

# Popular Annual Financial Report

For the  
Fiscal Year Ended  
June 30, 2023

Prepared by the Department of Finance



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## Introduction

The City of Alexandria’s Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2023, covers the period from July 1, 2022, to June 30, 2023. The intended use of a PAFR is to serve as a summary of the financial activities during the listed timeframe.

The PAFR is a supplement to the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. All data listed in the PAFR is acquired from the FY 2023 ACFR. Unlike the FY 2023 ACFR, the PAFR is more easily digestible for the everyday reader while providing an overview of the contents of the 2023 ACFR. An important distinction is that the data in the ACFR is presented in accordance with Generally Accepted Accounting Principles (GAAP); however, the PAFR does not observe GAAP and is not an audited body of work. A PAFR does not observe GAAP to allow for greater flexibility and creativity in the presentation of information.

The FY 2023 ACFR was audited by Clifton Larson Allen, LLP and received an unmodified or “clean” audit opinion. Community members who wish to review a comprehensive report of the City’s financial statements in a GAAP-compliant format may review the ACFR at [www.alexandriava.gov/financialreports](http://www.alexandriava.gov/financialreports).

# City Council

Justin Wilson, Mayor

Amy Jackson, Vice Mayor

Canek Aguirre

Sarah Bagley

John Chapman

Alyia Gaskins

R. Kirk McPike



## City Manager's Letter

To the Mayor, Members of City Council and the Alexandria Community:

I am pleased to present the Fiscal Year (FY) 2023 Popular Annual Financial Report (PAFR) for the City of Alexandria, Virginia. The report highlights a variety of relevant and complicated financial information in a simple, user-friendly format.

The City ended FY 2023 with an overall net position of \$655 million, a decrease of \$1 million compared to last year. Net position is virtually unchanged as assets in the form of bond proceeds were expended to complete large capital assets, including the Potomac Yard Metrorail Station and the Douglas MacArthur Elementary School. As of June 30, 2023, the City's General Fund Fund Balance included \$204 million of Spendable Resources, which is 24 percent of General Fund actual revenue. The City's bond rating was recently reaffirmed at AAA/Aaa.

As FY 2024 continues to progress and the budget development for FY 2025 gets underway, City staff will continue to engage the community, to further the priorities of City Council and to exemplify the fiscal stewardship for which the City of Alexandria is recognized.

Sincerely,

James Parajon  
City Manager



### ***Did you know?***

Alexandria operates under the council-manager form of government. FY 2023 marks the 100<sup>th</sup> year of City Managers in Alexandria! In 2024, Alexandria will celebrate its 275<sup>th</sup> birthday!

# Location

Alexandria is located in Northern Virginia south across the Potomac River from Washington D.C. The City encompasses 15.75 square miles at an average elevation of 30 feet above sea level.

The Washington Metropolitan Area is one of the nation's most affluent and educated regions with a population of approximately 6.37 million.

The proximity of the City to the nation's capital, a strong economy and a highly educated, productive and wealth population contribute to the City's strong financial position.



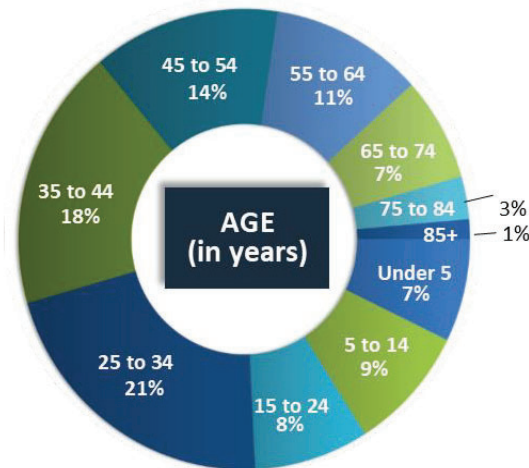
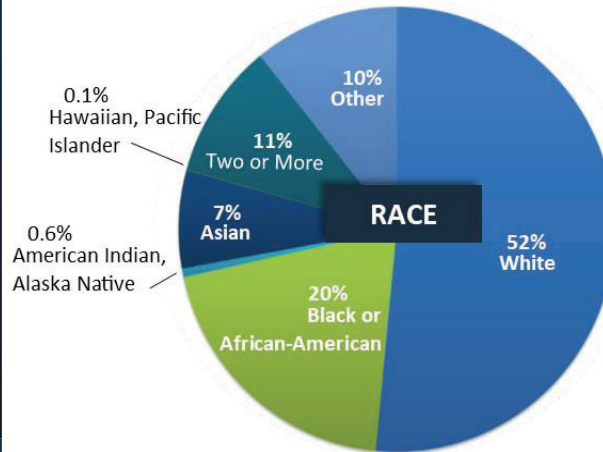
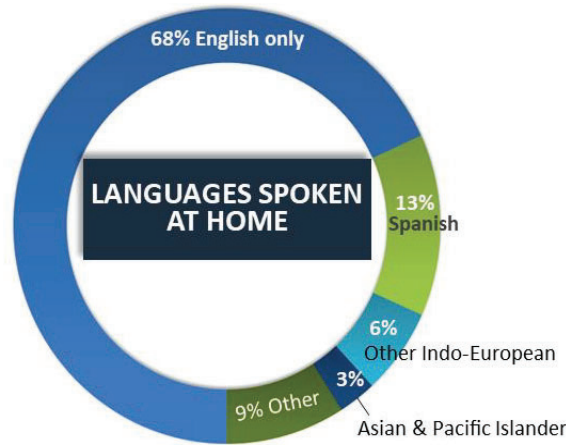
# Community Profile



