322	3,936	4,432	9,068
Net increase (decrease) in fair value of investment	(301)	(592)	(996)	(1,378)
Contributions	6,290	5,373	9,442	4,544
Intergovernmental	12,700	62,857	14,754	20,591
Gas lease	10,287	5,196	8,221	7,568
Miscellaneous	8,569	5,003	2,585	4,972
Total Revenues	355,144	405,882	374,821	401,573
EXPENDITURES:				
General government	41,924	45,692	46,945	52,520
Public safety	141,550	145,733	157,252	162,441
Public works	45,723	42,215	45,569	49,099
Public health	2,762	2,637	2,741	2,869
Public welfare	8,497	9,768	10,277	67,075
Parks and recreation	26,246	26,347	28,165	29,746
Convention and event services	8,037	8,283	13,640	16,036
Operating expenditures	-	-	-	-
Capital outlay	43,274	55,815	77,115	303,477
Debt Service:				
Principal retirement	54,815	60,500	35,190	38,630
Redemption premium	13	701	-	-
Interest and fiscal charges	23,624	24,119	22,571	34,427
Bond issuance cost	-	-	-	-
Total expenditures	396,465	421,810	439,465	756,320
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(41,321)	(15,928)	(64,644)	(354,747)
OTHER FINANCING SOURCES (USES):				
Bonds issued*	32,004	64,585	64,550	524,684
Capital lease	-	-	-	-
Proceeds from sale of capital assests	-	-	-	-
Refunding bonds issued	36,845	47,365	128,440	-
Refunding bond principal	-	-	(172,000)	-
Bond premium	4,468	8,935	26,003	43,616
Payment of escrow for refunding	(40,435)	(53,710)	(8,752)	-
Gain on sale of land	-	-	-	-
Bond discount	-	-	-	-
Transfers in	43,241	90,512	51,980	70,623
Transfers out	(28,450)	(92,853)	(34,963)	(40,361)
Total other financing sources (uses)	47,673	64,834	55,258	598,562
NET CHANGE IN FUND BALANCES	\$ 6,352	\$ 48,906	\$ (9,386)	\$ 243,815
Capitalized capital outlay	41,252	55,394	79,498	311,245
Debt service as a percentage of noncapital expenditures	22.1%	23.1%	16.0%	16.4%

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>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$	301,400	\$ 304,093	\$ 334,071	\$ 365,951	\$ 389,051	\$ 409,535
	9,955	9,796	10,133	10,930	10,483	10,168
	24,921	22,048	21,468	23,193	22,429	22,205
	10,853	9,205	6,974	6,726	4,784	5,918
	11,672	12,252	12,744	15,251	18,249	16,608
	25,073	22,359	26,749	34,113	31,095	36,465
	10,871	6,504	2,200	2,805	11,092	22,472
	3,283	655	(126)	(11,152)	5,965	7,554
	410,903	380,662	4,136	4,068	2,200	2,950
	15,849	21,766	58,366	59,225	62,193	36,460
	7,099	3,973	4,647	9,255	6,720	2,278
	3,214	3,658	8,176	3,813	4,819	11,473
	835,093	796,971	489,538	524,178	569,080	584,086
	49,480	46,099	72,678	70,006	82,808	71,827
	172,697	178,796	162,639	166,838	197,636	222,323
	55,557	31,479	56,420	67,469	67,699	71,580
	3,425	2,987	2,572	3,150	3,695	4,458
	10,033	47,765	28,504	43,962	35,482	16,398
	29,757	28,886	27,970	32,776	39,397	37,076
	15,110	17,898	15,595	20,406	22,023	22,125
	-	-	-	-	-	-
	721,573	451,945	36,566	38,349	82,466	96,768
	35,605	35,920	87,640	51,150	107,794	67,367
	-	-	-	-	-	-
	42,751	44,910	45,828	44,390	35,378	46,136
	-	-	-	-	-	-
	1,135,988	886,685	536,412	538,496	674,378	656,058
	(300,895)	(89,714)	(46,874)	(14,318)	(105,298)	(71,972)
	60,820	232,216	40,145	92,745	59,959	75,849
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	(5,862)	(9,826)	(9,979)	-	14,715	7,685
	6,436	9,826	7,023	6,430	8,749	8,105
	-	(173,273)	-	(10,646)	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	49,605	67,230	62,893	68,889	78,999	77,487
	(35,426)	(27,449)	(47,966)	(47,447)	(38,129)	(52,295)
	75,573	98,724	52,116	109,971	124,293	116,831
\$	(225,322)	\$ 9,010	\$ 5,242	\$ 95,653	\$ 18,995	\$ 44,859
	725,746	457,561	40,687	38,349	92,234	111,600
	19.1%	18.8%	26.9%	19.1%	24.6%	20.8%

