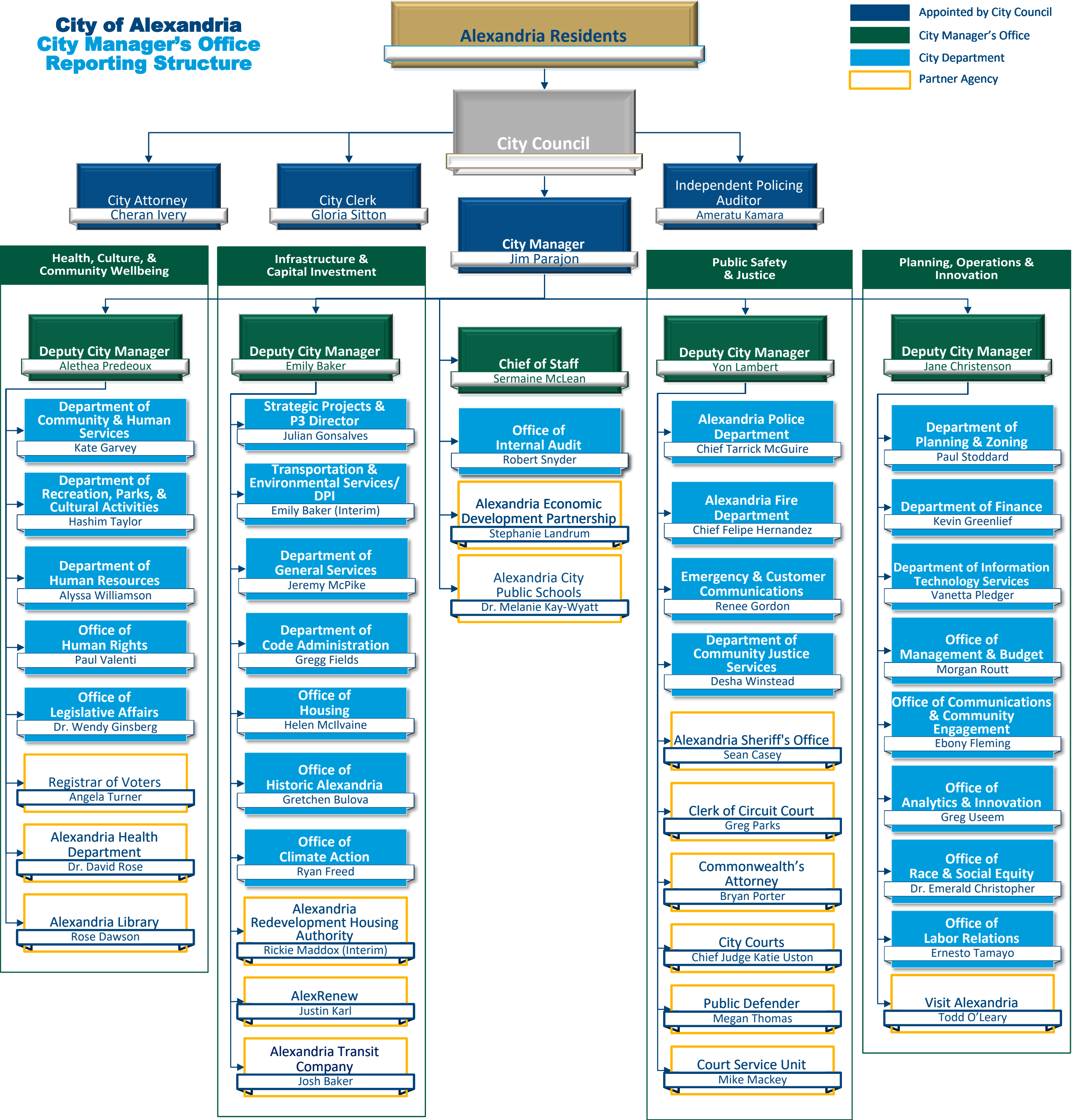


INTRODUCTORY SECTION

DRAFT

City of Alexandria
City Manager's Office
Reporting Structure

- Appointed by City Council
- City Manager's Office
- City Department
- Partner Agency





November 12, 2025

To the Honorable Mayor and Members of City Council,
the Residents and Businesses of the City of Alexandria:

We are pleased to present the City of Alexandria's (the City) **Annual Comprehensive Financial Report** (the ACFR) for the fiscal year ended June 30, 2025. This report is designed to present fairly the financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City in all material respects and to demonstrate compliance with applicable finance-related legal and contractual provisions. The report adheres to the principle of full disclosure so that the reader may gain the maximum understanding of the City's financial affairs.

The Finance Department has prepared this report in accordance with the following standards:

- Generally Accepted Accounting Principles (GAAP), which are uniform minimum standards and guidelines for financial accounting and reporting in the United States.
- The Governmental Accounting Standards Board (GASB) Codification, an integration of guidance from governmental accounting and financial reporting statements, interpretations, technical bulletins, implementation guides, and concepts; National Council on Governmental Accounting (NCGA) statements and interpretations; and the American Institute of Certified Public Accountants (AICPA) industry audit guide and other literature.
- Uniform financial reporting standards for counties, cities and towns issued by the Commonwealth of Virginia's Auditor of Public Accounts (APA).

The responsibility for the accuracy, completeness, and fairness of the data presented in the report, including all disclosures, rests with the City.

THE CITY

Alexandria, Virginia, which is located on the west bank of the Potomac River across from Washington, D.C., is an integral part of the Washington metropolitan area, serving as a financial, commercial, and transportation center. Alexandria is also one of America's most historic cities. George Washington and George Mason served as two of the City's first Trustees (the forerunner of the Alexandria City Council).

Alexandria is an independent full-service city with sole local government taxing power within its boundaries. The City is autonomous from any county, town, or other political subdivision of the Commonwealth of Virginia. Alexandria was founded in 1749 and derives its governing authority from a charter granted by the General Assembly of the Commonwealth of Virginia.

The City adopted the Council-Manager form of government in 1922. The governing body of the City is the City Council, which formulates policies for the administration of the City. The City Council is composed of a Mayor and six Council Members elected at-large for three-year terms. The Mayor is elected on a separate ballot. City Council

appoints the City Manager who serves as the City's chief executive officer and is responsible for implementing the policies established by City Council. The City Charter was first granted in 1852.

The City provides a comprehensive range of municipal services including general government, judicial administration, public safety, public works, library, health and welfare, transit, culture and recreation, community development, and education.

FINANCIAL REPORTING ENTITY

This report includes the financial activities of the City of Alexandria government (the primary government), as well as the financial activities of the City's component units. Component units are legally separate entities for which the primary government is financially accountable. Discretely presented component units are reported in a separate column in the financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position and results of operations from those of the primary government. The Alexandria City Public Schools (Schools) and the Alexandria Library System (Library) are reported as discretely presented component units. This report does not include the financial activities of the City's Deferred Compensation Plan, Alexandria Redevelopment and Housing Authority, Alexandria Economic Development Partnership, Inc., Alexandria Renew Enterprises (formerly the Alexandria Sanitation Authority), Visit Alexandria, or Sheltered Homes of Alexandria because the City Council is not financially accountable for these entities, and therefore, these entities are not component units.

LOCAL ECONOMY

Alexandria's economy remains healthy with strong foundational indicators, including population and wage growth, and low unemployment. The City's population continues to grow and, per the 2020 Census, totals 159,200, which reflects a growth rate of 13.7 percent over the last decade. The estimated population in 2025 is 168,600, which reflects a 1.6 percent increase over the prior year estimate.

Total employment in the City in the first quarter of 2025 was 80,127. This compares to 80,746 in the same quarter of 2024. Private employers accounted for 78.6 percent of all jobs as compared to 78.9 percent in 2024. Government entities (federal, state and local) accounted for 17,149 jobs in 2025, a slight increase over 2024. Of this amount, federal employment is 11.19 percent, while state and local government is 10.21 percent. Total Government jobs account for 21.4 percent of the total. Government is led by prominent federal agencies, including the U.S. Department of Defense, the U.S. Department of Agriculture, the U.S. General Services Administration, and recently joined by the U.S. Department of Housing and Urban Development.

Median family income in Alexandria in 2023 increased from \$149,526 to \$153,506, an increase of 2.7 percent compared to 2022. Per capita income has also grown, from \$105,239 to \$115,144. This increase of \$9,905 is a growth of 9.4 percent compared to 2022. Both median family income and per capita income are generally higher compared to similar jurisdictions in Virginia and the United States.

The real estate tax base, which generates over half of the City's General Fund revenues, remained positive in 2025. Total locally assessed real property increased in value by 2.54 percent compared to 2024. Residential real property increased by 4.55 percent, and commercial assessments decreased by 0.88 percent. The office vacancy rate of 21.1 percent in the second quarter of 2025 is higher compared to 2nd quarter 2024 (15.5 percent). That rate compares favorably to the office vacancy rate in Northern Virginia (23.0 percent) and is slightly higher than the Washington DC Metro area rate of 20.4 percent. The unemployment rate in the City as of June 2025 was 3.6 percent, which compares favorably to Virginia (3.9 percent) and the United States (4.4 percent).

MAJOR INITIATIVES

Strong fiscal management remains a hallmark of Alexandria's City government and enables the City to respond to the needs of the community, provide fair and competitive pay for all employees and address climate issues related to spot flooding and stormwater management. Alexandria is among a select group of cities in the United States to hold the top AAA/Aaa bond ratings from two of Wall Street's major credit rating agencies (Standard & Poor's and Moody's Investors Service).

FINANCIAL CONDITION

The City government continues to be in very sound financial condition as demonstrated by the financial statements and schedules included in this report. Within the context of a fiscally prudent budget and careful management, the City continued to provide a wide range of services, achieved many of its program goals, and enhanced the quality of life in the City. The City's cash and investment position is strong.

Alexandria City Council has adopted four priorities to provide a cohesive framework for budget and policy decisions for each fiscal year. These priorities were first developed based upon City Council discussion at a Council Retreat held in January 2022 and then revised in 2025. The four priorities are:

1. Advance Housing Opportunities by supporting quality options at a range of price points.
2. Eliminate Community Disparities by aligning services with community needs.
3. Strengthen our Economy by further diversifying the tax base.
4. Recruit & Retain a Thriving Workforce by ensuring our City of Alexandria employees feel valued.

The City Council Approved FY 2026 – FY 2035 Capital Improvement Program (CIP) totals \$2.08 billion, which represents a \$324.8 million, or 13.5%, decrease from the Approved FY 2025 – FY 2034 CIP. This is largely attributable to the significant appropriations made in FY 2025 of the prior year's Approved capital budget, which is no longer part of the 10-year capital planning window. These FY 2025 appropriations included construction funding for the majority of the City Hall, Market Square, and Parking Garage Renovation Project, George Mason Elementary School replacement, Transit Corridor "B", Transit Corridor "C", and the final tranche of funding to support infrastructure improvements for the Landmark Mall site redevelopment.

The Approved FY 2026 – FY 2035 Capital Improvement Program totals \$2.08 billion. Non-City funds including Federal and State funds and private capital contributions contribute \$307.7 million of this total from FY 2026 – FY 2035. The City portion from FY 2026 – FY 2035 is \$1.77 billion. The total approved single year CIP for FY 2026 is \$205.9 million, a decrease of \$46.9 million compared to FY 2025 in last year's approved CIP, which is attributable to a variety of factors, including the reduction/reallocation of funding to other critical capital needs that occur in FY 2027 or later and updates to project schedules for Large Capacity – Hooffs Run Culvert Bypass, Old Town Pool, and Oronoco Outfall Remediation Project that move project funding from FY 2026 to FY 2027.

Over the last five years, the City has maintained its fiscal strength as the result of the City Council's adoption of, and subsequent adherence to, the series of financial policies listed on page 12. These policies are aimed at (1) limiting debt and annual debt service requirements and (2) maintaining an appropriate General Fund balance to retain the City's AAA/Aaa bond ratings and to keep the City on firm financial footing. When City Council initially adopted the financial policies in 1987, the City's general obligation debt as a percentage of the real estate tax base was 1.4 percent. Because of the City's use of "pay-as-you-go" financing for many capital projects, the City has maintained superior debt ratios since their implementation in 1987. At the end of FY 2025, the City's debt to tax base ratio was 2.37 percent (including self-supported sewer project related debt). The City's financial policies encourage the use of surplus General Fund revenues and resources derived from spending less than the full budget to fund capital projects.

Additional information on the City's financial status can be found in the Management's Discussion and Analysis section of this report.

GENERAL GOVERNMENT FUNCTIONS

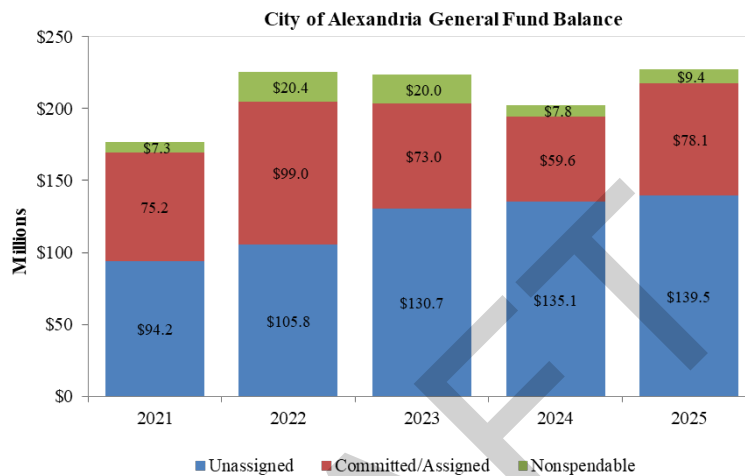
The following table displays the increases and decreases in assessed values for the last 10 years as appreciation and depreciation of existing properties and new properties. Overall real property assessed value for locally assessed property has increased by over \$11.4 billion since 2016, which is a 30.3 percent increase. This includes a 2.54 percent increase from calendar year 2024 to 2025. Real property taxes, which are based on assessments as of January 1 of each year, are due in two payments. The first half of the real estate tax is due on June 15 and the second half of the tax is due on November 15.

Year	Residential Assessed Value	Residential % Increase (Decrease)	Commercial ¹ Assessed Value	Commercial % Increase (Decrease)	Total ² Assessed Value	Total % Increase (Decrease)
2016	21,713,189	2.44%	15,886,156	3.32%	37,599,345	2.81%
2017	22,092,997	1.75%	16,284,956	2.51%	38,377,953	2.07%
2018	22,844,036	3.40%	16,437,017	0.93%	39,281,053	2.35%
2019	23,310,833	2.04%	17,025,285	3.58%	40,336,118	2.69%
2020	24,550,610	5.32%	17,501,144	2.80%	42,051,754	4.25%
2021	26,029,769	6.02%	17,158,601	-1.96%	43,188,369	2.70%
2022	27,828,841	6.91%	18,074,465	5.34%	45,903,305	6.29%
2023	29,224,848	5.02%	18,430,001	1.97%	47,654,849	3.82%
2024	30,096,124	2.98%	17,693,119	-4.00%	47,789,243	0.28%
2025	31,466,528	4.55%	17,536,719	-0.88%	49,003,247	2.54%

1. Includes apartment buildings.

2. Total assessed value includes only locally assessed property.

Each of the bars in the chart below is comprised of a single year snapshot and is not cumulative. The fund balance financial policies for the General Fund are one component of the City's overall financial strength and stability. At the end of FY 2025, the City's General Fund balance was \$227.0 million and included a non-spendable fund balance of \$9.4 million, commitments and assignments totaling \$78.1 million, including \$30.0 million assigned for future capital funding, leaving a remaining unassigned fund balance of \$139.5 million. At the end of FY 2025 the City's ending General Fund balance condition was consistent with the City's established financial policies.



CAPITAL FINANCING AND DEBT MANAGEMENT

In conjunction with the annual operating budget preparation, the City Manager annually prepares a ten-year Capital Improvement Plan to provide for the financing of improvements to the City's public facilities. The first year of the program constitutes the capital budget for the current fiscal year; the remaining nine years serve as a planning guide. The City accounts for capital improvement expenditures in the Capital Projects Fund and finances the projects from the General Fund (including appropriations of Committed Fund Balance), general obligation debt, the sale of surplus property, and intergovernmental grant revenues. As noted above, the City's Capital Improvement Plan for FY 2026 through FY 2035 totals \$2.1 billion, including \$1.8 billion of City-funded public improvements to the City's schools, public buildings, parks, and transportation systems. In addition, state and federal grants and other non-City sources will provide \$307.7 million in additional planned capital funding for the FY 2026 – FY 2035 timeframe.

To continue a strategy of improving and then maintaining the City's creditworthiness, the City Council established the following key target and ceiling ratios as of June 30 of each year:

	Limit	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Target
Debt as a Percentage of Assessed Value	2.5% (ceiling)	1.37%	1.43%	1.49%	1.44%	1.75%	1.61%	1.72%	1.96%	2.34%	2.37%	N/A
Debt Service as a Percentage of General Governmental Expenditures ¹	12% (ceiling)	7.84%	7.36%	7.19%	6.94%	6.68%	6.86%	6.23%	5.95%	7.64%	7.27%	N/A
10-Year Debt Payout Ratio ²	50% (floor)	-	70.27%	69.02%	70.90%	74.60%	76.20%	58.60%	66.80%	68.80%	68.90%	65.00%
Spendable Fund Balance as a Percentage of General Fund Revenue	4% (floor)	12.88%	15.96%	16.43%	18.48%	19.97%	22.62%	26.20%	24.16%	22.39%	23.68%	5.50%
Net Position as a Percentage of General Governmental Revenue	4% (floor)	(2.68%)	4.78%	8.97%	10.49%	14.37%	21.12%	39.00%	42.82%	30.87%	34.15%	5.50%

¹ Data includes Schools and Library component units.

² The establishment of a 10-Year Debt Payout Ratio target of 50% formalizes the City's current practice of structuring debt with level principal payments. The new debt ratio was adopted by City Council on May 4, 2017.

The adopted financial policies include the following:

- The City will increase its reliance on current revenue to finance its capital improvements.
- The City will consider a designation for 'pay-as-you-go' capital a priority when additional General Fund resources become available at the end of a fiscal year.
- The City will not use General Fund equity to finance current operations for periods of longer than two years.
- The City will annually prepare a 10-year Capital Improvement Plan.
- The City will not issue tax or revenue anticipation notes to fund governmental operations.
- The City will not issue bond anticipation notes for a term of longer than two years.

The City's General Obligation Bonds have the top available ratings which were reaffirmed in September 2025 as follows:

<u>Moody's Investors Service</u>	<u>Standard & Poor's</u>
Aaa	AAA

BUDGETARY ACCOUNTING AND INTERNAL CONTROLS

The City Charter requires the City Manager to submit a balanced budget to City Council no later than the first regular meeting in April of each year. The School Board prepares the schools' budget and transmits it to the City Manager. The City Manager then submits his or her recommendation to City Council for consideration. If Council does not adopt a budget before June 27, the budget submitted by the City Manager for the upcoming fiscal year has full force and effect as if Council had adopted it. For FY 2025, the City Manager proposed the budget on February 27, 2024, and City Council adopted it on May 1, 2024.

As a management tool, budgetary control is maintained in the General Fund at the character level (i.e. personnel, non-personnel, capital outlays) and by the encumbrance of estimated purchase amounts before the release of purchase orders to vendors. Management can transfer appropriations at the department appropriation level without approval from City Council. The City follows a similar procedure with the Special Revenue Fund, but the level of control is at the grant or program level. In the Capital Projects Fund, the level of control is at the project level. With the Schools' budget, the level of control is at the total appropriation level.

City management is responsible for establishing and maintaining internal controls designed to ensure that the assets of the City are protected from loss, theft, or misuse. Internal controls are intended to provide reasonable, but not absolute, assurance that these objectives are met. In addition to the examination of controls implemented by members of the Finance Department, the City's Internal Audit staff continually reviews and assesses the soundness and adequacy of the City's financial systems.

REPORT FORMAT

The City's Finance Department has prepared this Annual Comprehensive Financial Report to present all the information necessary to meet the needs of the many persons and groups that have an interest in the City's financial affairs. The objective of this report is to present financial information on a comparative basis with other governmental entities in Virginia and in accordance with established reporting standards. We believe the data is accurate in all material respects and is reported in a manner designed to present fairly the City's financial position and results of operations.

INDEPENDENT AUDIT

Section 5.18 of the City Charter requires an annual audit of the accounting and financial records of the City by independent certified public accountants. This section requires the auditors to examine the funds of the City in accordance with auditing standards generally accepted in the United States of America and the standards set forth in the Government Accountability Office's *Government Auditing Standards*. In addition, the auditors must conduct the compliance examinations required by the U.S. Office of Management and Budget's Uniform Guidance, and the *Specifications for Audits of Counties, Cities and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia.

The Alexandria City Council has selected the firm of CliftonLarsonAllen LLP to perform these audit services. Their completed audit reports are presented in the Financial Section of this report. The remaining reports will be presented in an additional Single Audit Section pending guidance from the U.S. Office of Management and Budget.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the City of Alexandria a Certificate of Achievement for Excellence in Financial Reporting for the City's FY 2024 Annual Comprehensive Financial Report (ACFR). The GFOA awards a Certificate to governmental units that exemplify excellence in financial reporting and conform to stringent reporting requirements promulgated by that Association and various authoritative bodies.

To earn a Certificate of Achievement, an ACFR must tell its financial story clearly, thoroughly, and understandably. The report must be efficiently organized, employ certain standardized terminology and formatting conventions, minimize ambiguities and potential for misleading inference, enhance understanding of current generally accepted accounting theory, and demonstrate a constructive "spirit of full disclosure."

A Certificate is valid for a period of one year only. The City believes its current report continues to conform to the Certificate of Achievement Program requirements and standards. We are submitting it to GFOA to determine its eligibility for another certificate for FY 2025.

REPORTING REQUIREMENTS

As required by the U.S. Securities and Exchange Commission Rule 15c2-12, the City has agreed for the benefit of the owners of City general obligation bonds to provide each nationally recognized municipal securities information repository and to any appropriate state information depository, if any is hereafter created, certain financial information not later than 270 days after the end of each of its fiscal years, commencing with the fiscal year ended June 30, 1996. The City is currently in compliance with the new arrangement to file this information through the Electronic Municipal Market Access (EMMA) website which is the comprehensive source for official statements, continuing disclosure documents, advance refunding documents and real time trade price information on all municipal securities. This ACFR provides the 15c2-12 general bond obligation bond information, which includes the "Debt Statement" found in Note 9 of Notes to the Financial Statements, a "Five Year Summary of General Fund Revenues and Expenditures" found in Table XXII, a summary of debt found in Table XXIII (Summary of Total General Obligation Bonds Debt Service), and "Tax Revenues by Source" found in Table III.

ACKNOWLEDGMENTS

We would like to express our appreciation to everyone in the City government who assisted with and contributed to the preparation of this report. Special recognition is extended to the Accounting Division for their dedicated pursuit of excellence and leadership in financial reporting.

Respectfully submitted,

Kevin C. Greenlief

Kevin C. Greenlief

Director of Finance

Davidia Thompson

Davidia Thompson, CPA, CPM

Comptroller

DRAFT

INDEPENDENT AUDITORS' REPORT

DRAFT





Government Finance Officers Association

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

Presented to

**City of Alexandria
Virginia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

MANAGEMENT'S DISCUSSION AND ANALYSIS

DRAFT



MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the City of Alexandria's financial performance provides an overview of the City's financial activities for the fiscal year that ended June 30, 2025. Please read it in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS FOR FY 2025

The City's total Net Position, excluding component units, on a government wide basis, decreased by \$18.9 million from \$627.5 million to \$608.6 million at June 30, 2025 (Exhibit I).

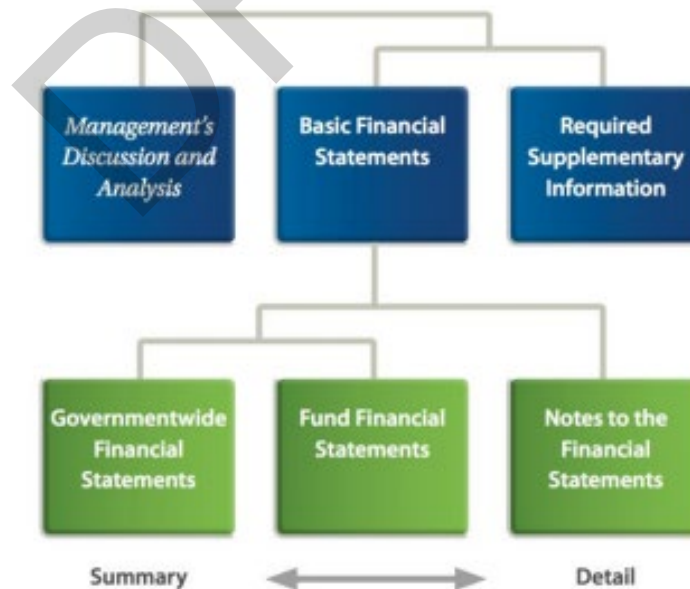
The government-wide activities had an unrestricted net position of \$274.3 million (Exhibit I) as of June 30, 2025, an increase of \$12.8 million from the FY 2024 total of \$261.5 million. The City's general revenues of \$878.8 million in FY 2025 is an increase of \$31.6 million compared to the general revenues of \$847.2 million in FY 2024 (Exhibit II).

The General Fund reported current net increase in fund balance of \$24.5 million (Exhibit IV), including a \$82.7 million transfer to the capital projects fund and a \$103.6 million transfer to the special revenue fund.

USING THE FINANCIAL SECTION OF THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT

This Annual Comprehensive Financial Report (ACFR) consists of three sections: introductory, financial, and statistical. As the following chart shows, the financial section of this report has four components - *management's discussion and analysis* (this section), *basic financial statements*, *required supplementary information* and *other supplementary information*.

Required Components of the Financial Report



The government-wide financial statements report information about the City using accounting methods like those used by private-sector companies. The government-wide financial statements provide both long-term and short-

term information about the City's overall financial position. The Statement of Net Position and the Statement of Activities, which are the government-wide statements, report information about the City's activities. These statements include all assets, liabilities, deferred outflows, and deferred inflows using the accrual basis of accounting. All the current year's revenues and expenses are reflected regardless of when cash is received or paid.

These two statements report the City's net position and changes in net position. The City's net position is the difference between (1) assets and deferred outflows of resources, and (2) liabilities and deferred inflows of resources. Net position is displayed in three components: Net investment in capital assets, Restricted, and Unrestricted. Over time, increases or decreases in the City's net position are indicators of whether its financial health is improving or deteriorating. To assess the overall health of the City, other nonfinancial factors need to be considered such as changes in the City's property tax base and the condition of the City's infrastructure.

The Statement of Net Position and the Statement of Activities include the following:

Governmental activities—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.

Component units—The City includes two separate legal entities in its report - The City of Alexandria School Board and the Alexandria Library, respectively Schools and Library. Although legally separate, these component units are included because the City is financially accountable for them and provides operating and capital funding to them.

FUND FINANCIAL STATEMENTS

The fund financial statements provide additional information about the City's most significant funds, not the City as a whole. The fund financial statements focus on the individual parts of the City's government.

The City has three kinds of funds:

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

Proprietary funds—Services for which the City charges customers or City users a fee, are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information.

The City uses an internal service fund (one kind of proprietary fund) to report activities that provide supplies and services for the City's other programs and activities. The Equipment Replacement Reserve Fund is the City's only internal service fund. Its primary purpose is to provide for the accumulation of money to replace capital equipment used in City operations.

Fiduciary funds—The City is the trustee or fiduciary for its employees' pension plans and employee benefit funds. It is also responsible for other assets (known as custodial funds) that, because of an agreement, can be used only for the beneficiaries. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All the City's fiduciary activities are reported in a separate statement

of fiduciary net position and a statement of changes in fiduciary net position. Custodial funds are City funds used to provide accountability of client monies, for which the City is custodian. The City excludes pension plans and custodial funds from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Statement of Net Position

The following table presents the condensed Statement of Net Position:

Table 1
Summary of Net Position
As of June 30, 2025 and 2024
(in millions)

	Primary Government		Component	
	Governmental		Units	
	Activities			
	2025	2024	2025	2024
ASSETS				
Current and other assets	\$ 1,099	\$ 1,154	\$ 108	\$ 110
Capital assets	1,533	1,430	69	43
Total Assets	2,632	2,584	177	153
Deferred Outflows	118	114	70	75
LIABILITIES				
Other Liabilities	108	90	67	59
Long-term liabilities	1,406	1,341	54	30
Net Pension/OPEB Liability	198	205	247	264
Total Liabilities	1,712	1,636	368	353
Deferred Inflows	429	434	48	51
NET POSITION				
Net Investment in Capital Assets	313	334	42	21
Restricted	21	32	19	26
Unrestricted	274	261	(230)	(222)
Total Net Position	\$ 608	\$ 627	\$ (169)	\$ (175)

Amounts may not add due to rounding.

The City's Net Position decreased \$18.9 million from its Net Position of \$627.5 million to \$608.6 million (Table 1).

The following chart shows the revenue and expenses of government activities:

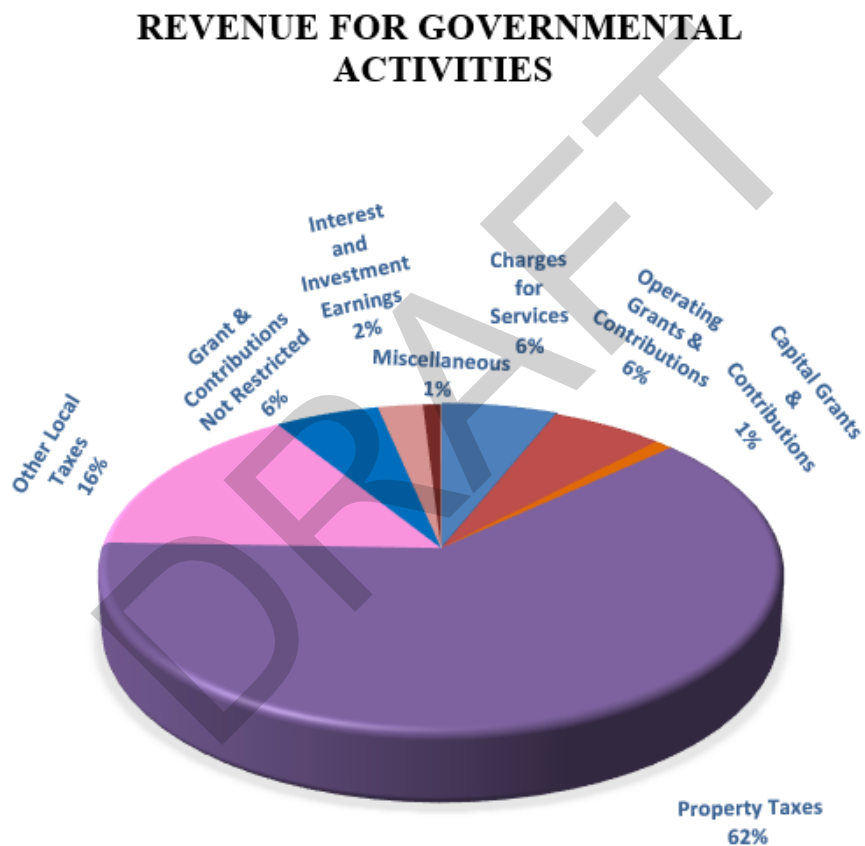
Table 2
Summary of Changes in Net Position
For the Fiscal Years Ended June 30, 2025 and 2024
(in millions)

	Primary Government		Component	
	Governmental		Units	
	2025	2024	2025	2024
REVENUES				
Program revenues				
Charges for services	\$ 62	\$ 60	\$ 4	\$ 3
Operating grants and contributions	61	39	37	45
Capital grant/contributions	10	23	-	-
General revenues				
Property taxes	631	605	-	-
Other taxes	157	155	-	-
Other	81	72	-	-
Payment to/from City	10	15	387	351
Total Revenues	1,012	969	428	399
EXPENSES				
General Government	105	80	-	-
Judicial Administration	29	26	-	-
Public Safety	179	174	-	-
Public Works	94	141	-	-
Library	9	8	10	9
Health and Welfare	73	73	-	-
Transit	17	47	-	-
Culture and Recreation	45	46	-	-
Community Development	92	62	-	-
Education	372	309	387	382
Interest on Long-term Debt	16	31	-	-
Total Expenses	1,031	997	397	391
Change in Net Position	(19)	(28)	31	8
Net Position beginning of Year	627	655	(176)	(183)
Net Position end of Year	\$ 608	\$ 627	\$ (145)	\$ (175)

Amounts may not add due to rounding.

REVENUE

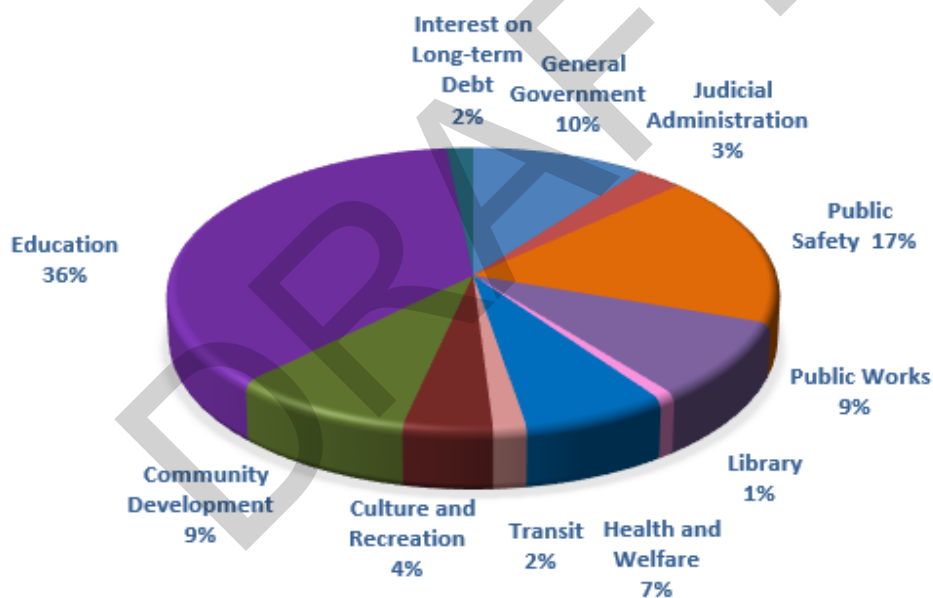
For the fiscal year ending June 30, 2025, revenues for governmental activities totaled \$1,012.4 million, an increase of \$43.3 million from the FY 2024 total of \$969.1 million (Table 2). The increase in operating grants of \$21.8 million largely reflects the decline in pandemic-related funding from all programmatic sources. Real estate property tax revenues increased by \$19.9 million and vehicle personal property tax revenues increased by \$6.1 million, both due to increased valuations in FY 2025. The City's limited supply of properties for sale helped drive a 4.55% percent increase in the residential tax base in calendar (tax) year 2025 and vehicle values continued to depreciate at lower rates than in prior years.



EXPENSES

For the fiscal year ending June 30, 2025, expenses for governmental activities totaled \$1,031.3 million, an increase of \$35.0 million from FY 2024 (Table 2). The General Fund experienced modest increases in expenses. Expenses changed more substantially in others funds where project and program year over year spending levels routinely vary in timing. In FY 2025 Special Revenue Fund expenses increased, offset by decreases in the Capital Projects Fund. Cash capital spending in FY 2025 was \$30.0 million as compared to \$48.4 million in FY 2024. FY 2025 capital projects involved investments in public buildings and schools, including substantial completion of the Alexandria City High School and the continued redevelopment of Landmark Mall.

EXPENSES FOR GOVERNMENTAL ACTIVITIES



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

For the fiscal year ended June 30, 2025, the governmental funds reflect a combined fund balance of \$583.9 million (Exhibit III). The Total Governmental Funds fund balance decrease of \$54.7 million from the prior year was driven primarily by a \$48.2 million decrease in the Capital Projects Fund and a \$31.1 million decrease to the Special Revenue fund, offset by an increase in the General Fund of \$24.5 million and \$0.1 million in the Alexandria Transit Company fund. Bond proceeds of \$143.4 million were issued for capital projects that will be constructed over the next several years to include the renovation of City Hall and Market Square, waterfront improvements, and stormwater infrastructure improvements. The decrease in the Capital Projects Fund balance is due largely to a reduction in bond issuance as compared to the prior year as well as to completion of major capital projects, such as the new Alexandria City High School campus. The City borrows according to annual cashflow needs and nearly all prior year proceeds and receivables have been exhausted. The Special Revenue Fund Balance

decrease reflects the multi-year nature of programs and initiatives, in which the timing of revenue and expenditures crosses fiscal years. The decrease in the General Fund is due largely to a change in timing treatment for end of year debt service payments (\$13.7 million) and the one-time usage of unanticipated interest on bond proceeds to supplant a planned use of fund balance in support of capital projects (\$12.1 million). In total, the City budgeted for a \$32.9 million use of fund balance. This included \$14.0 million to fund the operating budget, \$13.0 million for capital projects, and the remainder for incomplete projects.

- The General Fund contributed \$30.0 million to pay-as-you-go financing of capital projects, which represented 3.3 percent of all General Fund expenditures (excluding bond refunding).
- The City contributed \$273.0 million to the Schools operating budget. The ACPS share of total debt service was \$45.7 million.
- The City spent \$239.9 million in the Capital Projects Fund, the most notable projects being: City Hall, Market Square, and Parking Garage Renovation Project, George Mason Elementary School replacement, Alexandria City High School project, and the final tranche of funding to support infrastructure improvements for the Landmark Mall site redevelopment.

Except for non-spendable and restricted fund balances (Exhibit III), there are no significant limitations on fund balances that would affect the availability of fund resources for future uses.

GENERAL FUND BUDGETARY HIGHLIGHTS

Table 3
General Fund Budget
(in millions)

	2025		
	Original Budget	Amended Budget	Actual
Revenues, Transfers, and Other Financial Sources			
Taxes	\$ 625	\$ 625	\$ 626
Other Local Taxes	162	162	162
Transfers and Other	132	131	147
Total	919	918	935
Expenditures, Transfers, and Other Financial Uses			
Expenditures	515	529	502
Transfers and Other	411	413	410
Total	926	942	912
Change in Fund Balance	\$ (7)	\$ (24)	\$ 23

Amounts may not add due to rounding.

Actual General Fund revenues and other financial sources exceeded the amended budget by \$17 million during FY 2025. Including supplemental appropriations, actual General Fund expenditures were less than the amended budget by \$29.8 million. One of the most significant areas of variance in General Fund revenues is in Use of Money and Property. The interest rates used to estimate revenues in the FY 2025 General Fund budget were lower than actual interest rates during the year. This contributed to \$7.4 million of the revenue variance. Fines and forfeitures were \$2.0 million more than budgeted due to additional revenue from the newly installed school zone speed cameras (\$0.9

million) and increased revenue due to parking tickets (\$1.1 million). Additionally, the State share of Expenditures received was \$3 million more than budgeted, along with \$5 million more in miscellaneous revenue, offset by a reduction in charges for services revenue of \$3.2 million related to ambulance fees.

The expenditure variance is largely due to vacancies and turnover across multiple City departments, as well as the aforementioned change in timing treatment for end of year debt service payments.

During FY 2025, the City Council amended the budget three times. These budget amendments, or supplemental appropriation ordinances, were primarily for the following purposes:

- To reappropriate monies to pay for commitments in the form of encumbrances established prior to June 30, 2024, but not paid by that date.
- To reappropriate monies to pay for projects budgeted for FY 2024 but not completed before the end of the fiscal year.
- To reappropriate grant, donation and other revenues authorized in FY 2024 or earlier, but not expended or encumbered as of June 30, 2024.
- To appropriate grants, donations, and other revenues accepted or adjusted in FY 2025.

CAPITAL ASSETS

At the end of FY 2025, the City's governmental activities had invested cumulatively \$1.53 billion (Note 5) in a variety of capital assets and infrastructure, as reflected in the following schedule, which represents a net increase of \$102.7 million. The primary drivers of this increase are construction in progress for the High School Capacity project, the Landmark Redevelopment project, and investments in the Schools' 1703 North Beauregard property for use as a swing space.

Table 4
Governmental Activities
Capital Assets
(in millions)

	Balance 6/30/2024	Net Additions/ (Deletions)	Balance 6/30/2025
Non-Depreciable Assets			
Land and Land Improvements	\$ 182.5	\$ 0.5	\$ 183.0
Construction in Progress	333.2	114.4	447.6
Other Capital Assets			
Intangible Assets	26.4	-	26.4
Buildings	1,014.4	12.1	1,026.5
Infrastructure	364.5	7.4	371.9
Furniture and Other Equipment	243.5	19.0	262.5
Accumulated Depreciation and Amortization	-	-	-
Capital Assets	<u>(733.9)</u>	<u>(51.4)</u>	<u>(785.3)</u>
Total Capital Assets	<u>\$ 1,430.6</u>	<u>\$ 102.0</u>	<u>\$ 1,532.6</u>

Amounts may not add due to rounding.

The City Council Approved FY 2026 – FY 2035 Capital Improvement Program (CIP) totals \$2.08 billion, which represents a \$324.8 million, or 13.5%, decrease from the Approved FY 2025 – FY 2034 CIP. The FY 2026 capital budget included projects such as the Waterfront Flood Mitigation project, the City Hall, Market Square Plaza, and Parking garage project, investments in street reconstruction and resurfacing, and the Old Town Pool Renovation project.

LONG-TERM DEBT

At the end of FY 2025, the City had \$1.180 billion in outstanding general obligation bonds, an increase of \$45.4 million from last year's outstanding bonds of \$1.135 billion. More detailed information about the City's long-term liabilities is presented in Note 9 of the financial statements.

In September 2025, Moody's Investors Services, Inc., and Standard & Poor's (S&P) credit rating agencies reaffirmed the City's triple-A bond ratings. The City received its first Aaa rating from Moody's in 1986 and the AAA rating from S&P in 1992. Standard and Poor's cited the City's "continuously expanding" local economy, conservative budgeting policies, strong reserve position, and positive revenue trends as it again rated the City's credit as AAA. Moody's noted the City's diverse and affluent local economy; manageable long-term liabilities and associated fixed costs; and, ample reserves and liquidity, supported by adherence to comprehensive fiscal policies.

The Commonwealth of Virginia limits the amount of general obligation debt the City can issue to 10 percent of the assessed value of real property within the City. The City's outstanding debt is significantly below, or less than one-tenth of this state law limit—which would equate to \$5.0 billion for the City.

ECONOMIC FACTORS

Alexandria's economy remains healthy with strong foundational indicators, including population and wage growth, and low unemployment. The City's population continues to grow and, per the 2020 Census, totals 159,467, which reflects a growth rate of 13.9 percent over the last decade. The estimated population in 2025 is 168,600, which reflects a 1.6 percent increase over the estimated 2024 population.

Total employment in the City in the first quarter of 2025 was 80,127. This compares to 80,746 in the same quarter of 2024. Private employers accounted for 78.60 percent of all jobs as compared to 78.87 percent in 2024. Government entities (federal, state and local) accounted for 17,149 jobs in 2025, a slight increase over 2024. Of this amount, federal employment is down from 11.23 percent to 11.19 percent of total employment, while state and local government is up from 9.90 percent to 10.21 percent. Total Government jobs account for 21.4 percent of the total. Government is led by prominent federal agencies, including the U.S. Department of Defense, the U.S. Department of Agriculture, the U.S. General Services Administration, and recently joined by the U.S. Department of Housing and Urban Development.

Median family income in Alexandria in 2023 increased from \$149,526 to \$153,506, an increase of 2.7 percent compared to 2022. These are the most recent years that data is available from the U.S. Bureau of Economic Analysis. Per capita income has also grown, from \$105,239 to \$115,144. This increase of \$9,905 is a growth of 9.4 percent compared to 2022. Both median family income and per capita income are significantly higher compared to similar jurisdictions in Virginia and the United States.

The real estate tax base, which generates over half of the City's General Fund revenues, remained positive in 2025. Total locally assessed real property increased in value by 2.54 percent compared to 2024. Residential real property increased by 4.55 percent, and commercial assessments decreased by 0.88 percent. The office vacancy rate of 21.1 percent in the second quarter of 2025 is higher compared to 2nd quarter 2024 (15.5 percent). That rate compares favorably to the office vacancy rate in Northern Virginia (23.0 percent) and is slightly higher than the Washington DC Metro area rate of 20.4 percent. The unemployment rate in the City as of June 2025 was 3.6 percent, which compares favorably to Virginia (3.9 percent) and the United States (4.4 percent).

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our residents, businesses, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Kevin C. Greenlief, Director of Finance, P.O. Box 178, Alexandria, VA 22313, kevin.greelief@alexandriava.gov, telephone (703) 746-3900, or visit the City's web site at alexandriava.gov.