Market Square Farmer's Market: Photos credit: Nowitz

## Did you know?

The City's weekly Farmer's Market pictured above has been meeting continuously for over 260 years and is considered the nation's oldest farmer's market.



**159,467**

2020 Census Total Population



**93%**

High School+ Grads

**65%**

Bachelor's Degree+



**13,395**

Veteran Alexandrians



**93%**

Homes with Broadband ISP



**3.13**

Median Family Size



**\$137,335**

Median Family Income



**2.11**

Median Household Size

**\$101,162**

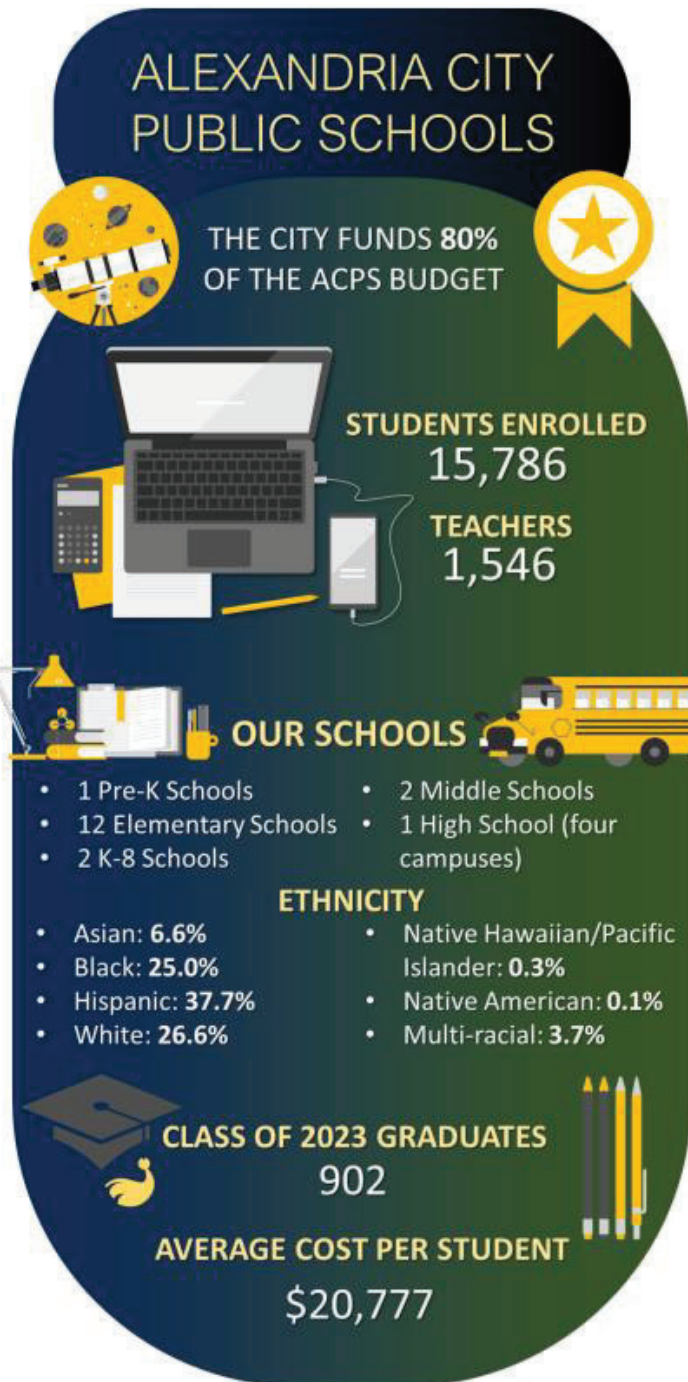
Median Household Income

# Community Profile

The Alexandria City Public Schools serve more than 15,000 students who come from more than 119 countries and speak 124 languages.

Alexandria is also home to four post-secondary institution locations: George Washington University Alexandria Graduate Education Center, Virginia Tech Washington – Alexandria Architecture Center, Northern Virginia Community College, and Strayer University Alexandria Campus.

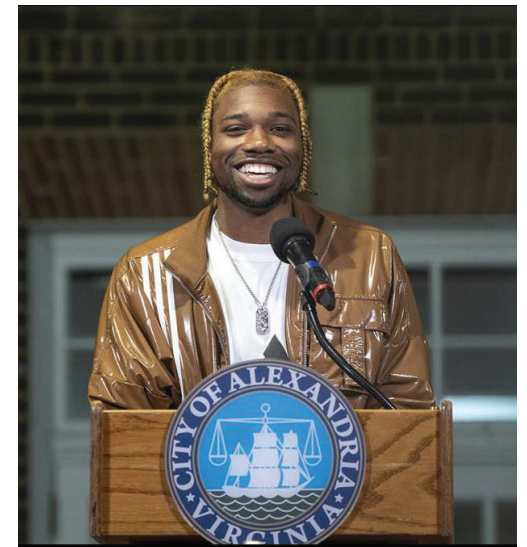
Construction is well underway for the new Innovation Campus of Virginia Tech, which is scheduled to open in 2024. The Innovation Campus will unit industry, government, and academia in dynamic project-based learning and research to shape the way emerging technologies influence society.



Source: ACPS Proposed Fiscal Year 2024 Combined Funds Budget

## Did you know?

With his win in the men’s 100 meters at the World Athletic Championships in August 2023, Alexandria City High School graduate Noah Lyles is considered the fastest man in the world!