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		
2015	2014	16,086,303	2,819,463	18,905,766	0.6480
2016	* 2015	16,580,450	3,020,914	19,601,364	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	31,664,723	0.6198
2023	2022	32,326,479	3,410,832	35,737,311	0.5998
2024	2023	36,740,113	4,245,132	40,985,245	0.5898

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
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
2024	0.4146	0.1852	0.5998	1.10	1.06	0.97	1.14	1.15	0.51	0.46

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 2023 determine revenue for fiscal year 2024.

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

Table 7

2024			2015		
<u>Taxpayer</u>	<u>Total Taxable Value</u>	<u>Percentage of Total City Taxable Value¹</u>	<u>Taxpayer</u>	<u>Total Taxable Value</u>	<u>Percentage of Total City Taxable Value²</u>
General Motors Llc/General Motors Co	\$ 467,980,956	1.14 %	General Motors LLC	\$ 334,514,604	1.77 %
Oncor Electric Delivery Co LLC	358,195,570	0.87	Wil-CPT Arlington Highlands 1LP	175,105,200	0.93
Loews Hotels Holding Corporation	202,092,485	0.49	Oncor Electric Delivery Co. LLC	151,740,179	0.80
S2 Forest Ridge LP/S2 Cinnamon Park Lp/S2 Preslee	184,500,000	0.45	Parks at Arlington LP	142,695,717	0.75
Wil-Cpt Arlington Highlands 1 LP/Wil-Cpt Arlington	165,534,285	0.40	Chesapeake Operating	115,048,650	0.61
United Parcel Service Inc/Bt-Oh LLC	156,532,342	0.38	Six Flags Fund II Ltd.	88,827,385	0.47
Atmos Energy/Mid Tex Division	143,469,327	0.35	LSREF3 Bravo (Dallas) LLC	70,812,000	0.37
Parks At Arlington LP	138,885,900	0.34	Wal-Mart Stores Texas LLC/Real Estate	68,274,005	0.36
Family Dealership Arlington LLC	106,445,485	0.26	Lincoln Square Dunhill LP	67,371,660	0.36
RRE Providence Holdings LLC	98,000,000	0.24	DFW Midstream Services LLC	66,166,564	0.35
Total	<u>\$ 2,021,636,350</u>	<u>4.92 %</u>	Total	<u>\$ 1,280,555,964</u>	<u>6.77 %</u>
Total Assessed Valutation	<u>\$ 40,985,245,949</u>	<u>100 %</u>	Total Assessed Valutation	<u>\$ 18,905,765,829</u>	<u>100 %</u>

Sources:

City of Arlington Finance Department
Tarrant Appraisal District
Municipal Advisory Council of Texas

Notes:

¹Taxpayers are assessed January 1, 2023 (2023 tax year) for the 2024 fiscal year.

²Taxpayers are assessed January 1, 2014 (2014 tax year) for the 2015 fiscal year.