DRAFT

**BASIC
FINANCIAL STATEMENTS**

DRAFT



CITY OF ALEXANDRIA, VIRGINIA
Statement of Net Position
June 30, 2025

Exhibit I

	Primary Government	
	Governmental Activities	Component Units
ASSETS		
Cash and Investments	\$ 556,984,891	\$ 75,307,594
Cash and Investments with Fiscal Agents	108,466,956	5,290,103
Receivables, Net	388,424,527	348,869
Opioid Settlement Receivable	1,893,114	-
Lease Receivable	12,924,900	-
Due From Other Governments	14,189,854	12,360,077
Inventory of Supplies	9,447,369	215,666
Prepaid and Other Assets	1,079,830	2,605,458
Net Pension Asset	5,887,833	11,912,871
Capital Assets:		
Land and Construction in Progress	629,031,367	999,381
Other Capital Assets, Net	903,547,740	67,489,942
Capital Assets, Net	1,532,579,107	68,489,323
Total Assets	2,631,878,381	176,529,961
DEFERRED OUTFLOWS		
Pension	103,682,247	64,473,795
OPEB	2,353,109	5,509,283
Deferred related to Refunding Bonds	11,823,995	-
Total Deferred Outflows of Resources	117,859,351	69,983,078
LIABILITIES		
Accounts Payable	30,147,685	24,864,651
Accrued Wages	10,110,549	37,888,742
Accrued Liabilities	1,056,820	-
Unearned Revenue	21,709,951	3,975,469
Other Liabilities	20,349,031	-
Deposits	25,159,879	-
Long-term Liabilities Due Within One Year	89,467,353	20,376,814
Long-term Liabilities Due in More Than One Year	1,316,171,639	33,606,510
Net Pension Liability	192,811,292	219,841,279
Net OPEB Liability	5,068,299	27,289,314
Total Liabilities	1,712,052,497	367,842,779
DEFERRED INFLOWS		
Deferred Inflows Related to Future Periods	379,893,134	-
Deferred Inflows Related to Lease	12,385,086	-
Pension	29,682,792	35,817,423
OPEB	7,084,090	11,794,013
Total Deferred Inflows of Resources	429,045,102	47,611,436
NET POSITION		
Net Investment in Capital Assets	313,346,244	42,112,004
Restricted for:		
Affordable Housing	4,079,779	-
Special Projects	9,148,718	-
Net Pension Assets	5,887,833	11,912,871
Educational Projects	-	6,773,284
Opioid Settlement	1,893,114	-
Unrestricted	274,284,445	(229,739,335)
Total Net Position	\$ 608,640,133	\$ (168,941,176)

See Accompanying Notes to Financial Statements

CITY OF ALEXANDRIA, VIRGINIA
Statement of Activities
For the Fiscal Year Ended June 30, 2025

Exhibit II

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government	Component Units
Primary Government:						
Governmental Activities:						
General Government	\$ 104,597,450	\$ 238,348	\$ 13,240,371	\$ -	\$ (91,118,731)	\$ -
Judicial Administration	28,775,590	170,016	1,205,435	-	(27,400,139)	-
Public Safety	179,311,852	2,322,281	2,035,547	-	(174,954,024)	-
Public Works	94,195,211	45,055,537	25,848	8,539,493	(40,574,333)	-
Library	8,743,690	-	-	-	(8,743,690)	-
Health and Welfare	73,331,653	6,909,354	17,358,266	-	(49,064,033)	-
Transit	16,757,691	207,485	9,098,367	-	(7,451,839)	-
Culture and Recreation	45,220,799	6,189,913	52,070	-	(38,978,816)	-
Community Development	92,043,667	1,223,897	18,174,286	1,504,234	(71,141,250)	-
Education	372,469,295	-	-	-	(372,469,295)	-
Interest on Long-term Debt	15,812,898	-	-	-	(15,812,898)	-
Total Governmental Activities	1,031,259,796	62,316,831	61,190,190	10,043,727	(897,709,048)	-
Total Primary Government	1,031,259,796	62,316,831	61,190,190	10,043,727	(897,709,048)	-
Component Units:						
Schools	411,686,016	3,638,613	36,332,847	-	-	(371,714,556)
Library	9,541,121	236,283	279,634	-	-	(9,025,204)
Total Component Units	\$ 421,227,137	\$ 3,874,896	\$ 36,612,481	\$ -	\$ -	\$ (380,739,760)
General Revenues						
Property Taxes:						
Real Estate					552,376,070	-
Personal Property					79,072,775	-
Other Local Taxes:						
Business License					42,823,312	-
Local Sales					40,808,156	-
Meals					32,803,799	-
Transient Lodging					14,693,763	-
Utility					13,375,013	-
Communications Sales					6,996,869	-
Other Local Taxes					5,368,794	-
Revenue from Primary Government						
Payment from City of Alexandria Operating					-	316,141,899
Grants & Contributions Not Restricted to Specific Programs					56,505,152	69,993,931
Interest and Investment Earnings					24,271,750	383,357
Miscellaneous					9,722,935	1,151,230
Total General Revenues					878,818,388	387,670,417
Change in Net Position					(18,890,660)	6,930,657
Net Position at Beginning of Year					627,530,793	(175,871,833)
Net Position at End of Year					\$ 608,640,133	\$ (168,941,176)

See Accompanying Notes to Financial Statements

CITY OF ALEXANDRIA, VIRGINIA
Balance Sheet
Governmental Funds
June 30, 2025

Exhibit III

	General	Special Revenue	Capital Projects	Alexandria Transit Company	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 274,819,308	\$ 126,956,064	\$ 149,394,829	\$ (2,158,442)	\$ 549,011,759
Cash and Investments with Fiscal Agents	-	-	108,466,956	-	108,466,956
Receivables, Net	368,390,570	15,177,108	-	4,856,849	388,424,527
Opioid Settlement Receivable	-	1,893,114	-	-	1,893,114
Lease Receivables	12,924,900	-	-	-	12,924,900
Due From Other Governments	7,601,311	6,253,177	335,366	-	14,189,854
Inventory of Supplies	8,140,116	-	-	1,307,253	9,447,369
Prepaid and Other Assets	862,053	-	-	217,777	1,079,830
Total Assets	672,738,258	150,279,463	258,197,151	4,223,437	1,085,438,309
LIABILITIES					
Accounts Payable	8,132,130	5,099,222	15,250,149	1,161,360	29,642,861
Due to Other Governments	352,078	-	-	-	352,078
Accrued Wages	6,552,030	2,153,909	255,352	1,149,258	10,110,549
Other Liabilities	18,929,650	-	1,144,571	274,810	20,349,031
Deposits	25,159,879	-	-	-	25,159,879
Unearned Revenue	5,033,224	16,676,727	-	-	21,709,951
Total Liabilities	64,158,991	23,929,858	16,650,072	2,585,428	107,324,349
DEFERRED INFLOWS					
Deferred Inflows from Taxes	369,229,127	10,664,007	-	-	379,893,134
Opioid Settlement Receivable	-	1,893,114	-	-	1,893,114
Deferred Inflows Related to Lease	12,385,086	-	-	-	12,385,086
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	445,773,204	36,486,979	16,650,072	2,585,428	501,495,683
FUND BALANCES					
Non-Spendable	9,402,169	-	-	1,638,009	11,040,178
Restricted	-	13,224,497	108,466,956	-	121,691,453
Committed	14,064,497	100,567,987	133,080,123	-	247,712,607
Assigned	63,992,992	-	-	-	63,992,992
Unassigned	139,505,396	-	-	-	139,505,396
Total Fund Balances	226,965,054	113,792,484	241,547,079	1,638,009	583,942,626
Total Liabilities and Fund Balances	\$ 672,738,258	\$ 150,279,463	\$ 258,197,151	\$ 4,223,437	

Adjustments for the Statement of Net Position:

(1) Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds. (Note 5)	1,473,397,315
(2) Other long-term assets are not available to pay for current period expenditures; deferred outflow related to refunding bonds. (Note 1)	11,823,995
(3) Deferred inflows of resources related to OPEB & Pensions. (Note 16 & 17)	(36,766,882)
(4) Deferred outflows of resources related to OPEB & Pensions. (Note 16 & 17)	106,035,356
(5) Internal service funds are used by management to charge the costs of equipment replacement to City Departments; and, therefore, the assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position. (Exhibit V)	9,664,674
(6) Alexandria Transit Company is blended in to the primary government, and therefore, the assets and liabilities are included in governmental activities in the statement of Net Position. (Note 5)	30,188,687
(7) Long-term liabilities, including bonds payable, are not reported as liabilities in the governmental funds. (Note 9)	(1,604,575,403)
(8) Right to use leased and subscription assets used (net of amortization) in governmental activities are not financial resources and therefore are not reported in the funds (Note 5)	27,148,818
(9) Net Pension Asset recorded for the amount of Plan Fiduciary Net Position in excess of Total Pension Liability, included in the Statement of Net Position (Note 17)	5,887,833
(10) Opioid Settlement Receivable	1,893,114
Total Net Position	\$ 608,640,133

CITY OF ALEXANDRIA, VIRGINIA
Statement of Revenues, Expenditures and Changes Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2025

Exhibit IV

	General	Special Revenue	Capital Projects	Alexandria Transit Company	Total Governmental Funds
REVENUES					
General Property Taxes	\$ 626,578,693	\$ 1,586,801	\$ -	\$ -	\$ 628,165,494
Other Local Taxes	161,644,387	335,432	1,379,680	-	163,359,499
Permits, Fees, and Licenses	3,054,806	19,265,676	-	-	22,320,482
Fines and Forfeitures	6,293,044	1,150	-	-	6,294,194
Use of Money and Property	31,237,549	1,540,076	9,308,660	-	42,086,285
Charges for Services	15,935,211	46,174,134	(1,352,767)	217,804	60,974,382
Intergovernmental Revenue	63,692,887	73,461,532	10,428,433	9,098,367	156,681,219
Interest from Leases	334,053	-	-	-	334,053
Miscellaneous	10,157,265	5,493,793	1,249,200	90,563	16,990,821
Total Revenues	918,927,895	147,858,594	21,013,205	9,406,734	1,097,206,429
EXPENDITURES					
Current Operating:					
General Government	65,905,655	2,125,571	-	-	68,031,226
Judicial Administration	28,765,890	1,680,320	-	-	30,446,210
Public Safety	175,621,068	14,141,949	-	-	189,763,017
Public Works	32,928,981	16,849,083	-	-	49,778,064
Library	8,743,690	-	-	-	8,743,690
Health and Welfare	26,014,857	95,448,869	-	-	121,463,726
Transit	16,757,691	-	-	43,742,103	60,499,794
Culture and Recreation	33,086,501	3,608,209	-	-	36,694,710
Community Development	27,635,301	41,680,084	-	-	69,315,385
Education	273,034,300	-	34,363,909	-	307,398,209
Debt Service:					
Principal	73,069,012	-	-	-	73,069,012
Interest and Other Charges	15,741,720	10,385,675	-	-	26,127,395
Capital Outlay	6,699,635	-	239,873,522	-	246,573,157
Total Expenditures	784,004,301	185,919,760	274,237,431	43,742,103	1,287,903,595
Excess (Deficiency) of Revenues Over (Under) Expenditures	134,923,594	(38,061,166)	(253,224,226)	(34,335,369)	(190,697,166)
OTHER FINANCING SOURCES (USES)					
Issuance of Debt	-	-	114,555,000	-	114,555,000
Bond Premium (Discount)	-	-	13,134,500	-	13,134,500
Leases Issued	6,699,635	-	-	-	6,699,635
Transfers In	16,387,652	103,583,214	82,716,491	34,433,498	237,120,855
Transfers Out	(135,129,942)	(96,603,767)	(5,387,146)	-	(237,120,855)
Total Other Financing Sources and Uses	(112,042,655)	6,979,447	205,018,845	34,433,498	134,389,135
Total other financing sources (uses)	(112,042,655)	6,979,447	205,018,845	34,433,498	134,389,135
Net Change in Fund Balance	22,880,939	(31,081,719)	(48,205,381)	98,129	(56,308,031)
Fund Balance at Beginning of Year	202,514,825	144,874,203	289,752,460	1,539,880	638,681,368
Increase/(Decrease) in Reserve for Inventory	1,569,290	-	-	-	1,569,290
Fund Balance at End of Year	\$ 226,965,054	\$ 113,792,484	\$ 241,547,079	\$ 1,638,009	583,942,626

Adjustments for the Statement of Activities:

(1) Repayment of bond principal and payment to bond escrow agent are reported as an expenditure and other financing uses in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. (Note 9)	69,189,000
(2) Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense and donated assets to allocate those expenditures over the life of the assets. This is the amount by which new capital assets exceeded capital expenditures in the current period.	105,528,445
(3) Governmental funds report pension & OPEB contributions as expenditures, however in the statement of activities the cost of pension & OPEB benefits earned net of employee contributions is reported as pension & OPEB expense. (Note 9)	(12,803,966)
(4) Issuance of debt, refunding bonds and premium provide current financial resources to governmental funds, but issuing debt increases long term liabilities in the Statement of Net Position. (Note 9)	(127,689,500)
(5) Net effect of implementing GASB 87	(2,819,623)
(6) Some expenses reported in the Statement of Activities do not require the use of current resources and therefore are not reported as expenditures in governmental funds. (Note 9)	22,763,521
(7) The net revenue of the internal service fund (except depreciation which is reported in capital outlays above) is reported with governmental activities. (Exhibit VI)	(5,224,033)
(8) Change in net pension & OPEB liability. (Note 9)	(13,095,764)
Change in net Position	<u>\$ (18,890,660)</u>

See Accompanying Notes to Financial Statements

CITY OF ALEXANDRIA, VIRGINIA
Statement of Net Position
Proprietary Funds – Internal Service Fund
June 30, 2025

Exhibit V

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 7,973,132
Total Current Assets	<u>7,973,132</u>

Capital Assets:

Land	
Buildings and Equipment	46,837,845
Less Accumulated Depreciation	<u>(44,993,558)</u>
Capital Assets, Net	<u>1,844,287</u>

Total Noncurrent Assets	<u>1,844,287</u>
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Total Assets	<u><u>\$ 9,817,419</u></u>
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LIABILITIES

Accounts Payable	<u>152,745</u>
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Total Liabilities	<u>152,745</u>
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NET POSITION

Net Investment in Capital Assets	1,844,287
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Unrestricted Net Position	<u>7,820,387</u>
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Total Net Position	<u>9,664,674</u>
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Total Liabilities and Net Position	<u><u>\$ 9,817,419</u></u>
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See Accompanying Notes to Financial Statements

CITY OF ALEXANDRIA, VIRGINIA
Statement of Revenue, Expenses, and Change in Net Position
Proprietary Funds – Internal Service Fund
For the Fiscal Year Ended June 30, 2025

Exhibit VI

OPERATING REVENUES	
Charges for Services	\$ 2,710,829
Total Operating Revenues	<u>2,710,829</u>
OPERATING EXPENSES	
Materials and Supplies	7,934,862
Depreciation	<u>1,264,466</u>
Total Operating Expenses	<u>9,199,328</u>
Operating Loss	<u>(6,488,499)</u>
NON-OPERATING REVENUES (EXPENSES)	
Loss on disposal of capital asset, net	<u>(3,561)</u>
Total Non-Operating Expenses	<u>(3,561)</u>
Net Loss Before Transfers and Contributions	<u>(6,492,060)</u>
Change in Net Position	(6,492,060)
Net Position at Beginning of Year	<u>16,156,734</u>
Net Position at End of Year	<u><u>\$ 9,664,674</u></u>

See Accompanying Notes to Financial Statements

CITY OF ALEXANDRIA, VIRGINIA
Statement of Cash Flows
Proprietary Funds – Internal Service Fund
For the Fiscal Year Ended June 30, 2025

Exhibit VII

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts From Customers	\$ 2,710,829
Reduction in Payments to Suppliers	<u>(8,055,059)</u>
Net Cash Provided by Operating Activities	<u>(5,344,230)</u>
 Net Increase in Cash and Cash Equivalents	 (5,344,230)
 Cash and Cash Equivalents at Beginning of Year	 <u>13,317,362</u>
Cash and Cash Equivalents at End of Year	<u><u>7,973,132</u></u>

**Reconciliation of Operating Income to Net Cash
Provided by Operating Activities**

Operating Loss	(6,488,499)
Adjustments:	

(1) Cash flows reported in other categories:

Interest and dividends	
Depreciation Expense	1,264,466

(2) Effect of changes in Operating Assets and Liabilities:

Accounts Payable	<u>(120,197)</u>
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Net Cash Provided by Operating Activities	<u><u>\$ (5,344,230)</u></u>
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See Accompanying Notes to Financial Statements

CITY OF ALEXANDRIA, VIRGINIA
Statement of Fiduciary Net Position
June 30, 2025

Exhibit VIII

	Employee Benefit Trust Funds	Private- Purpose Trusts	Custodial Funds
ASSETS			
Cash and Short-term Investments	\$ -	\$ -	\$ 221,086
Investments, at Fair Value:			
U.S. Government Obligations			
LGIP/CDARS/Commercial Paper	-	7,655	-
Mutual Funds	203,445,187	-	-
Stocks	123,012,949	-	-
Guaranteed Investment Accounts	39,886,434	-	-
Real Estate	78,034,430	-	-
Timber/Private Equity	105,169,244	-	-
Other Investments	309,169,081	-	-
Total Investments	858,717,325	7,655	-
Receivables		-	-
Total Assets	858,717,325	7,655	221,086
NET POSITION			
Restricted For			
Pension Benefits	721,556,415	-	-
Other Post Employment Benefits	137,160,910	-	-
Other Purposes	-	7,655	221,086
Total Net Position	\$ 858,717,325	\$ 7,655	\$ 221,086

See Accompanying Notes to Financial Statements

CITY OF ALEXANDRIA, VIRGINIA
Statement of Changes in Fiduciary Net Position
For the Year ended June 30, 2025

Exhibit IX

	Employee Benefit Trust Funds	Private- Purpose Trusts	Custodial Funds
ADDITIONS			
Contributions:			
Employer	\$ 30,036,545	\$ -	\$ 89,325
Plan Members	7,039,981	-	-
Total Contributions	<u>37,076,526</u>	<u>-</u>	<u>89,325</u>
Investment Earnings:			
Net Appreciation (Depreciation) in Fair Value of Investments	17,251,693	-	-
Interest	37,545,792	554	18
Investment Expense	<u>(490,430)</u>	<u>-</u>	<u>-</u>
Net Investment Income	<u>54,307,055</u>	<u>554</u>	<u>18</u>
Total Additions	91,383,581	554	89,343
DEDUCTIONS			
Benefits	39,015,004	-	-
Refunds of Contributions	653,368	-	-
Administrative Expenses	1,881,176	500	26,008
Total Deductions	<u>41,549,548</u>	<u>500</u>	<u>26,008</u>
Change in Net Position	49,834,033	54	63,335
Net Position at Beginning of Year	808,883,292	7,601	157,751
Net Position at End of Year	<u><u>\$ 858,717,325</u></u>	<u><u>\$ 7,655</u></u>	<u><u>\$ 221,086</u></u>

See Accompanying Notes to Financial Statements

CITY OF ALEXANDRIA, VIRGINIA
Combining Statement of Net Position
Component Units
June 30, 2025

Exhibit X

	Schools	Library	Total
ASSETS			
Cash and Investments	\$ 74,900,190	\$ 407,404	\$ 75,307,594
Cash and Investments with Fiscal Agents	1,064,742	4,225,361	5,290,103
Receivables	348,869	-	348,869
Due from Other Governments	12,266,243	93,834	12,360,077
Inventory of Supplies	215,666	-	215,666
Net Pension Assets	11,912,871	-	11,912,871
Prepaid and Other Assets	2,558,667	46,791	2,605,458
Capital assets			
Land	999,381	-	999,381
Other Capital Assets, Net	67,489,942	-	67,489,942
Capital Assets, Net	68,489,323	-	68,489,323
Total Assets	171,756,571	4,773,390	176,529,961
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	64,473,795	-	64,473,795
OPEB	5,509,283	-	5,509,283
Total Deferred Outflows of Resources	69,983,078	-	69,983,078
Total Assets and Deferred Outflows of Resources	241,739,649	4,773,390	246,513,039
LIABILITIES			
Accounts Payable	24,608,468	256,183	24,864,651
Accrued Wages	37,888,742	-	37,888,742
Unearned Revenue	3,975,469	-	3,975,469
Long-term Liabilities Due Within One Year	20,376,814	-	20,376,814
Long-term Liabilities Due in More Than One Year	33,602,027	4,483	33,606,510
Net Pension Liabilities	219,841,279	-	219,841,279
Net OPEB Liabilities	27,289,314	-	27,289,314
Total Liabilities	367,582,113	260,666	340,293,290
DEFERRED INFLOWS OF RESOURCES			
Pensions	35,817,423	-	35,817,423
OPEB	11,794,013	-	11,794,013
Total Deferred Inflows of Resources	47,611,436	-	65,572,080
NET POSITION			
Net Investment in Capital Assets	42,112,004	-	42,112,004
Restricted for grant programs	1,121,864	-	1,121,864
Restricted for health benefits	5,651,420	-	5,651,420
Restricted for net pension assets	11,912,871	-	11,912,871
Unrestricted	(234,252,059)	4,512,724	(229,739,335)
Total Net Position	(173,453,900)	4,512,724	(168,941,176)
Total Deferred Inflows of Resources, Liabilities and Net Position	\$ 241,739,649	\$ 4,773,390	\$ 246,513,039

See Accompanying Notes to Financial Statements

CITY OF ALEXANDRIA, VIRGINIA
Combining Statement of Activities
Component Units
For the Fiscal Year Ended June 30, 2025

Exhibit XI

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Schools	Library	Totals
Schools	\$ 411,686,016	\$ 3,638,613	\$ 36,332,847	\$ (371,714,556)	\$ -	\$ (371,714,556)
Library	9,541,121	236,283	279,634	-	(9,025,204)	(9,025,204)
Total Component Units	<u>421,227,137</u>	<u>3,874,896</u>	<u>36,612,481</u>	<u>(371,714,556)</u>	<u>(9,025,204)</u>	<u>(380,739,760)</u>
General Revenues:						
Payment From City				307,398,209	8,743,690	316,141,899
Grants Not Restricted To Specific Programs				69,993,931	-	69,993,931
Interest and Investment Earnings				-	383,357	383,357
Miscellaneous				833,488	317,742	1,151,230
Total General Revenues				<u>378,225,628</u>	<u>9,444,789</u>	<u>387,670,417</u>
Change in Net Position				6,511,072	419,585	6,930,657
Net Position Beginning of Year				<u>(179,964,972)</u>	<u>4,093,139</u>	<u>(175,871,833)</u>
Net Position End of Year				<u>\$ (173,453,900)</u>	<u>\$ 4,512,724</u>	<u>\$ (168,941,176)</u>

*City expenditure on schools joint tenancy project
See Accompanying Notes to Financial Statements

CITY OF ALEXANDRIA, VIRGINIA

Notes to Financial Statements

June 30, 2025

Exhibit XII

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Narrative Profile

The City of Alexandria, located in northern Virginia and bordered by the District of Columbia (Potomac River) and Arlington and Fairfax Counties, was founded in 1749 and incorporated in 1779. With a population of 166,000 and a land area of 15.75 square miles, Alexandria is the seventh largest city in the Commonwealth of Virginia and one of the most densely populated cities in the Commonwealth.

The City is governed under the Council-Manager form of government. Alexandria engages in a comprehensive range of municipal services, including general government administration, public safety and administration of justice, education, health, welfare, housing and human service programs, transportation, and environmental services (Public Works), planning, community development and recreation, cultural, library, and historic activities.

The financial statements of the City of Alexandria, Virginia, have been prepared in conformity with the specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia, and U.S. generally accepted accounting principles (GAAP) as specified by the Governmental Accounting Standards Board (GASB). The City's significant accounting policies are described below.

A. Financial Reporting Entity

The City follows GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as amended. GASB Statement No. 34 requires the following financial statement components:

Management's Discussion and Analysis – A narrative introduction and analytical overview of the government's financial activities. This analysis is like the analysis that the private sector provides in their annual reports.

Government-wide Financial Statements – These include financial statements prepared using full accrual accounting for all government activities. This approach includes not just current assets and liabilities (such as cash and accounts payable), but also capital assets (such as buildings and infrastructure, including bridges and roads) and long-term liabilities (such as general obligation debt and unfunded pension costs). Accrual accounting also reports all revenues and costs of providing services each year, not just those received or paid in the current year or soon thereafter. The government-wide statements include the Statement of Net position and the Statement of Activities.

Statement of Net Position – The Statement of Net Position displays the financial position of the primary government (governmental activities) and its discretely presented component units. Governments report all capital assets, including infrastructure, in the government-wide Statement of Net Position and report depreciation and amortization expense – the cost of “using up” capital assets – in the Statement of Activities. Net Position represents the difference between assets, liabilities, and deferred inflow (outflow) of Resources. The Net Position of a government is broken down into three categories: 1) net investment in capital assets; 2) restricted; and 3) unrestricted. Net invested in capital assets consists of capital assets, net of accumulated depreciation and accumulated amortization reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets, net of unspent bond proceeds.

Statement of Activities – The Statement of Activities reports revenues and expenses in a format that focuses on the cost of each of the City's functions. The expenses of individual functions are compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements – The fund financial statements display the financial transactions and accounts of the City based on funds. The operation of each fund is an independent accounting entity. The fund financial statements also include reconciliation to the government-wide statements, which briefly explains the differences between the fund and government-wide financial statements.

Budgetary Comparison Schedules – Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in the process of establishing the annual operating budgets of state and local governments and have an interest in following the actual financial progress of their governments over the course of the year. The City Council approves revisions to its original budget over the course of the year for a variety of reasons.

As required by GAAP, these financial statements and schedules present the primary government and its component units, entities for which the City is financially accountable. Blended component units (although legally separate entities) are, in substance, part of the government's operations; therefore, data from these units are combined with data of the primary government. The discretely presented component units are reported in a separate column in the government-wide statements to emphasize they that are legally separate from the primary government. Each of the City's discretely presented component units has a June 30 fiscal year-end.

Component Units:

City of Alexandria School Board

Since FY 1995, the Alexandria City School Board has been an elected body which oversees the operations of the Alexandria City Public Schools (ACPS). ACPS is substantially reliant upon the City because City Council approves ACPS's total annual budget appropriation, levies taxes, and issues debt for school projects. The legal liability for the general obligation debt issued for school capital assets remains with the City. The City's primary transaction with ACPS is the City's annual support for combined operations and capital equipment which totals \$273.0 million in FY 2025. ACPS' financial statements are available via the ACPS website on the Department of Financial Services page.

The APA establishes financial reporting requirements for all localities in the Commonwealth of Virginia. The APA has determined that all Virginia school boards shall be reported as discretely presented component units of the locality. The APA has also specified additional reporting requirements with respect to school boards. ACPS issues separate audited financial statements.

City of Alexandria Library System

The Alexandria Library (the Library) is a discretely presented component unit of the City of Alexandria. The Library's financial statements are available for public viewing at the Library's Administration office at the Beatley Library, 5005 Duke St., Alexandria, VA 22304. The City Council approves the Library budget and appoints three citizens and a member of the Alexandria City Council to the Library Board. The seven-member Library Board also includes three members of the non-profit Alexandria Library Company. The City is responsible for issuing debt, acquiring, and maintaining all capital items on behalf of the Library. The City only maintains the assets based on agreements reached with the Library Board. The library liability for the general obligation debt issued on behalf of the Library remains with the City and is based on needs requested by the Library Board. The City's primary transaction with the Library is the City's annual operating support, which was \$8.7 million for FY 2025. The Library provides a variety of services to the community that are supplemented with funding by endowments and are not completely government services. The City budget provides most of the funding for all services and programs; many of the endowments supplement only the materials budget. The City has no authority in the selection of books and materials the Library carries, nor the day-to-day management of the operations of the Library buildings or staffing. The Library issues separate audited financial statements.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Alexandria Transit Company

Alexandria Transit Company (ATC), although legally separate in substance, is presented as a blended component unit and part of the City's reporting entity as a governmental fund. As a not-for-profit corporation for which the primary government is the only corporate member, the blending of ATC fell within the scope of GASB Statement No. 80. ATC's governing body is substantively the same as the governing body of the primary government and the City's management has operational responsibility for ATC.

Excluded from Reporting Entity

The City Council is not financially accountable for the Deferred Compensation Plan, Alexandria Economic Development Partnership, Alexandria Redevelopment and Housing Authority, Alexandria Renew Enterprises (formerly the Alexandria Sanitation Authority), Visit Alexandria, or Sheltered Homes of Alexandria, Inc. Accordingly, these entities are excluded from the City of Alexandria's financial statements.

B. 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 reporting model focuses on both the City as a whole and the fund financial statements, including the major individual funds of the governmental category, as well as the fiduciary funds (by category) and the component units. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as governmental. In the government-wide Statement of Net Position, the governmental activities column (a) is presented on a combined basis, and (b) is reflected on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. Both government-wide and fund financial statements presentations provide information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the financial information. The City generally uses restricted assets first for expenses incurred for which both restricted and unrestricted assets are available. The City may defer the use of restricted assets based on a review of the specific transaction.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety, public works, health, and welfare, etc.) that are otherwise being supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation and amortization) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (public safety, public works, health, and welfare, etc.). 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 and 2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. The City does not allocate indirect expenses. The operating grants and contributions columns include operating-specific and discretionary (either operating or capital) grants, while the capital grants and contributions column reflects capital-specific grants.

In the fund financial statements, financial transactions and accounts of the City are organized based on funds. The operation of each fund is considered an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with related liabilities, fund balances and net position, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Governmental fund statements are presented based on current financial resources and a modified accrual basis of accounting. This is the way these funds are normally budgeted. Since governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, reconciliation is presented which briefly explains the adjustments necessary to reconcile the fund financial statements to the governmental activities column of the government-wide financial statements.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The following is a brief description of the specific funds used by the City in FY 2025.

1. Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed.

a. General Fund

The General Fund is a major fund and is the primary operating fund of the City. This fund is used to account for all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for service, and interest income. A significant part of the General Fund's revenues is used to finance the operations of the Schools.

b. Special Revenue Fund

A special revenue fund is a major fund and is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. A significant portion of the Special Revenue Fund is used for Health and Welfare programs. The Special Revenue Fund of the City as June 30, 2025, is comprised of the following funds:

ARPA - This fund accounts for the City's funds across multiple departments in support of the COVID-19 pandemic response. The source of funding is the American Rescue Plan Act adopted in March 2021.

Housing - This fund accounts for the City's housing programs. The sources of funding are bond proceeds and the payment of note receivables.

Sanitary Sewer - This fund accounts for the funding of sanitary sewer maintenance and construction. The fund is funded by sewer connection fees and sewer charges.

Stormwater Utility - This fund is funded by a stormwater utility fee which was implemented in 2019. This fee replaces the dedicated real estate property tax in the Stormwater Management fund.

Stormwater Management Fund - This fund was established in FY 2011. It is funded by a dedicated real estate property tax rate of 0.5 cents per \$100 of assessed value.

Potomac Yard Special Tax District - This fund is funded by certain real estate taxes for the development of the Potomac Yard Metro Rail station.

Northern Virginia Transportation Authority (NVTa) - This fund was established in FY 2014. It is funded by various state and local other taxes collected by NVTa.

Industrial Development Authority (IDA) - This fund accounts for IDA bond issuance fees and expenses.

Other Special Revenue - This fund accounts for grants and donations and other amounts that represent a small percentage of special revenues.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Capital Projects Fund

The Capital Projects Fund (Capital Improvements) is a major fund and accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for the acquisition or construction of major capital facilities.

d. Alexandria Transit Company

Alexandria Transit Company (ATC), a major governmental fund, is a blended component unit and part of the City's reporting entity. As a not-for-profit corporation for which the primary government is the only corporate member, the blending of ATC fell within the scope of GASB Statement No. 80. ATC's governing body is the same as the primary government.

2. Proprietary Funds

Proprietary Funds are used to account for activities that are like those often found in the private sector. The measurement focuses on determination of net income, financial position, and cash flows. Operating revenues include charges for services. Operating expenses include costs of services as well as, materials, contracts, personnel, and depreciation and amortization. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

The City has one proprietary fund, the Internal Service Fund. The Internal Service Fund accounts for the financing of goods or services provided by one department to other departments or agencies of the City on a cost-reimbursement basis and is considered a proprietary fund. The City established the Equipment Replacement Reserve Account, the internal service fund, for the purpose of providing for the accumulation of funds to replace capital equipment items used in City operations. This internal service fund derives its funding from periodic equipment rental charges assessed to the user departments in the governmental funds. This funding is then used to replace capital equipment when the need arises. The Internal Service Fund is included in governmental activities for government-wide reporting purposes. As a rule, the effect of interfund activity has been eliminated from the government-wide financial statements. The excess revenues or expenses for the fund are allocated to the appropriate functional activity.

3. Fiduciary Funds

Fiduciary funds are used to account for assets held by the City in a trustee capacity for individuals, private organizations, and other governments. The fiduciary funds of the City are the John D. Collins Private Purpose Trust Fund, City Supplemental Retirement, Pension for Fire and Police, Retirement Income for Fire and Police, Firefighters and Police Pension, Fire and Police Disability, Other Post-Employment Benefits (OPEB) and the custodial funds for the Human Services Special Welfare Account and the Human Services Dedicated Account. For accounting measurement purposes, the Private Purpose Trust Fund and the Employee Retirement Funds are accounted for in essentially the same manner as proprietary funds. The Private Purpose Trust Fund accounts for assets of which the principal may not be spent. The Employee Retirement Funds account for the assets of the City's pension plans and the OPEB fund. Custodial Funds use the economic resources measurement focus.

Fiduciary net position of the Pension and OPEB Plans, and the change in fiduciary net position have been determined on the same basis as they are reported by the pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The custodial funds held by the City as of the end of FY 2025 comprise the following:

Human Services Special Welfare Account – This fund accounts for the current payments of supplemental security income for foster children.

Human Services Dedicated Account – This fund accounts for back payments of supplemental security income for foster children.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using the current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet in the funds statements. Long-term assets and long-term liabilities are included in the government-wide statements. Operating statements of the governmental funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The Government-wide Statement of Net Position and Statement of Activities, all proprietary funds, private purpose trust funds, custodial funds, and pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these activities are either included on the Statement of Net Position or on the Statement of Fiduciary Net Position. These operating statements present increases (e.g., revenues or additions) and decreases (e.g., expenses or deductions) in total net position.

The Government-wide Statement of Net Position and Statement of Activities as well as the financial statements of the Proprietary Funds and Fiduciary Funds are presented on the accrual basis of accounting. Under this method of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash.

The fund financial statements of the General, Special Revenue, and Capital Projects funds are maintained and reported on the modified accrual basis of accounting using the current financial resources measurement focus. Under this method of accounting, revenues are recognized in the period in which they become measurable and available. With respect to real and personal property tax revenue and other local taxes, the term “available” is limited to collection within 45 days after the fiscal year-end. Levies made prior to the fiscal year end, but which are not available, are deferred. Interest income is recorded as earned. Federal and State reimbursement-type grants revenues are measurable and available as revenue when reimbursements for related eligible expenditures are collected within a year of the date the expenditure was incurred. Expenditures, other than accrued interest on long-term debt, are recorded when the fund liability is incurred.

D. Budgets and Budgetary Accounting

The City Council annually adopts budgets for the General Fund and Special Revenue Fund of the primary government. All appropriations are legally controlled at the departmental level for the General Fund and Special Revenue Fund. The Schools appropriation is determined by the City Council and controlled in total by the primary government. On May 3, 2023, the City Council formally approved the original adopted budget and on June 15, 2024, approved the revised budget reflected in the required supplemental information. Budgets are prepared for the Capital Projects Fund on a project basis, which covers the life of the project. A Capital Projects Fund appropriation does not lapse until an appropriation reduction is approved by the City Council.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Encumbrances

Encumbrance accounting, the recording of purchase orders, contracts, and other monetary commitments to reserve an applicable portion of an appropriation, is used as an extension of formal budgetary control in the General, Special Revenue, and Capital Projects Funds. Encumbrances outstanding at year-end are classified as committed or assigned in the General Fund, or as restricted fund balance in the non-General Funds. These encumbrances are subject to re-appropriation by Council ordinance in the succeeding fiscal year.

E. Equity in Pooled Cash and Investments

Cash resources of the individual funds, including imprest cash of \$34,635 and excluding cash held with fiscal agents in the General Fund, Special Revenue Fund, Capital Projects Fund, Proprietary Funds, Fiduciary Funds, and discretely presented component units (Schools and Library), are combined to form a pool of cash and investments to maximize interest earnings. Investments in the pool consist of the State Treasurer's Local Government Investment Pool (LGIP) and are recorded at fair value. Income from pooled investments is allocated only when contractually or legally required. All investment earnings not legally or contractually required to be credited to individual accounts or funds are credited to the General Fund.

The Library maintains separate cash and investment accounts consisting of cash and obligations of the federal government and corporate bonds and stocks recorded at fair value. All cash and investments held with fiscal agents for the primary government and its discretely presented component units are recorded at fair value.

For purposes of the statement of cash flows, the Proprietary Funds consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

The fair value of investments is based on quoted market prices. All investments in external investment pools are reported at fair value.

F. Allowance for Uncollectible Accounts

The City calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance on June 30, 2025, is comprised of the following:

GENERAL FUND:

Taxes Receivable:	
Real Property	\$ 981,891
Personal	24,464,895
Penalties and Interest	<u>1,241,149</u>
Total Taxes	26,687,935
Accounts Receivable	36,225
Notes Receivable	<u>309,000</u>
	<u><u>27,033,160</u></u>

SPECIAL REVENUE FUND:

Housing Fund Notes Receivable	<u><u>\$ 91,591,036</u></u>
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CAPITAL PROJECTS FUND:

Capital Projects Fund Notes Receivable	<u><u>\$ 1,475,000</u></u>
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The component units' accounts receivable is considered fully collectible and therefore an allowance for uncollectible accounts is not applicable to those receivables.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Inventory of Supplies

Primary Government

Inventories of consumable supplies are recorded at cost (determined on a first in, first out basis). Inventory in the General Fund consists of expendable supplies held for consumption. The costs are recorded as expenditures under the purchase method. Reported inventories in the General Fund are equally offset by a reservation of fund balance. Purchases of non-inventory items are recorded as expenses or expenditures under the purchase method. Prepaid expenditures in reimbursable grants are offset by unearned revenues until expenses or expenditures are recognized. Inventory for the Alexandria Transit Company is comprised of parts and operating materials held for consumption. These inventories are costed by methods that approximate average cost or fair value, whichever is lower.

Component Units

Inventory for the Schools is comprised of food and commodities on hand pertaining to the Child Nutrition Cluster of programs. Inventories of consumable supplies are recorded at cost using the weighted average method. Inventories received from the U.S. Department of Agriculture are recorded at fair value when received and the amounts consumed are recorded as revenue. The amounts of unused food commodities are reported as inventory.

H. Other Assets

Other assets in the government-wide statements include deferred outflows related to refunding Bonds, which represents the excess of the reacquisition price over the net carrying amount of the refunded bonds discussed in Note 9. The total adjustment to these assets was comprised of the following:

Deferred outflow related to Refunding Bonds	\$ 11,823,995
Total Adjustment	<u>\$ 11,823,995</u>

I. Leases

The financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset; and a lessor is required to recognize a lease receivable and a deferred inflow of resources. If the present value of the payments or receipts is greater than or equal to \$5,000, the contract is classified as a lease for accounting purposes.

J. SBITAs

GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs) establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability. It provides the capitalization criteria for outlays other than subscription payments, including implementation costs of SBITAs; and requires note disclosures regarding SBITAs. The City adopted the requirements of the guidance effective July 1, 2022, and has applied the provisions of this standard to the beginning of the period of adoption.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Capital Assets

Capital outlays are recorded as expenditures of the General, Special Revenue, and Capital Projects Funds, and as assets in the government-wide financial statements to the extent the City's capitalization threshold of \$5,000 per unit are met. Amortization for right-to-use assets is based on the terms of the agreement. Depreciation and amortization are recorded on capital assets on a government-wide basis using the straight-line method and the following estimated useful lives:

Buildings.....	40 years
Infrastructure.....	25 years
Furniture and Other Equipment	3 - 20 years

To the extent the City's capitalization threshold of \$5,000 is met, capital outlays of the Internal Service Fund are recorded as capital assets and depreciated over their estimated useful lives on a straight-line basis on both the funds and the government-wide financial statements using the straight-line method and the following estimated useful lives:

Leasehold Improvements	3 - 40 years
Equipment.....	3 - 20 years

All capital assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated assets received in a concession arrangement are valued at their acquisition value. The City does not capitalize historical treasures or works of art. The City maintains many items and buildings of historical significance. The City uses the proceeds from the sale of historical treasures or works of art to acquire other items for the collection. Right-to-use assets are valued based on the present value of the agreement and amortized over the shorter life of the asset or agreement.

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenses that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of land, buildings, and equipment, the cost and related accumulated depreciation and amortization, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

L. Compensated Absences

The City accrues compensated absences (annual and sick leave benefits). The current portions of the governmental funds matured compensated absences liabilities are recorded as other liabilities in the General and Special Revenue Funds. The current and noncurrent portions are recorded in the government-wide financial statements. This includes the Library, a discretely presented component unit.

The component unit Schools accrues matured compensated absences (annual, personal, and sick leave benefits). The current and noncurrent portions of compensated absences are recorded in the Schools component unit government-wide financial statements.

Alexandria Transit Company accrues annual and sick leave benefits.

M. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and related notes. Actual results could differ from those estimates.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Fund Balance

The City considers restricted fund balance to be spent when an expenditure is incurred for purposes for which restricted and unrestricted fund balances are available unless prohibited by legal constraints or contracts. When an expenditure is incurred for purposes for which committed, assigned or unassigned amounts are available; the City considers committed fund balance to be spent first, then assigned fund balance, and lastly unassigned fund balance.

Fund Balances are reported according to the following categories:

Non-spendable Fund Balance—amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to remain intact; for example, notes receivable, inventory of supplies, prepaid amounts, and assets-held-for-sale.

Restricted Fund Balance—amounts constrained by external parties, constitutional provision, or enabling legislation. Effectively, restrictions may only be changed or lifted with the consent of the resource provider.

Committed Fund Balance—The City's highest level of decision-making authority is the City Council. The formal action required to establish, modify, or rescind a fund balance commitment is an ordinance of the City Council.

Assigned Fund Balance—amounts in the Assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by City Council's delegation of this authority to the City Manager or his designee in the annual operating budget ordinance. Amendments must follow the guidance described in Note 1D.

Unassigned Fund Balance—is the residual classification for the City's general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned. The Unassigned fund balance can only be appropriated by a resolution of the City Council.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Detail

General Fund

Nonspendable	
Inventories	\$ 8,140,116
Prepays	862,053
Long Term Notes	400,000
Total	<u>9,402,169</u>
Committed	
Encumbrances	7,564,497
Self-Insurance	6,500,000
Total	<u>14,064,497</u>
Assigned	
Subsequent Capital Program	30,000,000
Subsequent Operating Budgets	13,992,992
UHC Self Funding	2,000,000
Transit Savings	5,000,000
Carryover and Incomplete Projects	4,500,000
Natural Disaster/Emergencies	3,000,000
Landmark Redevelopment soil Contingency	2,500,000
Accrued Leave Payout	1,000,000
Economic Development Incentives	1,000,000
Revenue Replacement-funded Projects	1,000,000
Total	<u>63,992,992</u>
Unassigned	<u>139,505,396</u>
Total Fund Balance	<u><u>\$ 226,965,054</u></u>

Encumbrances – These funds (\$7.6 million) have been committed for purchase orders and/or contracts to acquire goods and services not yet received.

Self-Insurance—These funds (\$5.0 million) have been committed and an additional (\$1.5 million) reserved for the City’s self-insurance program.

UHC Self-Funding – These funds (\$2 million) are assigned from health premium cost savings due to vacancies to increase the balance available for the City’s self-funded healthcare plan.

Subsequent Fiscal Years’ Capital Program—These funds (\$30.0 million) have been assigned to fund a portion of the capital improvement program in FY 2025 and beyond.

FY 2025 Operating Budget - These funds (\$14.0 million) have been assigned to fund a portion of the operating programs in FY 2025.

Transit Savings - These funds (\$5 million) have been assigned for future transit costs in the FY 2025 budget. Savings were generated in FY 2021 because of available federal funding for WMATA and the City’s utilization of NVTC reserves.

Carryover and Incomplete Projects - These funds (\$4.5 million) are assigned to support projects and initiatives that are approved but not yet under contract.

Natural Disaster/Emergencies/ Emergency Response - These funds (\$3 million) have been assigned to cover damages and operational costs associated with responding to extraordinary emergencies.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Landmark Redevelopment Soil Removal Contingency – These funds (\$2.5 million) have been assigned to provide additional resources to address the removal of contaminated soil that may be discovered at the Landmark Mall site, above the amount currently budgeted by the developer.

Accrued Leave Payout - These funds (\$1 million) are assigned to address leave payouts that are required for employees that are separated from the city either voluntarily or involuntarily.

Economic Development Incentives - These funds (\$1 million) are assigned to provide funds to incentivize business to locate or expand in the City.

Special Revenue

Restricted	
Grants	\$ 2,088,136
Donations	7,060,582
Housing Programs	4,075,779
Total	<u>13,224,497</u>
Committed	
Sanitary Sewer	10,585,712
Stormwater Utility	(435,677)
Other Programs	42,921,499
Potomac Yard	41,472,396
NVTA	6,024,057
Total	<u>100,567,987</u>
Total Fund Balance	<u><u>\$ 113,792,484</u></u>

Sanitary Sewer - These funds (\$10.6 million) are committed for sanitary sewer maintenance and construction. The funds originate from sewer connection fees and charges.

Potomac Yard - These funds (\$41.5 million) are committed for the development of the Potomac Yard Metrorail Station. The funds originate from certain real estate property taxes.

Northern Virginia Transportation Authority (NVTA) - These funds (\$6.0 million) are committed for transportation improvements in the City. The funds originate from various state and other local taxes collected by the NVTA.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other Programs - These funds (\$159.3 million) are committed per the terms of various grants and donations received by the City. The major programs funded were:

<u>Program</u>	<u>Amount</u>
Building Permitting and Inspection Activities	\$ 46.6 million
Neighborhood Planning	\$ 8.0 million
Weekly Trash/Recycling Collections, Household Hazardous Waste Collections, Special Collections, and Enhanced Recycling Programs	\$ 4.2 million
Criminal Investigation	\$ 1.5 million
Outdoor Space Improvements for Recreational Facilities, and Youth Program Fees for Field Trips and Daily Operations	\$ 1.4 million
Development Review	\$ 0.8 million
Retrofit for Cubicle Office Space	\$ 0.4 million
Field Operations Bureau	\$ 1.1 million
Renovation and Maintenance of Courthouse Facilities	\$ 0.3 million
Inmate Services	\$ 0.4 million

Capital Projects

Restricted	\$ 108,466,956
Committed	133,080,123
Total Fund Balance	<u><u>\$ 241,547,079</u></u>

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant encumbrances greater than \$1.0 million as of June 30, 2025, were:

<u>Fund</u>	<u>Vendor</u>	<u>Amount</u>
Capital Projects	Gilbane Building Company	\$ 11.5 million
Capital Projects	Gillig LLC	\$ 9.8 million
Capital Projects	The Whiting-Turner Contracting Company	\$ 9.6 million
Capital Projects	Keller Brothers Inc.	\$ 8.1 million
Capital Projects	Leo A Daly Company	\$ 7.6 million
Capital Projects	M C Dean Inc.	\$ 6.6 million
Capital Projects	Ft Myer Construction Corp.	\$ 5.1 million
Capital Projects	Skanska USA Civil Southeast Inc.	\$ 4.7 million
Capital Projects	Turner & Townsend Heery LLC	\$ 4.1 million
Capital Projects	New Flyer of America Inc.	\$ 4.0 million
Capital Projects	Arcadis U.S., Inc.	\$ 4.0 million
Capital Projects	Blythe Construction Inc.	\$ 3.8 million
Capital Projects	Greeley & Hansen LLC	\$ 3.5 million
Capital Projects	Potomac Construction CO LLC	\$ 3.5 million
Capital Projects	STV Inc.	\$ 3.4 million
Capital Projects	Sagres Construction Corporation	\$ 2.8 million
Capital Projects	Kimley-Horn and Associates Inc.	\$ 2.8 million
Capital Projects	Jacobs Engineering Group Inc	\$ 2.1 million
Capital Projects	Nicholas Contracting Inc	\$ 2.0 million
Capital Projects	Landivar & Associates, LLC	\$ 2.0 million
Capital Projects	Jones Utilities Construction Inc.	\$ 1.8 million
Capital Projects	WSP USA Inc.	\$ 1.8 million
Capital Projects	Avon Corporation	\$ 1.6 million
Capital Projects	VMDO Architects P.C.	\$ 1.6 million
Capital Projects	Volkert Inc.	\$ 1.6 million
Capital Projects	URS Corporation	\$ 1.3 million
Capital Projects	Skanska USA Building Inc.	\$ 1.2 million
Capital Projects	Kadcon Corp.	\$ 1.2 million
Capital Projects	Maverick Construction LLC	\$ 1.2 million
Capital Projects	T.Y. Lin International	\$ 1.1 million
Capital Projects	Shaw Integrated and Turf Solutions Inc	\$ 1.1 million
Capital Projects	RRMM Architects, PC	\$ 1.1 million
Capital Projects	Perkins Eastman Architects DPC	\$ 1.1 million

O. Short Term Liabilities

Short Term Liabilities include unclaimed funds. The City did not have any short-term debt during FY 2025.

P. Deferred Outflows

A deferred outflow of resources represents a consumption of net assets by the government that is applicable to a future period and so will not be recognized as an outflow of resources until the future period. The City recognizes deferred outflows for contributions made after the measurement date related to pensions and OPEB, difference between expected and actual experience, changes in assumptions, and net difference between projects and actual earnings on pension plans investments. On June 30, 2025, the City had deferred outflows of resources related to pensions and OPEB of \$87.3 million.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Deferred Inflows

A deferred inflow of resources represents an acquisition of net assets by the government that is applicable to a future period and will not be recognized as an inflow of resources (revenue) until that time. For government-mandated and voluntary non-exchange transactions, a deferred inflow is reported when resources are received before time requirements are met. On June 30, 2025, the City had the following deferred inflows of resources.

DEFERRED INFLOWS	
Deferred Tax Revenue	\$ 379,893,134
Deferred Resources	12,385,086
Pension	29,682,792
OPEB	7,084,090
Total Deferred Inflows of Resources	<u>\$ 429,045,102</u>

NOTE 2. LEGAL COMPLIANCE – BUDGETS

After a public hearing and several work sessions, the City Council adopts an annual budget no later than June 27 for the succeeding fiscal year to commence July 1. Transfers of appropriations among departments or projects are made throughout the fiscal year by the City Council. The City Council may also approve supplemental appropriations. In FY 2025, the Council approved a re-appropriation of prior fiscal year encumbrances, as well as several other supplemental appropriations. The City Manager has authority to transfer appropriations within each department. In FY 2025, several intradepartmental transfers were made.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 3. DEPOSITS AND INVESTMENTS

The City maintains a pool of cash and investments in which each fund participates on a dollar equivalent and daily transaction basis. Interest is distributed monthly based on the funds' average monthly balances. A "zero balance account" mechanism provides for daily sweeps of deposits made to City checking accounts, resulting in an instantaneous transfer to the investment account. Thus, most funds in the City's general account are always invested. Exceptions to this are funds in the Library System's checking account, the School Student Activity Fund account, and some bank accounts administered by the Human Services Department. The City's pooled portfolio also excludes pension plans.

A. Deposits

Primary Government

At June 30, 2025, the carrying value of the City's deposits was \$496,614 and the bank balance was \$4,106,479. The difference between the carrying value of the City's deposits and the bank balance was the checks outstanding. This amount will fluctuate depending on the difference between checks issued and checks paid. The funds for these checks remain invested until the checks are presented for payment at the bank. The entire bank balance was covered by federal depository insurance or collateralized in accordance with the Virginia Security for Public Deposits Act (The Act). The Act provides for the pooling of collateral pledged with the Treasurer of Virginia to secure public deposits as a class. No specific collateral can be identified as security for one public depositor and public depositors are prohibited from holding collateral in their name as security for deposits. The State Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying local governments of compliance by banks and savings and loan associations. A multiple financial institution collateral pool that provides for additional assessments is like depository insurance. If any member financial institution fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. If the value of the pool's collateral were inadequate to cover the loss, additional amounts would be assessed on a pro rata basis to the members of the pool. Funds deposited in accordance with the requirements of the Act are considered fully secured. The City maintains cash and temporary investments for all funds and component units in a single pooled account, except for certain cash and investments required to be maintained with fiscal agents or in separate pools or accounts to comply with the provisions of bond indentures. The City has invested bond proceeds subject to rebate of arbitrage earnings in the Virginia State Non-Arbitrage Program ("SNAP"). SNAP is designed to assist local governments in complying with the arbitrage rebate requirements of the Tax Reform Act of 1986. These programs provide comprehensive investment management, accounting, and arbitrage rebate calculation services for proceeds of general obligation and revenue tax-exempt financing of Virginia counties, cities, and towns. As of June 30, 2025, the City had \$108,466,940 in the SNAP short term investment.

Component Units

At June 30, 2025, the carrying value of deposits for the Schools was (\$2,680,702) and the bank balance was \$0. The difference between the carrying value of the School's deposits and the bank balance was the checks outstanding. The entire bank balance was covered by federal depository insurance or collateralized in accordance with the Virginia Security for Public Deposits Act as defined above.

At June 30, 2025, the carrying value of deposits for the Library was \$407,404 and the bank balance was \$408,011. The Library maintains its cash bank accounts which, at times, may exceed federally insured (FDIC) limits of \$250,000 per depositor, per insured bank. As of June 30, 2025, cash balances exceeded FDIC limits by \$158,011.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

B. Investments

State Statutes authorize the City to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, commercial paper rated A-1 by Standard and Poor's Corporation or P-1 by Moody's Commercial Paper Record, banker's acceptances, repurchase agreements, the State Treasurer's Local Government Investment Pool (LGIP), and the Virginia Investment Pool (VIP). The City's current investment policy limits investments to obligations of the United States and agencies thereof, commercial paper, LGIP and repurchase agreements fully collateralized in obligations of the United States and agencies thereof.

During fiscal year 2025 most of the City investments were placed in the State Treasurer's Local Government Investment Pool (LGIP). The LGIP is under the supervision of the Virginia Treasury Board and audited by the Auditor of Public Accounts. However, some investments were made in Certificate of Deposit Account Registry Service (CDARS), where deposits are eligible for FDIC insurance, as well as commercial paper, U.S. Agencies, and the Virginia Investment Pool.