# Alexandria by the Numbers

Estimated 2023  
Population  
**165,700**

Per Capita  
Income  
**\$100,017**

Bachelor's  
Degree or  
Higher  
**65%**

Registered  
Voters  
**98,566**

ACPS School  
Enrollment  
**15,786**

City FTEs  
**2,809**

Number of  
Public Schools  
**18**

Metrorail  
Stations  
**5**

Land Area  
**15.75 Square  
Miles**

Location  
**38.8210 N  
77.0861 W**

Unemployment  
Rate  
**2.2%**

Elevation  
**0-287 feet  
above sea  
level**

Housing Units  
**83,056**

Paved Lane  
Miles  
**561**

Public Special  
Events  
**244**

Real Estate Tax  
Rate  
**\$1.11**

# Where Does the Money Come From?

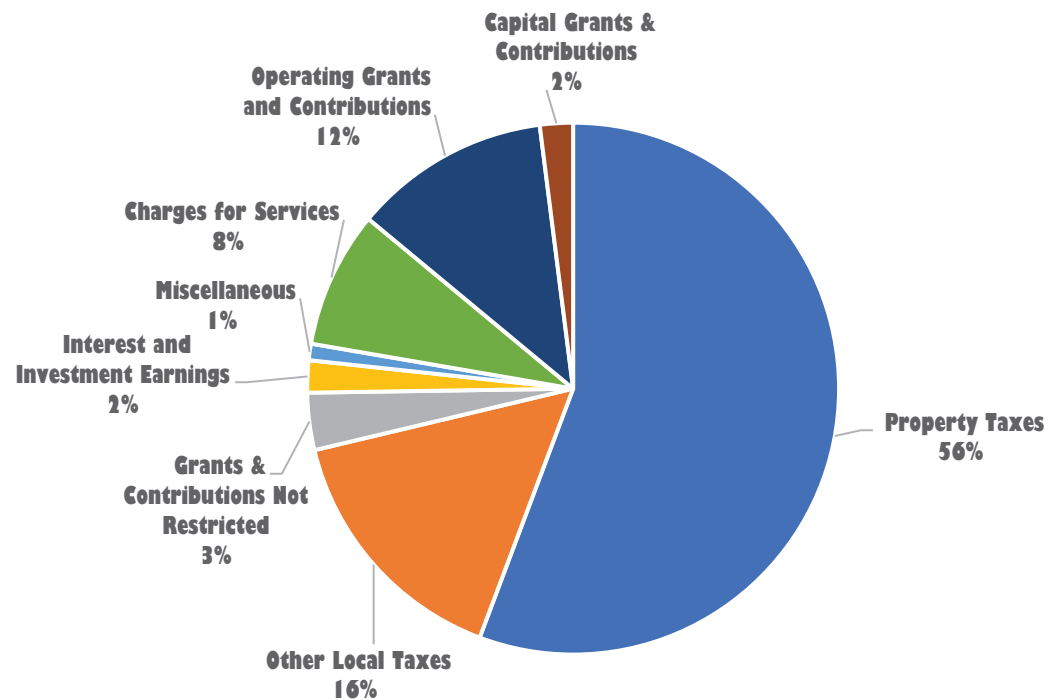
Property and other taxes generate more than 70 percent of total revenues from Governmental Activities. Most of the City's federal funding from the American Recovery Plan Act (ARPA) was utilized in FY 2022, resulting in the \$17 million decline in Operating grants and contributions in FY 2023

