



Rating Action: Moody's Ratings affirms City of Alexandria, VA's Aaa issuer and GO ratings

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New York, January 28, 2026 -- Moody's Ratings (Moody's) has affirmed the City of Alexandria, VA's Aaa issuer and general obligation unlimited tax (GOULT) ratings. The city's debt totals around \$1.3 billion. The outlook is stable.

RATINGS RATIONALE

The Aaa issuer rating reflects the city's affluent and growing local economy that benefits from its favorable position in suburban Washington DC. Resident incomes are 133% of the nation, while full value per capita is very high at \$327,130. Reserves and liquidity are ample at over 40% of revenue in fiscal 2025, supported by strong fiscal policies. The fiscal 2026 budget includes a use of \$14 million of fund balance, in line with prior years, but it is unlikely it will need to be utilized. Leverage is moderate after a recent issuance at roughly 204% of revenue, including the school board's pension and healthcare liabilities, and future borrowing plans are manageable.

The Aaa rating on the city's GOULT bonds is at the same level as the issuer rating, reflecting the city's irrevocable full faith and credit pledge and its ability to levy an unlimited ad valorem tax.

RATING OUTLOOK

The stable outlook reflects the likelihood that the city will maintain its strong financial position given growing revenues and conservative budgeting practices, and that the substantial local economy will continue to expand and diversify.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Not applicable

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Significant draws on reserves and liquidity to below 35% of revenue
- Large increases in leverage to over 300% of revenue
- Material contraction of the local economy and weakened income and wealth

PROFILE

The City of Alexandria encompasses 15.5 square miles along the Potomac River in northern Virginia, approximately seven miles south of Washington DC. The city's population was 156,788 as of the 2023 American Community Survey.

METHODOLOGY

The principal methodology used in these ratings was US Cities and Counties published in December 2025 and available at <https://ratings.moodys.com/rmc-documents/455983>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

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