During the year, the City and its discretely presented component units maintained eight pension plans. The plan provisions allow the assets of the pension plans to be invested by the pension carriers in accordance with provisions of the Code of the Commonwealth of Virginia. The Plans' investments are exposed to various risks such as interest rate, market, and credit risks. Such risks, and the resulting investment security values, may be influenced by changes in economic conditions and market perceptions and expectations. Accordingly, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and that such change could materially affect the amounts reported in the Statement of Fiduciary Net Position.

The City and its discretely presented component units' investments are subject to interest rate, credit and custodial risk as described below:

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits at least half of the City's investment portfolio to maturities of less than one year.

Credit Risk – State Statutes authorize the City to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivision thereof, commercial paper rated A-1 by Standard and Poor's Corporation or P-1 by Moody's Commercial Paper Record, banker's acceptances, repurchase agreements, and Virginia Local Government Investment Pool. The City's current investment policy limits investments to obligations of the United States and agencies thereof, commercial paper, and repurchase agreements fully collateralized in the Obligations of the United States and agencies thereof, the State Treasurer's LGIP and VIP. During the fiscal year, the City held its investments in LGIP and VIP, and investments of US agencies.

Custodial Risk – Custodial risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Currently all City investments are held in LGIP, VIP, commercial paper, investments of U.S. agencies, and CDARS. If the City must invest in a local bank, the City will require a designated portfolio manager. At the time funds are invested, collateral for repurchase agreements will be held in the City's name by a custodial agent for the term of the agreement, and investments in obligations of the United States or its agencies will be held by the Federal Reserve in a custodial account.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

As of June 30, 2025, the City had the following cash, investments, and maturities:

Primary Government

INVESTMENT TYPE	Fair Value	Investment Maturities		
		1-12 Months	13-24 Months	25-60 Months
Fixed Certificate of Deposit	\$ 52,719,850	\$ 52,719,850	\$ -	\$ -
Federal Farm Credit Bank (FFCB)	-	-	-	-
Federal Home Loan Bank (FHLB)	19,708,532	19,708,532	-	-
Local Government Investment Pool	503,029,848	503,029,848	-	-
Subtotal	575,458,230	575,458,230	-	-
OPEB Trust Investments*	137,160,910	-	-	137,160,910
Pension Plan Investments (Exhibit VIII)*	721,556,415	-	-	721,556,415
Total	<u>\$ 1,434,175,555</u>	<u>\$ 575,458,230</u>	<u>\$ -</u>	<u>\$ 858,717,325</u>

*Details of investment types for OPEB and Pensions are listed in Note 17, Exhibit XII

Reconciliation to Total Cash and Investments:

Add:

Cash on Hand and in Banks	\$ 496,614
Cash with Fiscal Agents	<u>177,966,871</u>
Total Deposits and Investments	<u>\$ 1,612,639,040</u>

Component Unit

Schools

	Investment Maturities	
	Fair Value	1-12 Months
Fixed Certificate of Deposit	\$ 7,110,203	\$ 7,110,203
Federal Home Loan Bank (FHLB)	2,658,044	2,658,044
Local Government Investment Pool	67,591,559	67,591,559
Total Investments Controlled by City	<u>\$ 77,359,806</u>	<u>\$ 77,359,806</u>

Component Unit

Library

	Investment Maturities	
	Fair Value	1-12 Months
Fixed Certificate of Deposit	\$ 6,372	\$ 6,372
Federal Home Loan Bank (FHLB)	2,382	2,382
Local Government Investment Pool	60,776	60,776
Total Investments Controlled by City	<u>\$ 69,530</u>	<u>\$ 69,530</u>

Primary Government and Component Units:	<u>\$ 652,887,566</u>
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CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

As of June 30, 2025, the City had investments in the following issuers with credit quality ratings as shown below:

	<u>Fair Value</u>	<u>AAA</u>	<u>AA+</u>	<u>CDs and Cash</u>
Fixed Certificate of Deposit	\$ 59,836,425	\$ -	\$ -	\$ 59,836,425
Federal Home Loan Bank (FHLB)	22,368,958	-	22,368,958	-
Virginia Investment Pool 1-3 Year	5,960,654	5,960,654	-	-
Virginia Local Government Investment Pool	564,721,529	564,721,529	-	-
Total Investments Controlled by City & Components	<u>\$ 652,887,566</u>	<u>\$ 570,682,183</u>	<u>\$ 22,368,958</u>	<u>\$ 59,836,425</u>

Rated by S&P

Investments in any one issuer that represents five percent or more of the total of City of Alexandria's investments are as follows:

Issuer	<u>Investment Type</u>	<u>Fair Value</u>	<u>% of Portfolio</u>
VA Dept of Treasury	Local Govt Invest Pool	564,721,529	86.50%
	Fixed Certificate of Deposit	59,836,425	9.16%

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

Reconciliation of total deposits and investments to the government-wide financial statements as of June 30, 2025:

	<u>Governmental Activities</u>	<u>Fiduciary Activities</u>	<u>Total</u>
Primary Government including DASH			
Cash on Hand and In Banks	\$ 496,614	\$ -	\$ 496,614
Cash and Investments	575,229,489	228,741	575,458,230
Cash and Investments with Fiscal Agents	177,966,871	858,717,325	1,036,684,196
Total	<u>\$ 753,692,974</u>	<u>\$ 858,946,066</u>	<u>\$ 1,612,639,040</u>
 Component Unit Schools			
Cash Controlled by City	\$ (2,680,702)	\$ -	\$ (2,680,702)
Investments controlled by City	74,900,190	-	74,900,190
Total	<u>\$ 72,219,488</u>	<u>\$ -</u>	<u>\$ 72,219,488</u>
 Component Units Library			
Cash and Investments controlled by City	\$ 407,404	\$ -	\$ 407,404
Cash and Investments with Fiscal Agents	4,225,361	-	4,225,361
Total	<u>\$ 4,632,765</u>	<u>\$ -</u>	<u>\$ 4,632,765</u>
 Grand Total	<u><u>\$ 830,545,227</u></u>	<u><u>\$ 858,946,066</u></u>	<u><u>\$ 1,689,491,293</u></u>

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

The list below summarizes investments managed by the City of Alexandria in accordance with the fair value hierarchy established by the generally accepted accounting principles. Fair value is a sale price agreed to by a willing buyer and seller, assuming both parties enter the transaction freely. The hierarchy is based on the valuation inputs used to measure the fair value of assets. The inputs are categorized at three levels based on the degree of certainty around the asset's underlying value.

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborate by observable market data.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

During fiscal year 2025, zero investments were classified in Level 1 and Level 3 of the fair value hierarchy. Investments worth \$59.8 million were classified in Level 2. Fixed government securities worth \$11,525 and fixed certificates of deposit worth \$59.8 million were classified in Level 2. The fixed government securities and the fixed securities of deposit were valued using a matrix pricing technique. Matrix pricing is used based on the securities' relationship to benchmark quoted prices.

Virginia Local Government Investment Pool, worth \$6 million were excluded from the fair value hierarchy since they are an external investment pool and have the option to report their investments at NAV or amortized cost. They have chosen to report at amortized cost.

Investments by fair value level	Fair Value	Level 1	Level 2	Level 3
Debt Securities				
Fixed Government Securities	\$ 22,368,958	\$ -	\$ 22,368,958	\$ -
Fixed Certificates of Deposit	59,836,425	-	59,836,425	-
Total Debt Securities	<u>\$ 82,205,383</u>	<u>\$ -</u>	<u>\$ 82,205,383</u>	<u>\$ -</u>
Total Investments by Fair Asset Value	<u>\$ 82,205,383</u>	<u>\$ -</u>	<u>\$ 82,205,383</u>	<u>\$ -</u>
Investments measured at the net asset value (NAV)				
Virginia Investment Pool - Liquidity	5,960,654			
	<u>\$ 5,960,654</u>			
Total Investments by Fair Value and NAV	<u>\$ 88,166,037</u>			
Investments Reported by Amortized Cost				
Virginia Local Govt. Investment Pool	<u>\$ 564,721,529</u>			
Total Investments	<u>\$ 652,887,566</u>			

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 4. RECEIVABLES

Receivables at June 30, 2025, consist of the following:

	General	Special Revenue	Capital Project	Total
Taxes				
Real Property	\$ 282,945,564	\$ 790,260	\$ -	\$ 283,735,824
Personal Property	82,836,987	-	-	82,836,987
Penalties and Interest	6,446,794	-	-	6,446,794
Others	1,983,335	11,216,769	-	13,200,104
Total Taxes	374,212,680	12,007,029	-	386,219,709
Account	20,502,050	1,893,114	-	22,395,164
Due from Other Governments	7,601,311	6,253,177	335,366	14,189,854
Notes	709,000	94,351,375	1,475,000	96,535,375
Gross Receivable	403,025,041	114,504,695	1,810,366	519,340,102
Less: Allowance for Uncollectibles	27,033,160	91,591,036	1,475,000	120,099,196
Net Receivables	<u>\$ 375,991,881</u>	<u>\$ 22,913,659</u>	<u>\$ 335,366</u>	<u>\$ 399,240,906</u>

Taxes receivable represents the current and past four years of uncollected tax levies for personal property taxes, and the current and past 19 years for uncollected tax levies on real property. The allowance for estimated uncollectible taxes receivable is 4.3% percent of the total taxes receivable at June 30, 2025, and is based on historical collection rates. Almost all of the real property tax receivables as of June 30, 2025, represent the second-half payment due for real estate taxes on November 15, 2025. The majority of personal property taxes represent tax year 2025 due October 6, 2025.

Governmental funds report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also include unearned revenue related to resources that have been received but not yet earned. At the end of FY 2025, unearned revenue in the governmental funds consisted of the following:

	Unavailable	Unearned	Total
Property taxes, net of related allowances	\$ 379,893,134	\$ -	\$ 379,893,134
Opioid Settlement Receivable	1,893,114	-	1,893,114
Leases	12,385,086	-	12,385,086
Grant proceeds received prior to completion	-	16,676,727	16,676,727
Prepaid Fees	-	5,033,224	5,033,224
Total	<u>\$ 394,171,334</u>	<u>\$ 21,709,951</u>	<u>\$ 415,881,285</u>

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 4. RECEIVABLES (Continued)

Component Units

Receivables at June 30, 2025, consist of following:

	<u>School Board</u>	<u>Library</u>	<u>Total</u>
Accounts	\$ 348,869	\$ -	\$ 348,869
Intergovernmental	12,266,243	93,834	12,360,077
Total Receivables	<u>\$ 12,615,112</u>	<u>\$ 93,834</u>	<u>\$ 12,708,946</u>

All the component unit receivables are considered to be collectible.

A. Property Taxes

The City levies real estate taxes on all real property on a calendar year basis, at a rate enacted by the City Council on the assessed value of property (except public utility property) as determined by the Real Estate Assessor of the City. The Commonwealth assesses public utility property. Neither the City nor the Commonwealth imposes a limitation on the tax rate. All property is assessed at 100 percent of fair market value and reassessed each year as of January 1. The Real Estate Assessor, by authority of City ordinance, prorates billings for incomplete property as of January 1, but completed during the year.

Real estate taxes are billed in equal semi-annual installments due June 15 and November 15. The taxes receivable balance at June 30, 2025, includes amounts not yet received from the January 1, 2025 levy (due June 15 and November 15, 2025), less an allowance for uncollectible amounts. The installment due on November 15, 2025 is included as unavailable revenue since these taxes are restricted for use until FY 2026. Liens are placed on the property on the date real estate taxes become delinquent and must be satisfied prior to the sale or transfer of the property. In addition, any uncollected amounts from previous years' levies are incorporated in the taxes receivable balance. The tax rate was \$1.135 per \$100 of assessed value during calendar year 2025, this rate remains unchanged compared to calendar year 2024.

Personal property tax assessments on tangible business property and all motor vehicles are based on 100 percent of fair value of the property as of January 1 of each year. For a vehicle, the tax may be prorated for the length of time the vehicle has status in the City. Personal property taxes for the calendar year are due on October 5th. The taxes receivable balance at June 30, 2025, includes amounts not yet billed or received from the January 1, 2025 levy (due October 5, 2025). These taxes are included as unavailable revenue since these taxes are restricted for use until FY 2026. The tax rate for motor vehicles was \$5.33 per \$100 of assessed value during the calendar years 2024 and 2025. On April 30, 2025, City Council adopted an ordinance to set the real and personal property tax rates for Calendar Year 2025. The FY 2026 Approved Budget was also adopted on April 30, 2025. Tax rates during calendar years 2024 and 2025 were \$4.75 for tangible personal property and \$4.50 for machinery and tools per \$100 of assessed value. In addition, any uncollected amounts from prior year levies are incorporated in the taxes receivable balance.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 4. RECEIVABLES (Continued)

Under the provisions of the Personal Property Tax Relief Act of 1998 (PPTRA), the City billed and collected from the Commonwealth, approximately 30 percent of total personal property tax levy in calendar year 2025. The threshold for vehicles that receive a 100% state car tax is applied to vehicles valued \$5,000 and less. This action is estimated to eliminate the local tax burden on more than 30,000 cars for tax year 2025.

B. Notes Receivable

The gross amount of notes receivable is primarily for the City's housing programs and consisted of the following at June 30, 2025:

Governmental Activities

General Fund	\$ 709,000
Special Revenue Fund	94,351,375
Capital Projects Fund	1,475,000
Less Allowance for Uncollectible Accounts	<u>(93,375,036)</u>
Net Notes Receivable	3,160,339
Amounts due within one year	<u>50,000</u>
Amounts due in more than one year	<u>\$ 3,110,339</u>

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 5. CAPITAL ASSETS

The following is a summary of the changes in capital assets for the fiscal year ended June 30, 2025:

Governmental Activities

	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025
Capital Assets Not Being Depreciated				
Land and Land Improvements - 10	\$ 181,711,976	\$ 48,806	\$ -	\$ 181,760,782
Construction in Progress	332,911,189	136,218,345	21,858,949	447,270,586
Total Capital Assets				
Not Being Depreciated	514,623,165	136,267,151	21,858,949	629,031,368
Depreciable Capital Assets				
Buildings 20 & 30	981,929,157	13,783,369	-	995,712,526
Infrastructure - 90	364,224,524	11,134,591	-	375,359,115
Intangible Assets - 70	26,475,233	-	-	26,475,233
Furniture and Other Equipment 40-50-60	168,369,845	28,300,896	4,792,341	191,878,400
Total Depreciable Capital Assets	1,540,998,759	53,218,856	4,792,341	1,589,425,274
Less Accumulated Depreciation and Amortization for				
Buildings 20 & 30	335,971,394	25,717,066	48,134	361,640,326
Infrastructure - 90	208,962,488	12,724,196	-	221,686,684
Intangible Assets - 70	26,399,333	24,150	-	26,423,483
Furniture and Other Equipment 40-50-60	111,362,067	8,785,926	3,793,066	116,354,927
Total Accumulated Depreciation	682,695,282	47,251,338	3,841,200	726,105,419
Depreciable Capital Assets, Net	858,303,478	5,967,518	951,141	863,319,855
Right-to-Use Lease Assets:				
Buildings	32,109,144	4,802,913	1,317,177	35,594,879
Equipment	442,424	1,596,721	163,972	1,875,172
Land	761,212	-	-	761,212
Infrastructure	346,191	-	-	346,191
Easements	1,071,674	-	-	1,071,674
Total Assets	34,730,645	6,399,633	1,481,149	39,649,129
Less Accumulated Amortization for				
Buildings	8,660,427	3,117,788	1,184,542	10,593,674
Equipment	302,346	615,467	163,973	753,840
Land	447,085	149,030	-	596,115
Infrastructure	65,353	21,786	-	87,139
Easements	264,104	211,284	-	475,388
Total Accumulated Amortization	9,739,315	4,115,355	1,348,515	12,506,154
Total Right to Use Assets, Net	24,991,330	2,284,279	132,634	27,142,974
Subscription Based Information Technology Arrangement Assets				
Subscription Based Information Technology Arrangements	54,484	-	39,876	14,608
Less: Accumulated Amortization:	42,652	5,989	39,876	8,765
Total Subscription Based Information Technology Arrangement Assets, Net	11,832	(5,989)	0	5,843
Alexandria Transit Company				
Depreciable Capital Assets				
Equipment	73,244,179	3,560,458	-	76,804,637
Less: Accumulated Depreciation	41,314,493	5,301,457	-	46,615,950
Total Depreciable Capital Assets, Net	31,929,686	(1,740,999)	-	30,188,687
Totals	<u>\$ 1,429,859,491</u>	<u>\$ 142,771,960</u>	<u>\$ 22,942,724</u>	<u>\$ 1,549,688,727</u>

The City acquires and maintains all capital assets for the Library. Accordingly, the Library's capital assets are included in the governmental activity's total.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 5. CAPITAL ASSETS (Continued)

Governmental activities capital assets, net of accumulated depreciation and amortization at June 30, 2025, are comprised of the following:

General Capital Assets	\$ 1,473,397,315
Internal Service Fund Capital Assets	1,844,287
Alexandria Transit Company Capital Assets	30,188,687
Right-to-Use Lease Assets	27,142,975
SBITA Assets	5,843
Total	<u>\$ 1,532,579,107</u>

Depreciation and amortization were charged to governmental functions as follows:

General Government	\$ 5,179,168
Judicial Administration	26,476
Public Safety	3,425,458
Public Works	7,283,818
Depreciation of Infrastructure Assets	12,724,196
Health and Welfare	856,585
Transit	5,301,457
Culture and Recreation	2,998,120
Education	14,495,254
Community Development	262,263
Right-to-Use Lease	4,115,355
SBITA	5,989
Total	<u>\$ 56,674,138</u>

Capital outlays are reported as expenditures in the governmental funds; however, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. The adjustment from governmental funds to the government-wide statements is summarized as follows:

Primary Government

City Capital Outlay	\$ 239,873,522
Donated Assets	3,696,010
Depreciation and Amortization Expense	(56,674,138)
Capital Outlay not capitalized	(81,366,949)
Total Adjustment	<u>\$ 105,528,445</u>

Donated assets are comprised of infrastructure assets donated by developers.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 5. CAPITAL ASSETS (Continued)

Net Position Investment in Capital Assets is computed as follows:

General Capital Assets, Net		\$ 1,532,579,107
Outstanding bonds (including premium)	(1,307,980,500)	
Unspent bond proceeds at SNAP	108,466,956	
Deferred outflow related to Bond Refunding	11,823,995	
Net Outstanding Debt		(1,187,689,549)
Less Retainage & Construction A/P		(2,099,918)
Lease and SBITA Liability		(29,443,396)
Investment in Capital Assets Net of Debt		<u>\$ 313,346,244</u>

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 5. CAPITAL ASSETS (Continued)

Component Unit - Schools

The following is a summary of the changes in capital assets for the fiscal year ended June 30, 2025:

	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025
Capital Assets Not Being Depreciated				
Land and Land Improvements	\$ 999,381	\$ -	\$ -	\$ 999,381
Construction-in progress	3,917,852	-	3,917,852	-
Total Capital Assets				
Not Being Depreciated	4,917,233	-	3,917,852	999,381
Depreciable Capital Assets				
Buildings	48,325,514	30,760,890	-	79,086,404
Furniture and Other Equipment	28,777,813	3,259,024	979,989	31,056,848
Right-of-Use assets	25,246,795	182,395	2,408,731	23,020,459
SBITA assets	4,697,213	3,560,321	1,033,289	7,224,245
Total Depreciable Capital Assets	107,047,335	37,762,630	4,422,009	140,387,956
Less Accumulated Depreciation For				
Buildings and building improvements	37,623,742	1,425,133	-	39,048,875
Furniture and Other Equipment	19,104,783	1,804,666	979,989	19,929,460
Right-of-Use Leases Assets	10,671,268	3,481,714	2,408,731	11,744,251
SBITA assets	1,497,401	1,711,316	1,033,289	2,175,428
Depreciable Capital Assets, Net	68,897,194	8,422,829	4,422,009	72,898,014
Total Other Capital Assets, Net	38,150,141	29,339,801	-	67,489,942
Totals	\$ 43,067,374	\$ 29,339,801	\$ 3,917,852	\$ 68,489,323

In FY 2002, the Virginia Assembly passed a general law to respond to GASB Statement No. 34 that establishes the local option of creating, for financial reporting purposes, a tenancy in common with the local schools when a city or county issues bonds for acquisition, construction, or improvement of public school property. The sole purpose of the law is to allow cities and counties the ability to record school assets and related debt liabilities together. As a result, certain assets purchased with the City's general obligation bonds are now recorded as part of the primary government. According to the law, the tenancy in common ends when the associated obligation is repaid; therefore, the assets will revert to the Alexandria schools when the bonds are repaid. Nothing in the law alters the authority or responsibility of the local schools or control of the assets. All depreciation was charged to education.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 5. CAPITAL ASSETS (Continued)

Primary Government

Construction-in-progress is composed of the following at June 30, 2025:

	Project	Expended	
	Authorization	Through	Committed
	<u>June 30, 2025</u>		
Schools Capital Projects	\$ 266,688,361	\$ 241,775,600	\$ 16,365,257
Housing and Community Improvement	158,777,741	113,613,854	5,883,244
Parks and Recreation	41,450,738	21,253,415	8,452,226
Public Buildings	98,212,911	43,111,074	18,128,254
Public Safety	6,368,520	3,881,974	2,061,075
Infrastructure	24,543,082	7,519,494	4,000,593
Information Technology Hardware	22,692,885	16,115,174	2,680,300
Total	<u>\$ 618,734,238</u>	<u>\$ 447,270,585</u>	<u>\$ 57,570,949</u>

The primary sources of funding for capital assets are long term debt, cash, and grants.

Component Units

There were no construction in progress authorizations for the component units.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 6. RISK MANAGEMENT

The City is exposed to various losses related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. It is the policy of the City to retain the risks of losses in those areas where it believes it is more economical to manage its risks internally and account for any claims settlement in the General Fund. Exceptions to the self-insurance program are made when insurance coverage is available and when premiums are cost effective. The City is covered by property/casualty insurance policies on real and personal property and the following liability insurance policies as of June 30, 2025: public entity and public officials' excess liability, medical malpractice liability, voting booths, special events, vacant buildings, volunteer liability, cyber liability, and commercial crime. In addition, the City maintains excess workers' compensation insurance. There were no material reductions in insurance coverage from coverage in the prior fiscal year, nor did settlements exceed coverage for any of the past four fiscal years.

The City is self-insured for workers' compensation claims up to \$1.5 million, and for public officers, public entity, physical damage to vehicles, and vehicle general liability under \$2.0 million and over \$10.0 million.

Self-Insurance

The non-current portion of unpaid workers' compensation claims amounted to approximately \$21.1 million as of June 30, 2025, and is reflected in the government-wide statements. The current portion is recorded as an accrued liability in the General Fund and the government-wide financial statements. In FY 2009, the City became self-insured for one of the two health insurance plans offered to employees. On June 30, 2025, the current portion of employees' health insurance was \$1.5 million which represents an estimate of health insurance claims that have been incurred but not reported and are reported in accrued liabilities. Therefore, a long-term liability has not been recorded as of June 30, 2025. Liabilities are reported when it is probable that losses have occurred, and the amounts of the losses can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported to date. Liabilities are determined using a combination of actual claims experience and actuarially determined amounts and include incremental claim adjustment expenses and estimated recoveries. An independent contractor processes claims, and the City records a provision and liability in the government-wide statements and General Fund (current portion only) for an estimate of incurred but not reported claims. Changes in the estimated claims payable for workers' compensation and health insurance during the fiscal years ended June 30, 2025 and 2024 were as follows:

	<u>Workers' Compensation</u>	<u>Health Insurance</u>
July 1, 2023 Liability Balance	\$ 20,670,622	\$ 1,592,912
Claims and Changes in Estimates	28,918,180	21,530,042
Claim Payments	<u>(26,576,832)</u>	<u>(21,651,876)</u>
June 30, 2024 Liability Balance	23,011,970	1,471,078
Claims and Changes in Estimates	3,481,789	20,606,788
Claim Payments	<u>(5,420,613)</u>	<u>(20,589,566)</u>
June 30, 2025 Liability Balance	<u><u>\$ 21,073,146</u></u>	<u><u>\$ 1,488,300</u></u>

The Health Insurance liability is included in other liabilities.

Insurance Commitment

In addition, the City has established a General Fund self-insurance commitment of \$6.5 million as of June 30, 2025.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 6. RISK MANAGEMENT (Continued)

Risk Pools

On March 15, 1986, the City joined the Commonwealth of Virginia's Law Enforcement Liability plan, called VA Risk, on behalf of the Office of the Sheriff. The Division of Risk Management of the Commonwealth's Department of General Services operates VA Risk. The division was created in accordance with Sec. 2.1-526.8:1 of the Code of Virginia, which says that the State shall have the right and duty to defend any suit seeking damages or compensation against the City's officials and employees on account of wrongful acts, even if any of the allegations of the suit are groundless, false, or fraudulent, and may make the investigation and settlement of any claims or suit as deemed expedient. The limits of VA Risk coverage are \$1.0 million per claim. The City retains the risk for all claims in excess of \$1.0 million. Claims have not exceeded coverage in the last four years.

On October 1, 1987, the Alexandria Transit Company joined the Virginia Transit Liability Pool. Commercial companies service the Virginia Transit Liability Pool.

The coverage and limits of the pool's liability to the City are as follows:

Commercial General Liability	\$20 million
Automobile Liability	\$20 million
Uninsured Motorist.....	\$50,000
Automobile Physical Damage	(Actual Cash Value)

Under the provisions of the Virginia Workers' Compensation Act, the Alexandria Transit Company has secured the payment of Virginia compensation benefits and employers' liability coverage with the Virginia Municipal Group Self-Insurance Association (VMGSIA). VMGSIA is a public entity risk pool providing a comprehensive workers' compensation insurance program to Virginia municipalities and other local government entities. In addition to insurance coverage, the program provides risk management services with emphasis on loss control and claims administration. The Alexandria Transit Company pays an annual premium to VMGSIA for workers' compensation coverage. VMGSIA is self-sustaining through member premiums and will reinsure for claims in excess of \$5.0 million. Each member's premium is determined through an actuarial analysis based upon the individual member's experience and number of employees. In FY 2025, the Alexandria Transit Company paid an annual premium of \$0.2 million for participation in this pool.

Line of Duty Act (LODA) Pension, OPEB, Health, and Disability/Life Insurance Benefits

The City provides pension, health, and disability/life insurance benefits to the beneficiaries of certain law enforcement and rescue personnel disabled or killed in the line of duty. Benefit provisions and eligibility requirements are established by Title 9.1 Chapter 4 of the Code of Virginia.

In accordance with the State Code, LODA retirees elect a plan administered through the Virginia Department of Human Resources (DHRM). The City pays the DHRM the premiums for covered retirees, spouses, and widows. In FY 2025, the City contributed to the OPEB trust fund for Line of Duty Act benefits. In fiscal year 2024, an actuarial valuation was issued for Line of Duty Act benefits (see Note 16 OPEB). According to the December 31, 2023, actuarial valuation, 781 active employees were eligible for Line of Duty Act pension/health benefits. As of June 30, 2024, 97 beneficiaries were receiving Line of Duty Act health benefits. During FY 2024, Line of Duty Act premium payments for the recipients amounted to \$1.7 million.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 6. RISK MANAGEMENT (Continued)

Component Units

The School Board carries commercial insurance for all risks of loss including property, theft, auto liability, physical damage, and general liability insurance through the Virginia Municipal League. Settled claims resulting from these risks have not exceeded commercial reinsurance coverage for the past three years. There were no material reductions in insurance coverage from coverage in the prior fiscal year nor did settlements exceed coverage for any of the past three fiscal years. The School Board also carries catastrophic medical insurance for Virginia High School League Student participants.

The Library carries commercial insurance with the Virginia Municipal League for all risks of loss including property insurance, theft, auto liability, physical damage, and general liability insurances. There were no material reductions in insurance coverage from coverage in the prior fiscal year, nor did settlements exceed coverage for any of the past four fiscal years.

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CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 7. LEASES

Leases Payable

GASB Statement No. 87, Leases primary objective for this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

Easements

On April 1, 2023, the City entered into a 60-month lease as lessee with Hornblower City Cruise/Water Taxi. An initial lease liability was recorded in the amount of \$1,071,674. As of 06/30/2025, the value of the lease liability is \$645,855. The City is required to make annual fixed payments of \$16,906. The lease has an interest rate of 2.457%. The value of the right to use asset as of June 30, 2025 of \$1,071,674 with accumulated amortization of \$475,387 is included with Easements on the Lease Class activities table found below.

Buildings

On or before June 30, 2025, the City entered into leases from 15 - 180 months as lessee for the use of various buildings. Initial lease liability was recorded in the amount of \$36,540,196. The City entered into the following new lease agreements: The Aspen, 2331 Mill Road, 100 N. Pitt St. Ste 225 & 425. As of 06/30/2025, the value of the lease liability is \$27,207,092. The City is required to make monthly fixed payments ranging from \$1,435 to \$149,410. The leases have interest rates ranging from .237% to 2.95%. The buildings estimated useful life was up to 360 months as of the contract commencement. The value of the right to use assets as of 06/30/2025 of \$35,594,880 with accumulated amortization of \$10,593,675 is included with Buildings on the Lease Class activities table found below.

Equipment

On or before June 30, 2025, the City entered into leases from 14 - 68 months as lessee for the use of office equipment. An initial lease liability was recorded in the amount of \$381,885. The City entered into a new group copier lease with Konica Minolta. As of 06/30/2025, the value of the lease liability is \$1,141,244. The City is required to make monthly fixed payments ranging from \$250 to \$46,363. The leases have interest rates ranging from .237% to 3.07%. The equipment estimated useful life was up to 60 months as of the contract commencement. The value of the right to use assets as of 06/30/2025 of \$1,875,173 with accumulated amortization of \$753,840 is included with Equipment on the Lease Class activities table found below.

Land

Before June 30, 2025, the City entered into leases from 51 - 90 months as lessee for the use of land. An initial lease liability was recorded in the amount of \$761,213. As of 06/30/2025, the value of the lease liability is \$169,109. The City is required to make monthly fixed payments for \$3,447. The leases have interest rates ranging from .814% to 1.372%. The land estimated useful life was up to 90 months as of the contract commencement. The value of the right to use asset as of June 30, 2025, of \$761,212 with accumulated amortization of \$596,113 is included with Land on the Lease Class activities table found below.

Infrastructure

Before June 30, 2025, the City entered into a 190-month lease as lessee for the use of the N. Hampton & King Site. An initial lease liability was recorded in the amount of \$346,191. As of 06/30/2025, the value of the lease liability is \$273,922. The City is required to make annual fixed payments of \$23,386. The lease has an interest rate of 1.9420%. The estimated useful life of the infrastructure site was 190 months as of the contract commencement. The

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 7. LEASES (Continued)

value of the right to use asset as of June 30, 2025 of \$346,191 with accumulated amortization of \$87,137 is included with Infrastructure on the Lease Class activities table found below. City of Alexandria has 2 extension option(s), each for 60 months.

Amount of Lease Assets by Major Classes of Underlying Asset

Asset Class	As of Fiscal Year-end		
	Lease Asset Value	Accumulated Amortization	Net Lease Asset Value
Buildings	\$ 35,594,879	\$ 10,593,675	\$ 25,001,204
Equipment	1,875,173	753,840	1,121,333
Infrastructure	346,191	87,138	259,053
Land	761,213	596,114	165,099
Easements	1,071,674	475,388	596,286
Total Leases	\$ 39,649,130	\$ 12,506,155	\$ 27,142,975

Principal and Interest Requirements to Maturity

Fiscal Year	Governmental Activities				
	Principal Payments		Interest Payments		Total Payments
2026	\$	4,220,214	\$	538,315	\$ 4,758,529
2027		4,253,360		447,491	4,700,851
2028		3,647,730		362,564	4,010,294
2029		3,345,891		294,163	3,640,054
2030		3,474,050		227,998	3,702,048
2031 - 2035		9,832,683		376,147	10,208,830
2036 - 2037		663,294		12,014	675,308
	\$	29,437,222	\$	2,258,692	\$ 31,695,914

Leases Receivable

Buildings

On or before June 30, 2025, the City entered into leases ranging from 20 to 180-month leases as Lessor for the use of various buildings. An initial lease receivable was recorded in the amount of \$6,997,977. The City entered into a new lease agreement with Tall Ship Providence Foundation for the use of Tall Ship Providence. As of June 30, 2025, the value of the lease receivable is \$5,349,467. The lessees are required to make monthly fixed payments ranging from \$1,288 to \$28,098. The leases have an interest rate ranging from .237% to 2.95%. The Buildings estimated useful life was up to 180 months as of the contract commencement. The value of the deferred inflow of resources as of June 30, 2025 was \$5,091,799, and City of Alexandria recognized lease revenue of \$693,185 during the fiscal year.

Land

On or before June 30, 2025, the City entered into leases ranging from 62 to 768-month leases as Lessor for the use of various parcels of land. An initial lease receivable was recorded in the amount of \$7,011,808. As of June 30, 2025, the value of the lease receivable is \$5,667,994. The lessees are required to make monthly fixed payments ranging from \$300 to \$20,081. The leases have an interest rate ranging from .98% to 2.449%. The Land estimated useful life was up to 768 months as of the contract commencement. The value of the deferred inflow of resources as of June 30, 2025 was \$5,506,287, and City of Alexandria recognized lease revenue of \$342,998 during the fiscal year.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 7. LEASES (Continued)

Infrastructure

Before June 30, 2025, the City entered into leases ranging from 170 to 232-month leases as Lessor for the use of various infrastructure sites in Alexandria. An initial lease receivable was recorded in the amount of \$1,174,742. During the year the City entered into additional lease for 96 months. As of June 30, 2025, the value of the lease receivable is \$1,874,728. The lessees are required to make monthly fixed payments ranging from \$2,744 to \$14,250. The leases have an interest rate ranging from 1.803% to 2.19%. The infrastructure sites have an estimated useful life was up to 232 months as of the contract commencement. The value of the deferred inflow of resources as of June 30, 2025 was \$1,751,753, and City of Alexandria recognized lease revenue of 246,272 during the fiscal year.

The City had additional leases outstanding for Land Improvements. There is an outstanding balance of \$32,710 as of June 30, 2025.

Principal and Interest Expected to Maturity

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2026	\$ 1,182,185	\$ 305,574	\$ 1,487,759
2027	1,095,150	277,632	1,372,782
2028	1,116,265	250,598	1,366,863
2029	1,074,263	223,624	1,297,887
2030	1,036,454	197,516	1,233,970
2031 - 2035	3,674,405	676,432	4,350,837
2036 - 2040	1,767,437	322,177	2,089,614
2041 - 2045	1,159,822	170,935	1,330,757
2046 - 2050	229,337	77,312	306,649
2051 - 2055	57,143	68,782	125,925
2056 - 2060	64,416	61,509	125,925
2061 - 2065	72,615	53,310	125,925
2066 - 2070	81,857	44,068	125,925
2071 - 2075	92,275	33,650	125,925
2076 - 2080	104,019	21,906	125,925
2081 - 2085	117,257	8,667	125,924
	<u>\$ 12,924,900</u>	<u>\$ 2,793,692</u>	<u>\$ 15,718,592</u>

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 7. LEASES (Continued)

Primary Government – Governmental Activities

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds but rather is recognized as an expenditure when due.

All liabilities – both current and long-term – are reported in the Statement of Net Position. The adjustment from modified accrual to full accrual as it relates to leases is as follows:

Balances at June 30, 2025:

Long term Lease Liability for right to use assets	\$(29,437,222)	
Intangible right to use assets	39,649,130	
Amortization	<u>(12,506,155)</u>	
Lessee adjustment		<u>(2,294,247)</u>
Net Lease adjustment	\$	<u><u>(2,294,247)</u></u>

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 8. COMMITMENTS AND CONTINGENCIES

A. Washington Metropolitan Area Transit Authority

The City's commitments to WMATA are comprised of agreements to make capital contributions for construction of the rail transit system, contributions for replacement and improvement of rail and bus equipment, and payments of operating subsidies for both the rail and bus systems.

The City and other participating jurisdictions have entered into a series of capital contribution agreements with WMATA to fund the local share of the cost of the regional Metrorail transit system. The City's commitments are summarized as follows:

1. Capital contributions - Bus and Rail Replacement

In June 2021, a new six-year Capital Funding Agreement was signed by all members of the WMATA Compact after a series of one-year extensions of the 2010 six-year agreement. That funding agreement did not assume an increase of \$150 million per year of new federal funds beyond FY 2022 but did assume approximately \$50 million each from the Commonwealth of Virginia, the State of Maryland, and the District of Columbia. The new agreement totaled \$13.6 billion over the six-year period, and \$2.1 billion was projected to be funded by the federal government. The participating jurisdictions' financial obligations, per the Regional Capital Funding Agreement, are subject to individual jurisdictional annual appropriation consideration. The dollar amount of the FY 2026 contribution is \$13.8 million, compared to the FY 2025 contribution for Alexandria, which was \$13.8 million. The Virginia 2018 dedicated funding legislation also requires that local jurisdictions pay a match to the state dedicated funding. In FY 2026, this amount was \$4.1 million, in addition to the allocation specified in the CFA.

2. Operating subsidies - Bus and Rail Systems

During FY 2025, obligations for bus and rail subsidies amounted to \$74.5 million. The City paid these obligations from the following sources:

City General Fund	\$13.5
Transportation Improvement Program (TIP)	\$1.2
State Aid and State Motor Fuel Sales Tax revenues	\$58.2
NVTA 30%	\$1.6
TOTAL (millions)	\$74.5

B. Northern Virginia Transportation District Bonds

In November 1999, the City signed an agreement with the Commonwealth Transportation Board to provide \$256,070 annually (subject to appropriation) to finance certain Northern Virginia Transportation District Bond projects benefiting the City and other jurisdictions in Northern Virginia. The FY 2025 payment of \$256,070 was made from the proceeds from the telecommunications taxes received by the City's General Fund.

C. Waste-To-Energy Facility

The City has a waste disposal commitment to the Waste-to-Energy Facility (the "Facility"), which is owned and operated by a private corporation (the "Corporation"). The commitment, which is joint with Arlington County, Virginia (the "County"), is based on a combined volume of solid waste the City and the County expect to collect. The Facility charges the City and the County fees on each ton based on a waste disposal agreement and contracts separately with private haulers for additional waste. It is expected that the City and the County will be able to continue to meet their minimum requirement for annual tonnage of 46,000 to 66,000 tons per year. The City and the County can adjust the tonnage thresholds annually if it appears the annual tonnage is approaching a minimum or maximum threshold.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 8. COMMITMENTS AND CONTINGENCIES (Continued)

The construction of the Facility was originally financed with revenue bonds issued by the Alexandria Industrial Development Authority in 1984. The Arlington Solid Waste Authority, together with the Alexandria Sanitation Authority (the "Authorities") and the Corporation, refinanced these bonds in July 1998 to achieve debt service savings. Additionally, the Authorities issued new bonds in November 1998 to finance the retrofit of the Facility to meet Clear Air Act requirements. This retrofit was completed by November 9, 2000 in advance of the EPA deadline of December 19, 2000. The retrofit assets continue to be owned by the Authorities. Upon the maturity of the bond in January 2008, the ownership of the plant (but not the land it sits on, which is jointly owned by Alexandria and Arlington) was passed to the Corporation.

Acceptance testing on each unit was completed in November 2000, and the Lease agreement between the Authorities and the Corporation took effect in January 2001. The lease and the promissory note were removed from the City records and are now considered a part of the plant.

By December 2012, all the related revenue bond debt service had been paid in full. A new Facilities Monitoring Group ("FMG") was established, and a new trust fund was set up to fund FMG'S activities. It is funded entirely by contributions from the County (60%) and the City (40%). The operating costs of the Facility are paid primarily through tipping fees. The City paid \$920,741 in tipping fees in FY 2025 and is anticipating a similar cost in FY 2026.

D. Federal and State Sanitary and Stormwater Requirements

Because of state and federal regulations related to improving the water quality of the Chesapeake Bay in the six states and the District of Columbia that comprise the Bay's watershed, many cities and counties in this large geographic area will be required to make significant capital investments in sanitary, stormwater treatment, and agricultural runoff systems over the coming decades. During the 2017 Legislative Session, the Virginia General Assembly passed legislation to accelerate the completion to July 1, 2025, of the City's planned work to mitigate sanitary sewer overflows on the City's four combined sewer outfalls ("CSO's"). The cost to mitigate the CSO's is estimated to cost \$615 million. The Alexandria Sanitation Authority (dba Alexandria Renew Enterprises) will build and finance this project and increase its user rates sufficient to repay its planned revenue bond borrowing. As part of the Approved FY 2019 – FY 2028 CIP and FY 2019 Operating Budget, City Council approved the implementation of a Stormwater Utility to address these state and federal storm water quality improvement regulations. In the Approved FY 2026 – FY 2035 CIP, fees for the Stormwater Utility, along with state grants, will fund \$250.1 million to expand and accelerate flood mitigation and stormwater infrastructure projects over the next ten years and enable the City to meet its State and federal regulatory requirements.

The City also maintains a wastewater collection system serving residents and businesses that comprises of approximately 240 miles of sewers. Alexandria Renew Enterprises is an independent governmental agency that provides wastewater treatment services to most of the City and to a portion of southern Fairfax County. Alexandria Renew Enterprises levies user fees to finance its operating and capital programs. The current Alexandria Renew Enterprises treatment facility has a treatment capacity of 54 million gallons per day ("MGD"), of which 60 percent is allocated to Fairfax County and 40 percent to the City. Based on City new development build-out projections, the City's allocated capacity is projected to be approaching full utilization by about 2040. Based on these projections, an additional 4 MGD capacity will be needed beyond 2040. In order to provide this additional capacity for the City, alternatives need to be evaluated that may include purchasing a portion of Fairfax's capacity at the plant and/or implementing plant systems upgrades. The City continues to coordinate with Alexandria Renew Enterprises on weather flow management mitigation initiatives, such as City's infiltration and inflow program, and RiverRenew program. RiverRenew is a \$615 million program that will improve the health and quality of Alexandria's waterways by preventing millions of gallons of combined sewage from polluting the Potomac River, Hunting Creek and Hoofs Run. This water quality initiative, being led by Alexandria Renew Enterprises, is the largest infrastructure project in the history of Alexandria.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 8. COMMITMENTS AND CONTINGENCIES (Continued)

The RiverRenew program led by Alexandria Renew Enterprises is anticipated to reduce overflows from the Combined Sewer System from an average of about 70 events to less than 4 per year. The transfer of four outfalls from the City to Alex Renew allowed Alexandria Renew Enterprises to own all the combined sewer outfalls and then finance and contract to own the proposed River Renew project, consisting of a unified tunnel and dual use wet weather treatment infrastructure. Alexandria Renew Enterprises is debt financing this CSO project and will increase its user rates to repay bonds issued for the CSO project. The City continues to coordinate with Alexandria Renew Enterprises on wet weather flow management mitigation initiatives, such as the City's infiltration and inflow program, and RiverRenew program.

E. Landmark Mall Redevelopment

In December 2020, the City, Inova Health Care Services (Inova) and a joint venture that includes Foulger-Pratt, Howard Hughes Corporation and Seritage (FP Joint Venture, now Landmark Land Holdings, LLC, Developer) announced a partnership to redevelop the 51-acre Landmark Mall site into a mixed-use town-center type development with new regional Level II Trauma Center Hospital, Cancer Center and at least one medical office building. In total, the plan will encompass 5.6 million (FAR) square feet of new development. For the City, the Landmark total redevelopment, including the impact of moving Inova from its current site, is expected to generate \$1.15 billion in tax revenue over a 30-year period and create a town center for the West End of the City.

The proposed development is expected to transform the unoccupied, enclosed mall site into a mixed-use, walkable urban village. Inova, the leading nonprofit health care provider in Northern Virginia, is expected to invest an estimated \$1 billion to create a new medical campus, anchored by the relocation and expansion of its Alexandria Hospital and more than 2,000 health care workers. Development plans on the balance of the site include residential, retail, commercial, and entertainment offerings integrated into a cohesive neighborhood with a central plaza, a network of parks and public spaces, and a transit hub serving bus rapid transit (BRT), DASH, and Metrobus. Affordable and workforce housing is expected to be enhanced through Developer contributions and co-location with community facilities such as a new Alexandria Fire-EMS station to replace the outdated nearby Station 208.

Excluding the cost of financing, the transaction involves \$177.6 million in direct public participation comprising (1) a \$123.6 million investment in infrastructure improvements at and adjacent to the site (plus capitalized interest) to be funded through a plan of synthetic tax increment financing backstopped by special assessments imposed on the property within a Community Development Authority district, and (2) a \$54 million purchase of land and parking space rights for the hospital site by the IDA, which will then lease the land and associated parking easements to Inova.

F. Opioid Settlement

On August 20, 2021, the Commonwealth of Virginia and its localities entered and signed the Virginia Opioid Abatement Fund and Settlement Allocation Memorandum of Understanding. These actions result in an exchange transaction for the FY2022 reporting period, thus creating an event that results in a revenue accrual. Over a period of 18 years, the City is projected to receive \$2,830,243. As of June 30, 2025, the City has received \$937,129, leaving a remaining balance receivable of \$1,893.114. As of June 30, 2025, the City has expended \$501,796 of Opioid Settlement funds.

G. Litigation

The City is contingently liable with respect to lawsuits and other claims that arise in the ordinary course of its operations. It is the opinion of City management and the City Attorney that any loss not covered by insurance reserves or fund balance commitments that may ultimately be incurred as a result of the suits and claims will not be material and thus will not have a substantial financial impact.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 9. LONG-TERM DEBT

General Obligation Bonds - The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds are subject to the provisions of the Internal Revenue Code of 1986 related to arbitrage and interest income tax regulations under those provisions. As of June 30, 2025, the City's estimated arbitrage rebate and yield liability was \$0.00. General obligation bonds outstanding as of June 30, 2025, are comprised of the following individual issues:

1.	\$114.6 million General Obligation Capital Improvement Bonds of 2024, installments ranging from \$4.2 million to \$8.4 through 2054, bearing interest rates ranging from 3.9 to 5.0 percent payable semiannually on June 15 and December 15, and maturing on December 15, 2055. The bonds will be subject to optional redemption in whole or in part at the direction of the City on or after December 15, 2034	\$	114,555,000
2.	\$246.6 million General Obligation Capital Improvement Bonds of 2023, installments ranging from \$5.9 million to \$15.3 through 2054, bearing interest rates ranging from 4.0 to 5.0 percent payable semiannually on June 15 and December 15, and maturing on December 15, 2053. The bonds will be subject to optional redemption in whole or in part at the direction of the City on or after December 15, 2033.		237,880,000
3.	\$143.4 million General Obligation Capital Improvement Bonds of 2022, installments ranging from \$1.4 million to \$6.9 through 2052, bearing interest rates ranging from 4.0 to 5.0 percent payable semiannually on June 15 and December 15, and maturing on December 15, 2052. The Bonds will be subject to optional redemption in whole or in part at the direction of the City on or after December 15, 2032.		132,295,000
4.	\$50 million General Obligation Capital Improvement Bonds of 2022, installments of \$3.3 through 2037, bearing interest rate of 2.82 percent payable semiannually on January 15 and July 15, and maturing on July 15, 2037. The Bonds will be subject to optional redemption in whole or in part at the direction of the City on or after July 15, 2029.		43,290,000
5.	\$143.1 million General Obligation Capital Improvement Bonds of 2021, installments ranging from \$3 million to \$7.9 million through 2041, bearing interest rates ranging from 1.75 percent to 5.0 percent payable semiannually on June 15 and December 15, and maturing on December 15, 2041. The Bonds will be subject to optional redemption in whole or in part at the direction of the City on or after December 15, 2031.		127,190,000
6.	\$11.7 million General Obligation Refunding Bond of 2021(Federally Taxable), installments ranging from \$0.09 million to \$1.95 million through 2034, bearing interest rates ranging from 1.7 to 2.0 percent payable semiannually on January 15 and July 15, and maturing on July 15, 2022. The Bonds will be subject to optional redemption in whole or in part at the direction of the City on or after June 15, 2031.		11,695,000
7.	\$49.8 million General Obligation Refunding Bond of 2020, installments ranging from \$0.34 million to \$10.5 million through 2033, bearing interest rates ranging from 0.45 to 1.95 percent payable semiannually on June 15 and December 15 and maturing on June 15, 2033. The Bonds will be subject to optional redemption in whole or in part at the direction of the City on or after June 15, 2030.		27,385,000
8.	\$204.0 million General Obligation Capital Improvement Bonds of 2019, installments ranging from \$0.5 million to \$12.3 million through 2050, bearing interest rates ranging from 2.1 percent to 5.0 percent payable semiannually on January 15 and July 15, and maturing on July 15, 2050. The Bonds will be subject to optional redemption in whole or in part at the direction of the City on or after July 15, 2030.		200,220,000
9.	\$40.9 million General Obligation Capital Improvement Bonds of 2018, installments ranging from \$0.75 million to \$2.15 million through 2038, bearing interest rates ranging from 2.9 percent to 5.0 percent payable semiannually on January 15 and July 15, and maturing on July 15, 2038. The Bonds will be subject to optional redemption in whole or in part at the direction of the City on or after July 15, 2028.		30,075,000
10.	\$34.9 million General Obligation Refunding Bond of 2017, installments ranging from \$3.0 million to \$4.0 million through 2030, bearing interest rate 5.0 percent payable semiannually on January 1 and July 1, and maturing on July 1, 2030. The Bonds are not subject to optional redemption prior to their maturities.		22,850,000
11.	\$102.2 million General Obligation Refunding Bond of 2017, installments ranging from \$0.5 million to \$11.7 million through 2032, bearing interest rates ranging from 3.0 percent to 5.0 percent payable semiannually on January 1 and July 1, and maturing on July 1, 2032. The Bonds will be subject to optional redemption in whole or in part at the direction of the City on or after July 1, 2027.		59,215,000
12.	\$4.4 million General Obligation Capital Improvement Bonds of 2017 (taxable), installments ranging from \$0.21 million to \$0.22 million through 2037, bearing interest rates ranging from 2.4 percent to 3.4 percent semiannually on January 15 and July 15, and maturing on July 15, 2037. The Bonds will be subject to optional redemption in whole or in part at the direction of the City on or after July 15, 2027.		2,840,000

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

13.	\$94.7 million General Obligation Capital Improvement Bonds of 2017 (tax exempt), installments ranging from \$2.0 million to \$5.0 million through 2037, bearing interest rates ranging from 2.0 percent to 5.0 percent payable semiannually on January 15 and July 15, and maturing on July 15, 2037. The Bonds will be subject to optional redemption in whole or in part at the direction of the City on or after July 15, 2027.	64,745,000
14.	\$34.2 million General Obligation Refunding Bond of 2016 (tax exempt), installments ranging from \$0.4 million to \$4.1 million through 2031, bearing interest rate 1.9 percent payable semiannually on January 15 and July 15 and maturing on July 15, 2031. The City irrevocably exercises its option to redeem all the refunded bonds on the redemption date.	27,291,000
15.	\$73.7 million General Obligation Capital Improvement Bonds of 2016 (tax exempt), installments ranging from \$1.4 million to \$4.0 million through 2036, bearing interest rates ranging from 2.0 percent to 5.0 percent payable semiannually on January 15 and July 15, and maturing on July 15, 2036. The Bonds will be subject to optional redemption in whole or in part at the direction of the City on or after July 15, 2026.	47,940,000
16.	\$10.6 million General Obligation Refunding Bonds (taxable) of 2015, installments ranging from \$1.0 million to \$1.1 million through 2028, bearing interest rates ranging from 0.9 percent to 3.5 percent payable semiannually on January 15 and July 15 and maturing on July 15, 2028. The Bonds will not be subject to optional redemption prior to maturity.	1,390,000
17.	\$23.2 million General Obligation Capital Improvement (tax-exempt) Bonds of 2015, installments ranging from \$1.1 million to \$1.2 million through 2035, bearing interest rates ranging from 3.0 percent to 5.0 percent payable semiannually on January 15 and July 15. The Bonds are subject to optional redemption in whole or in part at the discretion of the City on or after July 15, 2025.	12,730,000
18.	\$34.0 million General Obligation (tax-exempt) Refunding Bonds of 2015, installments ranging from \$0.4 million to \$6.2 million through 2028, bearing interest at 1.9 percent. The Bonds are subject to optional redemption in whole or in part at any time by the City, upon thirty days prior written notice, at a redemption price equal to 100% of the outstanding principal amount of the Bond redeemed plus accrued interest to the redemption date, plus the Fixed Rate Prepayment Charge. This is a direct bank loan.	14,905,000
19.	\$36.0 million General Obligation Improvement (tax-exempt) Bonds of 2014 installments averaging \$1.8 million through 2035, bearing interest rates ranging from 2.0 percent to 5.0 percent. The Bonds maturing on or before January 15, 2025, are not subject to redemption prior to maturity. The Bonds maturing on or after January 15, 2026, may be redeemed before their maturities on or after January 15, 2025, at the option of the City, in whole or in part, in installments of \$5,000 at any time or from time to time at par plus the interest accrued and unpaid on the principal amount to be redeemed to the date fixed for redemption.	1,800,000
	Total	\$ 1,180,291,000

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 9. LONG-TERM DEBT (Continued)

The outstanding bonds listed below have been issued. The maturity dates are noted in fiscal year format.