## ***Did you know?***

Alexandria collects 99.8% of real estate taxes and 94.7% of personal property taxes within the same year of the tax levy.

Revenues for governmental activities totaled \$1.047 billion, an increase of \$60 million from FY 2022. The City receives general revenues from real estate, personal property, sales and other local taxes as well as interest earnings. Program revenues are generated from operating and capital grants and charges for services.

## Revenue for Governmental Activities





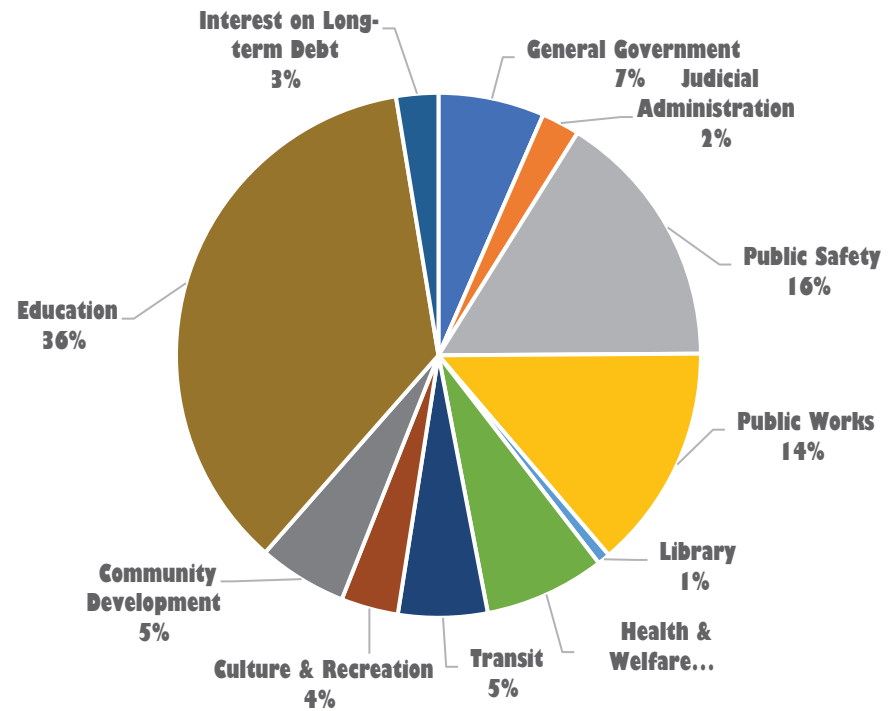
# Where Does the Money Go?

The increase in expenses occurred primarily in the Capital Fund, as large investments in public buildings and schools occurred in FY 2023, including the Potomac Yard Metrorail Station, the Douglas MacArthur Elementary School and the Redella S. 'Del' Pepper Community Resources Center.