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

Table 8

Fiscal Year	Taxes Levied Within the Fiscal Year of the Levy	Collected Within the Fiscal Year of the Levy		Collections Related to Prior Years ¹	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
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
2024	225,558,777	223,768,015	99.21	(705,751)	223,062,264	98.89

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 ³	Percentage of Personal Income
	General Obligation Bonds	Certificates of Obligation ¹	Special Tax Revenue Debt ²	Capital Leases	Water and Sewer Revenue Bonds	Stormwater Bonds					
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	4.60%	405,420	3,928	1.11%
2024	678,218,000	31,930,000	516,903,000	4,657,000	321,139,000	64,811,000	1,617,658,000	39.50%	411,167	3,934	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 TIRZ5 Bonds from 2022 to 2024

³ 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			
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
2024	678,218,000	31,930,000	(1,276,549)	708,871,451	1.73%	1,724	411,167

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, 2024
(Unaudited)

Table 11

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Arlington ISD	\$ 1,160,400,000	77.80%	\$ 902,791,200
Fort Worth ISD	1,663,595,000	0.23%	3,826,269
Hurst-Euless-Bedford I.S.D.	837,940,000	7.52%	63,013,088
Kennedale I.S.D.	57,050,025	55.19%	31,485,909
Mansfield I.S.D.	938,890,000	28.66%	269,085,874
Tarrant County	345,130,000	15.31%	52,839,403
Tarrant County College District	569,915,000	15.31%	87,253,987
Tarrant County Hospital District	440,020,000	15.31%	67,367,062
Viridian Municipal Management	300,335,000	100.00%	300,335,000
Subtotal overlapping debt	6,313,275,025		1,777,997,793
*City of Arlington, Net Debt Outstanding	1,231,708,000	100.00%	1,231,708,000
Total direct and overlapping debt	\$ 7,544,983,025		\$ 3,009,705,793

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
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
2024	196,590	112,749	83,841	18,713	4.48
Storm Water Utility					
Fiscal Year	Total Revenues ¹	Less: Operating Expenses ²	Net Available Revenue ³	Average Annual Requirement	Times Coverage ⁴
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
2024	27,838	5,865	21,973	3,979	5.52

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.

Year	Estimated Population ¹	Personal Income ² (thousands of dollars)	Per Capita Personal Income ²	Median Age ³	School Enrollment ⁴	Unemployment Rate ⁵
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	143,561,087	65,765	33	56,167	3.8%
2024	411,167	N/R	N/R	N/R	54,750	3.8%

Sources:

¹ North Central Texas Council of Governments and City of Arlington Finance Department

² Bureau of Economic Analysis (BEA) - Tarrant County

³ U.S. Census Bureau - Arlington

⁴ Texas Education Agency (AISD)

⁵ Bureau of Labor Statistics Data (Annual Average Oct.-Sept.)

Notes:

N/R - not reported

Census American Community Survey (ACS)

2024			
<u>Employer</u>	<u>Type of Business</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
General Motors Co.	Automobile Assembly and Financial	8,919	4.55%
Arlington Independent School District	Public Education	8,646	3.74%
University of Texas at Arlington	Higher Education	8,636	3.74%
Texas Health Resources	Health Care	4,062	1.76%
Six Flags Over Texas	Amusement Park	3,900	1.69%
City of Arlington	Municipality	3,710	1.61%
The Parks at Arlington	Retail	3,500	1.51%
Texas Rangers Baseball Club	Sports/Entertainment	2,300	1.00%
J.P. Morgan-Chase	Banking Services	1,965	0.85%
Texas Health Arlington Memorial Hospital	Health Care	1,670	0.72%
Total		47,308	21.17%

2015			
<u>Employer</u>	<u>Type of Business</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
Arlington Independent School District	Public Education	8,200	4.02%
University of Texas at Arlington	Higher Education	5,300	2.60%
General Motors	Automobile Assembly	4,484	2.20%
Texas Health Resources	Health	4,063	1.99%
Six Flags Over Texas	Amusement Park	3,800	1.86%
The Parks at Arlington	Retail	3,500	1.72%
GM Financial	Financial Services	2,965	1.45%
City of Arlington	Municipality	2,509	1.23%
JP Morgan Chase Bank	Banking Services	1,965	0.96%
Texas Rangers Baseball Club	Major League Baseball & Hockey	1,881	0.92%
Total		38,667	18.95%

Sources:

City of Arlington Economic Development Department

Notes:

2024 Labor Force Estimate is 231,061

2015 Labor Force Estimate is 203,793

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

Function/Program	Fiscal Year		
	<u>2015</u>	<u>2016</u>	<u>2017</u>
Strategic Support			
Communication and Legislative Affairs	33	41	41
City Attorney's Office	38	38	39
City Manager's Office	3	3	3
Internal Auditor's Office	5	5	5
Human Resources	21	21	21
Judiciary	7	7	7
Municipal Court	42	43	43
Information Technology	55	56	58
Finance	36	35	35
Document Services	8	8	8
Economic Development & Capital Investment			
Economic Development	4	4	4
Planning and Development Services ¹	70	68	70
Convention Center	31	31	31
Strategic Initiatives	-	-	-
Business Diversity Office	-	-	-
Transportation ²	-	-	-
Aviation Fund ³	9	9	9
Neighborhood Services			
Police	838	835	839
Fire	447	472	470
Communication Services Fund	106	113	111
Code Compliance Services	64	64	64
Park and Recreation	104	106	108
Park Performance Fund	74	74	85
Library	68	68	68
Capital Investment			
Public Works & Transportation	85	85	87
Street Maintenance Fund	93	92	92
Asset Management	-	-	-
Fleet Services Fund	1	1	1
Water Utilities Fund	218	204	202
Storm Water Utility Fund	27	27	29
Grant Funds ⁴	<u>111</u>	<u>123</u>	<u>148</u>
Total	<u><u>2,598</u></u>	<u><u>2,633</u></u>	<u><u>2,678</u></u>

Source:

City of Arlington Finance Department

Notes:

¹Real Estate Services was moved from Planning and Development to Economic Development for FY19

²Transportation was moved from Public Works and included in Aviation Fund in FY23

³Fixed-Based Operator (FBO) was added to Aviation Fund and Aviation Fund was moved from Transportation in FY24

⁴American Rescue Plan Grant added to Grant Funds in FY22

Table 15

Fiscal Year						
<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
41	41	41	41	46	46	46
38	38	38	38	39	39	39
3	3	3	3	4	4	4
5	5	5	5	5	5	5
26	26	26	26	27	25	26
6	6	6	6	6	6	6
40	39	39	38	37	36	35
58	58	58	58	58	63	67
35	36	36	37	39	40	42
8	8	8	8	5	5	5
4	10	10	10	10	11	11
72	58	61	62	65	66	72
31	31	31	30	30	30	30
-	9	9	9	9	7	6
-	-	-	-	4	4	4
-	-	-	-	-	13	5
9	9	9	9	9	-	26
846	859	879	897	906	911	915
496	500	505	505	508	515	442
111	111	111	111	113	113	113
64	67	68	66	68	71	74
108	109	116	115	116	116	128
86	86	88	91	93	96	99
68	68	68	68	68	68	70
87	54	54	54	54	54	54
92	92	92	92	92	92	92
-	32	33	33	35	40	40
1	1	1	1	1	1	1
198	205	205	205	216	218	236
30	31	32	37	38	38	40
165	154	115	116	170	170	183
<u>2,728</u>	<u>2,746</u>	<u>2,747</u>	<u>2,771</u>	<u>2,871</u>	<u>2,903</u>	<u>2,916</u>

CITY OF ARLINGTON, TEXAS
 OPERATING INDICATORS BY FUNCTION/PROGRAM
 Last Ten Fiscal Years
 (Unaudited)

<u>Function/Program</u>	<u>Fiscal Year</u>		
	<u>2015</u>	<u>2016</u>	<u>2017</u>
Public safety			
Police			
Number of employees	643	639	640
Number of dispatch calls	135,047	136,069	134,451
Fire			
Number of employees	445	470	477
Number of service calls	40,717	42,325	43,897
Parks and recreational			
Parks - program registrations ¹	53,395	57,405	40,124
Memberships	32,396	29,468	25,560
Library			
Libraries ²	7	7	7
Collection size	625,267	630,315	609,403
Average monthly circulation	179,734	181,812	172,019
Water and sewer			
Number of accounts	101,733	102,193	102,757
Average daily water consumption (gallons)	52,481,000	46,160,656	51,091,670
Ozonated treatment capacity (gpd)	172,500,000	172,500,000	172,500,000
Number of sewer connections	99,944	100,387	100,932
Golf Course			
Number of clinics	71	39	29
Number of participants in clinics	534	348	208
Number of private lessons	2,098	1,664	1,477

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.