1. General Obligation Capital Improvement Bonds of 2024

CUSIP	Issue	Rate	Maturity date December 15
015303 EL0	4,215,000	5.00%	2026
015303 EM8	4,215,000	5.00%	2027
015303 EN6	4,215,000	5.00%	2028
015303 EP1	4,795,000	5.00%	2029
015303 EQ9	4,825,000	5.00%	2030
015303 ER7	4,855,000	5.00%	2031
015303 ES5	4,890,000	5.00%	2032
015303 ET3	4,920,000	5.00%	2033
015303 EU0	4,960,000	5.00%	2034
015303 EV8	4,990,000	5.00%	2035
015303 EW6	5,030,000	5.00%	2036
015303 EX4	5,070,000	5.00%	2037
015303 EY2	5,115,000	5.00%	2038
015303 EZ9	5,160,000	5.00%	2039
015303 FA3	5,205,000	5.00%	2040
015303 FB1	5,255,000	5.00%	2041
015303 FC9	5,305,000	5.00%	2042
015303 FD7	5,350,000	4.00%	2043
015303 FE5	5,395,000	4.00%	2044
015303 FF2	5,445,000	4.00%	2045
015303 FL9	1,285,000	3.875%	2046
015303 FL9	1,335,000	3.875%	2047
015303 FL9	1,385,000	3.875%	2048
015303 FL9	1,440,000	3.875%	2049
015303 FL9	1,495,000	3.875%	2050
015303 FR6	1,550,000	4.00%	2051
015303 FR6	1,615,000	4.00%	2052
015303 FR6	1,680,000	4.00%	2053
015303 FR6	1,745,000	4.00%	2054
015303 FR6	1,815,000	4.00%	2055
<u>\$114,555,000</u>			

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

2. General Obligation Capital Improvement Bonds of 2023

<u>CUSIP</u>	<u>Issue</u>	<u>Rate</u>	<u>Maturity date December 15</u>
015303DF4	8,755,000	5.00%	2026
015303DG2	8,750,000	5.00%	2027
015303DH0	10,105,000	5.00%	2028
015303DJ6	10,175,000	5.00%	2029
015303DK3	10,245,000	5.00%	2030
015303DK1	10,320,000	5.00%	2031
015303DM9	10,400,000	5.00%	2032
015303DN7	10,480,000	5.00%	2033
015303DP2	10,565,000	5.00%	2034
015303DQ0	10,660,000	5.00%	2035
015303DR8	10,755,000	5.00%	2036
015303DS6	10,855,000	5.00%	2037
015303DT4	10,960,000	5.00%	2038
015303DU1	11,070,000	5.00%	2039
015303DV9	11,185,000	4.00%	2040
015303DW7	11,305,000	4.00%	2041
015303DX5	11,435,000	4.00%	2042
015303DX5	11,570,000	4.00%	2043
015303DZ0	11,680,000	4.00%	2044
015303DZ0	3,050,000	4.00%	2045
015303DZ0	3,170,000	4.000%	2046
015303DZ0	3,300,000	4.000%	2047
015303DZ0	3,430,000	4.000%	2048
015303EE6	3,565,000	4.000%	2049
015303EE6	3,710,000	4.000%	2050
015303EE6	3,860,000	4.00%	2051
015303EE6	4,010,000	4.00%	2052
015303EE6	4,175,000	4.00%	2053
015303EE6	4,340,000	4.00%	2054
	<u>\$237,880,000</u>		

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

3. General Obligation Capital Improvement Bonds of 2022B

CUSIP	Issue	Rate	Maturity date December 15
015303CA6	5,545,000	5.00%	2025
015303CB4	6,160,000	5.00%	2026
015303CC2	6,190,000	5.00%	2027
015303CD0	6,225,000	5.00%	2028
015303CE8	6,260,000	5.00%	2029
015303CF5	6,295,000	5.00%	2030
015303CG3	6,335,000	5.00%	2031
015303CH1	6,375,000	5.00%	2032
015303CJ7	6,415,000	5.00%	2033
015303CK4	6,460,000	5.00%	2034
015303CL2	6,510,000	5.00%	2035
015303CM0	6,555,000	5.00%	2036
015303CN8	6,610,000	5.00%	2037
015303CP3	6,665,000	5.00%	2038
015303CQ1	6,715,000	4.00%	2039
015303CR9	6,760,000	4.00%	2040
015303CS7	6,810,000	4.00%	2041
015303CT5	6,865,000	4.00%	2042
015303CU2	1,375,000	4.00%	2043
015303CVO	1,430,000	4.00%	2044
015303CW8	1,485,000	4.000%	2045
015303CX6	1,550,000	4.000%	2046
015303CY4	1,610,000	4.000%	2047
015303CZ1	1,675,000	4.000%	2048
015303DA5	1,745,000	4.000%	2049
015303DD9	5,675,000	4.00%	2052
	<u>\$132,295,000</u>		

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 9. LONG-TERM DEBT (Continued)

4. General Obligation Capital Improvement Bonds of 2022A (Loan)

<u>CUSIP</u>	<u>Issue</u>	<u>Rate</u>	<u>Maturity date December 15</u>
N/A	3,330,000	2.82%	2025
N/A	3,330,000	2.82%	2026
N/A	3,330,000	2.82%	2027
N/A	3,330,000	2.82%	2028
N/A	3,330,000	2.82%	2029
N/A	3,330,000	2.82%	2030
N/A	3,330,000	2.82%	2031
N/A	3,330,000	2.82%	2032
N/A	3,330,000	2.82%	2033
N/A	3,330,000	2.82%	2034
N/A	3,330,000	2.82%	2035
N/A	3,330,000	2.82%	2036
N/A	3,330,000	2.82%	2037
	<u>\$43,290,000</u>		

5. General Obligation Capital Improvement Bonds of 2021A

<u>CUSIP</u>	<u>Issue</u>	<u>Rate</u>	<u>Maturity date December 15</u>
015303CA6	7,945,000	5.00%	2025
015303CB4	7,945,000	5.00%	2026
015303CC2	7,945,000	5.00%	2027
015303CD0	7,945,000	5.00%	2028
015303CE8	7,945,000	5.00%	2029
015303CF5	7,945,000	5.00%	2030
015303CG3	7,945,000	5.00%	2031
015303CH1	7,160,000	4.00%	2032
015303CJ7	7,160,000	4.00%	2033
015303CK4	7,160,000	1.75%	2034
015303CL2	7,160,000	1.75%	2035
015303CM0	7,160,000	1.88%	2036
015303CN8	7,160,000	1.88%	2037
015303CP3	7,160,000	2.00%	2038
015303CQ1	7,155,000	2.00%	2039
015303CR9	7,150,000	2.00%	2040
015303CS7	7,150,000	2.00%	2041
	<u>\$127,190,000</u>		

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

6. General Obligation Bonds of 2021B

<u>CUSIP</u>	<u>Issue</u>	<u>Rate</u>	<u>Maturity date December 15</u>
015303BN9	90,000	2.00%	2025
015303BP4	1,945,000	2.00%	2026
015303BQ2	95,000	2.00%	2027
015303BR0	95,000	2.00%	2028
015303BS8	100,000	2.00%	2029
015303BT6	1,915,000	1.70%	2030
015303BU3	1,895,000	1.75%	2031
015303BV1	1,875,000	1.85%	2032
015303BW9	1,855,000	1.95%	2033
015303BX7	1,830,000	2.05%	2034
	<u>\$11,695,000</u>		

7. General Obligation Refunding Bonds of 2020

<u>CUSIP</u>	<u>Issue</u>	<u>Rate</u>	<u>Maturity date December 15</u>
015303AD2	390,000	1.00%	2026
015303AE0	395,000	1.15%	2027
015303AF7	2,195,000	1.35%	2028
015303AG5	6,135,000	1.40%	2029
015303AH3	6,030,000	1.50%	2030
015303AJ9	4,130,000	1.70%	2031
015303AK6	4,080,000	1.80%	2032
015303AL4	4,030,000	1.95%	2033
	<u>\$27,385,000</u>		

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 9. LONG-TERM DEBT (Continued)

8. General Obligation Capital Improvement Bonds of 2019A

<u>CUSIP</u>	<u>Issue</u>	<u>Rate</u>	<u>Maturity date December 15</u>
0153027F3	1,120,000	5.00%	2025
0153027G1	1,120,000	5.00%	2026
0153027H9	3,450,000	5.00%	2027
0153027J5	3,730,000	5.00%	2028
0153027K2	4,010,000	5.00%	2029
0153027L0	4,285,000	5.00%	2030
0153027M8	4,580,000	5.00%	2031
0153027N6	4,895,000	5.00%	2032
0153027P1	5,205,000	5.00%	2033
0153027Q9	6,650,000	5.00%	2034
0153027R7	7,610,000	5.00%	2035
0153027S5	8,570,000	5.00%	2036
0153027T3	9,365,000	5.00%	2037
0153027U0	9,615,000	5.00%	2038
0153027V8	9,855,000	4.00%	2039
0153027W6	10,090,000	4.00%	2040
0153027X4	9,235,000	4.00%	2041
0153027Y2	9,515,000	4.00%	2042
0153027Z9	9,805,000	4.00%	2043
0153028C9	31,235,000	4.00%	2044-2046
0153028G0	46,280,000	4.00%	2047-2050
	<u>\$200,220,000</u>		

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

9. General Obligation Capital Improvement Bonds of 2018C

<u>CUSIP</u>	<u>Issue</u>	<u>Rate</u>	<u>Maturity date December 15</u>
0153026M9	2,150,000	5.00%	2025
0153026N7	2,150,000	5.00%	2026
0153026P2	2,150,000	5.00%	2027
0153026Q0	2,150,000	5.00%	2028
0153026R8	2,150,000	5.00%	2029
0153026S6	2,150,000	2.90%	2030
0153026T4	2,150,000	3.00%	2031
0153026U1	2,150,000	3.10%	2032
0153026V9	2,150,000	3.15%	2033
0153026W7	2,145,000	3.20%	2034
0153026X5	2,145,000	3.25%	2035
0153026Y3	2,145,000	3.30%	2036
0153026Z0	2,145,000	3.35%	2037
0153026A4	2,145,000	3.40%	2038
	<u>\$30,075,000</u>		

10. General Obligation Refunding Bond of 2017D

<u>CUSIP</u>	<u>Issue</u>	<u>Rate</u>	<u>Maturity date December 15</u>
0153025Z1	3,110,000	5.00%	2025
0153026A5	3,850,000	5.00%	2026
0153026B3	3,900,000	5.00%	2027
0153026C1	3,945,000	5.00%	2028
0153026D9	3,995,000	5.00%	2029
0153026E7'	4,050,000	5.00%	2030
	<u>\$22,850,000</u>		

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 9. LONG-TERM DEBT (Continued)

11. General Obligation Refunding Bond of 2017C

<u>CUSIP</u>	<u>Issue</u>	<u>Rate</u>	<u>Maturity date December 15</u>
0153025K4	11,450,000	5.00%	2025
0153025L2	11,555,000	5.00%	2026
0153025M0	11,665,000	5.00%	2027
0153025N8	7,695,000	5.00%	2028
0153025P3	7,670,000	3.00%	2029
0153025Q1	3,085,000	4.00%	2030
0153025R9	3,060,000	4.00%	2031
0153025S7	3,035,000	4.00%	2032
	<u>\$59,215,000</u>		

12. General Obligation Bonds (taxable) of 2017B

<u>CUSIP</u>	<u>Issue</u>	<u>Rate</u>	<u>Maturity date December 15</u>
0153024L3	220,000	2.65%	2025
0153024M1	220,000	2.75%	2026
0153024N9	220,000	2.85%	2027
0153024P4	220,000	3.00%	2028
0153024Q2	220,000	3.10%	2029
0153024R0	220,000	3.20%	2030
0153024S8	220,000	3.25%	2031
0153024T6	220,000	3.30%	2032
0153024U3	220,000	3.30%	2033
0153024V1	215,000	3.30%	2034
0153024W9	215,000	3.35%	2035
0153024X7	215,000	3.35%	2036
0153024Y5	215,000	3.40%	2037
	<u>\$2,840,000</u>		

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 9. LONG-TERM DEBT (Continued)

13. General Obligation Capital Improvement Bonds of 2017A

<u>CUSIP</u>	<u>Issue</u>	<u>Rate</u>	<u>Maturity date December 15</u>
0153023Q3	4,985,000	5.00%	2025
0153023R1	4,980,000	5.00%	2026
0153023S9	4,980,000	5.00%	2027
0153023T7	4,980,000	5.00%	2028
0153023V2	4,980,000	5.00%	2029
0153023U4	4,980,000	2.00%	2030
0153023W0	4,980,000	3.00%	2031
0153023X8	4,980,000	3.00%	2032
0153023Y6	4,980,000	3.00%	2033
0153023Z3	4,980,000	3.00%	2034
0153024A7	4,980,000	3.25%	2035
0153024B5	4,980,000	3.25%	2036
0153024C3	4,980,000	3.25%	2037
	<u>\$64,745,000</u>		

14. General Obligation Refunding Bonds of 2016B

<u>CUSIP</u>	<u>Issue</u>	<u>Rate</u>	<u>Maturity date December 15</u>
N/A	4,111,000	1.91%	2025
N/A	4,052,000	1.91%	2026
N/A	3,979,000	1.91%	2027
N/A	3,904,000	1.91%	2028
N/A	3,827,000	1.91%	2029
N/A	3,749,000	1.91%	2030
N/A	3,669,000	1.91%	2031
	<u>\$27,291,000</u>		

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 9. LONG-TERM DEBT (Continued)

15. General Obligation Bonds of 2016A

<u>CUSIP</u>	<u>Issue</u>	<u>Rate</u>	<u>Maturity date December 15</u>
0153022V3	3,995,000	5.00%	2025
0153022W1	3,995,000	5.00%	2026
0153022X9	3,995,000	5.00%	2027
0153022Y7	3,995,000	5.00%	2028
0153022Z4	3,995,000	2.00%	2029
0153023A8	3,995,000	2.13%	2030
0153023B6	3,995,000	2.63%	2031
0153023C4	3,995,000	2.75%	2032
0153023D2	3,995,000	2.88%	2033
0153023E	3,995,000	3.00%	2034
0153023F7	3,995,000	3.00%	2035
0153023G5	3,995,000	3.00%	2036
	<u>\$47,940,000</u>		

16. General Obligation Bonds (Taxable) of 2015C

<u>CUSIP</u>	<u>Issue</u>	<u>Rate</u>	<u>Maturity date December 15</u>
0153022H4	950,000	3.00%	2025
0153022J0	155,000	3.15%	2026
0153022K7	145,000	3.35%	2027
0153022L5	140,000	3.50%	2028
	<u>\$1,390,000</u>		

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 9. LONG-TERM DEBT (Continued)

17. General Obligation Capital Improvement Bonds of 2015B

<u>CUSIP</u>	<u>Issue</u>	<u>Rate</u>	<u>Maturity date December 15</u>
015302Y55	1,165,000	5.00%	2026
015302Y63	1,165,000	5.00%	2027
015302Y71	1,165,000	5.00%	2028
015302Y89	1,165,000	3.00%	2029
015302Y97	1,165,000	3.00%	2030
015302Z21	1,165,000	3.00%	2031
015302Z39	1,165,000	3.00%	2032
015302Z47	1,165,000	3.13%	2033
015302Z54	1,165,000	3.13%	2034
015302Z62	1,165,000	3.25%	2035
015302Z70	1,080,000	3.25%	2036
	<u>\$12,730,000</u>		

18. General Obligation Refunding Bond 2015A Direct Bank Loan

<u>CUSIP</u>	<u>Issue</u>	<u>Rate</u>	<u>Maturity date December 15</u>
N/A	6,100,000	1.86%	2026
N/A	3,015,000	1.86%	2027
N/A	2,935,000	1.86%	2028
N/A	2,855,000	1.86%	2029
	<u>\$14,905,000</u>		

19. General Obligation Capital Improvement Bonds of 2014B

<u>CUSIP</u>	<u>Issue</u>	<u>Rate</u>	<u>Maturity date December 15</u>
015302W24	1,800,000	3.00%	2026
	<u>\$1,800,000</u>		

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 9. LONG-TERM DEBT (Continued)

The requirements to pay all long-term bonds as of June 30, 2025, including interest payments of \$442.2 million, are summarized as follows:

Fiscal Year	Principal	Interest	Total Principal & Interest
2026	\$ 71,426,000	\$ 44,566,834	\$ 115,992,834
2027	68,997,000	41,451,320	110,448,320
2028	72,659,000	38,298,286	110,957,286
2029	73,479,000	35,130,054	108,609,054
2030	70,747,000	32,222,390	102,969,390
2031-2035	293,353,000	123,563,725	416,916,725
2036-2040	237,495,000	73,379,286	310,874,286
2041-2055	292,135,000	53,610,438	345,745,438
	<u>\$ 1,180,291,000</u>	<u>\$ 442,222,333</u>	<u>\$ 1,622,513,333</u>

The General Fund meets debt service requirements for general obligation bonds. The City retains the liability for the portion of general obligation bonds issued to fund capital projects of the Schools.

Legal Debt Margin - The City has no overlapping debt with other jurisdictions. As of June 30, 2025, the City had a legal debt limit of \$4.97 billion and a debt margin of \$3.80 billion:

Assessed Taxable Value of Real Property, January 1, 2025	\$49,738,489,475
Constitution Debt Limit (10% of Assessed Taxable Value)	4,973,848,948
Outstanding General Obligation Indebtedness as of June 30, 2025	
Governmental Activities – General Obligation Debt	<u>1,180,291,000</u>
Net Indebtedness subject to debt limit	<u>\$ 1,180,291,000</u>
Legal Debt Margin Remaining	\$3,793,557,948
Percentage of net debt margin available	76.3%

Unissued Bonds - Bond authorizations expire three years from the effective date of the respective bond ordinances. Authorization of bonds, bonds issued and expired during the fiscal year ended June 30, 2025, are summarized below:

	Authorized and Unissued July 1, 2024	Authorized	Issued	Expired	Authorized and Unissued June 30, 2025
General obligation Bonds	\$ 774,100,000	\$ 90,750,000	\$ 114,555,000	\$ 190,790,000	\$ 559,505,000

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 9. LONG-TERM DEBT (Continued)

On October 29, 2024, the City Council issued \$114.6 million in General Obligation Capital Improvement Bonds. The \$114.6 million Capital Improvement bonds were issued with an original premium of \$13.1 million and a true interest cost of 3.35 percent.

The City has not issued any revenue anticipation notes at any time for the past two decades. On April 13, 2023, the city secured a line of credit totaling \$100 million to assist with cash flow and short-term financing of the capital improvement plan.

Changes in Long-Term Liabilities - Changes in the total long-term liabilities during the fiscal year ended June 30, 2025, are summarized below. In general, the City uses the General Fund to liquidate long-term liabilities.

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Amounts Due Within One Year
General obligation Bonds	\$ 1,134,925,000	\$ 114,555,000	\$ 69,189,000	\$ 1,180,291,000	\$ 71,426,000
Bond Premium	124,849,159	13,134,500	10,294,159	127,689,500	8,340,507
Workers' Compensation Claims	23,011,970	4,970,089	5,420,613	22,561,446	1,488,300
Accrued Compensated Absences	31,096,601	44,401,164	23,956,282	51,541,483	3,992,332
Right to Use Leases	26,614,745	6,699,635	3,877,158	29,437,222	4,220,214
Subscription Liability	9,028	-	2,854	6,174	-
Net Pension Liability	195,669,555	6,991,873	15,737,969	186,923,459	-
Net OPEB Liability	9,417,967	-	4,349,668	5,068,299	-
Total	\$ 1,545,594,025	\$ 190,752,261	\$ 132,827,703	\$ 1,603,518,583	\$ 89,467,353

Primary Government – Governmental Activities

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

All liabilities – both current and long-term – are reported in the Statement of Net Position. The adjustment from modified accrual to full accrual is as follows:

Balances at June 30, 2025:

Long-term liabilities (detail above)	\$ 1,603,518,583
Accrued interest payable	1,056,820
Reconciling items to Governmental Funds	<u>\$ 1,604,575,403</u>

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 9. LONG-TERM DEBT (Continued)

Reconciliation to statement of Net Position and Statement of Activities

Reconciliation to Statement of Activities

Under the modified accrual basis of accounting used in the fund financial statements for the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the government-wide statement of activities, however, which is presented on the accrual basis, expenses are reported regardless of when financial resources are available. In addition, interest on long-term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. This adjustment from modified accrual to full accrual is composed of the following items:

Compensated absences	\$ 20,444,882
Discount and Interest	2,840,341
Workers Compensation	(450,524)
Accrued Interest on Bonds	(71,178)
Net Adjustment	<u>\$ 22,763,521</u>

The adjustment from modified accrual basis to full accrual for pension and OPEB is comprised of pension expense net of pension contributions and OPEB expense net of OPEB contributions.

Pension and OPEB Reconciliation

Pension Expense, Note 17	\$ 45,461,139
Contributions, measurement date	
City Single Agency & VRS FY25	(45,694,792)
Net Pension Expense	(233,653)
OPEB Expense, Note 16	(3,133,114)
Contributions, measurement date	
City OPEB FY25	(9,437,199)
Net OPEB Adjustment	(12,570,313)
Adjustment to Exhibit IV	<u>\$ (12,803,966)</u>

Reconciliation to Net Position:
Deferred Inflows

Deferred Inflows: Exhibit III	\$ 379,893,134
Deferred Inflows, Taxes Exhibit I	379,893,134
Deferred Resources, Leases Exhibit I	12,385,086
	<u>12,385,086</u>
Deferred Inflows, Pensions	29,682,792
Deferred Inflows, OPEB	7,084,090
Deferred Inflows, Pensions & OPEB Exhibit I	<u>\$ 36,766,882</u>

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 9. LONG-TERM DEBT (Continued)

Component Unit – Schools

				Amounts Due		
	Balance			Balance	Within	Long Term
	July 1, 2024	Additions	Reductions	June 30, 2025	One Year	Payable
Compensated Absences	\$ 11,406,423	\$ 3,243,981	\$ -	\$ 14,650,404	\$ 14,864,178	\$ (213,774)
Workers' Compensation Claims	2,168,398	1,318,188	1,470,280	2,016,306	1,411,414	604,892
Right to Use Leases	15,591,562	182,395	3,417,428	12,356,529	3,110,936	9,245,593
Subscription Liability	895,261	3,940,382	3,528,682	1,306,960	990,287	316,673
Net Pension Liability	233,090,773	87,395,795	100,645,289	219,841,279	-	219,841,279
Net OPEB Liability	31,062,159	10,580,559	14,343,404	27,299,314	-	27,299,314
Total	\$ 294,214,576	\$ 106,661,300	\$ 123,405,083	\$ 277,470,792	\$ 20,376,815	\$ 257,093,977

Refunding Bonds

Prior-year Defeasance of Debt

In prior years, the City defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. On June 30, 2025, \$11,823,995 of bonds outstanding were considered defeased.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 10. INTERFUND BALANCES AND COMPONENT UNIT TRANSACTIONS

Primary government transfer activities include:

Transfers from the General Fund to the Special Revenue Fund represent City funds required to match grant programs resources and taxes collected for affordable housing projects and to fund transportation agreements. In addition, the City transferred \$0.01 million in capital assets to Alexandria Transit in FY 2025.

Special Revenue funds are transferred to other funds for capital and equipment purchases as determined by the terms of the grant agreements.

Transfers from the General Fund to the Capital Projects fund represent the City's budgeted pay-as-you-go funding of capital projects.

Transfers from Special Revenue funds to Capital Projects represent grants received for capital-related expenditures.

This balance represents timing differences related to accounts receivable.

Interfund transfers and transactions for the year ended June 30, 2025, consisted of the following:

Transfers:	General	Special Revenue	Capital Projects	Total Transfers In
Primary Government				
General Fund	\$ -	\$ 11,000,506	\$ 5,387,146	\$ 16,387,652
Special Revenue	70,720,292	32,862,922	-	103,583,214
Capital Projects	29,976,152	52,740,339	-	82,716,491
Alexandria Transit	34,433,498	-	-	34,433,498
Total Transfers Out	<u>\$ 135,129,942</u>	<u>\$ 96,603,767</u>	<u>\$ 5,387,146</u>	<u>\$ 237,120,855</u>

Transactions with the component units represent budgeted subsidies for the school and library operations and capital projects.

Component unit transfers and transactions for the year ended June 30, 2025, consisted of the following:

Component Units

Transfers:	General	Special Revenue	Capital Projects	Total Transfers In
Schools	\$ 273,034,300	\$ -	\$ 34,363,909	\$ 307,398,209
Library	8,743,690	-	-	8,743,690
Total Transfers Out	<u>\$ 281,777,990</u>	<u>\$ -</u>	<u>\$ 34,363,909</u>	<u>\$ 316,141,899</u>

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 11. GRANTS

The City receives financial assistance from numerous federal, state, and local governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed disbursements resulting from such audits could become a liability of the City. In the opinion of City management, no material refunds will be required because of unallowed disbursements (if any), by the grantor agencies.

NOTE 12. INTERGOVERNMENTAL REVENUES

Intergovernmental revenues for the City and its component units totaled \$262.5 million in FY 2025. Sources of these revenues were as follows:

GOVERNMENTAL FUNDS	
Federal Government	\$ 42,453,503
Commonwealth of Virginia	114,227,716
Total Primary Government	<u>156,681,219</u>
 FEDERAL GOVERNMENT	
Schools	<u>28,762,243</u>
Component Units - Federal Government	<u>28,762,243</u>
 COMMONWEALTH OF VIRGINIA	
Schools	76,825,986
Library	279,634
Component Units - Commonwealth of Virginia	<u>77,105,620</u>
Total Component Units	<u>105,867,863</u>
 TOTAL CITY AND COMPONENT UNITS	
Federal Government	71,215,746
Commonwealth of Virginia	191,333,336
Total Intergovernmental Revenue	<u>\$ 262,549,082</u>

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 13. DUE FROM OTHER GOVERNMENTS

Due from other governments represents accrued revenue on June 30, 2025, consisting of the following:

PRIMARY GOVERNMENT

State

General Fund	\$ 7,601,311
Special Revenue Fund	2,187,977
Capital Projects Fund	335,366
Total State	<u>10,124,654</u>

Federal

Special Revenue Fund	<u>4,065,200</u>
Total Federal	<u>4,065,200</u>

Total Primary Government	<u><u>14,189,854</u></u>
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COMPONENT UNITS

State

Schools	4,020,839
Library	93,834
Total State	<u>4,114,673</u>

Federal

Schools	<u>8,245,404</u>
Total Federal	<u>8,245,404</u>

Total Component Units	<u><u>12,360,077</u></u>
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Total Primary Government & Component Units	\$ <u><u>26,549,931</u></u>
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CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 14. JOINT VENTURES

A joint venture is a legal entity or other organization that results from a contractual arrangement and is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain: (1) an ongoing financial interest or (2) an ongoing financial responsibility.

A. Northern Virginia Criminal Justice Academy

The City participates in a joint venture with the Counties of Arlington and Loudoun and the Cities of Fairfax, Falls Church, Manassas, and Manassas Park to provide training for sworn law enforcement and correctional officers to satisfy requirements mandated by the Commonwealth of Virginia. The Industrial Development Authority of Loudoun County, Virginia issued \$6.6 million in Northern Virginia Criminal Justice Academy Lease Revenue Bonds, Series 1993, to finance the acquisition, renovation, and equipment of the Academy Training Center. The City and the Counties of Arlington and Loudoun have entered into a lease with the Industrial Development Authority of Loudoun County. The City maintains an equity interest only in the land and building of the Academy (located at 45299 Research Pl in Ashburn, VA), which is reflected in the City's Statement of Net Position. The City does not maintain an equity interest in the Academy's operations. This lease was paid in full in FY 2007. A new debt of \$18.7 million was issued in FY 2007. The City does not have an equity interest associated with this debt. In addition, the City pays the Northern Virginia Criminal Justice Academy for operating costs based on the pro-rata share of officers trained. In fiscal year 2025, the City paid \$1.0 million for operating costs.

Financial statements for the Academy may be obtained at Northern Virginia Criminal Justice Academy, 45299 Research Place, Ashburn, Virginia 22011-2600.

B. Northern Virginia Juvenile Detention Home

The City participates in a joint venture with Arlington County and the City of Falls Church to operate a regional juvenile detention home. In July 1993, the City agreed to fund 55.3 percent of the construction costs of a new facility. The final construction payments were made in FY 1995. In addition, the City pays part of the Northern Virginia Juvenile Detention Home's operating costs based on the number of beds utilized by Alexandria residents. These payments totaled \$2.2 million in fiscal year 2025.

The City does not maintain an equity interest in the detention home. Complete separate financial statements for this operation may be obtained from Northern Virginia Juvenile Detention Home, 200 South Whiting Street, Alexandria, Virginia 22304.

C. Washington Metropolitan Area Transit Authority

As discussed in Note 8, the City participates in a joint venture with other local jurisdictions to share in the cost of a regional transportation system. The City does not maintain an equity interest in WMATA. Complete financial statements of WMATA may be obtained from WMATA, 600 5th Street, N.W., Washington, DC 20001.

D. Virginia Railway Express (VRE)

In July 2014, the City entered an amended agreement with the Northern Virginia Transportation Commission (NVTC), the Potomac and Rappahannock Transportation Commission (PRTC), and several jurisdictions in Northern Virginia to provide commuter rail services. The commuter rail service is known as Virginia Railway Express (VRE). In fiscal year 2025, the City made payments of \$0.1 million to VRE.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 15. RELATED PARTY TRANSACTIONS

Related parties include, but are not limited to, members of the governing board, administrative boards or commissions, administrative officials and their immediate families, component units and joint ventures, and affiliated or related organizations that are not included as part of the financial reporting entity, and transactions with related parties are defined.

A. Alexandria Housing Development Corporation (AHDC)

AHDC is an affordable housing provider.

The Station at Potomac Yard

The City established a related party agreement for The Station at Potomac Yard Apartments project in 2008. This project was developed via a joint venture with a local non-profit housing group, AHDC, and Pulte Homebuilders. None of these related entities are active and plans are to dissolve the limited liability corporation (LLC) that was formed for the project. Due to warranty/liability issues, the LLC was required to be maintained for several years after construction was completed in 2009 and is operational and occupied.

The Bloom

In December 2016, the City Council approved a loan in the amount of \$7.1 million for AHDC's Bloom project. In June 2018, the project was awarded LIHTC credits by VHDA. On September 11, 2018, City Council approved additional loan funds in the amount of \$1.7 million for the project. The project was completed in November 2020 and is operational and occupied.

Sanse

In February 2022, the City Council approved an initial loan in the amount of \$10.5 million for AHDC's Sanse project. In June of 2023, the City Council approved an additional \$53.5 million in funds and in June of 2024, an additional \$14 million for the project for a total of \$78 million in grant and loan funds. The project was awarded LIHTC credits by VHDA in June 2022 and in the summer of 2024. The project is under construction and the first phase of the project is scheduled to be completed in 2026 or 2027.

B. Arlington Housing Corporation, Inc (AHC)

AHC is an affordable housing provider.

East Reed LLC (ERLLC)

In February 2013, the City of Alexandria created a special purpose entity, ERLLC, to enter a public-private partnership arrangement with nonprofit housing developer, AHC, to develop 78 units of affordable housing. The project was completed in 2014 and is operational and occupied. The City assessed the agreement and determined that, the agreement does not meet the requirements of GASB 94: Public-Private Partnership

St. James Plaza

On January 24, 2015, City Council approved a loan in the amount of \$5.7 million for the AHC St James Plaza project. In June 2015, the project was awarded LIHTC credits by VHDA. The project was completed in 2018 and is operational and occupied.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 15. RELATED PARTY TRANSACTIONS (Continued)

Church of Resurrection

On January 20, 2018, the City Council approved a loan in the amount of \$9.0 million for the AHC Church of the Resurrection project. In June 2018, the project was awarded LIHTC credits by VHDA. On April 23, 2019, City Council approved an additional \$0.9 million. The City has distributed \$0.4 million in predevelopment funds previously and closed on the full loan in FY 2019 with all funds now disbursed. The project was completed in 2021 and is operational and occupied.

C. Alexandria Redevelopment and Housing Authority (ARHA)

ARHA is a public agency established under the Housing Authority Law, Chapter 1 Title 36 of the Code of Virginia of 1938. The agency develops a variety of housing projects around the City.

Ramsey Homes

On May 22, 2018, the City Council approved a loan in the amount of \$3.6 million for ARHA's Ramsey Homes project. In June 2017, the project was awarded LIHTC credits by VHDA. On October 22, 2019, the City Council approved additional loan funds in the amount of \$1.4 million for ARHA's Ramsey Home project. The project was completed in 2021 and is operational and occupied.

The Alate Old Town Senior Living Facility

The Alexandria Redevelopment and Housing Authority (ARHA) has acquired The Alate Old Town Senior Living Facility for \$56.8 million as permanent relocation housing for 110 age-eligible residents of Ladrey Senior High-Rise, located at 300 Wythe Street.

A unanimous Alexandria City Council vote in June approved the purchase of the Alate, located at 1122 North First Street. Closing took place August 6, 2025. Bonds will be issued by the Virginia Resources Authority, and City Council has agreed to a Moral Obligation to facilitate the bond approval.

The Alate will feature affordable senior housing for people ages 62 and older. It will be operated by a professional third-party property management company. ARHA plans to move Ladrey residents into the building soon and complete the move by the end of 2025.

The 133-unit property currently has 18 occupied units. ARHA will communicate directly with current residents as to their rights and options. Current occupants are allowed to move if they wish.

ARHA plans to begin renovations of the Ladrey property in the first quarter of 2027.

D. Wesley Housing Development Corporation (Wesley)

Wesley is an affordable housing provider.

The Waypoint

On November 17, 2018, the City Council approved a loan in the amount of \$7.65 million for the Wesley Waypoint project. In June 2019, the project was awarded LIHTC credits by VHDA. The City has distributed \$0.4 million in predevelopment funds previously and closed on the full loan in FY 2021 with all funds now disbursed. The project was completed in 2022.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 15. RELATED PARTY TRANSACTIONS (Continued)

E. Alexandria Economic Development Partnership (AEDP)

699 Prince Street (The Heron)

As proposed, the six-story building at 699 Prince St. was converted into a 134-room hotel, now called the Heron, with 30,000 square feet of restaurant, meeting and retail space.

The project ordinance allows the 699 Prince Street catalyst project to participate in the State's Tourism Development Finance Program. The project must qualify to generate Virginia and City of Alexandria sales and use tax, such as lodging, dining, meeting space rental and catering, and limited, project-specific retail, to invest in the City within a designated Tourism Zone.

For the City, the 699 Prince Street redevelopment is estimated to generate \$42.9 million incremental tax revenue over a 20-year period. After deducting the 1% sales and use tax of almost \$2.3 million, and \$3 million for estimated city services, the net gain for the City is \$37.6 million over a 20-year period.

F. Landmark Community Development Authority (CDA)

At its July 6, 2021, meeting, the Alexandria City Council unanimously approved the redevelopment agreements for the site of the former Landmark Mall, which will result in up to approximately four million square feet of new development. The project will be anchored by the relocation and expansion of Inova's new state-of-the-art Alexandria Hospital bringing more than 2,000 health care workers to the medical campus. This transformational

project (led by developer Foulger-Pratt) was named by the Washington Business Journal as the 2020 Real Estate Deal of the Year.

To facilitate the redevelopment of the Landmark site, the transaction includes investment of (a) \$54 million in public bond funds to acquire land to lease to Inova for the proposed hospital and related medical facilities, and (b) \$86 million in public bond funds for Landmark site preparation and infrastructure costs. By investing public funds (which has been contemplated as far back as 2004), the City would accelerate the revitalization of Alexandria's West End.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 16. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

PRIMARY GOVERNMENT

In 1989 City Council voted to establish three classes of post-employment health care benefits to supplement the increasing health care costs for City retirees. The three classes are as follows: (a) Full Time City employees who are eligible to retire under the Virginia Retirement System and City Supplemental Retirement Plan; (b) Fire and Police employees who are eligible to retire under the current defined benefit pension plan; and (c) Fire and police employees who retired and were eligible for normal retirement with 20 years of service under the old defined contribution retirement income plan and the retirees under the old defined benefit pension. In addition, spouses of deceased retirees are also eligible to receive benefits under this provision. The Other Postemployment benefits (OPEB) plan is a single-employer plan.

Full-time employees who retire under a primary City-sponsored retirement plan may continue to participate in a City-sponsored health insurance plan as a retiree. The City also offers a reimbursement program that is based on the actual cost of the retiree's monthly health care premium up to a maximum amount determined by the City Council. Eligibility is contingent upon the retiree providing proof of participation and payment to a health insurance plan. In FY24, 378 retirees participated in the reimbursement program. The maximum monthly amount an eligible retiree or a surviving spouse may receive is \$260. The City Council has authority to establish or amend the provisions. In FY24, the City contributed on a "pay-as-you-go" basis at the rate of up to \$260 per month for each retiree, for a total annual contribution of \$6.5 million. Employees hired after June 30, 2008, have their retirees' health benefits prorated based on the length of service.

In addition to the healthcare benefits, the City pays for basic life insurance to regular full-time employees hired prior to July 1, 2009, at no cost to the employee. At retirement, full-time regular employees hired before July 1, 2009, are eligible for basic life insurance at two times their salary as of the last January 1st rounded up to the nearest \$1,000, with applicable reductions after age 65. On January 1, following the 65th birthday, the basic life insurance amount is reduced by 25 percent and then by 10 percent each year until the 70th birthday. The ultimate insurance amount is 25 percent of the salary.

The City follows the guidance in Statements No. 74 and 75 of the Governmental Accounting Standards Board (GASB), Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions.

The City does not issue a stand-alone financial report for the OPEB Trust Fund. The financial statements and required supplementary information are included in the City's Annual Comprehensive Financial Report.

Plan Administration

The City's OPEB Plan, which includes the Line of Duty Act benefits (LODA), is one plan and is overseen by the OPEB Plan Board. The board must be comprised of at least three members including the Chief Financial Officer, the City Finance Director, or City Manager Designee, and at least one other member who is a citizen of the Commonwealth with "proven integrity, business ability, and demonstrated experience in cash management and in investments." The citizen is nominated by the City Manager and approved by City Council. The City OPEB Board adopts a realistic actuarial rate of return for the Plan and recommends the level of contributions needed to keep the Plan financially sound. City Council approves the contribution level.

Method Used to Value Investments

Investments are valued at fair value. The City does not have any OPEB investments, other than U.S. Government and U.S. Government guaranteed obligations, in any one organization that represents five percent or more of the net assets held in trust for OPEB investments.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 16. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Investment Policy

The City OPEB Plan has two components: cash payments for Medical Insurance and Life Insurance. The objective of the Medical Insurance and Life Insurance components is to preserve actuarial soundness to meet contractual benefit obligations. In striving to attain these objectives, the Plan will be managed in a manner consistent with three fiduciary standards. First, all transactions shall be made in the sole interest of the participants and their beneficiaries. Second, that all investments shall be made with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in an expert-like capacity and familiar with such matters would use. Third, that all entities dealing with the plan are required to disclose conflicts of interest as soon as they become apparent. The following was the City's asset allocation as of June 30, 2025.

	<u>Asset Class</u>	<u>Target Allocation</u>	
Rate annual net of	Large Cap Growth	5.0%	Target Allocations of Return
	Large Cap Value	10.0%	
	Mid Cap Core	10.0%	
	Private Equity	10.0%	
	Small Cap Core	10.0%	
	International Developed Markets	5.0%	
	International Small Cap	5.0%	
	Emerging Markets	10.0%	
	Fixed Income Domestic	20.0%	
	Tactical Asset Allocation	0.0%	
	Timber	5.0%	
	Real Estate	5.0%	
	Farmland	5.0%	
	Total	100.0%	

For the year ended June 30, 2025, the money-weighted rate of return on investments, investment expense, was 10.00% percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

OPEB
 twenty years of return for the index, as of the fiscal year end, for each asset class in which funds were invested, taking the arithmetic mean and adjusting it for inflation of 2.60 percent. The long term expected rates of return for each major asset class as of June 30, 2025, are summarized in the following table.

<u>Asset Class</u>	<u>Long Term Expected Rate of Return</u>
Diversified Assets	0.0%
Equity	4.9%
Real Assets	0.5%
Fixed Income	0.6%
Return	6.0%
Inflation	2.6%
Return w/ Inflation	8.6%
Risk Adjustment	(1.5%)
Total Expected Arithmetic Nominal Return	7.1%

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 16. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Discount Rate

The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Projections of the Plan's fiduciary net position have indicated that it is expected to be sufficient to make projected benefit payments for current Plan members. The actuarial liability, normal cost, and expected benefit payments were projected for the remaining lifetimes of the closed group population as of December 31, 2024. An expected contribution rate is calculated each year based on the current funding policy. The long-term expected rate of return used for funding purposes in the December 31, 2024 actuarial reports was 6.75 percent.

Membership

At January 1, 2025, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	1,556
Terminated Employees Entitled to Benefits But not yet receiving them	---
Active Employees	<u>2,472</u>
TOTAL	<u>4,028</u>

Contributions

The City established a Single Employer Other Post-Employment Benefit Trust Plan (OPEB) and funds the obligation through this Trust Fund using a phased in approach. There are no legal or contractual requirements for contributing to the OPEB Trust Fund. Line of Duty Act (LODA) is part of the OPEB Trust Fund. OPEB Trust Fund contributions are comprised of contributions to the Trust Fund and Pay-Go Contributions.



4,473,710 4,283,700 1,011,230

Annual OPEB Costs and Net OPEB Liability

The City is responsible for funding benefits required under the Virginia Line of Duty Act (LODA). LODA retirees must elect a plan administered through the Virginia Department of Human Resources (DHRM). The City pays DHRM the premiums for covered retirees, spouses, and widows. The OPEB Trust Fund is comprised of regular OPEB benefits and LODA benefits. Separate actuarial reports are generated for each plan.

The City's GASB requirements fall under GASB 74 and 75 and the entire OPEB liability has been recorded on the balance sheet. Under the current method of actuarial funding, the City contributes the entire Actuarially Determined Contribution (ADC). The ADC decreased from \$4.4 million as of June 30, 2024 to \$3.2 million as of June 30, 2025.

The Statement of Fiduciary Net Position for the City's OPEB plan is included as Exhibit VIII and in note 17.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 16. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Actuarial valuations of the plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about the future employment, mortality, and the healthcare cost trend. The actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of calculations. The actuarial assumptions for the Fire and Police Members are the assumptions that were adopted by the City of Alexandria Firefighters and Police Officers Pension Board based upon the results of an actuarial experience study covering the period July 1, 2017 through June 30, 2023. The actuarial assumptions for the City Members are similar to the assumptions that were adopted by the City of Alexandria Supplemental Retirement Board based upon the results of an actuarial experience study covering the period July 1, 2015 through June 30, 2023.

In the actuarial valuations, the same mortality rates are used for both OPEB and LODA. Mortality rates for Fire and Police were based on the Pub-2010 Safety Healthy Headcount-Weighted Mortality Table projected fully generationally with scale MP-2021 published by the Society of Actuaries. The mortality rates for City employees were based on the Pub-2010 Total General Employee (Headcount Weighted) mortality tables projected generationally from base year 2010 with Scale MP-2021 published by the Society of Actuaries. Disability mortality rates for Fire and Police were based on Pub-2010 Safety Disabled Retirees Headcount-Weighted Mortality Table projected fully generationally with scale MP-2021 published by the Society of Actuaries. The disability mortality rates for City Employees were based on Pub-2010 Total General Disabled Retiree (Headcount Weighted) mortality tables projected generationally from base year 2010 with Scale MP-2021 published by the Society of Actuaries.

For the December 31, 2024 actuarial valuations, the following assumptions apply to both OPEB and LODA valuation reports. The investment rate used was 6.75 percent. The entry-age actuarial cost method was used. For OPEB pre-Medicare trend rates, 6.50 percent was assumed for Kaiser in 2025 grading down to 4.25% over 21 years. For UHC pre-Medicare trend rates are 5.3 in 2025, then assumed to be 9.50 percent in 2026 grading down to 4.25 percent over 20 years. For Medicare premiums, 5.50 percent for Kaiser and 6.0 percent for calendar year 2025 grading down to 4.25 percent over 21 years for UHC. For LODA non-Medicare a medical trend rate of 7.25 percent for 2025 grading to 4.25 percent over 10 years was used, and a rate of 5.851 percent for 2025, then 6.375 percent grading down to 4.25 percent over 9 years for Medicare was used. Salary scale ranges were from 3.25 percent to 6.75 percent for Fire and Police with an extra 0.5% salary increase per year assumed for the three years starting in 2023 and 2.75 percent to 6.25 percent for City employees depending on service with 2.75 percent attributable to inflation. The plan's unfunded actuarial accrued liability is being amortized as a level dollar of projected payroll on a closed basis. The asset valuation method used was market value. The amortization period changed to the 15-year layered approach as the Plan became underfunded (positive unfunded actuarial liability) as of December 31, 2024. The unfunded actuarial liability is amortized over closed 15-year layered periods if positive and a rolling 30-year amortization if negative. The amortization method is a level dollar amortization.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 16. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Total OPEB Liability

The City of Alexandria's net OPEB liability of \$5,068,279 was measured as of June 30, 2025, and was determined by an actuarial valuation as of December 31, 2024, projected to June 30, 2025. Measurements as of the reporting date are based on the fair value of assets as of June 30, 2025 and the Total OPEB Liability as of the valuation date, December 31, 2024, updated to June 30, 2025. There were no significant events between the valuation date and the measurement date.

Change in Net OPEB Liability for City of Alexandria

	Total OPEB Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances as of 6/30/2024	\$ 138,451,081	\$ 129,033,114	\$ 9,417,967
Changes for the year:			
Service cost	2,380,148	-	2,380,148
Interest	9,222,685	-	9,222,685
Changes in benefit terms	13,560	-	13,560
Changes in assumptions	(1,202,448)	-	(1,202,448)
Difference between expected and actual experience	(557,899)	-	(557,899)
Contributions-employer	-	7,077,938	(7,077,938)
Contributions-member	-	-	-
Net Investment Income	-	7,195,870	(7,195,870)
Benefit payments	(6,077,938)	(6,077,938)	-
Administrative Expense	-	(68,074)	68,074
Net Changes	3,778,108	8,127,796	(4,349,688)
Balances at 6/30/2025	<u>\$ 142,229,189</u>	<u>\$ 137,160,910</u>	<u>\$ 5,068,279</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the City recognized OPEB expense of (\$3,133,114).