Expenses for governmental activities totaled \$1.048 billion, an increase of \$100 million from FY 2022. Most of the City's basic services are reported here: General government, judicial administration, public safety, public works, library services, health and welfare, transit, culture and recreation, community development, and education.

## Expenses for Governmental Activities



# FY 2023 Financial Results

The *unrestricted net position (\$346 million or 53%)* is the largest portion of net position and is considered available.

The City's *net investment in capital assets is \$280 million or 43%*. The City uses these capital assets to provide services to the community making them unavailable for future spending.

The *restricted net position (\$29 million or 4%)* represents funds that are segregated and designed for a specific use. These most commonly reflect programs with external funding sources that impose special requirements and restrictions.

## Components of Net Position



The City's Statement of Net Position and Statement of Activities for the fiscal years ending June 30, 2022 and 2023 are shown in the charts below. This information reflects the assets, deferred outflows, liabilities, deferred inflows and net position of the Primary Government.

## Statement of Net Position

(in thousands)	FY 2023	FY 2022
Total Assets and Deferred Outflows of Resources	\$2,503	\$2,415
Total Liabilities and Deferred Inflows of Resources	(1,848)	(1,759)
Ending Net Position	\$ 655	\$ 656

## Statement of Activities

(in thousands)	FY 2023	FY 2022
Revenues	\$1,047	\$ 987
Less: Expenses	(1,048)	( 947)
Increase/(Decrease) in Net Position	(1)	40
Beginning Net Position	656	616
Ending Net Position	\$ 655	\$656

## Did you know?

**Change in net position is a useful indicator of a government's financial health and represents total assets less total liabilities on an organization-wide basis.**

# General Fund Reserves

**Spendable General Fund Balance** is the accumulated total of all prior years' actual General Fund revenues in excess of expenditures — often referred to as “surplus” — that is available for appropriation by City Council.

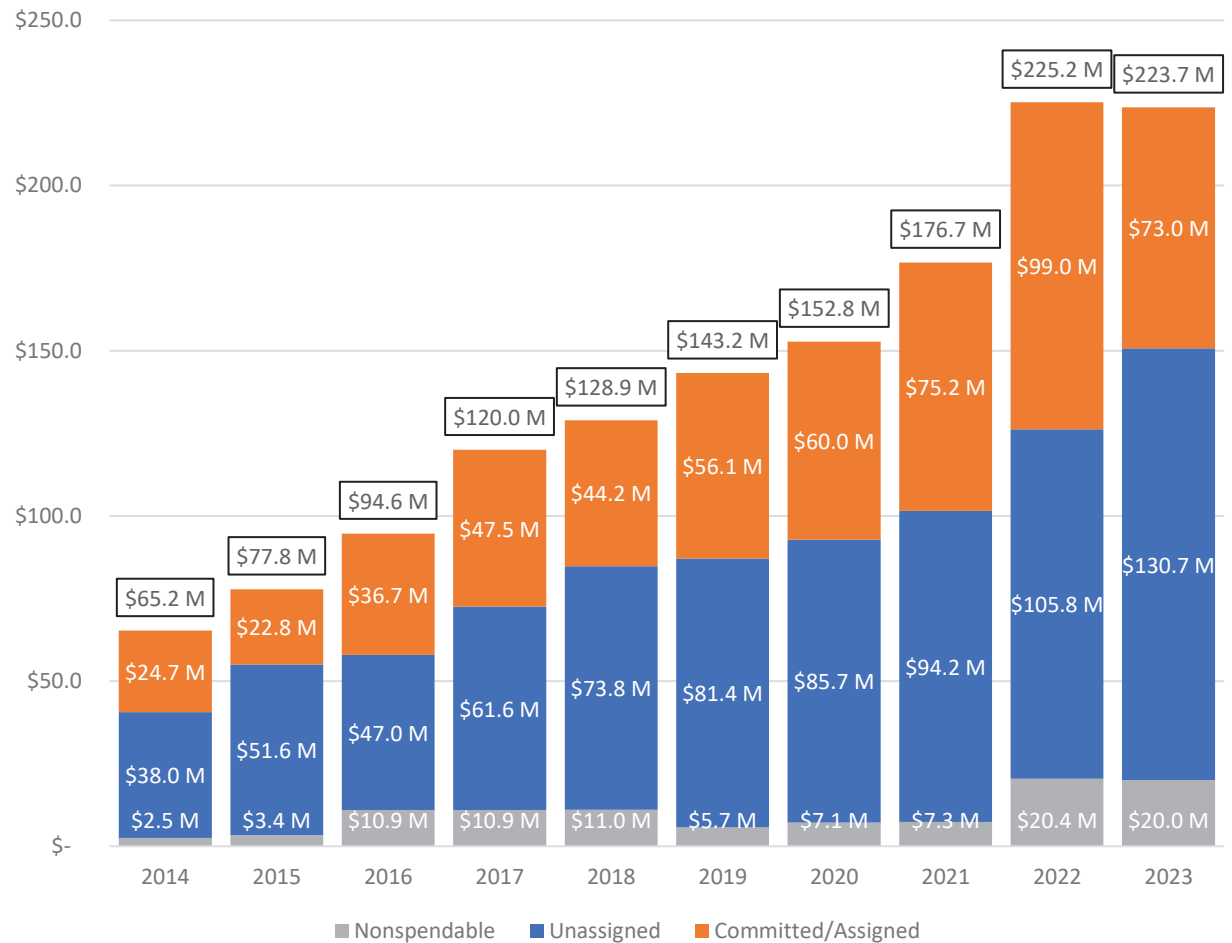
Maintaining a prudent level of Spendable Fund Balance is critical to ensuring that the City is able to cope with financial emergencies and fluctuations in revenue cycles. Spendable General Fund Balance also provides working capital during temporary periods when expenditures exceed revenues.