¹Parks: Starting in 2024 Program Registration count changed from offered registrations to actual registrations.

²Central Library was vacated in Feb 2015 and temporarily replaced as the Central Express Library Branch.

Central Express location closed at the end of March and the New Central Library opened back June 2018.

Table 16

Fiscal Year						
<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
644	653	682	669	694	709	739
124,669	183,650	161,396	110,985	109,192	113,560	110,674
477	494	508	508	566	562	580
44,654	46,457	43,971	54,170	57,292	55,308	58,177
44,341	50,617	4,128	6,776	6,180	6,320	150,000
27,686	54,846	40,355	56,519	47,789	55,631	63,592
7	7	7	7	7	7	7
524,746	555,102	503,197	584,991	546,710	535,549	454,302
171,228	171,375	137,411	138,115	156,625	156,222	138,398
103,333	104,140	105,180	105,884	106,517	107,407	107,663
53,780,000	49,498,917	50,500,417	50,339,124	57,607,000	56,053,000	53,268,000
172,500,000	172,500,000	172,500,000	172,500,000	172,500,000	172,500,000	172,500,000
101,463	102,266	103,328	104,028	104,590	105,508	105,725
21	28	4	10	15	17	12
243	188	15	122	146	145	134
1,031	1,022	935	1,069	988	920	786

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

<u>Function/Program</u>	<u>Fiscal Year</u>		
	<u>2015</u>	<u>2016</u>	<u>2017</u>
Public safety			
Police stations	4	4	4
Fire stations	17	17	17
Miles of streets and alleys			
Streets- paved (lane miles)	3,225	3,277	3,350
Sidewalks (miles)	1,048	1,057	1,069
Cultural and recreational			
Parks (acres) (golf courses included)	4,714	4,714	4,718
Swimming pools	7	7	7
Tennis courts	45	45	44
Pickleball courts	-	-	-
Recreation centers	4	4	4
Senior center	2	2	2
Miles of park trails ¹	54	54	55
Sports fields-youth	77	77	77
Basketball courts-outdoors ²	21	21	26
Number of golf courses	4	4	4
Water and Sewer			
Water mains (miles)	1,582	1,589	1,596
Fire hydrants	11,067	11,120	11,280
Sanitary sewers (miles)	1,306	1,317	1,332

Source:

City of Arlington Finance Department

Notes:

¹Dirt trails included starting 2022

²Hoops counted instead of courts 2020-2021

Fiscal Year						
<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
4	4	4	4	4	4	4
17	17	17	17	17	17	17
3,419	3,458	3,503	3,540	3,567	3,602	3,015
1,094	1,103	1,112	1,119	1,128	1,133	1,097
4,718	4,718	4,714	4,595	4,607	4,603	4,626
7	7	7	7	7	7	7
44	44	49	45	41	41	41
-	-	-	-	11	11	8
4	4	5	5	7	7	7
2	2	2	1	1	-	-
55	56	56	46	85	84	112
77	77	77	77	73	73	124
26	26	66	97	21	22	23
4	4	4	4	4	4	4
1,620	1,654	1,666	1,652	1,456	1,465	1,468
11,405	11,595	11,683	11,766	10,128	10,251	10,317
1,343	1,356	1,317	1,323	1,249	1,257	1,259

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

Table 18

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Fiscal Year	Actuarial Value of Assets	Actuarial Accrued Liability	Funded Ratio (1/2)	Unfunded Actuarial Accrued Liability	Annual Covered Payroll	UAAL as a Percentage of ACP (4/5)	Total TMRS Required Contribution Rate	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%
2024	1,545,798	1,582,797	97.7%	36,999	226,088	16.4%	10.74%	1.16%

Source: City of Arlington Finance Department