At June 30, 2025, 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	\$ 2,315	\$ 3,184,726
Changes of assumptions	-	3,899,364
Net difference between projected and actual earnings on OPEB plan investments	2,350,794	-
Total	<u>\$ 2,353,109</u>	<u>\$ 7,084,090</u>

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 16. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)



Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Year ended December 31:

2026	\$	973,652
2027		(3,766,303)
2028		(1,497,513)
2029		(147,425)
2030		(293,392)
Thereafter		-
Total Future Deferrals	\$	<u>(4,730,981)</u>



The components of the Net OPEB Liability of the City of Alexandria as of June 30, 2025 are as follows:

	Measurement Date 6/30/2025
Total OPEB Liability	\$ 142,229,189
Plan Fiduciary Net Position	137,160,910
Net OPEB Liability	<u>\$ 5,068,279</u>

Plan Fiduciary Net Position as a percentage of Total OPEB Liability 96.4%

The following presents the Net OPEB Liability of the City of Alexandria, calculated using the current discount rate, as well as what the Fund's Net OPEB Liability would be if it were calculated using a discount rate that is 1.0 percent lower or higher than the current rate.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate	1% Decrease	Current Discount Rate	1% Increase
	5.75%	6.75%	7.75%
Total OPEB Liability	\$ 157,089,322	\$ 142,229,189	\$ 129,747,225
Plan Fiduciary Net Position	137,160,910	137,160,910	137,160,910
Net OPEB Liability 6/30/2025	<u>\$ 19,928,412</u>	<u>\$ 5,068,279</u>	<u>\$ (7,413,685)</u>
Plan Fiduciary Net Position as a percentage of Total OPEB Liability	87.3%	96.4%	105.7%

The following presents the Net OPEB Liability of the City of Alexandria, calculated using the current healthcare trend, as well as what the Fund's Net OPEB Liability would be if it were calculated using a healthcare trend 1.0 percent lower or higher than the current rate.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 16. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Sensitivity of Net OPEB Liability to Changes in Healthcare Cost Trend Data	Healthcare Trend		
	1% Decrease		1% Increase
Total OPEB Liability	\$ 136,007,057	\$ 142,229,189	\$ 149,711,057
Plan Fiduciary Net Position	137,160,910	137,160,910	137,160,910
Net OPEB Liability 6/30/2024	\$ (1,153,853)	\$ 5,068,279	\$ 12,550,147
Plan Fiduciary Net Position as a percentage of Total OPEB Liability	100.8%	96.4%	91.6%

OPEB Trust

The table below summarizes investments managed by the City of Alexandria in accordance with the fair value hierarchy established by generally accepted accounting principles. Fair value is defined as the quoted market value on the last trading day of the period. The hierarchy is based on the valuation inputs used to measure the fair value of assets.

OPEB TRUST As of June 30, 2025			
Portfolio	Level 1	Level 2	Level 3
<u>Equity Securities</u>			
Common Stock & ETFs	\$ 7,365,095	\$ -	\$ -
Mutual Funds	-	72,581,998	-
Total Equity Securities	7,365,095	72,581,998	-
<u>Cash Equivalents</u>			
Money Market Funds	-	1,598,024	-
Total Cash Equivalents	-	1,598,024	-
Total Investments by Fair Asset Value	\$ 7,365,095	\$ 74,180,022	\$ -
Investments measured at net asset value (NAV)			
Commingled Collective Trusts	\$ 29,405,739		
Private Equity	8,282,882		
Real Estate Funds	6,953,488		
Timber & Farmland	3,688,036		
Timber Funds	1,756,542		
Farmland	5,529,106		
Total Investments Measured at NAV	55,615,793		
Total Value	\$ 137,160,910		

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active or inputs that are observable market data. Level 2 assets include The City's mutual funds and money market funds. The City's mutual funds and money market funds have both equity and fixed income securities as the underlying. While the pricing of the funds is only observable daily, the underlying inputs are continuously observable. The underlying equities are observable through quoting services, while the underlying fixed income instruments pricing is determined through both observable market quotes and market pricing determined using matrix valuation using similar securities.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 16. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

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CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 16. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

\$92.6 million worth of investments were evaluated at Net Asset Value (NAV). The following table presents the NAV investment disclosures for the OPEB Trust Fund.

	Capital Commitment	Capital Called	Remaining Uncalled Commitment	Current NAV	Withdrawal Frequency
Commingled Collective Trusts	N/A	N/A	N/A	\$66,468,602	Monthly to Quarterly
Private Equity	\$12,600,000	\$9,478,916	\$3,121,084	\$8,282,882	Closed End Strategies
Real Estate Funds	\$2,900,000	\$2,900,000	\$0	\$6,953,488	Quarterly
Timber/Farmland Funds	\$3,450,000	\$3,450,000	\$0	\$3,688,036	
Timber Funds	\$1,500,000	\$1,406,000	\$94,000	\$1,756,542	Closed End Strategies
Farmland	\$8,700,000	\$4,550,000	\$4,150,000	\$5,529,106	Quarterly
	\$29,150,000	\$21,784,916	\$7,365,084	\$92,678,656	

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CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 16. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

COMPONENT UNIT – ALEXANDRIA CITY PUBLIC SCHOOLS (ACPS)

A. ACPS OPEB Trust Fund

Plan Description

The School Board administers a single-employer defined benefits healthcare plan. It provides medical insurance benefits to eligible retired school employees and beneficiaries. In May 2009, the School Board authorized the establishment of a trust for the purpose of accumulating and investing assets to fund Other Post Employment Benefits.

ACPS invests the OPEB Trust Fund's assets with the Virginia Pooled OPEB Trust Fund (Pooled Trust) sponsored by the Virginia Association of Counties and the Virginia Municipal League (VACo/VML). The Pooled Trust is an investment pooling vehicle created to allow participating local governments, school divisions, and authorities in the State to accumulate and invest assets to fund other post-employment benefits. Funds of participating jurisdictions are pooled and invested in the name of the Pooled Trust. ACPS' respective shares in the Pooled Trust are reported in the OPEB Trust Fund's financial statements. The Pooled Trust is governed by a Board of Trustees (Trustees), composed of nine (9) elected members. Trustees are elected by participants in the Pooled Trust, whose votes are weighted according to each Participating Employer's share of total Trust Fund assets. Investment decisions are made by the Trustees of the Pooled Trust. The Trustees are responsible for managing Pooled Trust assets through the appointment and oversight of investment managers and with the guidance of an investment advisor.

Eligibility

Participants in the ACPS Plan must meet the eligibility requirements based on service earned with ACPS and prior service earned from other Virginia agencies to be eligible to receive benefits upon retirement. Participants who do not retire directly from active service are not eligible for the benefits. In addition, participants must meet one of the following criteria:

VRS Tier 1:

- Attained the age of 50 with at least 30 years of service for unreduced pension retirement benefits.
- Attained the age of 50 with at least 10 years of service for reduced pension retirement benefits.
- Attained the age of 65 with at least 5 years of service.

VRS Tier 2:

- Age plus service equals 90 for unreduced pension retirement benefits.
- Age 60 with at least 5 years of service for reduced pension retirement benefits.
- Social Security Normal Retirement Age with at least five years of service.

Benefits

Program participants may continue medical coverage by paying the appropriate subsidized premium which ranges from \$0 to \$2,305.94 monthly, based on the medical plan under which the retiree is covered. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the program on average than those of active employees. The subsidies in this program are accounted for in the ACPS OPEB Trust Fund. In FY 2025, ACPS contributed up to \$265 for each participant.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 16. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

For employees hired July 1, 2008 or earlier: ACPS contributes \$265 per month for retiree medical coverage. This Board contribution will not exceed the premium for the coverage tier elected. The retirees and dependents pay the remainder of the premium, if any.

For employees hired after July 1, 2008: The retiree must complete five years of vesting service with ACPS to receive a Board contribution. ACPS contributes a pro-rated amount of \$265 per month equal to 5% per year of service with ACPS (including the five vesting years) and other VRS employers for retiree medical coverage. A maximum of 15 years of service will be credited toward the contribution made by ACPS. This Board contribution will not exceed the premium for the coverage tier elected. The retiree and dependents pay the remainder of the premium, if any.

Actuarial Assumptions

The key actuarial assumptions used in the January 1, 2024 valuation are reflected in the chart below.

Active plan members	2,484
Inactive/Deferred Vested	0
Retirees and spouses	696
Total	3,180
Covered Payroll	\$204,940,761
Long-term Expected Rate of Return	7.0 percent
Salary Increases, including Inflation	3.0 percent
Ultimate Rate of Medical Inflation	4.55 percent
Discount Rate	7.0 percent
Healthcare Cost Trend Rates	Kaiser Non-Medicare: 4.5% in 2024, 7% in 2025 and 2026 then grading to a 4.55% in 2044 using the Getzen Trend model UHC POS Non-Medicare: 4% in 2024, then 8% in 2025 grading down to 4.55% in 2044 using the Getzen Trend model UHC POS over age 65: 8% in 2024 grading down to 4.55% in 2044 using the Getzen Trend model Medicare: 7% in 2024 then grading down to 4.55% in 2044 using the Getzen Trend model
Mortality Rates:	
- Pre-Retirement	Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males, no adjustment for females
- Post-Retirement	Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; 100% of rates set forward 1 year for males; 105% of rates for females
- Post-Disablement	Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females
- Beneficiaries and Survivors	Pub-2010 Amount Weighted Teachers Healthy Contingent Annuitant Rates projected generationally
- Mortality Improvement	Rates projected generationally with Modified MP-202 Improvement Scale that is 75% of the MP-2020 rates. These mortality rates are the same as those used for Teachers in the June 30, 2021 actuarial valuation for the Virginia Retirement System.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 16. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Investment Policy

The Pooled Trust Board of Trustees has the responsibility for managing the investment process. In fulfilling this responsibility, the Trustees will establish and maintain investment policies and objectives. Within this framework, the Trustees will monitor and evaluate the investment managers, bank custodian, and other parties, to monitor whether operations conform to the guidelines and actual results meet objectives. If necessary, the Trustees are responsible for making changes to achieve this. The investment objective of the Pooled Trust is to maximize the total long-term rate of return with reasonable risk by seeking capital appreciation and, secondarily, principal protection. The Portfolio will be structured to achieve a compound annualized total expected rate of return over a market cycle, including current income and capital appreciation, of 7.5%. There were no significant changes in investment policy during fiscal year 2025.

The Trustees are responsible for setting each Portfolio's long-term asset allocation, after taking into consideration expectations for asset class returns and volatility, risk tolerance and liquidity needs.

The Pooled Trust's assets will be separately managed by professional investment managers or invested in professionally managed investment vehicles. Each Portfolio will be invested in a broadly diversified manner by asset class, style, and capitalization, which will control volatility levels. The target allocation for each class of investment is shown below.

Target Allocation for OPEB Pooled Investments
As of June 30, 2025

Investment Type	Allocation	Expected Long-Term Rates of Return (real)	Long-Term Arithmetic Weighted Average Real Return
U.S. Large Cap Equity	21.00%	7.20%	1.51%
U.S. Small Cap Equity	10.00%	8.59%	0.86%
International Developed Equity	13.00%	7.97%	1.04%
Emerging Markets Equity	5.00%	9.24%	0.46%
Long/Short Equity	6.00%	5.39%	0.32%
Private Equity	10.00%	10.51%	1.05%
Core Plus Bonds	16.00%	2.83%	0.45%
Absolute Return	4.00%	4.25%	0.17%
Core Real Estate	10.00%	6.45%	0.65%
Opportunistic Real Estate	5.00%	9.45%	0.47%
Total	100.00%		6.98%
		Inflation	2.75%
		Expected arithmetic nominal return	9.73%

The expected long-term real rates of return in the above table are arithmetic; they are used as inputs for the financial model to arrive at the median returns for the portfolio which are geometric. When calculating the median rates, which are used to set the target rates, the intermediate term rates are used for the first 10 years and the long-term rates for all years thereafter.

Discount Rate

The discount rate as of June 30, 2025, is 7.00%, which is the estimated long-term rate of return on

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 16. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Pooled Trust investments. Projections of the Plan's fiduciary net position have indicated that it is expected to be sufficient to make projected benefit payments for current Plan members.

Measurement Date

The measurement date used for the OPEB Trust GASB 74 reporting is June 30, 2025.

Concentrations

There are no investments in any one organization that represent 5 percent or more of the OPEB Trust Fund's fiduciary net position.

Money-Weighted Rate of Return

For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 8.84%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

	Schedule of Investment Returns								
	Last 10 Fiscal Years ⁽¹⁾								
	2025	2024	2023	2022	2021	2020	2019	2018	2017
Annual Money-Weighted Rate of Return									
Net of Investment Expense	8.84%	9.48%	7.62%	-9.27%	30.07%	3.01%	4.67%	9.52%	13.04%

⁽¹⁾This chart is intended to show information for 10 years.

Net OPEB Liability

The net OPEB liability at the beginning of the current measurement year is measured as of a valuation date of January 1, 2024, and rolled forward to June 30, 2025. The net OPEB liability at the end of the measurement year, June 30, 2025, is measured as of a valuation date of January 1, 2024, and projected to June 30, 2025. In future years, valuations will be completed every other year, assuming there are no significant events between the years. Each valuation will be rolled forward to provide two years of OPEB liability.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 16. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

	Changes in Net OPEB Liability (Asset)		
	<i>Increase (Decrease)</i>		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balances as of June 30, 2024	\$ 30,945,866	\$ 31,181,675	\$ (235,809)
Changes for the year:			
Service cost	990,747	-	990,747
Interest	2,157,096	-	2,157,096
Changes of benefits	-	-	-
Differences between expected and actual experience	(883,446)	-	(883,446)
Changes of assumptions	-	-	-
Contributions - employer	-	1,425,385	(1,425,385)
Contributions - member	-	-	-
Net investment income	-	2,755,967	(2,755,967)
Benefit payments	(1,425,385)	(1,425,385)	-
Administrative expense	-	(28,885)	28,885
Net changes	839,012	2,727,082	(1,888,070)
Balances as of June 30, 2025	<u>\$ 31,784,878</u>	<u>\$ 33,908,757</u>	<u>\$ (2,123,879)</u>

Plan Fiduciary Net Position as a percentage of the Total OPEB Liability 106.7%

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

The following presents the net OPEB liability of the Other Post-Retirement Employee Benefits Trust Fund using the discount rate of 7.0%, as well as what the net OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate.

	(-1%) Decrease 6.0%	Discount Rate 7.0%	(+1%) Increase 8.0%
Total OPEB Liability	\$ 34,391,595	\$ 31,784,878	\$ 29,470,250
Plan Fiduciary Net Position	33,908,757	33,908,757	33,908,757
Net OPEB Liability (Asset)	<u>\$ 482,838</u>	<u>\$ (2,123,879)</u>	<u>\$ (4,438,507)</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	98.6%	106.7%	115.1%

Sensitivity of the Net OPEB Liability to Changes in the Trend Rate

The following presents the net OPEB liability of the Other Post-Retirement Employee Benefits Trust Fund using the current base healthcare trend rate, as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is one percentage point lower (-1%) or one percentage point higher (+1%) than the base rate.

CITY OF ALEXANDRIA, VIRGINIA

Notes to Financial Statements

June 30, 2025

**Exhibit XII
(Continued)**

NOTE 16. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

	Trend Minus (-) 1%	Trend Baseline	Trend Plus (+) 1%
Total OPEB Liability	\$ 30,808,511	\$ 31,784,878	\$ 32,878,100
Plan Fiduciary Net Position	33,908,757	33,908,757	33,908,757
Net OPEB Liability (Asset)	<u>\$ (3,100,246)</u>	<u>\$ (2,123,879)</u>	<u>\$ (1,030,657)</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	110.1%	106.7%	103.1%

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

For the year ended June 30, 2025, the OPEB expense is (\$1,065,087). At June 30, 2025, the 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	\$ -	\$ 6,976,218
Change in assumptions	48,050	821,959
Net difference between projected and actual earnings on OPEB plan investments	-	7,170
Total	<u>\$ 48,050</u>	<u>\$ 7,805,347</u>

Amounts reported as deferred outflows and inflows of resources will be recognized in OPEB expense as follows:

Year Ending June 30,	Amount
2026	\$ (1,059,370)
2027	(1,819,564)
2028	(1,786,438)
2029	(1,206,425)
2030	(1,091,584)
Thereafter	(793,916)
Total	<u>\$ (7,757,297)</u>

Contributions

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 16. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Contribution requirements of ACPS are established and may be amended by the School Board. The required contributions were actuarially determined and are based upon projected pay-as-you-go financing requirements with additional amount to prefund benefits. The costs of administering the plan are paid for by the OPEB Trust Fund using investment income and employer contributions. For the period ending June 30, 2025, ACPS contributed \$1.8 million for current costs.

The funding policy of ACPS is to contribute the difference between the ADC and the expected explicit subsidy payment to the Trust Fund. Benefit payments, including the implicit subsidy, are paid outside of the Trust. ACPS is assumed to pay benefit payments outside of the Trust over the next few years. It is anticipated that once the Plan becomes 100% funded with a small cushion, ACPS will switch to paying benefit payments from the Trust. This switch may happen a few years after the Plan is greater than 100% funded to allow for a buffer in case of asset losses.

The following is a summary of fiduciary net position of the Trust as of June 30, 2025:

Summary of Fiduciary Net Position	
ACPS OPEB Trust Fund	
As of June 30, 2025	
ASSETS	
Mutual Funds	\$ 33,908,757
Total assets	<u>33,908,757</u>
NET POSITION	
Net position restricted for pensions	<u>\$ 33,908,757</u>

The following is a summary of changes in fiduciary net position of the Trust for the year ended June 30, 2025:

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 16. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Summary of Changes in Fiduciary Net Position	
ACPS OPEB Trust Fund	
For the Year Ended June 30, 2025	
ADDITIONS	
Contributions	\$ 1,791,389
Investment Earnings, net	2,755,967
Total Additions	<u>4,547,356</u>
DEDUCTIONS	
Benefit payments	1,791,389
Administrative expenses	28,885
Total Deductions	<u>1,820,274</u>
Change in net position	2,727,082
NET POSITION, beginning of year	<u>31,181,675</u>
NET POSITION, end of year	<u><u>\$ 33,908,757</u></u>

The ACPS OPEB Trust does not issue a stand-alone financial report and is not included in the report of another entity. Additional disclosures on changes in schools OPEB liability, related ratios, and employer contributions can be found in the RSI following the notes to the Financial Statements.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 16. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

B. VRS Employee Health Insurance Credit Program OPEB – Teachers

Summary of Significant Accounting Policies

The Virginia Retirement System (VRS) Teacher Employee Health Insurance Credit (HIC) Program is a multiple-employer, cost-sharing plan. The Teacher Employee HIC Program was established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. The Teacher Employee HIC Program is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. For purposes of measuring the net Teacher Employee HIC Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC Program OPEB, and the Teacher Employee HIC Program OPEB expense, information about the fiduciary net position of the Virginia Retirement System (VRS) Teacher Employee HIC Program; and the additions to/deductions from the VRS Teacher Employee HIC Program's net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Teacher Employee Health Insurance Credit Program Plan Description

All full-time, salaried permanent (professional) employees of public-school divisions are automatically covered by the VRS Teacher Employee HIC Program. This plan is administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The HIC is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

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

TEACHER EMPLOYEE HEALTH INSURANCE CREDIT PROGRAM (HIC) PLAN PROVISIONS	
Eligible Employees	The Teacher Employee Retiree Health Insurance Credit Program was established July 1, 1993 for retired Teacher Employees covered under VRS who retire with at least 15 years of service credit. Eligible employees are enrolled automatically upon employment. They include: • Full-time permanent (professional) salaried employees of public school divisions covered under VRS.
Benefit Amounts	The Teacher Employee Retiree Health Insurance Credit Program provides the following benefits for eligible employees: • At Retirement – For Teacher and other professional school employees who retire, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount. • Disability Retirement – For Teacher and other professional school employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is either: - \$4.00 per month, multiplied by twice the amount of service credit, or - \$4.00 per month, multiplied by the amount of service earned had employee been active until age 60, whichever is lower.
Health Insurance Credit Program Notes:	• The monthly Health Insurance Credit benefit cannot exceed the individual premium amount. • Employees who retire after being on long-term disability under VLDP must have at least 15 year of service credit to qualify for the health insurance credit as a retiree.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 16. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Contributions

The contribution requirement for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted because of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2025 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Program. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Program were \$2.5 million for each of the years ended June 30, 2025, and \$2.3 million for the year ended June 30, 2024, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$4.0 million to the VRS Teacher Health Insurance Credit Program. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a non-employer contribution. ACPS' share of this non-employer contribution was 0.2 million

Teacher Employee HIC Program OPEB Liabilities, Teacher Employee HIC Program OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Teacher Employee HIC Program OPEB

At June 30, 2025, the school division reported a liability of \$20.4 million for its proportionate share of the VRS Teacher Employee HIC Program Net OPEB Liability. The Net VRS Teacher Employee HIC Program OPEB Liability was measured as of June 30, 2024, and the total VRS Teacher Employee HIC Program OPEB liability used to calculate the Net VRS Teacher Employee HIC Program OPEB Liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The school division's proportion of the Net VRS Teacher Employee HIC Program OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC Program OPEB plan for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the school division's proportion of the VRS Teacher Employee HIC Program was 1.76463% as compared to 1.76955% at June 30, 2023.

For the year ended June 30, 2025, the school division recognized VRS Teacher Employee HIC Program OPEB expense of \$ 1.4 million. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee HIC Program Net OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2025, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee HIC Program OPEB from the following sources:

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 16. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 966,167
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	72,538
Changes in assumptions	351,311	-
Changes in proportionate share	61,295	903,323
Employer contributions subsequent to the measurement date	2,508,203	-
Total	\$ 2,920,809	\$ 1,942,028

An amount of \$2.5 million reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division's contributions after the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the Fiscal Year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

Year Ending June 30,	Amount
2026	\$ (332,923)
2027	(274,991)
2028	(360,311)
2029	(341,930)
2030	(176,723)
Thereafter	(42,544)
Total	\$ (1,529,422)

Actuarial Assumptions

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee HIC Program was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

Inflation	2.50%
Salary increases, including inflation – Teacher Employees	3.5% - 5.95%
Investment rate of return	6.75%, net of plan investment expenses, including inflation

Mortality rates – Teachers

Pre-Retirement:

Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 16. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Post-Retirement:

Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females.

Post-Disablement:

Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females.

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally.

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2016 through June 30, 2020, except the change in the discount rate which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Net Teacher Employee HIC OPEB Liability

The net OPEB liability (NOL) for the Teacher Employee HIC Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2024, NOL amounts for the VRS Teacher Employee HIC Program is as follows (amounts expressed in thousands):

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 16. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

	Teacher Employee HIC OPEB Plan
Total Teacher Employee HIC OPEB Liability	\$ 1,478,105
Plan Fiduciary Net Position	<u>322,457</u>
Teacher Employee net HIC OPEB Liability	<u>\$ 1,155,648</u>
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability	<u>21.82%</u>

The total Teacher Employee HIC OPEB liability is calculated by the System's actuary, and the plan's fiduciary net position is reported in the System's financial statements. The net Teacher Employee HIC OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long- Term Expected Rate of Return
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnership	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	3.00%	0.35%
Cash	2.00%	1.20%	0.06%
Leverage	-3.00%	3.50%	-0.11%
(1) Total	<u>100.00%</u>		<u>7.07%</u>

(1) The above allocation provides a one-year return of 7.07%. However, one-year returns do not consider the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns that ultimately provides a medium return of 7.10% including expected inflation of 2.50%. On June 15, 2023,

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 16. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

the VRS Board elected a long-term rate of 6.75% which is roughly at 45 percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total Teacher Employee HIC OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2024, the rate contributed by each school division for the VRS Teacher Employee HIC Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2024 on, all agencies are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total Teacher Employee HIC OPEB liability.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 16. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Sensitivity of the School Division's Proportionate Share of the Teacher Employee HIC Net OPEB Liability to Changes in the Discount Rate

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

	(-1%) Decrease 5.75%	Discount Rate 6.75%	(+1%) Increase 7.75%
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	\$ 23,191,828	\$ 20,392,911	\$ 18,020,574

Teacher Employee HIC OPEB Fiduciary Net Position

Detailed information about the VRS Teacher Employee HIC Program's Fiduciary Net Position is available in the separately issued VRS 2024 Annual Comprehensive Financial Report (annual financial report). A copy of the 2024 VRS annual financial report may be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2024-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Payables to the Teacher Employee Health Insurance Credit Program OPEB Plan

At June 30, 2025, ACPS reported payables to the Teacher Employee Health Insurance Credit Program OPEB Plan of \$0.2 million. These payables are reflected in the balance sheet of the governmental funds and represent short-term amounts due for legally required contributions outstanding at the end of the year.

C. VRS Group Life Insurance Program

Summary of Significant Accounting Policies

The Political Subdivision Health Insurance Credit Program is a multiple-employer, agent defined benefit plan that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers. The Political Subdivision Health Insurance Credit Program was established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. For purposes of measuring the net Political Subdivision Health Insurance Credit Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the Political Subdivision Health Insurance Credit Program OPEB expense, information about the fiduciary net position of the Virginia Retirement System (VRS) Political Subdivision Health Insurance Credit Program; and the additions to deductions from the VRS Political Subdivision Health Insurance Credit Program's fiduciary net position have been determined on the same basis as then were reported by VRS. For the purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Group Life Insurance Program

Plan Description

All full-time, salaried permanent employees of the state agencies, teachers and employees of participating political subdivisions are automatically covered by the VRS Group Life Insurance Program upon employment. This plan is administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans,

CITY OF ALEXANDRIA, VIRGINIA

Notes to Financial Statements

June 30, 2025

**Exhibit XII
(Continued)**

NOTE 16. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

for public employer groups in the Commonwealth of Virginia. Within the Group Life insurance Program, ACPS employees are divided into two groups; Teachers (includes administrators and teachers) and Locality Employees (includes non-exempt support staff).

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

The specific information for Group Life Insurance Program OPEB, including eligibility, coverage and benefits is set out in the following table:

GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS
Eligible Employees The Group Life Insurance Program was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program, including the following employers that do not participate in VRS for retirement: • City of Richmond • City of Portsmouth • City of Roanoke • City of Norfolk • Roanoke City Schools Board Basic group life insurance coverage is automatic upon employment. Coverage end for employees who leave their position before retirement eligibility or who take a refund of their member contributions and accrued interest.
Benefit Amounts The benefits payable under the Group Life Insurance Program have several components. • Natural Death Benefit – The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. • Accidental Death Benefit – The accidental death benefit is double the natural death benefit. • Other Benefit Provisions – In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include: - o Accidental dismemberment benefit - o Safety belt benefit - o Repatriation benefit - o Felonious assault benefit - o Accelerated death benefit option
Reduction in benefit Amounts The benefit amounts provided to members covered under the Group Life Insurance Program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.
Minimum Benefit Amount and Cost-of-Living Adjustment (COLA) For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the Group Life Insurance Program. The minimum benefit was set at \$8,000 by statute in 2015. This amount is increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$9,254 as of June 30, 2024.

Contributions

The contribution requirements for the Group Life Insurance Program are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted because of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the Group Life Insurance Program was 1.18% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.71% (1.18% X 60%) and the employer component was 0.47% (1.18% X 40%). Employers may elect to pay all or part of the employee contribution, however, the employer must pay all the employer

CITY OF ALEXANDRIA, VIRGINIA

Notes to Financial Statements

June 30, 2025

**Exhibit XII
(Continued)**

NOTE 16. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2025 was 0.47% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Total contributions to the Group Life Insurance Program from the entity for the Teachers group were \$2.5 million for year ended June 30, 2025 and \$2.3 million for year ended June 30, 2024, respectively. Total contributions for the Locality group were \$0.1 million for both years ended June 30, 2025, and June 30, 2024, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$10.1 million to the Group Life Insurance plan. This special payment was authorized Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a special employer contribution. ACPS' share for the Teachers group was \$0.1 million and ACPS' share for the Locality group was \$3,697.

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Program OPEB

At June 30, 2025, ACPS reported liabilities of \$8.3 million and \$0.4 million for its proportionate share of the Net GLI OPEB Liability, for the Teachers and Locality groups, respectively. The Net GLI OPEB Liability was measured as of June 30, 2024 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2023 and rolled forward to June 30, 2023. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Group Life Insurance Program for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, for the Teachers group, the ACPS employer's proportion was 0.73962% as compared 0.75099% at June 30, 2023, and for the Locality group, the employer's proportion was 0.03644% at June 30, 2023 as compared 0.03790% at June 30, 2024.

For the year ended June 30, 2025, ACPS recognized GLI OPEB expense of \$0.1 million for the Teachers group and (\$10,035) for the Locality group. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2025, ACPS reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Teachers Group		Locality Group		Total GLI OPEB Program	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,301,780	\$ 201,607	\$ 61,409	\$ 9,510	\$ 1,363,189	\$ 211,117
Net difference between projected and actual earnings on GLI OPEB program investments	-	695,691	-	32,818	-	728,509
Changes in assumptions	47,046	409,031	2,219	19,295	49,265	428,326
Changes in proportion	12,554	514,994	6,241	40,946	18,795	555,940
Employer contributions subsequent to the measurement date	980,929	-	45,041	-	1,025,970	-
Total	\$ 2,342,309	\$ 1,821,323	\$ 114,910	\$ 102,569	\$ 2,457,219	\$ 1,923,892

An amount of \$1.0 million reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the Fiscal Year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 16. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

	Teachers Group		Locality Group		Total GLI OPEB Program	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 899,551	\$ 273,400	\$ 43,649	\$ 13,266	\$ 943,200	\$ 286,666
Net difference between projected and actual earnings on GLI OPEB program investments	-	361,941	-	17,562	-	379,503
Changes in assumptions	192,523	624,021	9,342	30,279	201,865	654,300
Changes in proportion	50,600	545,410	8,589	43,893	59,189	589,303
Employer contributions subsequent to the measurement date	1,025,499	-	48,373	-	1,073,872	-
Total	\$ 2,168,173	\$ 1,804,772	\$ 109,953	\$ 105,000	\$ 2,278,126	\$ 1,909,772

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

Inflation	2.50%
Salary increases, including inflation – Teacher Employees	3.5% - 5.95%
General state/locality employees	3.5% - 5.35%
Investment rate of return	6.75%, net of plan investment expenses, including inflation

Mortality rates – Teachers

Pre-Retirement:

Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males.

Post-Retirement:

Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females.

Post-Disablement:

Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females.

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally.

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2016 through June 30, 2020, except the change in discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study are as follows:

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 16. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Mortality Rates (Pre-retirement, postretirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Mortality rates – Non-Largest Ten Locality Employers – General Employees

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years.

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year.

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years.

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally.

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions because of the experience study are as follows:

Mortality Rates (Pre-retirement, postretirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 16. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Net GLI OPEB Liability

The net OPEB liability (NOL) for the Group Life Insurance Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2024, NOL amounts for the Group Life Insurance Program is as follows (amounts expressed in thousands):

	VRS Group Life Insurance OPEB Program
Total GLI OPEB Liability	\$4,196,055
Plan Fiduciary Net Position	3,080,133
Employers' Net GLI OPEB Liability (Asset)	<u>\$1,115,922</u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	<u>73.41%</u>

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

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long- Term Expected Rate of Return
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnership	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	3.00%	0.35%
Cash	2.00%	1.20%	0.06%
Leverage	-3.00%	3.50%	-0.11%
(1) Total	<u>100.00%</u>		<u>7.07%</u>

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 16. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

(1) The above allocation provides a one-year return of 8.25%. However, one-year returns do not consider the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%. On June 15, 2023, the VRS board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance, and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2024, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2024 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

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

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

	(-1%) Decrease 5.75%	Discount Rate 6.75%	(+1%) Increase 7.75%
School division's proportionate share of the VRS Group Life Net OPEB Liability - Teachers Group	\$ 12,835,393	\$ 8,253,583	\$ 4,552,082
School division's proportionate share of the VRS Group Life Net OPEB Liability - Locality Employee Group	\$ 605,482	\$ 389,345	\$ 214,735
Total VRS Group Life Net OPEB Liability	\$ 13,440,875	\$ 8,642,928	\$ 4,766,817

Group Life Insurance Program Fiduciary Net Position

Detailed information about the Group Life Insurance Program's Fiduciary Net Position is available in the separately issued VRS 2024 Annual Comprehensive Financial Report (annual financial report). A copy of the 2024 VRS annual financial report may be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2024-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 16. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Payables to the VRS Group Life Insurance OPEB Plan

At June 30, 2025, ACPS reported payables to the VRS Group Life Insurance OPEB Plan of \$0.2 million for the Teachers group and \$11,000 for the Locality group. These payables are reflected in the balance sheet of the governmental funds and represent short-term amounts due for legally required contributions outstanding at the end of the year.

On the following page is a summary of deferred outflows and inflows of resources and net OPEB liabilities for the various OPEB programs as of June 30, 2025.

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CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 16. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Combining Schedule of VRS HIC OPEB Plans Net OPEB Liabilities, Deferred Outflows and Inflows of Resources and Pension Expense
As of June 30, 2025

	Teachers Group				Political Subdivision Group				Total VRS HIC OPEB Program			
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net OPEB Liability	OPEB Expense	Deferred Outflows of Resources	Deferred Inflows of Resources	Net OPEB Liability	OPEB Expense	Deferred Outflows of Resources	Deferred Inflows of Resources	Net OPEB Liability	OPEB Expense
Net OPEB Liability	\$ -	\$ -	\$ 20,392,911	\$ -	\$ -	\$ -	\$ 377,354	\$ -	\$ -	\$ -	\$ 20,770,265	\$ -
Differences between expected and actual experience	-	966,167	-	-	-	121,670	-	-	-	1,087,837	-	-
Net difference between projected and actual earnings on HIC OPEB program investments	-	72,538	-	-	19,405	-	-	-	19,405	72,538	-	-
Changes in assumptions	351,311	-	-	-	-	1,076	-	-	351,311	1,076	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	61,295	903,323	-	-	-	-	-	-	61,295	903,323	-	-
Employer contributions subsequent to the measurement date	2,508,203	-	-	-	63,800	-	-	-	2,572,003	-	-	-
OPEB Expense	-	-	-	1,380,008	-	-	-	(5,961)	-	-	-	1,374,047
Totals	\$ 2,920,809	\$ 1,942,028	\$ 20,392,911	\$ 1,380,008	\$ 83,205	\$ 122,746	\$ 377,354	\$ (5,961)	\$ 3,004,014	\$ 2,084,774	\$ 20,770,265	\$ 1,374,047

Combining Schedule of VRS GLJ OPEB Plans Net OPEB Liabilities, Deferred Outflows and Inflows of Resources and Pension Expense
As of June 30, 2025

	Teachers Group				Political Subdivision Group				Total VRS GLJ OPEB Program			
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net OPEB Liability	OPEB Expense	Deferred Outflows of Resources	Deferred Inflows of Resources	Net OPEB Liability	OPEB Expense	Deferred Outflows of Resources	Deferred Inflows of Resources	Net OPEB Liability	OPEB Expense
Net OPEB Liability	\$ -	\$ -	\$ 8,253,583	\$ -	\$ -	\$ -	\$ 389,345	\$ -	\$ -	\$ -	\$ 8,642,928	\$ -
Differences between expected and actual experience	1,301,780	201,607	-	-	61,409	9,510	-	-	1,363,189	211,117	-	-
Net difference between projected and actual earnings on GLJ OPEB program investments	-	695,691	-	-	-	32,618	-	-	-	728,509	-	-
Changes in assumptions	47,046	409,031	-	-	2,219	19,285	-	-	49,265	428,326	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	12,554	514,994	-	-	6,241	40,946	-	-	18,795	555,940	-	-
Employer contributions subsequent to the measurement date	980,929	-	-	-	45,041	-	-	-	1,025,970	-	-	-
OPEB Expense	-	-	-	70,203	-	-	-	(10,034)	-	-	-	60,169
Totals	\$ 2,342,309	\$ 1,821,323	\$ 8,253,583	\$ 70,203	\$ 114,610	\$ 102,569	\$ 389,345	\$ (10,034)	\$ 2,457,219	\$ 1,023,892	\$ 8,642,928	\$ 60,169

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 16. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Summary of OPEB Related Net OPEB Liabilities, Deferred Outflows and Inflows of Resources and Pension Expenses
As of June 30, 2025

	ACPS OPEB Trust				VRS MIC OPEB Program				GLJ OPEB Program				Total OPEB Programs			
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net OPEB Liability (Asset)	OPEB Expense	Deferred Outflows of Resources	Deferred Inflows of Resources	Net OPEB Liability	OPEB Expense	Deferred Outflows of Resources	Deferred Inflows of Resources	Net OPEB Liability	OPEB Expense	Deferred Outflows of Resources	Deferred Inflows of Resources	Net OPEB Liability	OPEB Expense
Net OPEB Liability (Asset)	\$ -	\$ -	\$ (2,123,879)	\$ -	\$ -	\$ -	\$ 20,770,265	\$ -	\$ -	\$ -	\$ 8,642,928	\$ -	\$ -	\$ -	\$ 27,289,314	\$ -
Differences between expected and actual experience	-	6,979,218	-	-	-	1,087,837	-	-	1,363,189	211,117	-	-	1,363,189	8,275,172	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	7,170	-	-	18,405	72,538	-	-	-	728,509	-	-	18,405	808,217	-	-
Changes in assumptions	48,050	821,959	-	-	351,311	1,076	-	-	49,265	426,326	-	-	448,626	1,251,361	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-	-	-	61,295	903,323	-	-	18,795	555,940	-	-	80,090	1,459,283	-	-
Employer contributions subsequent to the measurement date	-	-	-	-	2,572,003	-	-	-	1,025,970	-	-	-	3,597,973	-	-	-
OPEB Expense	-	-	-	(1,065,187)	-	-	-	1,374,047	-	-	-	60,169	-	-	-	369,029
Totals	\$ 48,050	\$ 7,805,347	\$ (2,123,879)	\$ (1,065,187)	\$ 3,004,014	\$ 2,064,774	\$ 20,770,265	\$ 1,374,047	\$ 2,457,219	\$ 1,923,602	\$ 8,642,928	\$ 60,169	\$ 5,509,283	\$ 11,794,013	\$ 27,289,314	\$ 369,029

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS

PRIMARY GOVERNMENT

During FY 2025, the City participated in six public employee retirement systems (PERS). One system is handled by the Virginia Retirement System (VRS), an agent multi-employer public retirement system that acts as a common investment and administrative agent for political subdivisions in the Commonwealth of Virginia, and is, therefore, not reflected as a City pension trust fund. Four are single-employer defined benefit systems where a stated methodology for determining benefits is provided. The four systems are the City Supplemental, Pension Plan for Fire and Police, Firefighters and Police Officers Pension Plan-defined benefit component, and Firefighters and Police Officers Pension Plan-disability component. The last system is a defined contribution plan (Firefighters and Police Officers Pension Plan-defined contribution component), where contribution requirements are not actuarially determined. All these systems are included as part of the City's reporting entity and as such are reflected as Pension Trust Funds.

Plan Administration

The City Supplemental Plan is overseen by the Supplemental Retirement Board. The board consists of eight members. Four of the members are nominated by the City Manager, while the other remaining four are nominated by the board. There are four alternates nominated by the board and one alternate nominated by the City Manager. The Firefighters and Police Officers Pension Board manages the Firefighters and Police Officers Defined Contribution Plan, Defined Benefit Plan, Disability Plan, as well as the Pension for Fire and Police Plan. The board consists of eight members. Four members are nominated by the City Manager and four members are nominated by the Voting Participants. In addition, there are two alternate members nominated by the Voting Participants and one alternate nominated by the City Manager. City Council approves the nominations to all boards.

Method Used to Value Investments

Investments are valued at fair value.

Investment Policy

The Firefighters and Police Officers Pension Board investment policy objectives for Defined Benefit and Disability components and the Supplemental Retirement Board investment policy objectives for the Supplemental Retirement Plan are to preserve the actuarial soundness of each plan in order to meet contractual benefit obligations and to maximize investment return given an acceptable level of risk. The objective of the Defined Contribution component is to help beneficiaries save for retirement by enabling them to construct portfolios that will achieve an acceptable level of return while minimizing risk through diversification. The assets for the Pension Plan for the Firefighters and Police Officers are part of a group annuity contract with Empower. Empower invests the money according to their guidelines. The following is the asset allocation policy as of June 30, 2025.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Target Allocations

Target Allocations for Firefighters & Police Officers Pension Plan also apply to Firefighters and Police Officers Disability Pension Plan.



<u>Asset Class</u>	<u>Supplemental Retirement Plan</u>	<u>Firefighters & Police Officers Pension Plan</u>	<u>Pension Plan for Firefighters & Police Officers</u>
Large Cap Growth	7%	10%	0%
Large Cap Value	8%	5%	0%
Mid Cap Core	10%	10%	0%
Private Equity	10%	5%	0%
Small Cap Core	5%	10%	0%
Foreign Small Cap	5%	5%	0%
International Dev.	10%	5%	0%
Emerging Markets	5%	10%	0%
Domestic Fixed Income	10.0%	10.0%	0%
Global Fixed Income	10%	10%	0%
Tactical Asset Allocation	0%	0%	0%
Timber	5%	5%	0%
Real Estate	10%	10%	0%
Farmland	5%	5%	0%
Cash/ Other Fixed	0.0%	0.0%	0%
Guaranteed Deposit	0%	0%	100%
Total	100%	100%	100%

Target Allocations for Firefighters' & Police Officers' Pension Plan also apply to Firefighters' and Police Officers' Disability Pension Plan.



<u>Money-Weighted Rate of Return</u>		
<u>Supplemental Retirement Plan</u>	<u>Firefighters & Police Officers Pension Plan</u>	<u>Pension Plan for Firefighters & Police Officers</u>
11.28%	11.60%	3.42%

**Money-weighted Rate of Return for Firefighters & Police Officers Pension Plan also applies to Firefighters and Police Officers Disability Pension Plan.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Virginia Retirement System Long-Term Expected Rate of Return

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Arithmetic Long-Term Expected Rate of Return</u>	<u>Weighted Average Long-Term Expected Rate of Return</u>
Public Equity	33.00%	6.70%	2.21%
Private Equity	16.00%	8.70%	1.39%
Real Assets	14.00%	7.30%	1.02%
Credit Strategies	14.00%	8.10%	1.13%
Diversifying Strategies	4.00%	5.80%	0.23%
Private Investment Partnerships	2.00%	8.00%	0.16%
Exposure Management Portfolio	0.00%	7.00%	0.00%
Fixed Income	16.00%	4.80%	0.77%
Cash	2.00%	3.00%	0.06%
Leverage	-1.0%	3.50%	-0.04%
Total	100.00%		6.93%
Inflation			2.50%
Expected arithmetic nominal return			9.43%

VRS Long- Term Expected Rate of Return

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

VRS Discount Rate

The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS Statutes, and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Based on those assumptions, the pension plans fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Combining Schedule of Fiduciary Net Position						Post Retirement	
Employee Retirement Plans					Benefit Trust		
Firefighters and Police Officers Pension Plan							
City Supplemental Retirement	Pension for Fire and Police	Defined Contribution Component	Defined Benefit Component	Disability Component	Other Post Employment Benefits	Total	
ASSETS							
Investments, at Fair Value							
Mutual Funds	\$ 39,623,578	\$ -	\$ 14,214,522	\$ 63,637,314	\$ 13,387,775	\$ 72,581,998	\$203,445,187
Stocks	34,558,770	-	-	73,824,092	7,264,992	7,365,095	123,012,949
Guaranteed Investment Accounts	4,923,813	16,386,438	-	16,978,159	-	1,598,024	39,886,434
Real Estate	20,045,228	-	-	51,035,714	-	6,953,488	78,034,430
Timber	7,944,075	-	-	13,363,164	-	5,444,578	26,751,817
Private Equity	14,000,291	-	-	34,789,718	-	8,282,882	57,072,891
Farmland	6,717,739	-	-	9,097,691	-	5,529,106	21,344,536
Other	75,920,994	-	-	190,772,668	13,069,680	29,405,739	309,169,081
Total Investments	\$ 203,734,488	\$ 16,386,438	\$ 14,214,522	\$ 453,498,520	\$ 33,722,448	\$ 137,160,910	\$858,717,325
Total Assets	\$ 203,734,488	\$ 16,386,438	\$ 14,214,522	\$ 453,498,520	\$ 33,722,448	\$ 137,160,910	\$858,717,325
NET POSITION							
Held in Trust for Pension Benefits	\$ 203,734,488	\$ 16,386,438	\$ 14,214,522	\$ 453,498,520	\$ 33,722,448	\$ 137,160,910	\$858,717,325



CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Combining Schedule of Changes in Fiduciary Net Position

	Employee Retirement Plans					Post Retirement Benefit Trust	
	Firefighters and Police Officers Pension Plan						
	City Supplemental Retirement	Pension for Fire and Police	Defined Contribution Component	Defined Benefit Component	Disability Component	Other Post Employment Benefits	Total
ADDITIONS							
Contributions:							
Employer	\$ 7,249,771	\$ 850,000	\$ -	\$ 20,054,833	\$ 881,941	\$ 1,000,000	\$ 30,036,545
Plan Members	2,615,153.00	-	-	4,226,448.00	198,380.00	-	7,039,981.00
Total Contributions	9,864,924.00	850,000.00	-	24,281,281.00	1,080,321.00	1,000,000.00	37,076,526.00
Investment Income:							
Net Appreciation (Depreciation) in Fair Value of Investments	20,276,208.00	-	1,370,108.00	47,989,752.00	9,185,685.00	67,403,370.00	146,225,123.00
Interest	9,218,702.00	592,723.00	1,570.00	18,376,719.00	495,017.00	8,861,061.00	37,545,792.00
Investment Expense	(127,884.00)	-	-	(301,355.00)	(15,928.00)	(45,263.00)	(490,430.00)
Net Investment Income	29,367,026.00	592,723.00	1,371,678.00	66,065,116.00	9,664,774.00	76,219,168.00	183,280,485.00
Total Additions	39,231,950.00	1,442,723.00	1,371,678.00	90,346,397.00	10,745,095.00	77,219,168.00	220,357,011.00
DEDUCTIONS							
Benefits	10,777,106.93	1,958,476.00	690,798.00	22,801,278.44	2,787,345.00	-	39,015,004.37
Refunds of Contributions	237,106.07	-	-	416,261.56	-	-	653,367.63
Administrative Expenses	1,151,412.00	10,889.00	4,989.00	598,517.00	47,295.00	68,074.00	1,881,176.00
Total Deductions	12,165,625.00	1,969,365.00	695,787.00	23,816,057.00	2,834,640.00	68,074.00	41,549,548.00
Net Increase (Decrease)	27,066,325.00	(526,642.00)	675,891.00	66,530,340.00	7,910,455.00	77,151,094.00	178,807,463.00
Assets Transfer in (Out)	(17,219,817.00)	-	291,806.00	(35,901,635.00)	(7,120,483.00)	(69,023,298.00)	(128,973,427.00)
Net Position at Beginning of Year	193,887,979.00	16,913,080.00	13,246,825.00	422,869,817.00	32,932,477.00	129,033,114.00	808,883,292.00
Net Position at End of Year	\$ 203,734,488	\$ 16,386,438	\$ 14,214,522	\$ 453,498,520	\$ 33,722,448	\$ 137,160,910	\$ 858,717,325
	\$ 203,734,488	\$ 16,386,438	\$ 14,214,522	\$ 453,498,520	\$ 33,722,448	\$ 137,160,910	\$ 858,717,325

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

The actuarial valuations for all defined benefit plans are performed annually except for Virginia Retirement System (VRS), which is performed biennially; however, an actuarial update is performed in the interim year for informational purposes. The employer contribution rate based on the June 30, 2024 actuarial valuation is 9.91 percent of payroll. Contribution rates for VRS employers are established every two years, so this rate applies to fiscal years ending 2026.

Beginning January 1, 2014, employees newly covered under VRS were enrolled in the new VRS Hybrid Retirement Plan (Hybrid Plan). The Hybrid Plan combines the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members of VRS could opt into the new Hybrid Plan. The employees under the new plan have a mandatory contribution to the Defined Contribution Plan of 1.00 percent which is matched by the City. A voluntary employee contribution of up to an additional 4.00 percent is allowed with the City matching up to 1.00 percent on the first 1.00 percent of voluntary contributions plus 0.25 percent for each additional 0.50 percent. The employer contribution includes the contribution to the Defined Contribution Plan for Hybrid members.

As of June 30, 2025, the City of Alexandria had 1,125 employees enrolled in the Hybrid Defined Contribution Plan. The FY 2025 City contribution was \$1.9 million.

Financial statements and required supplementary information are presented in the VRS annual comprehensive financial report, which can be obtained at www.varetire.org.

Historically the City has assumed the responsibility of paying 2.00 percent of the employee share of contributions for the City Supplemental Retirement Plan. General schedule employees commencing participation in this Plan after July 1, 2009, will make the 2.00 percent employee contribution. The City will continue to make the 2.00 percent contribution for general schedule employees who were participants prior to July 1, 2009. Historically the City has also made the 2.00 percent contribution for its deputy sheriffs, medics, and fire marshals. Beginning on January 1, 2020, deputy sheriffs began making a 1.50 percent employee contribution. The City will continue to make the 2.00 percent contribution for medics and fire marshals. Any employee contributions paid by the City will be characterized as employer contributions. The City paid an employer contribution of 4.98 percent for General Schedule employees, 6.41 percent for Deputy Sheriff's and 7.73 percent for Medics and Fire Marshals during FY 2025.