The City has a policy to maintain a minimum of 15% of Spendable Fund Balance as a Percent of General Fund Revenue to ensure that the City is prepared to cope with unexpected financial problems and emergencies.

At the end of June 30, 2023, the City's Spendable Fund Balance as a Percent of General Fund Revenue is 24%.

## Did you know?

**The City has had a variety of financial policies in place since 1987, to guide financial decisions related to debt, fund balance and capital funding. These policies help the City demonstrate the sound financial management expected of all jurisdictions with superior credit ratings. The deliberate effort to build fund balance in the past 10 years provides available resource to minimize the amount of debt the City needs to issue to fund the City's \$2.4 billion FY 2024 to FY 2033 Capital Improvement Program.**



# Top Employers and Taxpayers

Top Employers  
(700+)

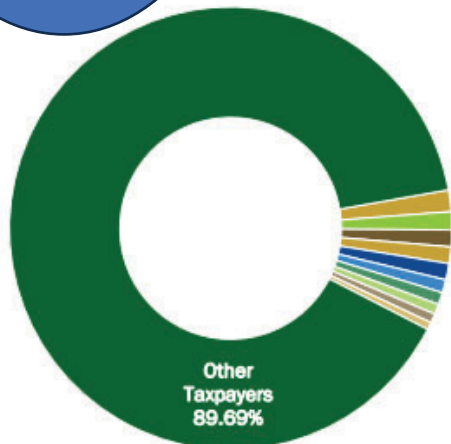
**INOVA  
Alexandria  
Hospital**

**Institute for  
Defense Analysis**

**System Plan and  
Analysis, Inc**

**Goodwin House**

Employer	Nature of Operation	Employees	% of Total Alexandria Employment
Inova Alexandria Hospital	General Medical & Surgical Hospitals	1,700	2.10%
Institute for Defense Analyses	Research and Development Center	750	0.90%
System Plan and Analysis Inc	Professional, Scientific, Technical	700	0.90%
Goodwin House	Outpatient Care Center	700	0.90%
Kearney & Company, P.C.	Certified Public Accountants	600	0.70%
CRS Facility Services	Janitorial Services	400	0.50%
United Parcel Service	Couriers and Messengers	350	0.40%
<b>Total</b>			<b>6.40%</b>



Rank	Company	Business Line	January 1, 2023	% of Total AV
1	Equity Residential	Apartments	\$ 761,215,000	1.57%
2	Paradigm Companies	Apartments	638,547,000	1.32%
3	LCOR Alexandria, LLC	Office Buildings	590,649,000	1.22%
4	Morgan Properties	Apartments	579,479,000	1.20%
5	CIM Group	Apartments	579,119,000	1.20%
6	Stonebridge	Apartments/Office Buildings/Vacant Land	460,566,000	0.95%
7	AIMCO	Apartments	428,533,000	0.89%
8	Monday Properties	Office Buildings/Apartments	362,098,000	0.75%
9	UDR	Apartments	325,840,000	0.67%
10	Elme Communities (Washreit)	Apartments/Office Building	256,030,200	0.53%
<b>Total</b>			<b>\$ 4,982,076,200</b>	<b>10.31%</b>

# FY 2023 Approved Budget Highlights



**\$839.2**  
MILLION

On May 4, Alexandria City Council adopted an FY 2023 General Fund Operating Budget, which includes **no tax rate increase**, and an FY 2023 Capital Budget totaling \$563.9M.