The City paid an employer contribution of 35.80 percent for Firefighters and Police Officers Pension Plan and 0.92 percent for the Firefighters and Police Officers Disability Component during FY 2025. During the year ended June 30, 2024, the Basic Plan's assets returned 6.69 percent and the Disability Plan's assets had a return of 9.29 percent on a market value basis. As of the July 1, 2024 Actuarial Valuation, the Basic Plan's unfunded actuarial accrued liability was \$71.5 million, and the Disability Plan's unfunded actuarial accrued liability was negative \$1.3 million.

The actuarial assumptions for the Firefighters and Police Officers Basic and Disability Plans, the Pension Plan for Firefighters and Police Officers, and the Supplemental Retirement Plan have not been changed since the prior actuarial valuation.

On June 30, 2025, the City recognized a net pension liability of \$104.1 million for three of the City's Single Employer Pension Plans. The City recognized a net pension asset of \$5.8 million for the other City Single Employee Pension Plan. Measurements as of June 30, 2025 were based on the fair value of assets as of June 30, 2025 and the Total Pension Liability as of the valuation date, June 30, 2024, updated to June 30, 2025. The City recognized a net pension liability of \$88.7 million for the VRS multi-employer plan. The VRS net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023.

For each of the City's four Plans, the funding policy is to contribute at least the Actuarially Determined Contribution annually. This contribution is equal to the amortization of the unfunded liability plus normal costs. The amortization of the unfunded liability is calculated as a level-dollar closed period for the Pension Plan for Firefighters and Police Officers. The amortization of the unfunded liability for the Supplemental Plan is calculated as an initial

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

level-dollar closed period. Effective July 1, 2015, the Supplemental Plan began incorporating layers where future gains and losses and assumption changes are amortized over separate 10-year periods. The Firefighters and Police Officers Basic Plan and Disability Plan are calculated as a level percentage. A payment of 16.75 percent of payroll is made towards the remaining unamortized unfunded actuarial liability from July 1, 2010. Effective July 1, 2015, the Firefighters and Police Basic and Disability Plans began incorporating layers where future gains and losses and assumption changes are amortized over separate 15-year periods.

The remaining amortization periods as well as other major provisions of all the defined pension plans are listed in the disclosure in the following tables.

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CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

PLAN DESCRIPTION

	(1)	(2)	(3)	(4)	(5)	(6)
	VRS City	City Supplemental Retirement	Pension for Fire and Police	Retirement Income for Fire and Police	Firefighters and Police Pension	Fire and Police Disability
Administrator	State of Virginia	Empower	Empower	MissionSquare	Empower	Empower
Employees Covered	General body	General body Sheriff/ERT	Public Safety	Public Safety	Public Safety	Public Safety
Authority for Plan Provisions and Contributions	State Statute	City Ordinance	City Ordinance	City Ordinance	City Ordinance	City Ordinance
Plan Type	Agent Multi-Employer	Single-Employer	Single-Employer	Single-Employer	Single-Employer	Single-Employer
DB/DC	Defined Benefit Hybrid	Defined Benefit	Defined Benefit	Defined Contribution	Defined Benefit	Defined Benefit
Stand Alone Financial Report	Yes	No	No	No	No	No
Actuarial Valuation Date	6/30/2024	7/1/2024	7/1/2024	N/A	7/1/2024	7/1/2024
Measurement Date	6/30/2024	6/30/2025	6/30/2025	6/30/2025	6/30/2025	6/30/2025

MEMBERSHIP AND PLAN PROVISIONS

Active Participants	1847	1995	0	26	573	573
Retirees & Beneficiaries	1471	659	60	0	381	92
Terminated Vested & Non-vested	1580	878	0	31	81	N/A
Normal Retirement Benefits						
Age	65* 50 (30Yrs)	65 50 (30Yrs)/ 50(25 Yrs)	60 50 (20Yrs)	60	55 Any Age (25Yrs)	55
Benefits Vested**	5	5	10	5	5	5
Disability & Death Benefits	Disability Death	Disability Death	Disability Death	N/A Death	Disability Death	Disability N/A

* Tier 1 members. Tier 2 and Hybrid members' normal retirement benefit age is their Social Security Retirement age or rule of 90 when age plus service equals 90. Deputy Sheriffs VRS normal retirement age is 60 or age 50 with 25 years of service.

** VRS Hybrid Plan members are 100% vested in the Defined Contributions Plan after four years.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

The following schedules present a description of the plan provisions and membership information, actuarial assumptions, accounting and funding policies, and contribution requirements.

MEMBERSHIP AND PLAN PROVISIONS

As of:	6/30/2024	7/01/2024	7/01/2024	N/A	7/01/2024	7/01/2024
	(1)	(2)	(3)	(4)	(5)	(6)
	VRS City	City Supplemental Retirement	Pension For Fire and Police	Retirement Income for Fire and Police	Firefighters and Police Pension	Fire and Police Disability

SIGNIFICANT ACTUARIAL ASSUMPTIONS

Investment Earnings	6.75%	6.75%	3.50%	N/A	6.75%	6.75%
Projected Salary Increases						
Attributable to:						
Inflation	2.50%*	2.75%	N/A	N/A	2.75%	2.75%
Seniority/Merit	3.50% -5.35%**	2.75%-6.25%	N/A	N/A	3.25%-6.75%	3.25%-6.75%
Projected Postretirement Increases	2.5%*, 2.25% ¹	None	2.5%	N/A	2.5%	2.5%
Actuarial Cost Method	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost	N/A	Entry Age Normal Cost	Entry Age Normal Cost
Amortization Method Open/Closed/Layered	Level Percentage Closed	Level dollar Layered	Level dollar Closed	N/A	Level Percentage Layered	Level Percentage Layered
Remaining Amortization Period	20	1(10 year layer)	1	N/A	5(15 year layer)	5(15 year layer)
Asset Valuation Method	5-year Smoothed Market Value	4-year Smoothed Market	Market Value	N/A	4-year Smoothed Market	4-year Smoothed Market
Funded Status						
Actuarial Value of Assets	\$ 713,210,424	\$ 201,845,747	\$ 16,913,080	N/A	\$ 445,448,393	\$ 35,337,610
Actuarial Accrued Liability	825,970,246	212,396,539	12,073,164	N/A	516,938,904	34,075,815
Unfunded Actuarial Accrued Liability (UAAL)	\$ 112,759,822	\$ 10,550,792	\$ (4,839,916)	N/A	\$ 71,490,511	\$ (1,261,795)
Funded Ratio	86.35%	95.0%	140.1%	N/A	86.2%	103.7%
Annual Covered Payroll	\$ 173,546,242	\$ 178,621,384	N/A	N/A	\$ 55,763,911	\$ 55,763,911
UAAL as Percentage of Covered Payroll	64.97%	5.9%	N/A	N/A	128.2%	-2.3%

The Pension Plan for Fire and Police is a closed plan with no active participants.

* Plan 1, ¹Plan 2 and Hybrid

**Seniority/Merit: Leo range, 3.50%-4.75%. Non-Leo range 3.50%-5.35%

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

FUNDING POLICY AND ANNUAL PENSION COST

As of:	6/30/2024	6/30/2025	6/30/2025	6/30/2025	6/30/2025	6/30/2025
	VRS City	City Supplemental Retirement	Pension for Fire and Police	Retirement Income for Fire and Police	Firefighters and Police Pension	Fire and Police Disability
PERCENTAGE OF COVERED PAYROLL CONTRIBUTED						
Employee %	5.0%	2.0% **	N/A	N/A	7.2%	0.8%
Employer %	11.0%	2.9%	\$ 850 K/Yr.	N/A	35.0%	1.0%
AMOUNT CONTRIBUTED						
Employee	\$ 7,780,463	\$ 2,615,153	\$ -	\$ -	\$ 4,226,448	\$ 198,380
Employer	16,658,247	7,249,771	850,000	-	20,054,833	881,941
Total Amount Contributed	<u>\$ 24,438,710</u>	<u>\$ 9,864,924</u>	<u>\$ 850,000</u>	<u>\$ -</u>	<u>\$ 24,281,281</u>	<u>\$ 1,080,321</u>
COVERED PAYROLL						
Dollar Amount (in millions)	\$ 168.4	\$ 178.6	\$ N/A	\$ N/A	\$ 55.7	\$ 55.7
Legally Required Reserves	N/A	N/A	N/A	N/A	N/A	N/A
Long Term Contribution Contracts	N/A	N/A	N/A	N/A	N/A	N/A

INVESTMENT CONCENTRATIONS

The City of Alexandria does not have pension investments (other than U. S. Government and U.S. Government guaranteed obligations) in any one organization that represents five percent or more of net assets held in trust for pension investments.

Empower General Account (Long Term)	*	2.0%	100.0%	-	4.0%	0.0%
Empower and Comerica Mutual Funds	*	19.0%	-	100.0%	14.0%	40.0%
Stocks	*	17.0%	-	-	16.0%	22.0%
Real Estate	*	10.0%	-	-	11.0%	0.0%
Timber	*	4.0%	-	-	3.0%	0.0%
Private Equity	*	7.0%	-	-	8.0%	0.0%
Other	*	41.0%	-	-	44.0%	39.0%

* Investment information not available on an individual jurisdiction basis.

** General Schedule Employees hired before 6/30/2009 make a 0% contribution; Deputy Sheriffs make a 1.5% contribution.

The tables below summarize investments managed by the City of Alexandria in accordance with the fair value hierarchy established by generally accepted accounting principles. Fair value is defined as the quoted market value on the last trading day of the period. The hierarchy is based on the valuation inputs used to measure the fair value of assets.

Level 1 – Quoted prices in active markets for identical assets or liabilities.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active or inputs that are observable market data. Level 2 assets include Alexandria’s mutual funds and money market funds. Alexandria’s mutual funds and money market funds have both equity and fixed income securities are continuously observable. The underlying equities are observable through quoting services, while the underlying fixed income instruments pricing is determined through both observable market quotes and market pricing determined through the use of matrix valuation using similar securities.

Level 3 – Unobservable inputs that are supported by little to no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs. Alexandria’s private equity secondaries are priced using private non-observable data.



Firefighters and Police Officers Defined Benefit and Disability Pension Plans
As of June 30, 2025

<u>Portfolio</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>Equity Securities</u>			
Common Stock & ETFs	\$ 73,824,092	\$ -	\$ -
Mutual Funds		63,637,314	-
Total Equity Securities	73,824,092	63,637,314	-
<u>Private Equity</u>			
Secondaries Funds	-	-	34,789,718
Total Private Equity	-	-	34,789,718
<u>Cash Equivalents</u>			
Money Market Funds	-	16,978,159	-
Total Cash Equivalents	-	16,978,159	-
Total Investments by Fair Asset Value	<u>\$ 73,824,092</u>	<u>\$ 80,615,473</u>	<u>\$ 34,789,718</u>
Investments measured at net asset value (NAV)			
Commingled Collective Trusts	224,495,118		
Real Estate Funds	51,035,714		
Timber Funds	13,363,164		
Farmland	9,097,691		
Total Investments Measured at NAV	<u>297,991,687</u>		
Total Value	<u>\$ 487,220,970</u>		

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Firefighters and Police Officers NAV	Capital Commitment	Capital Called	Remaining Uncalled Commitment	Current NAV	Withdrawal Frequency
Commingled Collective Trusts	N/A	N/A	N/A	\$271,000,364	Daily to Quarterly
Private Equity	\$58,700,000	\$48,010,676	\$10,689,324	\$34,789,718	Closed End Strategies
Real Estate Funds	\$4,400,000	\$4,400,000	\$0	\$51,035,714	Monthly
Timber Funds	\$8,500,000	\$8,359,000	\$141,000	\$13,363,164	Closed End Strategies
Farmland Funds	\$22,000,000	\$9,055,000	\$12,945,000	\$9,097,691	Closed End Strategies
	\$93,600,000	\$69,824,676	\$23,775,324	\$379,286,651	



Pension for Fire and Police
As of June 30, 2025

<u>Portfolio</u>	Level 1	Level 2	Level 3
Guaranteed Investment Accounts	\$ -	\$ 16,386,438	\$ -
Totals	\$ -	\$ 16,386,438	\$ -



Retirement Income for Firefighters and Police
As of June 30, 2025

<u>Portfolio</u>	Level 1	Level 2	Level 3
<u>Equity Securities</u>			
Common Stock & ETFs	\$ -	\$ -	\$ -
Mutual Funds		14,214,522	-
Total Equity Securities	-	14,214,522	-
Total Investments by Fair Asset Value	\$ -	\$ 14,214,522	\$ -

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)



Supplemental Retirement Plan
As of June 30, 2025

<u>Portfolio</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>Equity Securities</u>			
Common Stock & ETFs	\$ 34,558,770	\$ -	\$ -
Mutual Funds	-	39,623,578	-
Total Equity Securities	34,558,770	39,623,578	-
<u>Private Equity</u>			
Secondaries Funds	-	-	14,000,291
Total Private Equity	-	-	14,000,291
<u>Cash Equivalents</u>			
Money Market Funds	-	4,923,813	-
Total Cash Equivalents	-	4,923,813	-
Total Investments by Fair Asset Value	<u>\$ 34,558,770</u>	<u>\$ 44,547,391</u>	<u>\$ 14,000,291</u>
Investments measured at net asset value (NAV)			
Commingled Collective Trusts	75,920,994		
Real Estate Funds	20,045,228		
Timber Funds	7,944,075		
Farmland	6,717,739		
Total Investments Measured at NAV	<u>110,628,036</u>		
Total Value	<u>\$ 203,734,488</u>		

<u>Supplemental NAV</u>					
<u>Name on GASB 72</u>	<u>Capital Commitment</u>	<u>Capital Called</u>	<u>Remaining Uncalled Commitment</u>	<u>Current NAV</u>	<u>Withdrawal Frequency</u>
Commingled Collective Trusts	N/A	N/A	N/A	\$109,863,912	Daily to Quarterly
Private Equity	\$28,150,000	\$23,203,121	\$4,946,879	\$14,000,291	Closed End Strategies
Real Estate Funds	\$4,400,000	\$4,400,000	\$0	\$20,045,228	Monthly
Timber Funds	\$5,200,000	\$5,087,200	\$112,800	\$7,944,075	Closed End Strategies
Farmland	\$8,000,000	\$4,540,000	\$3,460,000	\$6,717,739	Quarterly
	<u>\$45,750,000</u>	<u>\$37,230,321</u>	<u>\$8,519,679</u>	<u>\$158,571,245</u>	

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Net Pension Liabilities and Pension Expense

For the year ended June 30, 2025, the City recognized pension expense of \$45,461,139 for the City's Firefighters & Police Officers Pension Plan, Firefighters & Police Officers Disability Pension Plan, Supplemental Retirement Plan, Pension Plan for Firefighters & Police Officers, and the VRS Pension Plan.

Changes in Net Pension Liability for City of Alexandria Defined Benefit Plans

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a)-(b)
Firefighters & Police Officers Pension Plan			
Balances as of 6/30/2024	\$ 503,139,389	\$ 422,869,817	\$ 80,269,572
Changes for the year:			
Service cost	11,107,536	-	11,107,536
Interest	34,872,093	-	34,872,093
Changes in benefit terms	-	-	-
Changes in assumptions	-	-	-
Difference between expected and actual experience	13,799,515	-	13,799,515
Contributions-employer	-	20,054,833	(20,054,833)
Contributions-employee	-	4,226,448	(4,226,448)
Net Investment Income	-	30,170,842	(30,170,842)
Benefit payments, including refunds	(23,224,903)	(23,224,903)	-
Administrative Expense	-	(598,517)	598,517
Net Changes	36,554,241	30,628,703	5,925,538
Balances at 6/30/2025	<u>\$ 539,693,630</u>	<u>\$ 453,498,520</u>	<u>\$ 86,195,110</u>

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a)-(b)
Firefighters & Police Officers Disability Pension Plan			
Balances as of 6/30/2024	\$ 35,116,367	\$ 32,932,477	\$ 2,183,890
Changes for the year:			
Service cost	399,749	-	399,749
Interest	2,234,771	-	2,234,771
Changes in benefit terms	-	-	-
Changes in assumptions	-	-	-
Difference between expected and actual experience	(1,040,552)	-	(1,040,552)
Contributions-employer	-	881,941	(881,941)
Contributions-employee	-	198,380	(198,380)
Net Investment Income	-	2,538,038	(2,538,038)
Benefit payments, including refunds	(2,781,093)	(2,781,093)	-
Administrative Expense	-	(47,295)	47,295
Net Changes	(1,187,125)	789,971	(1,977,096)
Balances at 6/30/2025	<u>\$ 33,929,242</u>	<u>\$ 33,722,448</u>	<u>\$ 206,794</u>

Exhibit XII
(Continued)**NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(a)-(b)
Supplemental Retirement Plan			
Balances as of 6/30/2024	\$ 210,523,544	\$ 193,887,979	\$ 16,635,565
Changes for the year:			
Service cost	5,706,989	-	5,706,989
Interest	14,356,031	-	14,356,031
Changes in benefit terms	-	-	0
Changes in assumptions	-	-	0
Difference between expected and actual experience	1,872,995	-	1,872,995
Contributions-employer	-	7,249,771	(7,249,771)
Contributions-employee	-	2,615,153	(2,615,153)
Net Investment Income	-	12,156,168	(12,156,168)
Benefit payments, including refunds	(11,023,171)	(11,023,171)	-
Administrative Expense	-	(1,151,412)	1,151,412
Net Changes	10,912,844	9,846,509	1,066,335
Balances at 6/30/2025	\$ 221,436,388	\$ 203,734,488	\$ 17,701,900
	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(a)-(b)
Pension Plan for Firefighters & Police Officers			
Balances as of 6/30/2024	\$ 11,896,965	\$ 16,913,080	\$ (5,016,115)
Changes for the year:			
Service Cost	-	-	-
Interest	388,503	-	388,503
Changes in benefit terms	-	-	-
Changes in assumptions	-	-	-
Difference between expected and actual experience	176,199	-	176,199
Contributions-employer	-	850,000	(850,000)
Contributions-employee	-	-	-
Net Investment Income	-	605,899	(605,899)
Benefit payments, including refunds	(1,963,062)	(1,963,062)	-
Administrative Expense	-	(19,479)	19,479
Net Changes	(1,398,360)	(526,642)	(871,718)
Balances at 6/30/2025	\$ 10,498,605	\$ 16,386,438	\$ (5,887,833)

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)



VRS	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a)-(b)
Balances as of 6/30/2023	\$ 781,139,305	\$ 684,558,777	\$ 96,580,528
Changes for the year:			
Service cost	14,727,501	-	14,727,501
Interest	52,294,317	-	52,294,317
Changes in benefit terms	-	-	-
Changes in assumptions	-	-	-
Difference between expected and actual experience	14,910,583	-	14,910,583
Contributions-employer	-	16,658,247	(16,658,247)
Contributions-employee	-	7,780,463	(7,780,463)
Net Investment Income	-	65,796,623	(65,796,623)
Benefit payments, including refunds	(42,272,378)	(42,272,378)	-
Other	-	12,109	(12,109)
Prior Year Adj	-	-	-
Administrative Expense	-	(442,001)	442,001
Net Changes	39,660,023	47,533,063	(7,873,040)
Balances as of 6/30/2024	<u>\$ 820,799,328</u>	<u>\$ 732,091,840</u>	<u>\$ 88,707,488</u>

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

The components of the Net Pension Liability of the City of Alexandria Defined Benefit Plans as of June 30, 2025 are as follows:

	Firefighters & Police Officers Pension Plan	Firefighters & Police Officers Disability Pension Plan	Supplemental Retirement Plan	Pension Plan for Firefighters & Police Officers
Total Pension Liability	\$ 539,693,630	\$ 33,929,242	\$ 221,436,388	\$ 10,498,605
Plan Fiduciary Net Position	453,498,520	33,722,448	203,734,488	16,386,438
Net Pension Liability/(Asset)	\$ 86,195,110	\$ 206,794	\$ 17,701,900	\$ (5,887,833)
Plan Fiduciary Net Position as a percentage of Total Pension Liability	84.0%	99.4%	92.0%	156.1%

The following presents the Net Pension Liabilities of the City of Alexandria Defined Benefit Plans, calculated using the current discount rates, as well as what the Funds' Net Pension Liabilities would be if they were calculated using a discount rate that is 1.00% lower or higher than the current rate.

Sensitivity of Net Pension Liability to Changes in the Discount Rate	Firefighters & Police Officers Pension Plan		
	1% Decrease	Current Discount Rate	1% Increase
	5.75%	6.75%	7.75%
Total Pension Liability	\$ 618,041,618	\$ 539,693,630	\$ 475,696,125
Plan Fiduciary Net Position	453,498,520	453,498,520	453,498,520
Net Pension Liability/(Asset) 6/30/2025	\$ 164,543,098	\$ 86,195,110	\$ 22,197,605
Plan Fiduciary Net Position as a percentage of Total Pension Liability	73.4%	84.0%	95.3%

Sensitivity of Net Pension Liability to Changes in the Discount Rate	Firefighters & Police Officers Disability Pension Plan		
	1% Decrease	Current Discount Rate	1% Increase
	5.75%	6.75%	7.75%
Total Pension Liability	\$ 37,365,693	\$ 33,929,242	\$ 31,025,918
Plan Fiduciary Net Position	33,722,448	33,722,448	33,722,448
Net Pension Liability/(Asset) 6/30/2025	\$ 3,643,245	\$ 206,794	\$ (2,696,530)
Plan Fiduciary Net Position as a percentage of Total Pension Liability	90.2%	99.4%	108.7%

Sensitivity of Net Pension Liability to Changes in the Discount Rate	Supplemental Retirement Plan		
	1% Decrease	Current Discount Rate	1% Increase
	5.75%	6.75%	7.75%
Total Pension Liability	\$ 247,277,584	\$ 221,436,388	\$ 199,666,840
Plan Fiduciary Net Position	203,734,488	203,734,488	203,734,488
Net Pension Liability/(Asset) 6/30/2025	\$ 43,543,096	\$ 17,701,900	\$ (4,067,648)
Plan Fiduciary Net Position as a percentage of Total Pension Liability	82.4%	92.0%	102.0%



Sensitivity of Net Pension Liability to Changes in the Discount Rate	Pension Plan for Firefighters & Police Officers		
	1% Decrease	Current Discount Rate	1% Increase
	2.50%	3.50%	4.50%
Total Pension Liability	\$ 11,026,383	\$ 10,498,605	\$ 10,019,431
Plan Fiduciary Net Position	16,386,438	16,386,438	16,386,438
Net Pension Liability/(Asset) 6/30/2025	\$ (5,360,055)	\$ (5,887,833)	\$ (6,367,007)
Plan Fiduciary Net Position as a percentage of Total Pension Liability	148.6%	156.1%	163.5%

Sensitivity of Net Pension Liability to Changes in the Discount Rate	Virginia Retirement System (VRS)		
	1% Decrease	Current Discount Rate	1% Increase
	5.75%	6.75%	7.75%
Net Pension Liability/(Asset) 6/30/2024	\$ 191,296,123	\$ 88,707,488	\$ 4,536,308

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

\$18,677,849 reported as deferred outflows of resources related to pensions resulting from City contributions to VRS subsequent to the measurement date of June 30, 2024 will be recognized in pension expense in the year ended June 30, 2025.
 At June 30, 2024, the City of Alexandria reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

	Firefighters & Police Officers Pension Plan		Firefighters & Police Officers Disability Pension Plan		Supplemental Retirement Plan		Pension Plan for Firefighters & Police Officers		VRS		TOTAL		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Total Deferred Outflows of Resources	Total Deferred Inflows of Resources	Net Deferred Outflows/(Inflows) of Resources
Differences between expected and actual experience	\$ 19,348,947	\$ 2,933,527	\$ 289,631	\$ 5,317,355	\$ 4,863,247	\$ 239,759	\$ -	\$ -	\$ 15,539,713	\$ 669,003	\$ 40,041,538	\$ 9,159,644	\$ 30,881,894
Changes in assumptions	10,049,989	-	6,168,485	1,401,243	2,962,516	-	-	-	-	-	19,180,990	1,401,243	17,779,747
Net difference between projected and actual earnings on pension plan investments	16,986,943	-	1,646,117	-	7,148,810	-	-	4,827	-	19,117,078	25,781,870	19,121,905	6,659,965
Employer contributions subsequent to the measurement date	-	-	-	-	-	-	-	-	18,677,849	-	18,677,849	-	18,677,849
Total	<u>\$ 46,385,879</u>	<u>\$ 2,933,527</u>	<u>\$ 8,104,233</u>	<u>\$ 6,718,598</u>	<u>\$ 14,974,573</u>	<u>\$ 239,759</u>	<u>\$ -</u>	<u>\$ 4,827</u>	<u>\$ 34,217,562</u>	<u>\$ 19,786,081</u>	<u>\$103,682,247</u>	<u>\$ 29,682,792</u>	<u>\$ 73,999,455</u>
Total deferred outflows	<u>\$ 103,682,247</u>												
Total deferred inflows	<u>\$ 29,682,792</u>												
	Firefighters & Police Officers Pension Plan		Firefighters & Police Officers Disability Pension Plan		Supplemental Retirement Plan		Pension Plan for Firefighters & Police Officers		VRS				
Year ended June 30:													
2026	\$ 23,175,736		\$ 1,525,956		\$ 10,484,237		\$ 19,190		\$ (9,661,377)				
2027	6,926,860		(441,413)		2,081,545		(3,617)		11,425,890				
2028	6,125,114		(666,970)		1,623,513		(13,682)		(1,969,820)				
2029	4,924,722		(205,237)		545,519		(6,718)		(4,041,061)				
2030	2,299,920		343,771		-		-		-				
Thereafter	-		829,528		-		-		-				
Total Future Deferrals	<u>\$ 43,452,352</u>		<u>\$ 1,385,635</u>		<u>\$ 14,734,814</u>		<u>\$ (4,827)</u>		<u>\$ (4,246,368)</u>				

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

DESCRIPTION OF BENEFITS:

VRS—City—Regular, full time City employees who are not covered employees under the Firefighters & Police Officers Pension Plan are members of VRS. Participation is mandatory. This plan is administered by the Virginia Retirement System. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Employees with credit for services rendered prior to July 1, 2010 are covered under Plan 1, while members hired or rehired on or after July 1, 2010 are covered under Plan 2. Plan 1 members who did not have 5 years of service as of December 31, 2012, became Plan 2 members. Members hired after January 1, 2014 who are new participants to VRS are covered under the Hybrid Plan. Employees are eligible for an unreduced retirement at age 65 with 5 years of service and at age 50 with 30 years of service under Plan 1, and at Social Security normal retirement age with at least five years of service or when age and service are equal to 90 under Plan 2 and the Hybrid Plan. Beginning January 1, 2020, deputy sheriffs are covered by the VRS enhanced hazardous duty coverage with no supplement. Deputy sheriffs are eligible for an unreduced retirement at age 60 with 5 years of service and at age 50 with 25 years of service under enhanced hazardous duty coverage with no supplement plan. An optional reduced retirement benefit is available to deputy sheriffs as early as age 50 with five years of service under enhanced hazardous duty coverage with no supplement plan. The retirees are entitled to an annual retirement benefit payable monthly for life in an amount equal to 1.70 percent of their average final salary (AFS) for each year of credited service under Plan 1 and the enhanced hazardous duty coverage with no supplement plan; 1.65 percent of AFS for Plan 2; 1.00 percent for the Hybrid Plan. AFS under Plan 1 is 36 highest consecutive months while it is 60 highest consecutive months under Plan 2 and for Plan 1 active non-vested members. In addition, retirees qualify for annual cost-of-living (COLA) increases on July 1 of the second calendar year after retirement. These benefit provisions and all other requirements are established and may be amended by State statutes.

City Supplemental Retirement Plan—Regular, full time City employees including Deputy Sheriffs, Medics and Fire Marshals and regular, part-time City employees who are scheduled to work at least 50 percent time and who are not covered under the Firefighters & Police Officers Pension Plan are participants in the Supplemental Retirement Plan. This plan is administered by the City of Alexandria. State employees working at the Alexandria Health Department are also covered under the Plan. Full time employees receive Credited Service for each month the City and/or employee makes a contribution. Part-time employees accrue Credited Service on a pro-rata basis determined by scheduled work hours. Regular City employees who retire at or after age 65 or after age 50 with 30 years of credited service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to the sum of (1) and (2), increased by 50 percent, plus (3):

- (1) 1.625 percent of the participant's past service compensation up to \$100, plus 0.25 percent of the participant's past service compensation in excess of \$100, multiplied by number of years of credited service earned after July 31, 1960, but prior to August 1, 1970.
- (2) 1.625 percent of the participant's average earnings up to \$100, plus 0.25 percent of the participant's average earnings in excess of \$100, multiplied by the number of years of credited service earned after July 31, 1970, but prior to January 1, 1988.
- (3) 0.80 percent of average earnings multiplied by credited service earned after December 31, 1987.

The Deputy Sheriffs, Medics and Fire Marshals can retire unreduced with at least 25 years of services in those positions and at least age 50. The annual benefit is the sum of:

- (1) 0.6 percent of the participant's average earnings times credited service for years 1-5 in these positions
- (2) 0.9 percent of the participant's average earnings times credited service for years 6-15 in these positions
- (3) 1.0 percent of the participant's average earning times credited service for years 16 and greater in these positions.

Benefit provisions are established and may be amended via resolution by City Council.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension Plan for Fire Fighters and Police Officers (closed plan)—Employees who retired on or after age 60 are entitled to an annual retirement defined benefit, payable monthly for life, in an amount equal to 2.5 percent of final average earnings multiplied by years of credited service, up to a maximum of 30 years. The plan also provided early retirement on or after age 50 with 20 years of credited service or on or after age 56 with 10 years of credited service. This plan further provided early retirement on or after age 50 with 10 years of service with an actuarially reduced benefit. Benefit provisions are established and may be amended via resolution by City Council. This plan was closed to new participants in 1979.

Retirement Income Plan for Fire & Police- defined contribution (closed plan)—The employees are entitled to contributions made on their behalf after 100 percent vesting. Benefit provisions are established and may be amended via resolution by City Council. This plan was closed to new members in FY 2004 and converted to a defined benefit plan. Employees in the plan at date of conversion could leave their contributions in the defined contribution component or purchase prior service under the new defined benefit plan with the assets associated with their contributions.

Firefighters and Police Officers Pension Plan—defined benefit component—Full-time sworn Firefighters and Police Officers are covered employees in the Firefighters and Police Officers Pension Plan. Recruits are also covered by the Plan. This plan is administered by the City of Alexandria. Full-time employees receive one month of credit for each full month covered by the Plan. Special rules apply for service prior to January 1, 2004. The Plan provisions were approved by City Council in FY 2004 and provide retirement benefits for covered employees who retire at age 55 with 5 years of service or any age with 25 years of service. The Plan also allows for early retirement at age 50 with 20 years of service with reduced benefits. Employees hired before October 2013 are entitled to 2.5 percent of the participant's average monthly compensation (AMC), multiplied by the years of credited service up to 20 years; plus 3.2 percent of the participant's AMC, multiplied by years of credited service more than 20 years. The maximum benefit is 82.0 percent of the AMC. Employees hired after October 22, 2013 are entitled to 2.5 percent of the participant's average monthly compensation, multiplied by years of credited service. There is no limitation service or maximum benefit for employees hired after October 2013. AMC is the 48 highest consecutive months.

Firefighters and Police Officers Pension Plan—disability component—The plan provisions provide disability benefits for Firefighters and Police Officers. The benefits for service-connected total and permanent disability are 70 percent of final average earnings, 66 2/3 percent for service-connected partial disability, and 2.5 percent multiplied by years of credited service, up to 50 percent for non-service connected partial or total and permanent disability. Employees hired after October 23, 2013 are not eligible for the non-service connected disability. Benefits provisions are established and may be amended via resolution by City Council. Effective January 1, 2004, this plan was merged with the Firefighters and Police Officers Pension Plan. Separate actuarial calculations have been performed for the defined benefit and disability components.

Deferred Retirement Option Program (DROP)—This program is available for members of the Firefighters and Police Officers Pension Plan who were hired prior to October 23, 2013. Members who have completed at least 30 years of credited service are eligible to participate in this program. DROP provides the ability for an employee to retire for purposes of the pension plan, while continuing to work and receive a salary for a period of three years. During the DROP period, the pension plan accumulates the accrued monthly benefit into an account balance identified as belonging to the member. No interest is applied for members whose DROP effective date is after October 31, 2013. The monthly benefit is calculated using service and average monthly compensation as of the date of entry in DROP, with increases equal to the annual COLA adjustment provided for retirees.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

COMPONENT UNIT – ALEXANDRIA CITY PUBLIC SCHOOLS (ACPS)

ACPS participates in three public employee retirement systems (PERS). Two of these systems, a cost-sharing multiple-employer plan (professional) and an agent multiple-employer plan (non-professional), are administered by the Virginia Retirement System (VRS) and are, therefore, not reflected as ACPS pension trust funds. The third plan, Employees' Supplemental Retirement Plan (Supplemental Plan), is a single-employer defined benefit plan, where a stated methodology for determining pension benefits is provided. This plan is part of ACPS' reporting entity and, as such, is reflected as a Pension Trust Fund.

The actuarial valuation for the Supplemental Plan is performed annually. The actuarial valuation for VRS is performed biennially; however, an actuarial update is performed in the interim year.

In the Supplemental Plan, no changes occurred in the actuarial valuation assumptions, plan benefits, actuarial cost method or procedures affecting the comparability of costs.

A. VIRGINIA RETIREMENT SYSTEM

Plan Description

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

The System administers three different benefit structures for covered employees in the VRS Teacher Retirement Plan and VRS Political Subdivision Retirement Plan – Plan 1, Plan 2, and Hybrid. Each of these benefit structures has a different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are set out in the following table.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

VRS Plan 1	VRS Plan 2	VRS Hybrid Retirement Plan
About Plan 1 Plan 1 is a defined benefit plan. The Retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula.	About Plan 2 Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at Retirement using a formula.	About the Hybrid Retirement Plan The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. • The defined benefit is based on member's age, creditable service and average final compensation at retirement using a formula. • The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions. • In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.
Eligible Members Employees are in Plan 1 if their membership date is before July 1, 2010, they were vested before January 1, 2013, and they have not taken a refund. Hybrid Opt-in Election VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan. Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.	Eligible Members Employees are in Plan 2 if their membership date is from July 1, 2010, to December 31, 2013, and they have not taken a refund. Members are covered under Plan 2 if they have a membership date prior to July 1, 2010, and they were not vested before January 1, 2013. Hybrid Opt-In Election Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan. <i>Political Subdivision Plan Only:</i> Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.	Eligible Members Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes: School division employees and Political subdivision employees* Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014 *Non-Eligible Members Some employees are not eligible to participate in the Hybrid Retirement Plan. They include: Political Subdivision employees who are covered by enhanced benefits for hazardous duty employees. Those employees eligible for an optional retirement plan (ORP) must elect the Hybrid retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

VRS Plan 1	VRS Plan 2	VRS Hybrid Retirement Plan
Retirement Contributions Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.	Retirement Contributions Same as Plan 1.	Retirement Contributions A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.
Service Credit Creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.	Service Credit Same as Plan 1.	Service Credit <u>Defined Benefit Component:</u> Under the defined benefit component of the plan, creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit. <u>Defined Contributions Component:</u> Under the defined contribution component, creditable service is used to determine vesting for the employer contribution portion of the plan.
Vesting Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five year (60 months) of creditable service. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund. Members are always 100% vested in the contributions that they make	Vesting Same as Plan 1.	Vesting <u>Defined Benefit Component</u> Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of creditable service. Plan 1 or Plan 2 members with at least five years (60 months) of creditable service who opted into the Hybrid Retirement Plan remain vested in the defined benefit component. <u>Defined Contributions Component:</u> Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

VRS Plan 1	VRS Plan 2	VRS Hybrid Retirement Plan
		employer contributions from the defined contribution component of the plan. Members are always 100% vested in the contributions that they make. Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service. • After two years a member is 50% vested and may withdraw 50% of employer contributions • After three years, a member is 75% vested and may withdraw 75% of employer contributions. • After four or more years, member is 100% vested and may withdraw 100% of employer contributions. Distributions not required, except as governed by law.
Calculating the Benefit The Basic Benefit is determined using the average final compensation, service credit and plan multiplier. An early retirement reduction is applied to this amount, if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied.	Calculating the Benefit See definition under Plan 1.	Calculating the Benefit <u>Defined Benefit Component:</u> See definition under Plan 1 <u>Defined Contribution Component:</u> The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.
Average Final Compensation A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.	Average Final Compensation A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.	Average Final Compensation Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.
Service Retirement Multiplier VRS: The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The Retirement multiplier for non-hazardous duty members is 1.70%.	Service Retirement Multiplier VRS: Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for creditable service earned, purchased or granted on or after January 1, 2013.	Service Retirement Multiplier <u>Defined Benefit Component:</u> VRS: the retirement multiplier for the defined benefit component is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans. <u>Defined Contribution Component:</u> Not applicable.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

VRS Plan 1	VRS Plan 2	VRS Hybrid Retirement Plan
Normal Retirement Age VRS: Age 65.	Normal Retirement Age VRS: Normal Social Security retirement age.	Normal Retirement Age VRS: <u>Defined Benefit Component:</u> Same as Plan 2. <u>Defined Contribution Component:</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Unreduced Retirement Eligibility VRS: Age 65 with at least five years (60 months) of creditable service or at age 50 with at least 30 years of creditable service.	Earliest Unreduced Retirement Eligibility VRS: Normal Social Security retirement age with at least five years (60 months) of creditable service or when their age and service equal 90.	Earliest Unreduced Retirement Eligibility VRS: <u>Defined Benefit Component:</u> Normal Social Security retirement age with at least five years (60 months) of creditable service or when their age and service equal 90. <u>Defined Contribution Component:</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Reduced Retirement Eligibility VRS: Age 55 with at least five years (60 months) of creditable service or age 50 with at least 10 years of creditable service.	Earliest Reduced Retirement Eligibility VRS: Age 60 with at least five years (60 months) of creditable service.	Earliest Unreduced Retirement Eligibility VRS: <u>Defined Benefit Component:</u> Age 60 with at least five years (60 months) of creditable service.. <u>Defined Contribution Component:</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%. Eligibility: For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of creditable service, the COLA will go into effect on July 1 after one full calendar year from the retirement date. For members who retire with a reduced benefit and who have less than 20 years of creditable service, the COLA will go into effect on July 1 after one calendar year	Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 2%) up to a maximum COLA of 3%. Eligibility: Same as Plan 1.	Cost-of-Living Adjustment (COLA) in Retirement <u>Defined Benefit Component:</u> Same as Plan 2. <u>Defined Contribution component:</u> Not applicable. Eligibility: Same as Plan 1 and Plan 2.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

VRS Plan 1	VRS Plan 2	VRS Hybrid Retirement Plan
following unreduced retirement eligibility date. <u>Exceptions to COLA Effective Dates:</u> The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances: • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on disability. • The member retires directly from short-term or long-term disability under the Virginia Sickness and Disability Program (VSDP). • The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act of the Transitional Benefits Program. • The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins.	<u>Exceptions to COLA Effective Dates:</u> Same as Plan 1.	<u>Exceptions to COLA Effective Dates:</u> Same as Plan 1 and Plan 2.
Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted.	Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.	Disability Coverage Employees of school divisions and political subdivision (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members. Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.
Purchase of Prior Service Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as creditable service in their plan. Prior creditable service counts toward vesting eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.	Purchase of Prior Service Same as Plan 1.	Purchase of Prior Service <u>Defined Benefit component:</u> Same as Plan 1, with the following exceptions: • Hybrid Retirement Plan members are ineligible for ported service <u>Defined Contribution Component:</u> Not applicable.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

ACPS VRS Political Subdivision Retirement Plan

The Virginia Retirement System (VRS) Political Subdivision Retirement Plan is a multi-employer, agent plan. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Political Subdivision's Retirement Plan and the additions to/deductions from the Political Subdivision's Retirement Plan's net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Employees Covered by Benefit Terms

As of the June 30, 2023 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Count
Active Members	282
Inactive members:	
Vested inactive members	46
Non-vested Inactive Members	124
Long-term Disability	-
Total Inactive Members	170
Retirees and beneficiaries currently receiving benefits	206
Total Covered Employees	658

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation towards their retirement.

ACPS' contractually required contribution rate for the year ended June 30, 2025 was 1.21 % of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from ACPS were \$0.4 million for each of the years ended June 30, 2025 and June 30, 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$47,000 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. The additional employer mandatory contribution totaled \$35,000 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$82,000 for the year ended June 30, 2025.

Net Pension Liability

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

The net pension liability (NPL) is calculated separately for each employer and represents that employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For ACPS, the net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2023 rolled forward to the measurement date of June 30, 2024.

Actuarial Assumptions- General Employees

The total pension liability for General Employees in the Political Subdivision's Retirement Plan was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

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CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Actuarial Assumptions	
Inflation	2.5 percent
Salary increases, including inflation	3.5 percent – 5.35 percent
Investment rate of return	6.75 Percent, net of pension plan investment expense, including inflation*
Mortality rates:	
Largest 10- Non-LEOS:	20% of deaths are assumed to be service related
- Pre-Retirement	Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years
- Post-Retirement	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years
- Post-Disablement	Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years
- Beneficiaries and Survivors	Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years
- Mortality Improvement	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates
All Others (non 10 Largest) Non-LEOS:	15% of deaths are assumed to be service related
- Pre-Retirement	Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years
- Post-Retirement	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years
- Post-Disablement	Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years
- Beneficiaries and Survivors	Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years
- Mortality Improvement	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS board action are as follows:

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Largest 10-Non-LEOS Duty:

Mortality rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates; Salary Rates; Discount Rates	No changes

All Others (non-10 Largest) – Non-LEOS Duty:

Mortality rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates; Salary Rates; Discount Rates	No changes

Long-Term Expected Rate of Return

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

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long- Term Expected Rate of Return ⁽¹⁾
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnership	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	100.00%		7.07%
⁽¹⁾ Expected arithmetic nominal return			7.07%

⁽¹⁾ The above allocation provides a one-year return of 7.07%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing median return of 7.14%, including expected inflation of 2.5%.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes, and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; political subdivisions were also provided with an opportunity to use an alternate employer contribution rate.

For the year ended June 30, 2024, the employer contribution rate is 100% of the actuarially determined employer contribution rate from the June 30, 2023, actuarial valuations. From July 1, 2024 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Changes in Net Pension Liability (Asset)

	<i>Increase(Decrease)</i>		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at June 30, 2023	\$ 47,003,803	\$ 58,183,139	\$ (11,179,336)
Changes for the year:			
Service Cost	729,864	-	729,864
Interest	3,129,633	-	3,129,633
Differences between expected and actual experience	1,336,316	-	1,336,316
Changes in assumptions	-	-	-
Contributions - employer	-	-	-
Contributions - employee	-	405,587	(405,587)
Net investment income	-	5,561,379	(5,561,379)
Benefit payments, including refunds of employee contributions	(2,737,465)	(2,737,465)	-
Administrative expenses	-	(38,603)	38,603
Other changes	-	985	(985)
Net changes	2,458,348	3,191,883	(733,535)
Balances at June 30, 2024	\$ 49,462,151	\$ 61,375,022	\$ (11,912,871)

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

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

	(-1%) Decrease 5.75%	Current Discount Rate 6.75%	(+1%) Increase 7.75%
Net Pension Liability (Asset)	\$ (6,418,912)	\$ (11,912,871)	\$ (16,537,715)

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

For the year ended June 30, 2025, ACPS recognized pension expense of approximately (\$1.11 million). As of June 30, 2025, ACPS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 1,651,732
Employer contributions subsequent to the measurement date	83,141	-
Change in assumptions	-	-
Differences between expected and actual experience	781,828	607
Total	<u><u>\$ 864,969</u></u>	<u><u>\$ 1,652,339</u></u>

The \$83,141 reported as deferred outflows of resources related to pensions resulting from ACPS's contributions subsequent to the measurement date will be recognized as a reduction of Net Pension Liability in the year ended June 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ (918,981)
2027	702,726
2028	(311,456)
2029	(342,799)
2030 and thereafter	-
Total	<u><u>\$ (870,510)</u></u>

Payables to the Pension Plan

At June 30, 2025, ACPS reported payables to the VRS Political Subdivision Retirement Plan of \$57,000. These payables are reflected in the balance sheet of the governmental funds and represent short-term amounts due for legally required contributions outstanding at the end of the fiscal year.

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan's is also available in the separately issued VRS 2024 *Comprehensive Annual Financial Report* (Annual Financial Report). A copy of the 2024 VRS Annual Financial Report may be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2024-annual-report.pdf>, or by writing to the system's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

VRS Teachers Retirement Plan

The Virginia Retirement System (VRS) Teacher Employee Retirement Plan is a multiple employer, cost-sharing plan. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Virginia Retirement System (VRS) Teacher Employee Retirement Plan and the additions to/deductions from the VRS Teacher Employee Retirement Plan's net fiduciary position have been determined on the same basis as they were reported by

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

the VRS. In addition, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Contributions

The contribution requirement for active employees is governed by Title 51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school division by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required contribution rate for the year ended June 30, 2025 was 1421% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from ACPS were \$38.4 million and \$38.0 million for each of the years ended June 30, 2025 and June 30, 2024, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$147.5 million to the VRS Teachers Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and classified as a non-employer contribution.

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

At June 30, 2025, ACPS reported a liability of \$164.2 million for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2024 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. ACPS' proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the school division's proportion was 1.80495% as compared to 1.74909% at June 30, 2023.

For the year ended June 30, 2025, ACPS recognized pension expense of \$14.2 million. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

At June 30, 2025, ACPS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 22,602,491
Changes in proportion and differences between employer contributions and proportionate share of contributions	31,069	5,070,547
Changes in assumptions	2,980,484	-
Differences between expected and actual experience	28,486,713	3,381,031
Employer contributions subsequent to the measurement date	28,404,194	-
Total	<u>\$ 59,902,460</u>	<u>\$ 31,054,069</u>

The deferred outflows of resources of \$28.4 million related to pensions, resulting from the school division's contributions subsequent to the measurement date, will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ (12,347,759)
2027	12,272,123
2028	2,542,712
2029	(2,022,878)
2030	-
	<u>\$ 444,198</u>

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2025.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Actuarial Assumptions	
Inflation	2.5 percent
Salary increases, including Inflation	3.5 percent – 5.95 percent
Investment rate of return	6.75 Percent, net of pension plan investment expense, including inflation
Mortality rates:	
- Pre-Retirement	Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males
- Post-Retirement	Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females
- Post-Disablement	Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females
- Beneficiaries and Survivors	Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally
- Mortality Improvement	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action, effective as of July 1, 2021.

Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates; Salary Rates; Discount Rates	No changes

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position. As of June 30, 2024, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	Teacher Employee Retirement Plan
Total Pension Liability	\$ 60,622,260
Plan Fiduciary Net Position	51,235,326
Employers' Net Position Liability	<u>\$ 9,386,934</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>84.52%</u>

The total pension liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net pension liability is disclosed in accordance with the requirements of GASB Statement No. 67 in the System's notes to the financial statements and required supplementary information.

Long – Term Expected Rate of Return

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

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long- Term Expected Rate of Return ⁽¹⁾
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnership	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	100.00%		7.07%
⁽¹⁾ Expected arithmetic nominal return			7.07%

⁽¹⁾ The above allocation provides a one-year return of 7.07%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS Statutes, and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2024, the rate contributed by ACPS for the VRS Teacher Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 112% of the actuarially determined contribution rate. From July 1, 2024 on, school divisions are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the School Division's Proportionate share of the Net Pension Liability to Changes in the Discount Rate

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

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

	(-1%) Decrease 5.75%	Current Discount Rate 6.75%	(+1%) Increase 7.75%
ACPS' proportionate share of VRS Teacher Plan Net Pension Liability	\$ 305,054,932	\$ 164,201,893	\$ 48,847,735

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2024 *Comprehensive Annual Financial Report* (Annual Financial Report). A copy of the 2024 VRS Annual Financial Report may be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2024-annual-report.pdf> or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA23218-2500.

Payables to the Pension Plan

At June 30, 2025, ACPS reported payables to the VRS Teacher Retirement Plan of \$4.1 million. These payables are reflected in the balance sheet of the governmental funds and represent short-term amounts due for legally required contributions outstanding at the end of the fiscal year.

B. EMPLOYEES' SUPPLEMENTAL RETIREMENT PLAN

Plan Description

The Employees' Supplemental Retirement Plan (the Plan) is a single-employer defined benefit plan sponsored by ACPS. The Plan is governed by the Alexandria School Board (Board) which has the authority to make all investment and policy decisions impacting the Plan's existence, investments, benefits, and administration. The Board has established an Investment Advisory Board (Advisory Board) to monitor and manage the Plan. The Advisory Board consist of five members: 1) the Plan Administrator/ ACPS Chief Human Resource Officer; 2) the Plan Investment Officer/ ACPS Chief Financial Officer; 3) one teacher member selected from among active employee participants; 4) one retired member actively earning benefits from the plan; and 5) one certified investment management professional. The Board has contracted with the Principal Financial Group to manage certain plan assets and administer the retirement benefits to the plan participants.

The purpose of the Plan is to provide supplemental retirement benefits to employees of Alexandria City Public Schools. Statutory authority for the establishment of this Plan is provided by the *Code of Virginia* §51.1-800 through §51.1-803.

All full-time employees are eligible to participate in the Plan as of July 1, 1961, if classified as a twelve-month employee. Ten-month employees were eligible to participate in the Plan as of July 1, 1971. The Plan's fiscal year end is August 31. The net pension liability reported for the period ending August 31, 2024 was measured as of August 31, 2024, using the total pension liability that was determined by an actuarial valuation as August 31, 2024.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

The Plan's policy is to prepare its financial statements on the accrual basis of accounting. The Plan does not issue a separate, publicly-available financial report.

Measurement Date

A measurement date of August 31, 2024 has been used for GASB 67 reporting and for the Fiscal Year ending June 30, 2025 for GASB 68 reporting.

Benefits Provided

The Plan provides disability and death benefits. Benefits at retirement are based upon years of service and the average earnable compensation of an eligible employee during any three years that provide the highest average earnable compensation and are adjusted for inflation after retirement. Benefits at early retirement are reduced by an early retirement factor. Employees are considered vested on or after completing five years of service, or on or after attaining age 60. Employees who retire at or after age 65 or after age 50 with 30 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 0.40 percent of effective compensation multiplied by credited future service on and after September 1, 1984, and 1.625 percent of effective compensation not to exceed \$100 plus 0.25 percent of the amount by which effective compensation exceeds \$100 multiplied by credited past service before September 1, 1984, and 1.625 percent of past service compensation in excess of \$100 plus 0.25 percent of past service compensation in excess of \$100 times credited past service. There have been no changes in plan provisions during the measurement period.

Contributions

Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and a formal commitment has been made to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. The funding policy of the Plan provides for monthly contributions at actuarially- determined rates, which will remain relatively level over time as a percentage of payroll and will accumulate sufficient assets to meet the cost of all basic benefits when due. The basis for determining contributions is an actuarially determined contribution rate that is calculated each year in the Plan's actuarial valuation report. Starting January 2013, contributions were made at the rate of 1.50% of covered payroll. During FY 2025, only ACPS employees contributed to the Plan. These contributions totaled \$3.4 million for the fiscal year ended June 30, 2025. Administrative costs of the Plan are paid from the Plan's assets.

Investment Policy

The objective of the Plan is to maintain actuarial soundness so that funds will be available to meet contractual benefit obligations. The investment policy may be amended by the Board at any time. Principal Financial Advisors, Inc., a registered investment advisor and wholly owned subsidiary of Principal Financial Group, has been hired to manage the asset allocation strategy for the Plan. The following was the Plan's adopted asset allocation policy as of August 31, 2024.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Asset Class (Strategy)	Target Allocation	Arithmetic Long-term Expected Rate of Return	Expected Geometric Return
U.S. Equity - Large Cap	17.53%	7.80%	6.35%
U.S. Equity - Mid Cap	2.10%	8.35%	6.35%
U.S. Equity - Small Cap	2.10%	8.70%	6.35%
Non-US Equity	8.94%	8.00%	6.35%
U.S. Private Real Estate	10.70%	6.85%	6.20%
High Yield	4.99%	6.30%	5.85%
Core Bond	53.63%	4.40%	4.30%
Total	100.00%		
Exp LTROA (arithmetic mean)	5.85%		
Portfolio Standard Deviation	7.11%		
40th percentile	5.11%		
45th percentile	5.36%		
Expected Compound Return	5.61%		
55th percentile	5.85%		
60th percentile	6.11%		
Portfolio Investment Mix:	Equity 31% / Fixed Income 59% / Other 10%		

Concentrations

As of the measurement date, the plan had investments (other than US Government and US Government guaranteed obligations) in only Principal Financial Group, totaling \$135.1 million, that represented 5 percent or more of the Plan's fiduciary net position.

Annual Money-Weighted Rate of Return

For the Plan year ended August 31, 2024, the annual money-weighted rate of return on plan investments for the measurement period is 10.47%. The money-weighted rate of return is calculated as a rate of return on pension plan investments incorporating the timing and amount of cash flows. This return is calculated net of investment expenses.

Long-Term Expected Rate of Return

For the plan year ended August 31, 2024, the expected long-term rate of return assumption as of the end of period is 5.50%. The expected long-term return on plan assets assumption was developed as a weighted average rate based on the target asset allocation of the plan and the Long-Term Capital Market Assumptions (CMA) 2023. The capital market assumptions were developed with a primary focus on forward-looking market indicators and valuation models, as well as utilizing the analysis of historical data and trends, the outlook and forecasts from credible economic studies, and investment expert opinions.

Actuarial Assumptions

The actuarial assumptions used in the August 31, 2024 valuation were based upon the results of an actuarial assumption review for the five-year period of September 1, 2007 to August 31, 2012.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

MEMBERSHIP AND PLAN PROVISIONS (Employees' Supplemental)

Active plan members	2,611
Retirees and beneficiaries currently receiving benefits	1,309
Inactive or disabled plan members entitled to but not receiving benefits	2,925
Total	<u>6,845</u>

Normal retirement age	65 years
Benefits age	50 yrs (+30 yrs of service)
Benefits vesting years	5 years
Disability and death benefits	Yes

SIGNIFICANT ACTUARIAL ASSUMPTIONS

Long-term rate of return	5.50%
Discount rate	5.50%
Projected salary increase attributed to:	
Inflation	2.40%
Seniority /merit	4.88 - 7.18%
Retirement increases	-
Actuarial cost method	Entry Age Normal actuarial cost method
Open/closed	Open
Remaining amortization period	18 years
Asset valuation method	Contract Basis
Mortality - Pre-retirement	PubG-2010 General base table with MP-2021 Mortality Improvement Scale
Mortality - Post-retirement	PubG-2010 General base table with MP-2021 Mortality Improvement Scale

PERCENTAGE OF COVERED PAYROLL CONTRIBUTION

Employee contribution percentage	1.50%
Employer contribution percentage	0.00%
Employee contribution, during the measurement period	\$ 3,191,339
Employer contribution	-
Total amount contributed	<u>\$ 3,191,339</u>
Covered payroll (Annual member compensation)	\$ 197,819,839
Legally-required reserves	None
Long-term contribution contracts	None

Projected Cash Flows

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Projected cash flows are based upon the underlying assumptions used in the development of the accounting liabilities.

Discount Rate

The discount rate used to determine the end of period Total Pension Liability is 5.50%. The discount rate is a single rate that incorporates the long-term rate of return assumption. The long-term rate of return assumption was applied to the projected benefit payments from 2024 to 2119. Benefit payments after 2119 are projected to be \$0.00.

Net Pension Liability

The net pension liability reported for ACPS fiscal year end of June 30, 2025 was measured as of August 31, 2024, using the total pension liability that was determined by an actuarial valuation as of August 31, 2024.

Changes in Net Pension Liability			
	<i>(Increase)(Decrease)</i>		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at August 31, 2023	<u>\$ 182,258,245</u>	<u>\$ 125,951,580</u>	<u>\$ 56,306,665</u>
Changes for the year			
Service Cost	5,603,737	-	5,603,737
Interest	10,134,562	-	10,134,562
Differences between expected and actual experience	(564,666)	-	(564,666)
Change in assumptions	-	-	-
Contributions - employer	-	-	-
Contributions - employee	-	3,169,065	(3,169,065)
Net investment income	-	12,956,207	(12,956,207)
Benefit payments, including refunds of employee contributions	(6,702,979)	(6,702,979)	-
Administrative expenses	-	(284,360)	284,360
Net changes	<u>8,470,654</u>	<u>9,137,933</u>	<u>(667,279)</u>
Balances at August 31, 2024	<u>\$ 190,728,899</u>	<u>\$ 135,089,513</u>	<u>\$ 55,639,386</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability			70.83%

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

The following presents the net pension liability of the Employees' Supplemental Retirement Plan using the discount rate of 5.50%, as well as what the pension net pension liability would be if it was calculated using a discount rate that is one percentage point lower (4.50%) or one percentage point higher (6.50%) than the current rate.

	(-1%) Decrease 4.50%	Current Discount Rate 5.50%	(+1%) Increase 6.50%
Net Pension Liability	<u>\$ 84,114,573</u>	<u>\$ 55,639,386</u>	<u>\$ 32,467,432</u>

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension Expense and Deferred outflows of Resources and Deferred Inflows of Resources Related to Pensions

The Employees' Supplemental Retirement Plan pension expense for the fiscal year ended June 30, 2025 is \$3.9 million. For the year ended June 30, 2025, ACPS reported deferred inflows of resources related to pensions for this Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 3,042,513	\$ -
Changes in assumptions	-	2,729,089
Differences between expected and actual experience	663,853	381,926
Total	<u>\$ 3,706,366</u>	<u>\$ 3,111,015</u>

Only employee contributions are made to the Supplemental Retirement Plan. As such, no deferred outflows are recorded for contributions made after the Plan measurement date.

Amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in the pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ (369,085)
2027	2,717,382
2028	(523,238)
2029	(1,229,708)
Total	<u>\$ 595,351</u>

Payables to the Pension Plan

At June 30, 2025, ACPS reported payables to the Employees' Supplemental Retirement Plan of \$0.3 million. The following is a summary of fiduciary net position of the Plan as of June 30, 2025.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Summary of Fiduciary Net Position	
Employees' Supplementary Retirement Plan	
As of June 30, 2025	
ASSETS	
Mutual Funds	\$ 137,898,699
Contribution Receivable	321,088
Total assets	<u>138,219,787</u>
NET POSITION	
Net position restricted for pensions	<u>\$ 138,219,787</u>

The following is a summary of changes in fiduciary net position of the Plan for the year ended June 30, 2025.

Summary of Changes in Fiduciary Net Position	
Employees' Supplementary Retirement Plan	
For the Year Ended June 30, 2025	
ADDITIONS	
Contributions	\$ 3,389,210
Investment Earnings net	11,017,628
Total Additions	<u>14,406,838</u>
DEDUCTIONS	
Benefit payments	7,155,424
Administrative expenses	334,617
Total Deductions	<u>7,490,041</u>
Change in net position	6,916,797
NET POSITION, beginning of year	<u>131,302,990</u>
NET POSITION, end of year	<u>\$ 138,219,787</u>

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Summary of Net Pension Liabilities/Asset and Deferred Inflows and Outflows of Resources
As of June 30, 2025

	VRS - Teachers Plan				VRS - Political Subdivision Plan				Employees Supplemental Plan				Total Pension Plans				
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Pension Liability	Pension Expense	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Pension Asset	Pension Expense	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Pension Liability	Pension Expense	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Pension Asset	Net Pension Liability	Pension Expense
Net Pension Liability	\$ -	\$ -	\$ 164,201,893	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,639,386	\$ -	\$ -	\$ -	\$ -	\$ 219,841,279	\$ -
Net Pension Asset	-	-	-	-	-	-	11,912,871	-	-	-	-	-	-	-	11,912,871	-	-
Net difference between projected and actual earnings on pension plan investments	-	22,602,491	-	-	-	1,651,732	-	-	3,042,513	-	-	-	3,042,513	24,254,223	-	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	31,069	5,070,547	-	-	-	-	-	-	-	-	-	-	31,069	5,070,547	-	-	-
Differences between expected and actual experience	28,486,713	3,381,031	-	-	781,826	607	-	-	663,853	381,926	-	-	29,932,394	3,763,564	-	-	-
Changes in assumptions	2,980,484	-	-	-	-	-	-	-	-	2,729,089	-	-	2,980,484	2,729,089	-	-	-
Employer contributions subsequent to the measurement date	28,404,194	-	-	-	83,141	-	-	-	-	-	-	-	28,487,335	-	-	-	-
Pension Expense	-	-	-	14,177,039	-	-	-	(1,113,790)	-	-	-	3,927,923	-	-	-	-	16,991,163
Totals	\$ 59,902,460	\$ 31,054,059	\$ 164,201,893	\$ 14,177,039	\$ 864,969	\$ 1,652,339	\$ 11,912,871	\$ (1,113,790)	\$ 3,706,366	\$ 3,111,015	\$ 55,639,386	\$ 3,927,923	\$ 64,473,795	\$ 35,817,423	\$ 11,912,871	\$ 219,841,279	\$ 16,991,163

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 18. TAX ABATEMENTS

A tax abatement is a reduction in tax revenues or exemption from tax expense 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 that after the agreement has been entered into, it contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The City entered into a 15-year agreement with the General Services Administration (GSA) on behalf of an independent federal government agency for the purchase of real property and construction of a building for lease (known as the Eisenhower Avenue Science Redevelopment District). The agreement involves a real property tax exemption that partially exempts real estate taxes due during the 15-year period of leasing the building to tenants. The state law under which the abatement was enacted is the Code of Virginia detailed within 58.1-3221 which states that, the governing body of any county, city or town may, by ordinance, provide for the partial exemption from taxation of real estate on which any structure or other improvement provided certain criteria is met including substantial rehabilitation, renovation, or replacement for commercial or industrial use.

The effective date of the start of the abatement was January 1, 2018. The annual percent of real estate taxes that will be exempt on the improvements during the 15 years of the initial transaction are summarized in the table below. Calendar Year 2025 is the eighth year of the abatement.

Year	Percent	Year	Percent
1	100%	9	90%
2	100%	10	80%
3	100%	11	70%
4	100%	12	60%
5	100%	13	50%
6	100%	14	40%
7	100%	15	30%
8	100%	16 & Beyond	0%

The real property assessments for all land and buildings within the District shall be determined by the Real Estate Assessor and shall be established at 100 percent of fair market value using the same principles, procedures, and methodology established for other like kind taxable real property in the City. The owner of land and improvements within the District maintains the same rights and limitations of appeal of the City's annual real estate assessment as that applicable to other taxable real estate in the City. The annual assessed value of the land component in the District, reflecting any increases or decreases in assessed value of said land component, shall remain fully taxable. The annual assessed value of the land component shall also reflect that of a finished developed lot.

At the time of the agreement the agency's presence in the City was projected to generate \$73.0 million over a 15-year period and up to \$95.0 million over a 20-year period if the agency lease is extended. After setting aside a \$28.0 million value of the proposed tax abatement over the 15 years, the net tax gain to the City's General Fund is projected to be \$45.0 million over a 15-year period and \$68.0 million over a 20-year period. An economic analysis indicated that the agency would generate 90,000 hotel room stays per year.

In FY 2025, the eligibility requirements for the District were met and \$2.3 million in real estate taxes were abated.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 19. NEW ACCOUNTING STANDARDS

In FY 2025, the following Governmental Accounting Standards Board (GASB) statements were implemented:

Statement No. 101, “Compensated Absences.” Effective for fiscal years beginning after December 15, 2023, the City adopted GASB Statement No. 101, Compensated Absences. This standard replaces GASB Statement No. 16 and introduces a consistent model for recognizing liabilities related to compensated absences. Under GASB Statement No. 101, liabilities are recognized for leave that:

- is attributable to services already rendered,
- accumulates, and
- is more likely than not to be used or otherwise paid/settled.

Statement No. 102, “Certain Risk Disclosures.” Effective for fiscal years beginning after June 15, 2024, the City adopted GASB Statement No. 102, Certain Risk Disclosures. This standard establishes disclosure requirements intended to provide users of financial statements with information about certain risks that could significantly affect a government's financial position or operations. Under GASB Statement No. 102, governments are required to disclose:

- concentrations in revenues, expenditures, or investments that make them vulnerable to the risk of a near-term severe impact,
- known or reasonably estimable risks that could significantly affect financial health, and
- the nature and potential financial effect of such risks, including any mitigating actions taken.

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2025

Exhibit XII
(Continued)

NOTE 20. SUBSEQUENT EVENTS

Affordable Housing Loans

The following predevelopment loans to advance two affordable housing pipeline projects were approved by the City Council:

- (1) Park Vue Square at 511 for \$325,000; and
- (2) GMV Construction, for \$7,981,907.

Alexandria Redevelopment and Housing Authority (ARHA)

On July 14, 2025, the City entered into a support agreement for a revenue bond issued by the Alexandria Redevelopment and Housing Authority (the "Authority") in the amount of \$54,210,000 on August 5, 2025. The City's payment obligations under this support agreement are subject to annual appropriation by the City Council of the City.

Issuance of General Obligation Bonds

On October 22, 2025, the City closed on a tax-exempt bond issuance of \$105,503,799, including an original issue premium of \$8,500,371. The bonds are being used to finance various public improvement capital projects and pay the issuance costs of the series 2025 bonds.

REQUIRED
SUPPLEMENTARY
INFORMATION
(Unaudited)

In accordance with the Governmental Accounting Standards Board Statements No. 25, No. 27, No. 34, No. 43,

No.45 and No. 75 the following information is a required part of the basic financial statements.

CITY OF ALEXANDRIA, VIRGINIA
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2025

EXHIBIT XIII

	Original Budget	Budget as Amended	Actual	Variance from Amended Budget - Over (Under)
Revenues:				
General Property Taxes.....	\$ 625,083,518	\$ 625,083,518	\$ 626,578,693	\$ 1,495,175
Other Local Taxes.....	161,749,159	161,749,159	161,644,387	(104,772)
Permits, Fees, and Licenses.....	2,500,000	2,500,000	3,054,806	554,806
Fines and Forfeitures.....	4,304,500	4,304,500	6,293,044	1,988,544
Use of Money and Property.....	24,194,038	24,194,038	31,237,549	7,043,511
Charges for Services.....	18,997,239	18,997,239	15,935,211	(3,062,028)
Intergovernmental Revenues.....	62,501,888	62,501,888	63,692,887	1,190,999
Interest from Leases.....	-	-	334,053	334,053
Miscellaneous.....	2,441,000	2,441,000	10,157,265	7,716,265
Total Revenues	901,771,342	901,771,342	918,927,895	17,156,553
Expenditures:				
City Council.....	717,149	842,649	827,057	15,592
City Manager.....	6,083,214	6,032,287	5,049,433	982,854
Office of Management and Budget.....	1,734,373	1,938,735	1,938,735	-
18th Circuit Court.....	1,732,010	1,860,718	1,856,758	3,960
18th General District Court.....	169,180	169,227	128,047	41,179
Juvenile And Domestic Relations Court.....	97,023	97,051	92,178	4,872
Commonwealth's Attorney.....	4,889,190	5,049,253	5,047,339	1,913
Sheriff.....	35,074,045	35,927,037	35,563,874	363,162
Clerk of Courts.....	1,990,682	2,372,730	2,372,268	462
Other Correctional Activities.....	6,853,725	7,964,488	7,444,912	519,576
Court Services.....	2,170,398	510,981	457,086	53,895
Human Rights.....	1,184,413	1,334,429	868,367	466,062
Internal Audit.....	467,900	607,385	556,075	51,311
Information Technology Services.....	16,732,078	17,226,322	17,045,273	181,049
Office of Communications.....	2,430,283	2,489,572	2,203,171	286,401
City Clerk and Clerk of Council.....	599,497	599,544	564,967	34,577
Finance.....	14,432,324	14,733,140	14,367,994	365,146
Human Resources.....	5,811,240	5,851,287	5,360,126	491,161
Planning and Zoning.....	7,775,983	8,345,203	7,742,813	572,390
Economic Development Activities.....	9,097,318	9,277,318	9,252,552	24,766
City Attorney.....	4,455,086	5,255,122	5,255,122	-
Registrar of Voters.....	2,126,899	2,434,072	2,190,152	243,920
General Services.....	15,103,873	15,814,632	15,100,154	714,478
Performance and Accountability.....	901,799	1,023,790	947,935	75,855
Transportation and Environmental Services.....	28,116,137	28,895,968	25,942,316	2,953,651
Transit Subsidies.....	16,872,703	16,954,438	16,757,691	196,747
Fire.....	69,587,827	70,918,024	71,038,248	(120,224)
Office of Independent Policing.....	653,618	653,618	421,800	231,818
Police.....	71,361,652	71,686,383	70,734,426	951,958
Emergency Communication.....	10,132,222	10,165,444	9,965,442	200,002
Housing.....	2,332,754	2,317,225	2,285,346	31,879
Community and Human Services.....	16,747,153	18,452,890	17,033,985	1,418,905
Other Health Services.....	1,327,082	1,817,657	1,817,657	0
Health.....	9,637,009	9,603,411	9,077,979	525,431
Office of Historic Alexandria.....	4,411,196	5,149,625	5,053,914	95,711
Recreation and Cultural Activities.....	29,145,150	30,178,782	28,032,587	2,146,194
Library.....	2,035	2,035	2,059	(24)
ACPS (Debt Service).....	45,527,862	45,749,475	45,749,475	-
Other Educational Activities.....	15,449	15,449	15,449	-
Non Departmental (including debt service).....	67,050,870	68,517,010	56,035,547	12,481,462
	515,550,401	528,834,405	502,226,311	26,608,093
Other Financing Sources (Uses):				
Leases Issued	6,699,635	6,699,635	6,699,635	-
Transfers In.....	10,631,458	16,018,604	16,387,652	369,048
Transfers Out.....	(135,117,187)	(137,641,490)	(135,129,942)	2,511,548
Transfers Out - Component Units.....	(282,190,386)	(282,205,386)	(281,777,990)	427,396
	(399,976,480)	(397,128,637)	(393,820,645)	3,307,992
Net Change in Fund Balance.....	(13,755,539)	(24,191,700)	22,880,939	47,072,638
Fund Balances at Beginning of Year.....	202,514,825	202,514,825	202,514,825	-
Increase/(Decrease) in Reserve for Inventory.....	-	1,569,290	1,569,290	-
FUND BALANCES AT END OF YEAR	\$ 188,759,286	\$ 179,892,415	\$ 226,965,054	\$ 47,072,638

(See Accompanying Independent Auditors' Report and Notes to Schedules)

CITY OF ALEXANDRIA, VIRGINIA
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2025

EXHIBIT XIV

	Original Budget	Budget as Amended	Actual	Amended Budget Over (Under)
Revenues:				
General Property Taxes.....	\$ 1,610,580	\$ 1,610,580	\$ 1,586,801	\$ (23,779)
Other Local Taxes.....	7,327,300	7,327,300	335,432	(6,991,868)
Permits, Fees and Licenses.....	12,650,838	12,650,838	19,265,676	6,614,838
Fines and Forfeitures.....	-	-	1,150	1,150
Use of Money and Property.....	776,133	771,133	1,540,076	768,943
Charges for Services.....	56,999,642	57,039,556	46,174,134	(10,865,422)
Intergovernmental Revenues.....	103,937,889	120,448,626	73,461,531	(46,987,094)
Miscellaneous.....	24,062,871	31,813,224	5,493,794	(26,319,430)
Total Revenues.....	207,365,253	231,661,257	147,858,595	(83,802,662)
Other Financing Sources:				
Transfers In.....	105,222,893	107,725,802	103,583,214	(4,142,588)
Total Other Financing Sources	105,222,893	107,725,802	103,583,214	(4,142,588)
Total Revenues and Other Financing Sources	312,588,146	339,387,059	251,441,809	(87,945,250)
Expenditures:				
Circuit Court Judges.....	135,000	135,000	96,224	38,776
Commonwealth's Attorney.....	1,287,688	1,308,453	404,795	903,658
Sheriff.....	440,587	691,360	494,037	197,323
Clerk of Courts.....	159,301	159,301	31,386	127,915
Other Correctional and Judicial Activities.....	764,683	826,344	954,223	(127,879)
Court Services.....	451,196	353,272	29,700	323,572
Human Rights.....	57,201	89,751	14,199	75,552
Information Technology Services.....	605,768	602,019	618,412	(16,393)
Finance.....	1,152,924	1,164,174	945,949	218,224.63
Planning and Zoning.....	1,049,122	1,231,590	697,604	533,986
Economic Development.....	280,000	280,000	4,170	275,830
General Services.....	168,895	149,019	54,831	94,188
Office of Project Implementation.....	956,800	956,800	956,800	-
Transportation and Environmental Services.....	54,235,955	56,290,782	17,412,678	38,878,103
Transit Subsidies.....	9,633,704	9,633,704	17,919,911	(8,286,207)
Fire.....	11,037,322	11,562,466	1,937,951	9,624,515
Police.....	2,748,465	3,879,383	1,581,728	2,297,655
Emergency Communications.....	122,898	122,898	127,107	(4,209)
Building and Fire Code Administration.....	11,504,483	12,004,544	9,506,673	2,497,871
Office of Housing.....	35,073,739	46,315,631	22,155,431	24,160,201
Community and Human Services.....	93,977,533	107,981,669	95,900,044	12,081,625
Alexandria Health.....	289,255	289,255	147,318	141,937
Historic Alexandria.....	1,164,613	1,560,541	1,048,502	512,039
Recreation and Cultural Activities.....	4,421,899	4,894,105	2,489,282	2,404,823
Library.....	73,503	73,503	73,503	-
Non-Departmental.....	11,728,860.70	11,728,861	10,317,301	1,411,559
Total Expenditures.....	243,521,393	274,284,425	185,919,759	88,364,665
Other Financing Sources/Uses:				
Transfers Out.....	486,326	486,326	96,603,767	(96,117,441)
Total Other Financing Uses	486,326	486,326	96,603,767	(96,117,441)
Total Expenditures and Other Financing Uses	244,007,719	274,770,751	282,523,526	(7,752,776)
Revenues and Other Financing Sources Over/ (Under) Expenditures and Other Financing Uses	68,580,427	64,616,308	(31,081,717)	95,698,026
Fund Balance at Beginning of Year.....	144,874,203	144,874,203	144,874,203	-
FUND BALANCE AT END OF YEAR	\$ 213,454,630	\$ 209,490,511	\$ 113,792,486	\$ 95,698,026

(See Accompanying Independent Auditor's Report and Notes to Schedules)

CITY OF ALEXANDRIA, VIRGINIA
Budgetary Comparison Schedule
Alexandria Transit Company
For the Fiscal Year Ended June 30, 2025

EXHIBIT XV

	<u>Original Budget</u>	<u>Budget as Amended</u>	<u>Actual</u>	<u>Variance from Amended Budget - Positive (Negative)</u>
Revenues:				
Charges for Services.....	\$ 283,700	\$ 283,700	\$ 217,804	\$ (65,896)
Intergovernmental Revenues.....	10,589,729	10,589,729	9,098,367	(1,491,362)
Miscellaneous.....	60,000	60,000	90,563	30,563
Total Revenues	<u>10,933,429</u>	<u>10,933,429</u>	<u>9,406,734</u>	<u>(1,526,695)</u>
Expenditures:				
Personnel Services.....	33,925,705	33,981,704	32,287,089	1,694,615
Contractual Services.....	1,311,599	1,359,668	2,093,652	(733,984)
Materials and Supplies.....	5,031,665	5,009,015	4,373,705	635,310
Other Charges.....	5,276,564	5,231,807	4,987,657	244,150
Total Expenditures	<u>45,545,534</u>	<u>45,582,195</u>	<u>43,742,103</u>	<u>1,840,092</u>
Other Financing Sources (Uses):				
Transfers In.....	34,615,705	34,615,705	34,433,498	(182,207)
Total Other Financing Sources (Uses)	<u>34,615,705</u>	<u>34,615,705</u>	<u>34,433,498</u>	<u>(182,207)</u>
Change in Fund Balance	3,600	(33,060)	98,129	131,189
Fund Balance at Beginning of Year.....	1,539,880	1,539,880	1,539,880	-
FUND BALANCE AT END OF YEAR	<u>\$ 1,543,480</u>	<u>\$ 1,506,820</u>	<u>\$ 1,638,009</u>	<u>\$ 131,189</u>

(See Accompanying Independent Auditors' Report and Notes to Schedules)

CITY OF ALEXANDRIA, VIRGINIA
Notes to Budgetary Comparison Schedules
For the Fiscal Year Ended June 30, 2025

EXHIBIT XVI

(1) SUMMARY OF SIGNIFICANT BUDGET POLICIES

The City Council annually adopts budgets for the General Fund and Special Revenue Fund of the primary government. All appropriations are legally controlled at the departmental level for the General Fund and Special Revenue Fund. On May 4, 2022, the City Council approved the original adopted budget and approved multiple budget amendments reflected in the required supplementary information.

The budgets are integrated into the accounting system, and the budgetary data, as presented in the required supplementary information for all funds with annual budgets, compare the revenues and expenditures with the amended budgets. All budgets are presented on the modified accrual basis of accounting. Accordingly, the accompanying Budgetary Comparison Schedules for the General and Special Revenue Funds present actual expenditures in accordance with U.S. generally accepted accounting principles on a basis consistent with the legally adopted budgets, as amended. See Table XIII for the schedule of departments' expenditure detail by function. A reconciliation of the perspective difference for reporting Expenditures and Other Financing Uses in the General Fund relates to how transfers to component units are recorded in each statement and includes the following:

General Fund					
Budget Statement Title	Budget Statement Amount	Adjustment for Transfer to Component Unit (Note 10)	Exhibit IV	Exhibit IV Title	
Other Educational Activities	\$ 15,449	\$ 273,034,300	\$ 273,034,300	Education	
Library Transfer	-	8,743,690	8,743,690	Library	
Other Expenditures (not listed separately)	502,226,311	-	502,226,311	Expenditures (not listed separately)	
Total Expenditures	502,241,760	281,777,990	784,004,301	Total Expenditures	
Transfers Out-Component Units	281,777,990	(281,777,990)	-	None	
Operating Transfers Out	135,129,942	-	135,129,942	Operating Transfers O Other	
Other Financing	(23,087,287)	-	(23,087,287)	Expenditures (not listed separately)	
Total Financing (Sources) Uses	\$ 393,820,645	\$ (281,777,990)	\$ 112,042,655	Total Financing Uses	

Unexpended appropriations on annual budgets lapse at the end of each fiscal year.



CITY OF ALEXANDRIA, VIRGINIA
Required Supplementary Information
Pension Schedule of Employer Contributions
For Fiscal Year Ended June 30, 2025

Exhibit XVII

PENSION SCHEDULE OF EMPLOYER CONTRIBUTIONS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Supplemental Plan												
Actuarial Determined Contribution	\$ 8,061,611	\$ 7,453,723	\$ 8,126,230	\$ 8,003,761	\$ 8,363,413	\$ 8,866,569	\$ 10,743,083	\$ 9,509,690	\$ 3,378,597	\$ 3,193,893	\$ 7,548,253	\$ 8,462,725
Actual Contribution Amounts	7,243,771	7,070,292	7,328,038	7,208,314	9,388,833	8,627,444	8,622,481	8,148,716	8,006,825	7,586,006	7,173,760	9,705,496
Contribution Deficiency (Excess)	811,840	383,431	798,192	800,847	(1,025,420)	239,125	2,120,602	1,360,974	1,371,772	1,607,887	374,493	(1,242,771)
Percentage of ADC Contributed	89.93%	94.78%	90.18%	90.00%	112.26%	97.30%	80.26%	85.63%	85.37%	82.51%	95.04%	114.63%
Covered Payroll	178,621,384	163,900,003	157,239,760	154,127,839	155,989,640	151,867,063	147,362,907	142,843,740	139,044,952	138,914,668	136,374,392	127,784,140
Contribution as a Percentage of Covered Payroll	4.06%	4.16%	4.66%	4.68%	6.02%	5.68%	5.85%	5.70%	5.76%	5.42%	5.26%	7.60%
Pension Plan for Fire and Police*												
Actuarial Determined Contribution	0	0	0	290,776	548,040	563,948	652,038	868,570	908,621	1,057,539	1,158,624	1,211,013
Actual Contribution Amounts	850,000	850,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,713,744	1,723,744	1,728,313	1,700,000
Contribution Deficiency (Excess)	(850,000)	(850,000)	(1,700,000)	(1,409,224)	(1,151,960)	(1,136,052)	(1,047,962)	(831,430)	(805,123)	(666,205)	(569,689)	(488,987)
Percentage of ADC Contributed	N/A	N/A	N/A	584.64%	310.20%	301.45%	260.72%	195.72%	188.61%	163.00%	149.17%	140.38%
Covered Payroll	-	-	-	-	-	-	-	-	-	-	-	-
Contribution as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Firefighters and Police Pension												
Actuarial Determined Contribution	21,397,225	18,420,022	16,583,336	15,463,758	15,772,143	15,117,075	14,018,311	13,620,056	9,303,407	9,384,623	9,273,326	10,471,367
Actual Contribution Amounts	20,054,833	18,807,613	17,518,430	15,464,667	14,784,520	14,681,733	11,093,665	10,436,128	11,232,823	11,119,553	9,333,001	10,338,552
Contribution Deficiency (Excess)	1,342,392	(387,591)	(1,935,100)	(1,000,909)	987,623	435,342	2,924,646	3,183,928	(1,929,416)	(1,734,930)	(659,675)	72,815
Percentage of ADC Contributed	93.73%	102.10%	105.64%	100.01%	93.74%	97.12%	79.18%	76.62%	113.42%	118.49%	107.11%	99.30%
Covered Payroll	55,763,311	50,749,692	46,318,902	44,226,890	45,242,344	42,665,383	40,168,637	39,643,421	36,373,064	35,671,448	33,810,854	34,424,794
Contribution as a Percentage of Covered Payroll	35.96%	37.06%	37.82%	34.97%	32.68%	34.41%	27.63%	26.32%	30.38%	31.17%	29.38%	30.21%
Firefighters and Police Disability												
Actuarial Determined Contribution	343,987	830,543	424,680	446,429	568,453	719,337	1,014,585	1,834,550	4,449,438	4,638,338	4,618,019	4,431,587
Actual Contribution Amounts	881,941	788,877	826,751	935,081	1,476,099	2,145,826	5,077,662	6,219,316	5,667,369	4,734,529	2,448,696	2,039,849
Contribution Deficiency (Excess)	537,954	(947,336)	402,071	488,652	907,646	1,426,489	4,063,077	4,384,766	(1,217,331)	(1,899,809)	(2,169,323)	(2,391,738)
Percentage of ADC Contributed	93.43%	94.38%	194.68%	209.46%	259.21%	299.06%	500.41%	339.01%	127.37%	102.07%	53.02%	46.03%
Covered Payroll	55,763,311	50,749,692	46,318,902	44,226,890	45,242,344	42,665,383	40,168,637	39,643,421	36,373,064	35,671,448	33,810,854	34,424,794
Contribution as a Percentage of Covered Payroll	1.56%	1.55%	1.78%	2.11%	3.26%	5.03%	12.64%	15.63%	15.33%	13.27%	7.24%	5.93%
VRS												
Actuarial Determined Contribution	18,534,641	17,410,445	14,289,884	12,975,113	13,010,172	10,506,432	9,890,834	9,383,362	9,374,720	12,285,419	14,070,398	12,629,447
Actual Contribution Amounts	18,534,641	17,410,445	14,289,884	12,975,113	13,010,172	10,506,432	9,890,834	9,383,362	9,374,720	12,285,419	14,070,398	12,629,447
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-	-	-
Percentage of ADC Contributed	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Covered Payroll	\$ 168,436,739	\$ 158,276,770	\$ 144,051,251	\$ 144,874,214	\$ 141,038,814	\$ 134,462,348	\$ 131,605,713	\$ 126,443,341	\$ 125,437,843	\$ 125,890,250	\$ 125,890,250	\$ 123,842,881
Contribution as a Percentage of Covered Payroll	11.00%	11.00%	9.92%	8.96%	9.22%	7.81%	7.52%	7.30%	7.35%	9.76%	11.18%	10.20%

Actuarially determined contributions and covered-employee payrolls are calculated as of June 30, one year prior to the fiscal year in which contributions are reported.

* The Pension Plan for Fire and Police is a closed plan with no active participation.

**CITY OF ALEXANDRIA, VIRGINIA
Required Supplementary Information
Pension Schedule of Employer Contributions
For Fiscal Year Ended June 30, 2025**

Exhibit XVII

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CITY OF ALEXANDRIA, VIRGINIA
Required Supplementary Information
Pension
For Fiscal Year Ended June 30, 2025

Exhibit XVII
(Continued)

Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Fiscal Years

Firefighters & Police Officers Pension Plan

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service Cost	\$ 11,107,536.00	\$ 10,109,500.00	#####	\$ 9,878,313	\$ 9,483,217	\$ 9,168,309	\$ 9,620,841	\$ 8,390,462	\$ 6,180,741	\$ 5,671,076
Interest	34,872,093	32,580,050	30,428,052	28,772,498	27,927,795	26,764,399	25,379,639	24,192,874	23,064,895	21,948,491
Changes in benefit terms				-	-	-	-	-	-	-
Difference between expected and actual experience	13,799,515	7,015,043	5,042,981	(5,537,423)	(1,961,199)	2,036,689	(1,715,696)	752,396	(546,278)	1,386,820
Changes in assumptions		6,345,555		13,579,116	-	-	-	19,234,689	-	-
Benefit payments, including refunds	(23,224,903)	(23,827,067)	(20,264,508)	(19,028,148)	(18,090,708)	(17,256,343)	(16,363,487)	(13,965,535)	(12,763,693)	(12,633,775)
Net Change in Total Pension Liability	36,554,241	32,223,081	25,553,999	27,664,356	17,359,105	20,713,054	16,921,297	38,604,886	15,935,665	16,372,612
Total Pension Liability - Beginning of Year	503,139,389	470,916,308	445,362,309	417,697,953	400,338,848	379,625,794	362,704,497	324,099,611	308,163,946	291,791,334
Total Pension Liability - End of Year	539,693,630	503,139,389	470,916,308	445,362,309	417,697,953	400,338,848	379,625,794	362,704,497	324,099,611	308,163,946
Plan Fiduciary Net Position										
Contributions - employer	20,054,833	18,807,613	17,518,490	15,464,667	14,784,520	14,681,733	11,099,665	10,436,128	11,232,823	11,119,553
Contributions - employee	4,226,448	4,063,085	3,736,832	3,250,033	3,240,297	3,806,982	4,221,569	2,745,051	2,914,101	2,598,821
Net investment income	30,170,842	26,542,648	20,061,502	(49,882,723)	102,620,858	6,335,095	22,614,416	24,196,919	32,888,556	3,513,529
Benefit payments, including refunds	(23,224,903)	(23,827,067)	(20,264,508)	(19,028,148)	(18,090,708)	(17,256,343)	(16,363,487)	(13,965,535)	(12,763,693)	(12,633,775)
Administration Expenses	(598,517)	(456,149)	(343,733)	(330,130)	(325,054)	(391,550)	(368,635)	(381,934)	(198,337)	(206,917)
Net Change in Plan Fiduciary Net Position	30,628,703	25,130,130	20,708,583	(50,526,301)	102,229,913	7,175,917	21,203,528	23,030,629	34,073,450	4,391,211
Plan Fiduciary Net Position - Beginning of Year	422,869,817	397,739,687	377,031,104	427,557,405	325,327,492	318,151,575	296,948,047	273,917,418	239,843,968	235,452,757
Plan Fiduciary Net Position - End of Year	453,498,520	422,869,817	397,739,687	377,031,104	427,557,405	325,327,492	318,151,575	296,948,047	273,917,418	239,843,968
Net Pension Liability - End of Year	\$ 86,195,110	\$ 80,269,572	\$ 73,176,621	\$ 68,331,205	\$ (9,859,452)	\$ 75,011,356	\$ 61,474,219	\$ 65,756,450	\$ 50,182,193	\$ 68,319,978
Plan Fiduciary Net Position as a percentage of Total Pension Liability	84.0%	84.0%	84.5%	84.7%	102.4%	81.3%	83.8%	81.9%	84.5%	77.8%
Covered Payroll	\$ 55,763,911	\$ 50,749,692	\$ 46,318,902	\$ 44,226,890	\$ 45,242,944	\$ 42,665,383	\$ 40,168,637	\$ 39,649,421	\$ 36,973,064	\$ 35,671,448
Net Pension Liability as a percentage of Covered Payroll	154.6%	158.2%	158.0%	154.5%	-21.8%	175.8%	153.0%	165.8%	135.7%	191.5%

Information is only available for the current and previous fiscal years. Future years will be added to the schedule.

CITY OF ALEXANDRIA, VIRGINIA
Required Supplementary Information
Pension
For Fiscal Year Ended June 30, 2025

Exhibit XVII
(Continued)

Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Fiscal Years

Firefighters & Police Officers Disability Pension Plan	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service Cost	\$ 399,749	\$ 364,922	\$ 644,524	\$ 622,182	\$ 609,396	\$ 581,315	\$ 544,069	\$ 543,661	\$ 2,885,911	\$ 2,679,963
Interest	2,234,771	2,320,727	1,977,896	2,097,641	2,189,249	2,220,796	2,176,646	2,512,564	2,875,585	2,845,545
Changes in benefit terms				-	-	-	-	-	-	-
Difference between expected and actual experience	(1,040,552)	(868,709)	(1,578,133)	(700,776)	(401,271)	637,187	(1,364,824)	(5,049,132)	(2,851,393)	(3,385,398)
Changes in assumptions	-	6,598,020		666,836	-	-	(3,653,427)	1,707,637	-	-
Benefit payments, including refunds	(2,781,093)	(3,120,070)	(2,870,302)	(3,003,579)	(2,948,216)	(2,813,258)	(2,717,231)	(2,559,855)	(2,488,687)	(2,470,684)
Net Change in Total Pension Liability	(1,187,125)	5,294,890	(1,826,015)	(317,636)	(550,842)	626,040	(5,214,767)	(2,845,125)	421,416	(330,574)
Total Pension Liability - Beginning of Year	35,116,367	29,821,477	31,647,492	31,965,188	32,516,030	31,889,990	37,104,757	39,949,882	39,528,466	39,859,040
Total Pension Liability - End of Year	<u>33,929,242</u>	<u>35,116,367</u>	<u>29,821,477</u>	<u>31,647,492</u>	<u>31,965,188</u>	<u>32,516,030</u>	<u>31,889,990</u>	<u>37,104,757</u>	<u>39,949,882</u>	<u>39,528,466</u>
Plan Fiduciary Net Position										
Contributions - employer	881,941	788,877	826,751	935,081	1,476,099	2,145,826	5,077,662	6,219,316	5,667,369	4,734,529
Contributions - employee	198,380	214,530	216,349	206,903	216,110	232,849	218,502	225,640	248,035	243,351
Net investment income	2,538,038	2,891,320	1,040,814	(6,965,437)	6,332,970	855,187	2,663,504	2,128,875	2,784,003	263,792
Benefit payments, including refunds	(2,781,093)	(3,120,070)	(2,870,302)	(3,003,579)	(2,948,216)	(2,813,258)	(2,717,231)	(2,559,855)	(2,488,687)	(2,470,684)
Administration Expenses	(47,295)	(34,568)	(92,481)	(72,652)	(29,375)	(4,876)	(4,896)	(2,467)	(15,277)	(77)
Net Change in Plan Fiduciary Net Position	789,971	740,089	(878,849)	(8,899,678)	5,047,588	415,728	5,237,541	6,011,509	6,195,443	2,770,911
Plan Fiduciary Net Position - Beginning of Year	<u>32,932,477</u>	<u>32,192,388</u>	<u>33,071,237</u>	<u>41,970,915</u>	<u>36,923,327</u>	<u>36,507,599</u>	<u>31,270,058</u>	<u>25,258,549</u>	<u>19,063,106</u>	<u>16,292,195</u>
Plan Fiduciary Net Position - End of Year	<u>33,722,448</u>	<u>32,932,477</u>	<u>32,192,388</u>	<u>33,071,237</u>	<u>41,970,915</u>	<u>36,923,327</u>	<u>36,507,599</u>	<u>31,270,058</u>	<u>25,258,549</u>	<u>19,063,106</u>
Net Pension Liability - End of Year	<u>\$ 206,794</u>	<u>\$ 2,183,890</u>	<u>\$ (2,370,911)</u>	<u>\$ (1,423,745)</u>	<u>\$ (10,005,727)</u>	<u>\$ (4,407,297)</u>	<u>\$ (4,617,609)</u>	<u>\$ 5,834,699</u>	<u>\$ 14,691,333</u>	<u>\$ 20,465,360</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	99.4%	93.8%	108.0%	104.5%	131.3%	113.6%	114.5%	84.3%	63.2%	48.2%
Covered Payroll	\$ 55,763,911	\$ 50,749,692	\$ 46,318,902	\$ 44,226,890	\$ 45,242,944	\$ 42,665,383	\$ 40,168,637	\$ 39,649,421	\$ 36,973,064	\$ 35,671,448
Net Pension Liability as a percentage of Covered Payroll	0.4%	4.3%	-5.1%	-3.2%	-22.1%	-10.3%	-11.5%	14.7%	39.7%	57.4%

Information is only available for the current and previous fiscal years. Future years will be added to the schedule.

CITY OF ALEXANDRIA, VIRGINIA
Required Supplementary Information
Pension
For Fiscal Year Ended June 30, 2025

Exhibit XVII
(Continued)

Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Fiscal Years

Pension Plan for Firefighters & Police Officers

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	388,503	439,796	517,437	617,211	674,734	1,006,234	1,081,231	1,204,224	1,399,445	1,534,443
Changes in benefit terms difference between expected and actual experience	-	-	-	-	-	-	-	-	-	-
	176,199	(165,521)	(1,170,373)	191,706	(774,025)	332,248	(643,998)	(860,707)	(584,816)	(425,528)
Changes in assumptions	-	(371,551)	-	-	1,660,222	-	-	1,282,305	-	-
Benefit payments, including refunds	(1,963,062)	(2,197,975)	(2,199,345)	(2,394,031)	(2,623,916)	(2,841,992)	(2,983,088)	(3,056,201)	(3,298,973)	(3,506,496)
Net Change in Total Pension Liability	(1,398,360)	(2,295,251)	(2,852,281)	(1,585,114)	(1,062,985)	(1,503,510)	(2,545,855)	(1,430,379)	(2,484,344)	(2,397,581)
Total Pension Liability - Beginning of Year	11,896,965	14,192,216	17,044,497	18,629,611	19,692,596	21,196,106	23,741,961	25,172,340	27,656,684	30,054,265
Total Pension Liability - End of Year	10,498,605	11,896,965	14,192,216	17,044,497	18,629,611	19,692,596	21,196,106	23,741,961	25,172,340	27,656,684
Plan Fiduciary Net Position										
Contributions - employer	850,000	850,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,713,744	1,723,744
Contributions - employee	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net investment income	605,899	629,050	557,491	498,086	574,501	592,045	619,900	706,055	821,797	893,641
Benefit payments, including refunds	(1,963,062)	(2,197,975)	(2,199,345)	(2,394,031)	(2,623,916)	(2,841,992)	(2,983,088)	(3,056,201)	(3,298,973)	(3,506,496)
Administration Expenses	(19,479)	(28,116)	(23,011)	(24,170)	(22,725)	(25,633)	(13,678)	(21,933)	(23,566)	(27,971)
Net Change in Plan Fiduciary Net Position	(526,642)	(747,041)	35,135	(220,115)	(372,140)	(575,580)	(676,866)	(672,079)	(786,998)	(917,082)
Plan Fiduciary Net Position - Beginning of Year	16,913,080	17,660,121	17,624,986	17,845,101	18,217,241	18,792,821	19,469,687	20,141,766	20,928,764	21,845,846
Plan Fiduciary Net Position - End of Year	16,386,438	16,913,080	17,660,121	17,624,986	17,845,101	18,217,241	18,792,821	19,469,687	20,141,766	20,928,764
Net Pension Liability - End of Year	\$ (5,887,833)	\$ (5,016,115)	\$ (3,467,905)	\$ (580,489)	\$ 784,510	\$ 1,475,355	\$ 2,403,285	\$ 4,272,274	\$ 5,030,574	\$ 6,727,920
Plan Fiduciary Net Position as a percentage of Total Pension Liability	156.1%	142.2%	124.4%	103.4%	95.8%	92.5%	88.7%	82.0%	80.0%	75.7%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Information is only available for the current and previous fiscal years. Future years will be added to the schedule.

CITY OF ALEXANDRIA, VIRGINIA
Required Supplementary Information
Pension
For Fiscal Year Ended June 30, 2025

Exhibit XVII
(Continued)

Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Fiscal Years

Supplemental Retirement Plan

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service Cost	\$ 5,706,989	\$ 5,381,383	\$ 4,880,444	\$ 4,668,118	\$ 4,484,408	\$ 4,456,529	\$ 4,300,104	\$ 4,561,409	\$ 4,429,736	\$ 4,353,655
Interest	14,356,031	13,669,232	12,612,092	12,198,565	11,749,210	11,257,622	10,855,794	11,093,766	11,710,854	11,626,797
Changes in benefit terms				-	-	(221,996)	(10,649,964)	(7,321,279)	-	-
Difference between expected and actual experience	1,872,395	5,391,265	(599,396)	650,468	706,796	211,707	8,221,593	5,495,455	1,431,699	4,866,212
Changes in assumptions		3,130,460		5,421,196	-	-	-	3,537,513	-	10,625,401
Benefit payments, including refunds	(11,023,171)	(11,124,006)	(10,592,418)	(10,121,854)	(9,119,904)	(9,722,181)	(9,406,431)	(23,092,292)	(19,026,570)	(13,723,857)
Net Change in Total Pension Liability	10,912,844	16,448,334	6,300,722	12,816,493	7,820,510	5,981,681	3,321,096	(5,725,428)	(1,454,281)	17,748,208
Total Pension Liability - Beginning of Year	210,523,544	194,075,210	187,774,488	174,957,995	167,137,485	161,155,804	157,834,708	163,560,136	165,014,417	147,266,209
Total Pension Liability - End of Year	221,436,388	210,523,544	194,075,210	187,774,488	174,957,995	167,137,485	161,155,804	157,834,708	163,560,136	165,014,417
Plan Fiduciary Net Position										
Contributions - employer	7,249,771	7,070,292	7,328,038	7,208,914	9,388,833	8,627,444	8,622,481	8,148,716	8,006,825	7,586,006
Contributions - employee	2,615,153	2,391,959	2,226,859	1,845,825	1,769,665	1,640,659	1,352,861	1,140,415	1,070,814	892,335
Net investment income	12,156,168	15,288,036	8,836,743	(22,093,805)	45,314,976	5,577,321	8,889,658	13,822,092	18,031,871	895,078
Benefit payments, including refunds	(11,023,171)	(11,124,006)	(10,592,418)	(10,121,854)	(9,119,904)	(9,722,181)	(9,406,431)	(23,092,292)	(19,026,570)	(13,723,857)
Administration Expenses	(1,151,412)	(1,276,781)	(972,104)	(945,741)	(978,590)	(994,031)	(1,062,762)	(1,009,780)	(665,349)	(895,060)
Net Change in Plan Fiduciary Net Position	9,846,509	12,349,500	6,827,118	(24,106,661)	46,374,980	5,129,212	8,395,807	(990,849)	7,417,591	(5,245,498)
Plan Fiduciary Net Position - Beginning of Year	193,887,979	181,538,479	174,711,361	198,818,022	152,443,042	147,313,830	138,918,023	139,908,872	132,491,281	137,736,779
Plan Fiduciary Net Position - End of Year	203,734,488	193,887,979	181,538,479	174,711,361	198,818,022	152,443,042	147,313,830	138,918,023	139,908,872	132,491,281
Net Pension Liability - End of Year	\$ 17,701,900	\$ 16,635,565	\$ 12,536,731	\$ 13,063,127	\$ (23,860,027)	\$ 14,694,443	\$ 13,841,974	\$ 18,916,685	\$ 23,651,264	\$ 32,523,136
Plan Fiduciary Net Position as a percentage of Total Pension Liability	92.0%	92.1%	93.5%	93.0%	113.6%	91.2%	91.4%	88.0%	85.5%	80.3%
Covered Payroll	\$ 178,621,384	\$169,900,003	\$157,239,760	\$ 154,127,839	\$ 155,989,640	\$ 151,867,063	\$ 147,362,907	\$ 142,843,740	\$ 139,044,952	\$ 139,914,668
Net Pension Liability as a percentage of Covered Payroll	9.9%	9.8%	8.0%	8.5%	-15.3%	9.7%	9.4%	13.2%	17.0%	23.2%

Information is only available for the current and previous fiscal years. Future years will be added to the schedule.