**\$2.2**  
MILLION

## COVID-19 Recovery

Funds Alexandria's pandemic recovery and mitigation efforts.



**\$453.4**  
MILLION

## Public Schools

Funds the School Board's approved operating budget and ACPS capital improvement program.



**\$6.6**  
MILLION

## Public Safety

Funds increased staffing, resources and compensation for Police, Fire and Sheriff.



**\$13.6**  
MILLION

## Affordable Housing

Investment in affordable housing, including funds from real estate and meals taxes, and ARPA.



**\$248.8**  
MILLION

## Facilities & Infrastructure

Funds capital projects to improve public buildings, community development, storm and sanitary sewers, and more.



**\$68.6**  
MILLION

## Transportation Improvements

Funds future transportation and transit improvements across the City.



**\$17.3**  
MILLION

## Parks & Recreation

Funds renovations and improvements to City parks, recreation centers, and other public open spaces.



**\$1.85**  
MILLION

## Climate Change

Funds initiatives that prioritize sustainable solutions identified in the Environmental Action Plan.



**57%**  
INCREASE

## Race & Social Equity

Funds increased staffing to advance race and social equity initiatives throughout Alexandria.



**\$400**  
THOUSAND

## Community Engagement

Funds positions dedicated to community engagement and focused on building authentic relationships between the City and the Alexandria community.



**78.8%**  
TAX RATIO

## Vehicle Tax Relief

Discounts vehicle market value and minimizes taxes for lower-value cars.

# Did You Know?

The lifecycle of a fiscal year is more than two years! The FY 2025 Operating and Capital Budgets are currently being developed.

City Council holds a retreat in November every year to receive an economic outlook and to learn about expenditure challenges facing the City. This information is used to provide the City Manager with budget guidance to prepare his Proposed Budget, which is presented to City Council in February.

The City's budget is developed based on City Council's priorities, input from Boards and Commissions and the public. All department requests for inclusion in the City Manager's Proposed Budget are scored using a Budget Equity Tool to determine whether budget allocations advance equitable outcomes for all residents and to measure the impact of budget decisions in terms of burdens or benefits for specific communities.

The calendar for the development of the FY 2025 Operating and Capital Budgets is published in the chart to the right. Make sure your voice is heard!

## FY 2025 Budget Events and Public Meetings

February 27, 2024	City Manager's FY 2025 Proposed Budget Presentation
February 28, 2024	FY 2025 Budget Work Session #1: Capital Improvement Program
February 29, 2024	Public Presentation of FY 2025 Proposed Budget
March 6, 2024	Tentative: FY 2025 Budget Work Session #2: ACPS
March 11, 2024	City Council FY 2025 Budget Public Hearing
March 12, 2024	FY 2025 Budget: Set Maximum Tax Rate
March 13, 2024	FY 2025 Budget Work Session #3
March 16, 2024	City Council FY 2025 Budget Public Hearing
March 20, 2024	FY 2025 Budget Work Session #4
April 3, 2024	FY 2025 Budget Work Session #5
April 24, 2024	FY 2025 Budget: Tax Rate Public Hearing
April 24, 2024	FY 2025 Budget Work Session #6: Preliminary Add/Delete
April 29, 2024	FY 2025 Budget Work Session #7: Final Add/Delete
May 1, 2024	FY 2025 Budget Adoption/Tax Rate Adoption

# Accolades and Accomplishments

Received GFOA's  
Distinguished Budget  
Presentation Award  
for FY 2023

Maintained the  
highest ratings from  
Moody's (AAA) and  
S&P Global (Aaa)

Received GFOA's  
Certificate of  
Achievement for  
Excellence in Financial  
Reporting

Voted a Condé  
Nast Traveler Top  
3 Best Small City  
in the US in 2023

Voted one of  
Travel + Leisure's  
Best Cities in the  
US in 2023

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