CITY OF ALEXANDRIA, VIRGINIA
Required Supplementary Information
Pension
For Fiscal Year Ended June 30, 2025

Exhibit XVII
(Continued)

Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Fiscal Years

VRS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability											
Service Cost	\$ 14,727,501	\$ 14,137,998	\$ 13,090,352	\$ 13,299,007	\$ 12,301,089	\$ 11,614,379	\$ 11,545,603	\$ 11,562,356	\$ 11,832,548	\$ 12,256,191	\$ 12,232,148
Interest	52,294,317	43,880,739	48,431,234	43,634,605	42,394,263	40,744,225	39,243,329	38,089,007	36,704,090	35,571,142	33,905,011
Changes in benefit terms	-	-	-	5,911,527	-	-	-	-	-	55,097	-
Difference between expected and actual experience	14,310,583	11,914,562	(4,070,706)	1,640,227	(1,331,112)	7,417,578	1,192,221	(3,765,626)	(2,371,962)	(7,166,675)	-
Changes in assumptions	-	-	-	29,186,885	-	18,439,222	-	(539,132)	-	-	-
Benefit payments, including refunds	(42,272,378)	(39,259,800)	(36,686,751)	(34,836,101)	(33,363,733)	(31,061,479)	(30,036,440)	(27,658,980)	(25,101,326)	(23,360,243)	(20,710,314)
Net Change in Total Pension Liability	39,660,023	36,673,439	20,824,129	58,896,150	20,000,507	47,153,925	21,945,313	17,687,625	21,063,350	16,755,512	25,426,845
Total Pension Liability - Beginning of Year	781,133,305	744,465,806	723,641,677	664,745,527	644,745,020	597,591,035	575,645,782	557,358,157	536,894,807	520,133,295	494,712,450
Total Pension Liability - End of Year	820,793,328	781,133,305	744,465,806	723,641,677	664,745,527	644,745,020	597,591,035	575,645,782	557,358,157	536,894,807	520,133,295
Plan Fiduciary Net Position											
Contributions - employer	16,658,247	15,802,295	12,974,603	13,003,347	10,636,082	9,893,188	9,395,019	9,369,716	12,331,063	12,232,407	12,630,540
Contributions - employee	7,780,463	7,253,610	6,863,568	6,746,352	6,894,324	6,610,813	6,457,201	6,513,344	6,452,307	6,272,097	6,443,111
Net investment income	65,796,623	42,144,751	(534,757)	147,643,324	10,450,641	34,895,656	37,221,708	55,834,128	7,369,523	20,375,167	61,114,438
Benefit payments, including refunds	(42,272,378)	(39,259,800)	(36,686,751)	(34,836,101)	(33,363,733)	(31,061,479)	(30,036,440)	(27,658,980)	(25,101,326)	(23,360,243)	(20,710,314)
Other	12,103	1,643	(129,560)	(85,469)	(15,385)	(24,191)	(32,338)	(49,590)	(3,392)	(4,303)	3,221
Administration Expenses	(442,001)	(423,611)	(422,918)	(371,929)	(361,356)	(352,518)	(325,786)	(326,971)	(286,988)	(280,179)	(327,787)
Net Change in Plan Fiduciary Net Position	47,533,063	25,518,888	(17,935,815)	132,100,124	(5,760,027)	19,951,471	23,278,764	44,342,247	1,361,187	14,634,946	59,153,269
Plan Fiduciary Net Position - Beginning of Year	684,558,777	659,039,889	676,975,704	544,875,580	550,635,607	530,684,136	507,405,372	463,063,125	461,701,938	447,066,392	387,913,723
Plan Fiduciary Net Position - End of Year	732,091,840	684,558,777	659,039,889	676,975,704	544,875,580	550,635,607	530,684,136	507,405,372	463,063,125	461,701,938	447,066,392
Net Pension Liability - End of Year	\$ 88,707,488	\$ 36,580,528	\$ 85,425,917	\$ 46,665,973	\$ 119,869,347	\$ 34,109,413	\$ 66,906,359	\$ 68,240,410	\$ 34,835,032	\$ 75,192,869	\$ 73,072,303
Plan Fiduciary Net Position as a percentage of Total Pension Liability	89.2%	87.6%	88.5%	93.6%	82.0%	85.4%	88.8%	88.1%	83.0%	86.0%	86.0%
Covered Payroll	\$ 168,496,739	\$ 158,276,770	\$ 144,051,251	\$ 144,874,214	\$ 141,098,814	\$ 134,462,348	\$ 131,605,713	\$ 126,449,341	\$ 125,437,843	\$ 125,890,250	\$ 125,890,250
Net Pension Liability as a percentage of Covered Payroll	52.6%	61.0%	59.3%	32.2%	85.0%	70.0%	50.8%	54.0%	75.7%	59.7%	58.0%

Information for VRS is only available for current and previous fiscal years. Future years will be added to the schedule.

CITY OF ALEXANDRIA, VIRGINIA
Required Supplementary Information
Pension
For Fiscal Year Ended June 30, 2025

Exhibit XVII
(Continued)

Money-Weighted Rate of Return Last Ten Fiscal Years			
	Firefighters & Police Officers Pension Plan**	Supplemental Retirement Plan	Pension Plan for Firefighters & Police Officers
2014	17.48%	17.60%	4.42%
2015	3.03%	4.73%	4.11%
2016	1.14%	0.37%	5.31%
2017	13.71%	14.39%	5.13%
2018	8.66%	10.31%	4.87%
2019	7.87%	6.55%	4.60%
2020	1.80%	3.59%	4.30%
2021	29.93%	29.61%	4.03%
2022	-11.95%	-10.88%	3.80%
2023	5.35%	5.98%	3.57%
2024	6.82%	7.74%	3.46%
2025	11.60%	11.28%	3.52%

**Money-weighted Rate of Return for Firefighters & Police Officers Pension Plan also applies to Firefighters and Police Officers Disability Pension Plan
Future years will be added as they become available.

Notes to the Required Supplementary Information for the City of Alexandria Pension Plans for the Year Ended June 30, 2025

Firefighters and Police Officers Pension Plan, Basic Plan and Firefighters and Police Officers Pension Plan, Disability Plan

There were no changes in the assumptions for the Firefighters and Police Officers Pension Plan, Basic Plan, Disability Plan and Firefighters and Police Officers Pension Plan since the prior actuarial valuation.

Supplemental Retirement Plan

There were no changes in the assumptions for the Supplemental Retirement Plan since the prior actuarial valuation.

Pension Plan for Firefighters and Police Officers

There were no changes in the assumptions for the Pension Plan for the Firefighters and Police Officers since the prior actuarial valuation.

Virginia Retirement System (VRS) Pension Plan

There were no changes to the Virginia Retirement System (VRS) Plan since the prior actuarial valuation.

CITY OF ALEXANDRIA, VIRGINIA
Required Supplementary Information
Pension
For Fiscal Year Ended June 30, 2025

Exhibit XVII
(Continued)

Schedule of Changes in Net OPEB Liability and Related Ratios
Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017
<u>Total OPEB Liability</u>								
Service Cost	\$ 2,758,068	\$ 2,411,043	\$ 2,928,023	\$ 2,889,520	\$ 3,239,204	\$ 4,701,991	\$ 4,814,967	\$ 3,803,579
Interest	8,965,226	8,797,533	9,598,323	9,337,427	9,595,477	9,905,114	9,470,934	8,232,053
Changes in benefit terms	-	-	-	-	-	-	4,587,884	-
Difference between expected and actual experience	(981,432)	(88,275)	(8,128,626)	(721,530)	(4,162,077)	(5,113,882)	244,419	-
Changes in assumptions	3,473	(1,738,469)	(3,579,597)	(158,892)	(10,276,267)	7,485,481	5,078,954	-
Benefit payments, including refunds	(7,391,123)	(6,755,574)	(7,920,370)	(7,365,734)	(6,624,477)	(5,732,739)	(6,305,642)	(6,298,159)
Net Change in Total Pension Liability	3,354,212	2,626,258	(7,102,247)	3,980,791	(8,228,140)	11,245,965	17,891,516	5,737,473
Total OPEB Liability - Beginning of Year	135,096,869	132,470,611	139,572,858	135,592,067	143,820,207	132,574,242	114,682,726	108,945,253
Total OPEB Liability - End of Year	138,451,081	135,096,869	132,470,611	139,572,858	135,592,067	143,820,207	132,574,242	114,682,726
<u>Plan Fiduciary Net Position</u>								
Contributions - employer	9,246,123	7,630,574	13,670,370	8,504,564	10,324,477	11,932,739	12,205,642	16,398,159
Net investment income	12,998,530	8,683,205	(16,173,784)	29,200,847	2,827,980	4,953,783	4,427,840	6,357,091
Benefit payments, including refunds	(7,391,123)	(6,755,574)	(7,920,370)	(7,365,734)	(6,624,477)	(5,732,739)	(6,305,642)	(6,298,159)
Administration Expenses	(47,926)	(55,034)	(41,251)	(37,973)	(30,149)	(53,715)	(45,886)	(16)
Net Change in Plan Fiduciary Net Position	14,805,604	9,503,171	(10,465,035)	30,301,704	6,497,831	11,100,068	10,281,954	16,457,075
Plan Fiduciary Net Position - Beginning of Year	114,227,510	104,724,339	115,189,374	84,887,670	78,389,839	67,289,771	57,007,817	40,550,742
Plan Fiduciary Net Position - End of Year	129,033,114	114,227,510	104,724,339	115,189,374	84,887,670	78,389,839	67,289,771	57,007,817
Net OPEB Liability - End of Year	\$ 9,417,967	\$ 20,869,359	\$ 27,746,272	\$ 24,383,484	\$ 50,704,397	\$ 65,430,368	\$ 65,284,471	\$ 57,674,909
Plan Fiduciary Net Position as a percentage of Total OPEB Liability	93.2%	84.6%	79.1%	82.5%	62.6%	54.5%	50.8%	49.7%
Covered Payroll	\$ 216,578,059	\$ 187,189,210	\$ 191,142,870	\$ 185,548,765	\$ 188,014,495	\$ 175,843,626	\$ 169,455,099	\$ 167,129,788
Net OPEB Liability as a percentage of Covered Payroll	4.3%	11.1%	14.5%	13.1%	27.0%	37.2%	38.5%	34.5%

Information is only available for the fiscal years shown. Future years will continue to be added to the schedule.

CITY OF ALEXANDRIA, VIRGINIA
Required Supplementary Information
Pension
For Fiscal Year Ended June 30, 2025

Exhibit XVII
(Continued)

Schedule of OPEB Contributions

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially Determined Contributions (ADC)	\$ 3,236,970	\$ 4,414,111	\$ 5,624,709	\$ 2,428,087	\$ 3,550,219	\$ 7,346,160	\$ 8,513,816	\$ 9,404,961	\$ 12,898,197
Contributions related to the ADC	7,077,938	9,246,123	7,630,573	13,670,370	8,504,564	10,324,477	11,932,739	12,205,642	16,398,159
Contribution Excess relative to ADC	<u>\$ (3,840,968)</u>	<u>\$ (4,832,012)</u>	<u>\$ (2,005,864)</u>	<u>\$ (11,242,283)</u>	<u>\$ (4,954,345)</u>	<u>\$ (2,978,317)</u>	<u>\$ (3,418,923)</u>	<u>\$ (2,800,681)</u>	<u>\$ (3,499,962)</u>
Covered Payroll	\$ 218,391,642	\$ 216,578,059	\$ 187,189,210	\$ 191,142,870	\$ 185,548,765	\$ 188,014,495	\$ 175,843,626	\$ 169,455,099	\$ 167,129,788
Contributions as a percentage of Covered Payroll	3.24%	4.27%	4.08%	7.15%	4.58%	5.49%	6.79%	7.20%	9.81%

Future years will be added to the schedule as they become available.

Notes to the Required Supplementary Information for the City of Alexandria Other Post-Employment Benefits Trust Fund for the Year Ended June 30, 2025

Valuation Date 12/31/2024
Timing Actuarially determined contribution rates are calculated based on the actuarial valuations during the fiscal year.

Key Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method Entry Age Normal
Asset valuation method Four-year smoothed market
Amortization method 15-year layered level dollar closed
Discount rate 6.75 percent for Regular OPEB and for Line of Duty OPEB
Healthcare Cost Trend Rates
Regular OPEB Medical, Kaiser Non-Medicare: 6.50 percent grading down to 4.25 percent over 21 years
UHC Non-Medicare: 5.30 percent for calendar year 2025, then 9.50 percent grading down to 4.25 percent over 20 years
Kaiser Medicare: 5.50 percent grading down to 4.25 percent over 21 years.
UHC Medicare: 6.00 percent for 2025 grading down to 4.25 percent over 21 years.
Expenses: 5 percent per year
Line of Duty Non-Medicare: 7.25 percent for calendar year 2025, then grading down to 4.25 percent over 10 years
Medicare: 5.851 percent for calendar year 2025, then 6.375 percent for calendar year 2026 grading down to 4.25 percent over 9 years
Ultimate Salary Increase 2.75 percent

CITY OF ALEXANDRIA, VIRGINIA
Required Supplementary Information
Pension
For Fiscal Year Ended June 30, 2025

Exhibit XVII
(Continued)

OPEB Money-Weighted Rate of Return
Last Ten Fiscal Years

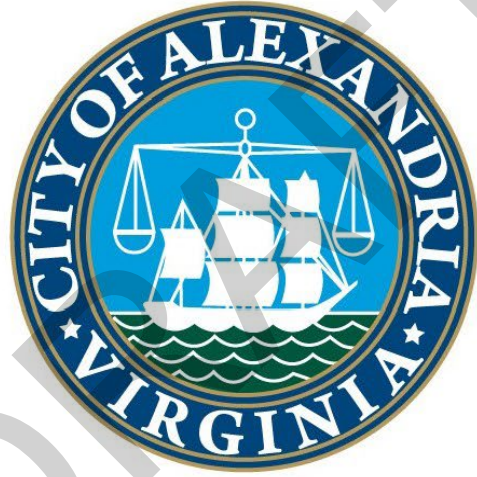
2017	14.96%
2018	7.39%
2019	7.29%
2020	3.41%
2021	34.50%
2022	-13.90%
2023	9.51%
2024	10.54%
2025	10.00%

Future years will be added as they become available.

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OTHER SUPPLEMENTARY
INFORMATION

DRAFT



Custodial Funds

Custodial funds are used to provide accountability of client monies for which the City is custodian.

Human Services Special Welfare Account – This fund accounts for the current payments of supplemental security income for foster children.

Human Services Dedicated Account – This fund accounts for back payments of supplemental security income for foster children.

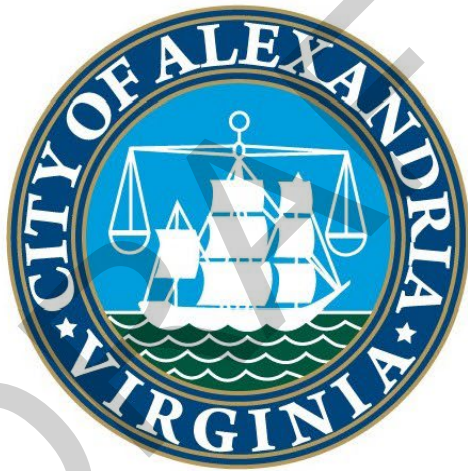
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CITY OF ALEXANDRIA, VIRGINIA
Combining Statement of Fiduciary Net Position – Custodial Funds
June 30, 2025

	Human Services Special Welfare Account	Human Services Dedicated Account	Custodial Funds
ASSETS			
Cash & Investments w/Fiscal Agents	\$ 193,400	\$ 27,686	\$ 221,086
Account Receivable	-	-	-
Total Assets	<u>193,400</u>	<u>27,686</u>	<u>221,086</u>
DEFERRED OUTFLOWS OF RESOURCES			
Total Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES			
Total Accounts Payable and Accrued Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Total Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Net Position	<u><u>\$ 193,400</u></u>	<u><u>\$ 27,686</u></u>	<u><u>\$ 221,086</u></u>

CITY OF ALEXANDRIA, VIRGINIA
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds
For the Fiscal Year Ended June 30, 2025

	Human Services Special Welfare Account	Human Services Dedicated Account	Custodial Funds
ADDITIONS			
Contributions:	\$ 89,325	\$ -	\$ 89,325
Interest	-	18	18
Total Additions	89,325	18	89,343
DEDUCTIONS	26,008	-	26,008
Total Deductions	26,008	-	26,008
Net increase (decrease) in fiduciary net position	63,317	18	63,335
Net position, beginning of year	130,083	27,668	157,751
Net Position, end of year	<u>\$ 193,400</u>	<u>\$ 27,686</u>	<u>\$ 221,086</u>



Special Revenue Funds

Housing – This fund accounts for the City’s housing programs.

Sanitary Sewer – This fund accounts for the funding of sanitary sewer maintenance and construction.

Stormwater Utility – This fund is funded by a stormwater utility fee which was implemented in 2018. This fee replaces the dedicated real estate property tax in the Stormwater Management fund.

Stormwater Management Fund – This fund was established in FY 2011. It is funded by a dedicated real estate property tax rate of 0.5 cents per \$100 of assessed value.

Potomac Yard Special Tax District – This fund accounts for funding for improvements in Potomac Yards, including the development of a metro rail station.

Northern Virginia Transportation Authority (NVTA) – This fund was established in FY 2014. It is funded by various state and local other taxes.

American Rescue Plan Act (ARPA) – This fund builds upon previously enacted COVID-19 aid measures. The source of funding is the American Rescue Plan Act adopted in March 2021.

Industrial Development Authority (IDA) – This fund accounts for IDA bond issuance fees and expenses.

Other Special Revenue – This fund accounts for grants and donations and other amounts that represent a percentage of special revenues.

CITY OF ALEXANDRIA, VIRGINIA
Combining Balance Sheet
Special Revenue Funds
As of June 30, 2025

	Housing	Sanitary Sewer	Storm water Utility	Potomac Yard	NVTA	ARPA	IDA	Other Special Revenue	Total Combined Special Revenue
ASSETS									
Cash and Cash Equivalents	\$ 4,079,779	\$ 10,899,638	\$ (267,047)	\$ 41,477,933	\$ 4,749,329	\$ 16,292	\$ 369,394	\$ 65,630,746	\$ 126,956,064
Receivables, Net	-	-	9,938,832	790,260	1,277,937	-	-	3,170,079	15,177,108
Opioid Settlement Receivable	-	-	-	-	-	-	-	1,893,114	1,893,114
Due From Other Governments	-	-	-	-	-	-	-	6,253,177	6,253,177
Total Assets	4,079,779	10,899,638	9,671,785	42,268,193	6,027,266	16,292	369,394	76,947,116	150,279,463
LIABILITIES									
Accounts Payable	4,000	210,027	130,604	-	-	16,292	-	4,738,299	5,099,222
Accrued Wages	-	103,899	108,648	-	3,209	-	-	1,938,153	2,153,909
Unearned Revenue	-	-	-	-	-	-	369,394	16,307,333	16,676,727
Total Liabilities	4,000	313,926	239,252	-	3,209	16,292	369,394	22,983,785	23,929,858
Deferred Inflows	-	-	9,868,210	795,797	-	-	-	1,893,114	12,557,121
FUND BALANCES									
Restricted	4,075,779	-	-	-	-	-	-	9,148,718	13,224,497
Committed	-	10,585,712	(435,677)	41,472,396	6,024,057	-	-	42,921,499	100,567,987
Total Fund Balances	4,075,779	10,585,712	(435,677)	41,472,396	6,024,057	-	-	52,070,217	113,792,484
Total Liabilities and Fund Balances	\$ 4,079,779	\$ 10,899,638	\$ 9,671,785	\$ 42,268,193	\$ 6,027,266	\$ 16,292	\$ 369,394	\$ 76,947,116	\$ 150,279,463

CITY OF ALEXANDRIA, VIRGINIA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
Special Revenue Funds
For the Fiscal Year Ended June 30, 2025

	Housing	Sanitary Sewer	Storm Water Utility	Potomac Yard	NVTA	ARPA	IDA	Other Special Revenue	Total Combined Special Revenue
REVENUES									
General Property Taxes	\$ -	\$ -	\$ -	\$ 1,586,801	\$ -	\$ -	\$ -	\$ -	\$ 1,586,801
Other Local Taxes	-	-	-	-	-	-	-	335,432	335,432
Permits, Fees, and Licenses	-	-	-	-	-	-	-	19,265,676	19,265,676
Use of Money and Property	-	-	-	-	-	-	-	1,540,076	1,540,076
Charges for Services	-	10,733,519	18,274,444	-	-	-	-	17,166,171	46,174,134
Intergovernmental Revenue	-	-	-	-	-	1,286,234	-	72,175,298	73,461,532
Miscellaneous	1,194,874	-	-	-	-	-	-	4,298,919	5,493,793
Total Revenues	1,194,874	10,733,519	18,274,444	1,586,801	-	1,286,234	-	114,782,722	147,858,594
EXPENDITURES									
Current Operating:									
General Government	-	-	-	-	-	7,587	-	2,117,984	2,125,571
Judicial Administration	-	-	-	-	-	29,550	-	1,650,770	1,680,320
Public Safety	-	124,513	-	-	-	-	-	14,017,436	14,141,949
Public Works	-	9,005,338	6,553,793	-	(7,043,622)	-	-	8,333,574	16,849,083
Health and Welfare	-	-	-	-	-	818,562	-	94,630,307	95,448,869
Culture and Recreation	-	-	-	-	-	61,753	-	3,546,456	3,608,209
Community Development	16,295,551	84,615	68,885	-	-	-	-	25,231,033	41,680,084
Interest and Other Charges	-	-	-	10,317,300	-	-	-	68,375	10,385,675
Total Expenditures	16,295,551	9,214,466	6,622,678	10,317,300	(7,043,622)	917,452	-	149,595,935	185,919,760
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,100,677)	1,519,053	11,651,766	(8,730,499)	7,043,622	368,782	-	(34,813,213)	(38,061,166)
OTHER FINANCING SOURCES (USES)									
Transfers In	9,858,160	-	-	16,472,181	32,257,921	-	-	44,994,952	103,583,214
Transfers Out	(6,854,000)	(17,201,983)	(12,296,850)	(15,010,397)	(41,014,922)	(369,048)	-	(3,856,567)	(96,603,767)
Total Other Financing Sources and Uses	3,004,160	(17,201,983)	(12,296,850)	1,461,784	(8,757,001)	(369,048)	-	41,138,385	6,979,447
Net Change in Fund Balance	(12,096,517)	(15,682,930)	(645,084)	(7,268,715)	(1,713,379)	(266)	-	6,325,172	(31,081,719)
Fund Balance at Beginning of Year	16,172,296	26,268,642	209,407	48,741,111	7,737,436	266	-	45,745,045	144,874,203
Fund Balance at End of Year	\$ 4,075,779	\$ 10,585,712	\$ (435,677)	\$ 41,472,396	\$ 6,024,057	\$ -	\$ -	\$ 52,070,217	\$ 113,792,484



Trust Funds

City Supplemental Retirement – Single employer defined benefit plan under the authority of the City of Alexandria (the City). The plan covers regular, full time City employees including deputy sheriffs, medics, and fire marshals and regular, part-time City employees who are scheduled to work at least 50 percent time and who are not covered under the Firefighters & Police Officers Pension Plan.

Pension Plan for Fire Fighters and Police Officers - Single employer defined benefit plan under the authority of the City. The plan covers public safety employees who met specific criteria (see Note 17). This plan was closed to new participants in 1979.

Retirement Income Plan for Fire & Police - Single employer defined contribution plan under the authority of the City. The plan covers public safety employees with contributions made after 100 percent vesting. This plan was closed to new members in fiscal year 2004 and converted to a defined benefit plan.

Firefighters and Police Officers Pension Plan (defined benefit component) - Single employer defined benefit plan under the authority of the City. The plan covers full-time sworn firefighters and police officers. Recruits are also covered by the Plan.

Firefighters and Police Officers Pension Plan (disability component) - Single employer defined benefit plan under the authority of the City. The plan provisions provide disability benefits for firefighters and police officers.

Other Post-Employment Benefits (OPEB) – The plan includes three classes of City retirees as follows: (a) full-time City employees who are eligible to retire under the Virginia Retirement System and City Supplemental Retirement Plan; (b) fire and police employees who are eligible to retire under the current defined benefit pension plan; and (c) fire and police employees who retired and were eligible for normal retirement with 20 years of service under the old defined contribution retirement income plan and the retirees under the old defined benefit pension

CITY OF ALEXANDRIA, VIRGINIA
Combining Statement of Fiduciary Net Position – Trust Funds
June 30, 2025

	Employee Retirement Plans					Post Retirement	Total
	Firefighters and Police Officers Pension Plan					Benefit Trust	
	City Supplemental Retirement	Pension for Fire and Police	Defined Contribution Component	Defined Benefit Component	Disability Component	Other Post Employment Benefits	
ASSETS							
Investments, at Fair Value							
Mutual Funds	\$ 43,818,928	\$ -	\$ 13,246,825	\$ 80,800,535	\$ 7,551,937	\$ 71,259,680	\$ 216,677,905
Stocks	30,453,626	-	-	66,093,409	24,873,743	11,735,263	133,156,041
Guaranteed Investment Accounts	3,421,490	16,913,080	-	3,725,318	4,000	697,300	24,761,188
Real Estate	11,846,985	-	-	35,532,383	-	3,887,200	51,266,568
Timber	7,840,969	-	-	13,131,270	-	5,520,467	26,492,706
Private Equity	12,376,991	-	-	33,155,007	-	6,405,815	51,937,813
Other	84,128,990	-	-	190,431,895	502,797	29,527,389	304,591,071
Total Investments	193,887,979	16,913,080	13,246,825	422,869,817	32,932,477	129,033,114	808,883,292
Total Assets	193,887,979	16,913,080	13,246,825	422,869,817	32,932,477	129,033,114	808,883,292
NET POSITION							
Held in Trust for Pension Benefits	\$ 193,887,979	\$ 16,913,080	\$ 13,246,825	\$ 422,869,817	\$ 32,932,477	\$ 129,033,114	\$ 808,883,292

CITY OF ALEXANDRIA, VIRGINIA
Combining Statement of Changes in Fiduciary Net Position – Trust Funds
For the Year Ended June 30, 2025

Combining Schedule of Changes in Fiduciary Net Position

	Employee Retirement Plans					Post Retirement Benefit Trust	
	Firefighters and Police Officers Pension Plan						
	City Supplemental Retirement	Pension for Fire and Police	Defined Contribution Component	Defined Benefit Component	Disability Component	Other Post Employment Benefits	Total
ADDITIONS							
Contributions:							
Employer	\$ 7,070,292	\$ 850,000	\$ -	\$ 18,807,613	\$ 788,877	\$ 1,855,000	\$ 29,371,782
Plan Members	2,391,959	-	-	4,063,085	214,530		6,669,574
Total Contributions	\$ 9,462,251	\$ 850,000	\$ -	\$ 22,870,698	\$ 1,003,407	\$ 1,855,000	\$ 36,041,356
Investment Income:							
Net Appreciation (Depreciation)							
in Fair Value of Investments	\$ 11,576,167	\$ -	\$ 1,664,959	\$ 21,826,550	\$ 3,067,415	\$ 10,109,219	\$ 48,244,310
Interest	4,077,247	629,050	1,788	5,504,403	(99,590)	3,026,097	13,138,995
Investment Expense	(366,615)	-	-	(791,780)	(76,506)	(136,786)	(1,371,687)
Net Investment Income	\$ 15,286,799	\$ 629,050	\$ 1,666,747	\$ 26,539,173	\$ 2,891,319	\$ 12,998,530	\$ 60,011,618
Total Additions	\$ 24,749,050	\$ 1,479,050	\$ 1,666,747	\$ 49,409,871	\$ 3,894,726	\$ 14,853,530	\$ 96,052,974
DEDUCTIONS							
Benefits	\$ 10,445,237	\$ 2,197,975	\$ 2,389,428	\$ 23,374,078	\$ 3,120,070	\$ -	\$ 41,526,788
Refunds of Contributions	678,769	-	-	452,989	-	-	1,131,758
Administrative Expenses	1,276,781	28,116	5,344	456,149	34,568	47,926	1,848,884
Total Deductions	\$ 12,400,787	\$ 2,226,091	\$ 2,394,772	\$ 24,283,216	\$ 3,154,638	\$ 47,926	\$ 44,507,430
Net Increase (Decrease)	\$ 12,348,263	\$ (747,041)	\$ (728,025)	\$ 25,126,655	\$ 740,088	\$ 14,805,604	\$ 51,545,544
Assets Transfer in (Out)	-	-	-	-	-	-	-
Net Position at Beginning of Year	181,538,479	17,660,121	13,974,850	397,739,687	32,192,388	114,227,510	757,333,035
Net Position at End of Year	\$ 193,887,979	\$ 16,913,080	\$ 13,246,825	\$ 422,869,817	\$ 32,932,476	\$ 129,033,114	\$ 808,883,291



STATISTICAL SECTION

DRAFT

The statistical section includes detailed information to assist in understanding how the financial statements relate to the City’s overall financial well-being and includes the following categories:

Financial trends: These tables assist users in understanding how the City’s financial position has changed over time and include the following tables:

Table I—Schedule of Changes in Net Position

Table II—Changes in Fund Balances Governmental Funds

Table VII—Net Position

Table VIII—Fund Balances Governmental Funds

Table XXII—Five-Year Summary of General Fund Revenues and Expenditure

Revenue Capacity: These tables assist in understanding and assessing the City’s own source revenues and include the following tables:

Table III—Tax Revenues by Source

Tables IV and V—Tax Levies and Collections

Table VI—Real and Personal Property Tax Assessments and Rates

Table IX—2025 Tax Rates for Major Revenue Sources

Table XV and XVI—Principal Taxpayers

Debt Capacity: These tables present information to assist in assessing the affordability of the City’s current levels of debt and the City’s ability to issue additional debt in the future and include:

Table X—Legal Debt Margin Information

Table XI—Ratio of Net General Debt to Assessed Value and Net Debt Per Capita

Table XII—Overlapping Debt and Debt History

Table XIII—Ratio of Annual Debt Service Expenditures for Net General Debt to Total General Expenditures

Table XXIII—Summary of Total General Obligation Bonds Debt Service

Demographic and Economic Information: These tables include demographic and economic information to assist in understanding the external factors that affect the City’s financial activities and include:

Table XIV—Population and Per Capita Income

Table XVII—Alexandria City Schools Demographic Statistics

Table XVIII—Government Employees by Function

Table XIX—Principal Employers

Table XXI—Miscellaneous Statistical Data

Operating information: This table includes service and capital data to assist in understanding how financial information relates to the programs and activities the City performs and includes:

Table XX—Operating and Capital Indicators

CITY OF ALEXANDRIA, VIRGINIA
Schedule of Changes in Net Position
Last Ten Fiscal Years
(in millions)

TABLE I

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental Activities										
General Government	\$ 66.3	\$ 91.6	\$ 47.4	\$ 52.3	\$ 95.1	\$ 49.0	\$ 27.2	\$ 68.5	\$ 80.0	\$ 104.6
Judicial Administration	19.9	20.6	20.5	21.7	21.7	21.2	22.4	24.7	25.5	28.8
Public Safety	149.4	152.2	157.3	160.8	163.4	175.7	171.5	167.8	174.4	179.3
Public Works	70.5	78.9	73.3	75.2	76.5	84.0	185.2	145.3	141.5	94.2
Library	6.7	6.9	6.9	7.0	7.1	7.4	7.7	8.1	8.1	8.7
Health and Welfare	94.9	96.9	97.6	100.2	107.7	119.6	114.3	78.0	72.5	73.3
Transit	21.9	32.8	39.0	44.1	42.9	28.7	54.6	57.7	46.9	16.8
Culture and Recreation	32.6	33.4	33.0	34.3	32.7	30.6	36.9	36.9	45.9	45.2
Community Development	33.3	37.1	35.4	44.0	58.3	57.5	45.0	57.3	62.1	92.0
Education	211.2	210.7	217.4	241.9	263.2	292.5	260.2	376.7	308.5	372.5
Interest on Long-term Debt	21.3	20.7	19.4	24.3	23.5	27.5	22.9	27.2	30.9	15.8
Total Governmental Activities	\$ 728.0	\$ 781.9	\$ 747.2	\$ 805.8	\$ 892.2	\$ 893.7	\$ 948.0	\$ 1,048.4	\$ 996.2	\$ 1,031.3
Revenues										
Governmental Activities										
Charges for Services:										
General Government	\$ 2.0	\$ 3.6	\$ 3.7	\$ 3.9	\$ 5.6	\$ 6.1	\$ 4.0	\$ 5.5	\$ 0.8	\$ 0.2
Judicial Administration	1.2	1.3	1.4	1.0	0.8	1.0	0.4	0.4	0.1	0.2
Public Safety	14.1	10.5	3.6	14.5	17.3	7.3	16.2	12.9	3.3	2.3
Public Works	33.0	32.0	38.9	30.4	59.8	53.2	49.0	53.8	42.5	45.1
Health and Welfare	5.3	5.5	10.4	0.2	6.1	6.2	5.0	5.9	5.2	6.9
Transit	-	4.3	4.2	6.1	-	3.6	2.3	0.0	0.2	0.2
Culture and Recreation	4.8	5.0	7.0	11.9	5.1	2.7	5.2	6.3	6.1	6.2
Community Development	1.5	0.8	8.4	2.6	0.9	4.4	1.9	2.2	1.6	1.2
Operating Grants and Contributions	46.8	66.3	52.2	51.5	60.2	112.6	147.7	131.5	39.4	61.2
Capital Grants and Contributions	6.5	19.1	7.1	7.0	6.8	9.7	21.2	21.1	22.6	10.0
Total Governmental Activities	\$ 115.2	\$ 148.4	\$ 136.9	\$ 129.1	\$ 162.6	\$ 206.9	\$ 252.9	\$ 239.5	\$ 121.9	\$ 133.6

* Due to rounding , decimals for the totals may not correspond wieht the sum of the separate figures

CITY OF ALEXANDRIA, VIRGINIA
Schedule of Changes in Net Position
Last Ten Fiscal Years
(in millions)

TABLE I (continued)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Net (Expense) (Revenue)										
General Government	\$ (63.2)	\$ (82.0)	\$ (43.0)	\$ (47.7)	\$ (86.4)	\$ (18.3)	\$ 31.8	\$ (13.6)	\$ (68.1)	\$ (91.1)
Judicial Administration	(16.3)	(18.70)	(18.50)	(20.1)	(20.4)	(19.2)	(20.8)	(22.8)	(24.5)	(27.4)
Public Safety	(121.9)	(132.10)	(144.1)	(143.0)	(142.2)	(157.2)	(146.1)	(144.3)	(169.8)	(175.0)
Public Works	(23.7)	(32.80)	(26.20)	(37.2)	(9.1)	(22.6)	(115.1)	(64.2)	(77.0)	(40.6)
Library	(6.7)	(6.90)	(6.90)	(7.0)	(7.1)	(7.4)	(7.7)	(8.1)	(8.1)	(8.7)
Health and Welfare	(69.8)	(58.00)	(54.0)	(65.5)	(62.2)	(60.9)	(63.7)	(31.3)	(49.1)	(49.1)
Transit	(21.9)	(28.00)	(34.6)	(37.4)	(42.6)	(25.0)	(45.0)	(50.2)	(39.7)	(7.5)
Culture and Recreation	(26.7)	(26.00)	(25.7)	(22.1)	(26.9)	(24.4)	(28.0)	(26.5)	(39.7)	(39.0)
Community Development	(30.1)	(17.50)	(20.4)	(30.5)	(45.9)	(31.9)	(17.4)	(43.7)	(59.0)	(71.1)
Education	(211.2)	(210.70)	(217.4)	(241.9)	(263.2)	(292.5)	(260.2)	(376.7)	(308.5)	(372.5)
Interest on Long-term Debt	(21.3)	(20.70)	(19.4)	(24.3)	(23.5)	(27.5)	(22.9)	(27.2)	(30.9)	(15.8)
Subtotal Governmental Activities	<u>(612.8)</u>	<u>(633.4)</u>	<u>(610.2)</u>	<u>(676.7)</u>	<u>(729.5)</u>	<u>(686.8)</u>	<u>(695.1)</u>	<u>(808.6)</u>	<u>(874.3)</u>	<u>(897.7)</u>
Total Primary Government	<u>(612.8)</u>	<u>(633.4)</u>	<u>(610.2)</u>	<u>(676.7)</u>	<u>(729.5)</u>	<u>(686.8)</u>	<u>(695.1)</u>	<u>(808.6)</u>	<u>(874.3)</u>	<u>(897.7)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Real Estate	393.5	424.4	441.5	455.4	463.8	478.4	480.2	516.0	532.5	552.4
Personal Property	44.5	49.6	57.0	48.2	56.6	45.2	59.3	68.8	72.9	79.1
Other	135.9	155.4	141.0	145.3	133.4	143.5	156.1	163.3	155.5	156.9
Grants and Contributions										
not restricted to other programs	58.5	34.8	52.4	58.4	50.3	38.2	35.9	36.5	45.0	56.5
Interest and Investment Earnings	5.4	5.5	7.3	11.3	8.7	3.8	1.1	20.5	26.7	24.3
Miscellaneous	2.9	11.5	15.6	21.8	31.3	8.9	2.6	2.4	14.6	9.7
Subtotal Governmental Activities	<u>640.7</u>	<u>681.2</u>	<u>714.8</u>	<u>740.4</u>	<u>744.0</u>	<u>718.0</u>	<u>735.1</u>	<u>807.5</u>	<u>847.2</u>	<u>878.8</u>
Total Primary Government	<u>640.7</u>	<u>681.2</u>	<u>714.8</u>	<u>740.4</u>	<u>744.0</u>	<u>718.0</u>	<u>735.1</u>	<u>807.5</u>	<u>847.2</u>	<u>878.8</u>
Change in Net Position										
Governmental Activities	<u>27.9</u>	<u>47.8</u>	<u>104.6</u>	<u>63.7</u>	<u>14.4</u>	<u>31.2</u>	<u>14.4</u>	<u>(808.6)</u>	<u>(27.1)</u>	<u>(18.9)</u>
	<u>\$ 27.9</u>	<u>\$ 47.8</u>	<u>\$ 104.6</u>	<u>\$ 63.7</u>	<u>14.4</u>	<u>\$ 31.2</u>	<u>\$ 14.4</u>	<u>(808.6)</u>	<u>\$ (27.1)</u>	<u>\$ (18.9)</u>

* Due to rounding , decimals for the totals may not correspond wiht the sum of the separate figures

CITY OF ALEXANDRIA, VIRGINIA
Changes in Fund Balances Governmental Funds
Last Ten Fiscal Years
(in millions)

TABLE II

Revenues	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Property Taxes	\$ 439.7	\$ 473.0	\$ 492.3	\$ 505.7	\$ 518.5	\$ 536.3	\$ 554.1	\$ 584.8	\$ 603.7	\$ 628.2
Other Local Taxes	135.9	138.8	140.9	145.3	133.4	143.5	156.1	163.4	167.0	163.4
Permits, Fees, and Licenses	8.1	9.5	10.5	12.8	15.0	18.6	15.8	13.4	12.0	22.3
Fines and Forfeitures	5.0	5.0	5.0	4.3	4.1	3.1	2.7	3.1	6.1	6.3
Use of Money and Property	6.1	7.7	13.8	16.7	14.0	5.2	3.8	31.1	42.9	42.1
Charges for Services	37.5	43.7	56.4	59.6	70.1	60.7	65.8	72.1	60.1	61.0
Intergovernmental Revenue	108.1	117.0	108.8	114.7	124.6	147.6	178.5	148.0	118.3	156.7
Miscellaneous	10.6	16.5	14.5	21.8	31.3	9.7	20.7	12.6	26.9	0.3
Non Revenue Receipts	-	-	-	-	-	-	-	0.2	0.4	17.0
Total Governmental Revenues	751.0	811.2	842.2	880.9	911.0	924.6	997.4	1,028.8	1,037.5	1,097.2
Expenditures										
General Government	46.6	50.8	52.6	50.1	50.2	58.0	59.3	68.9	64.4	68.0
Judicial Administration	19.4	20.1	19.9	21.1	21.4	21.0	21.9	24.2	27.7	30.4
Public Safety	142.7	146.7	150.0	156.7	158.0	153.4	156.7	167.7	181.9	189.8
Public Works	44.2	43.4	46.0	46.7	49.3	46.8	49.0	61.0	62.6	49.8
Library	6.7	6.9	6.9	7.0	7.1	7.4	7.7	8.1	8.3	8.7
Health and Welfare	94.4	96.5	97.1	99.7	111.1	119.1	113.8	111.6	117.6	121.5
Transit and Transit Transfer	21.9	28.4	35.7	40.2	42.9	28.7	49.2	50.7	54.4	60.5
Culture and Recreation	25.5	26.3	27.0	27.5	28.3	26.0	29.5	34.3	35.4	36.7
Community Development	31.4	34.8	34.1	42.0	47.2	44.8	40.5	40.7	32.5	69.3
Education	202.8	225.3	206.9	227.2	241.2	244.9	248.9	260.1	276.5	307.4
Capital Outlay	62.9	81.4	101.2	157.8	135.5	176.5	236.7	377.1	339.7	246.6
Debt Service - Principal	41.6	43.3	44.4	46.0	46.1	47.5	45.5	49.9	66.3	73.1
- Interest	21.8	21.5	21.8	24.6	23.5	27.2	27.1	31.9	41.8	26.1
Total Governmental Expenditures	761.9	825.4	843.6	946.6	961.8	1,001.5	1,086.0	1,286.4	1,309.1	1,287.9
Excess of Revenues over (under) expenditures	(10.9)	(14.2)	(1.4)	(65.7)	(50.8)	(76.9)	(88.6)	(257.6)	(271.6)	(190.7)
Other Financing Sources/(Uses)										
Issuance of Debt	39.1	25.4	84.4	109.7	204.1	49.9	193.1	0.0	246.6	114.6
Sale of Land	5.3	-	4.4	-	-	-	-	-	-	-
Other Financing	-	-	-	0.3	-	-	-	-	-	-
Bond Premium (Discount)	-	-	-	-	-	-	-	14.8	25.5	13.1
Transfers in	85.9	91.2	108.8	139.2	135.5	154.5	266.0	212.5	221.5	237.1
Transfers out	(86.6)	(90.4)	(109.4)	(139.0)	(137.0)	(153.8)	(266.0)	(212.5)	(221.5)	(237.1)
Capital Contribution	-	-	4.3	0.1	-	-	-	-	-	-
Total Other	43.7	26.2	92.5	110.3	202.6	110.2	193.1	14.8	272.1	127.7
Net change in Fund Balance	\$ 32.8	\$ 12.0	\$ 91.1	\$ 44.6	\$ (50.8)	(76.9)	\$ 104.6	\$ (242.8)	\$ 0.6	\$ (63.)
Debt Service as percentage of noncapital expenditures	8.77%	8.82%	8.73%	9.21%	8.61%	8.62%	9.06%	8.19%	11.15%	9.73%

** Amounts may not add due to rounding

CITY OF ALEXANDRIA, VIRGINIA
Tax Revenues by Source - All Funds
Last Ten Fiscal Years

TABLE III

Fiscal Year		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Property Taxes	Real Estate	\$ 391,339,844	\$ 422,362,653	\$ 440,427,264	\$ 452,762,144	\$ 459,756,284	\$ 480,092,075	\$ 493,495,160	\$ 514,222,181	\$ 528,337,574	\$ 543,311,778
	Personal	45,556,820	47,476,491	49,240,775	50,007,122	54,534,521	52,984,935	57,207,803	66,525,461	71,177,934	75,570,580
	Penalties and Interest	2,757,775	3,083,530	2,622,511	2,923,419	2,972,751	3,183,207	3,358,050	3,764,634	4,188,356	9,283,136
Other Local Taxes	Local Sales	31,174,524	32,360,983	31,965,152	33,843,610	35,179,797	44,299,858	43,873,085	47,903,530	47,468,362	49,613,185
	Utility	12,579,583	12,286,676	12,069,408	11,264,818	12,077,396	11,534,144	12,017,966	12,639,483	12,685,009	13,375,013
	Business License	32,134,946	33,751,755	33,846,543	36,883,865	35,154,223	37,042,157	38,101,182	40,006,700	42,286,568	42,413,660
	Motor Vehicle License	3,602,980	3,661,152	3,675,482	3,558,915	163,361	25,676	8,212	6,318	2,245	230
	Bank Franchise	3,408,128	3,391,507	3,828,225	3,932,554	3,445,787	3,603,341	3,182,904	3,191,348	3,160,095	2,540,330
	Tobacco	2,907,915	3,021,243	2,777,656	2,513,138	2,321,508	2,137,890	2,149,715	2,095,823	1,885,731	1,809,974
	Recordation	6,458,302	6,185,633	9,036,488	5,913,217	7,144,558	9,016,670	8,425,865	4,360,818	3,916,012	5,184,332
	Transient Lodging	12,755,322	13,542,901	13,936,579	12,912,839	8,663,346	4,762,880	10,206,837	11,960,434	14,913,657	14,693,763
	Restaurant Food	18,655,330	18,878,758	18,283,682	23,999,949	19,765,936	21,934,868	28,872,822	30,143,987	31,601,200	32,803,799
	Telecommunication	988,865	772,110	837,655	748,488	694,026	913,013	1,040,571	641,191	743,309	606,776
	Admissions	759,368	709,640	688,505	574,440	443,640	104,221	254,968	332,241	372,970	343,016
	Communications Sales Tax	10,457,755	10,200,706	9,881,812	9,167,402	8,217,077	8,106,878	7,709,875	7,512,962	7,117,612	6,996,869
	Other	36,409	48,777	59,700	35,860	139,218	65,486	209,815	424,305	450,457	403,900
Total		<u>\$ 575,573,866</u>	<u>\$ 611,734,515</u>	<u>\$ 633,177,437</u>	<u>\$ 651,041,780</u>	<u>\$ 650,673,428</u>	<u>\$ 679,807,297</u>	<u>\$ 710,114,831</u>	<u>\$ 745,731,415</u>	<u>\$ 770,307,092</u>	<u>\$ 798,950,340</u>

CITY OF ALEXANDRIA, VIRGINIA
Real and Personal Property Tax Levies and Collections
Last Ten Calendar Years

Table IV

Real Estate Tax Levies and Collections Property (Amounts in thousands)							
Calendar Year Ended December 31	Fiscal Years	Taxes Levied for the Calendar Year*	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to date	
			Amount Collected	Percentage of Levy		Amount	Percentage of Levy
2015	FY 2016	\$ 375,568	\$ 374,208	99.6%	\$ 699	\$ 374,907	99.82%
2016	FY 2017	395,839	394,696	99.7	4,491	399,187	100.85
2017	FY 2018	426,139	424,908	99.7	4,182	429,090	100.69
2018	FY 2019	436,106	434,793	99.7	48	434,841	99.71
2019	FY 2020	446,629	445,474	99.7	938	446,413	99.95
2020	FY 2021	467,301	465,972	99.7	744	466,715	99.87
2021	FY 2022	470,456	469,384	99.8	1,062	470,446	100.00
2022	FY 2023	498,191	497,078	99.8	1,338	498,416	100.05
2023	FY 2024	515,355	512,617	99.5	919	513,536	99.65
2024	FY 2025	529,042	526,960	99.6	2,231	529,191	100.03

FY25 Delinquent Actuals as of 10/24/25

From RBS Cumulative Summary Report as of 8/15/25.

Source: City of Alexandria Department of Finance

Table V

Personal Property Tax Levies and Collections (Amounts in thousands)								
Calendar Year Ended December 31	Fiscal Years	Taxes Levied for the Calendar Year		Collected within the Fiscal Year of the Levy			Total Collections to date	
		Total Personal Property Levy 1/	Commonwealth Reimbursement 2/	Total Current Revenue	Percentage of Current Levy	Prior Delinquent Collections	Combined Total Revenue	Combined Percentage of Levy
2015	FY 2016	\$ 69,948	\$ 23,710	\$ 67,329	96.25%	\$ 1,938	\$ 69,267	99.03%
2016	FY 2017	71,851	23,517	69,382	96.56	1,611	70,993	98.81
2017	FY 2018	72,063	23,752	70,919	98.41	2,074	72,993	101.29
2018	FY 2019	73,764	22,724	69,614	94.37	2,304	71,918	97.50
2019	FY 2020	79,890	23,391	76,012	95.15	1,898	77,910	97.52
2020	FY 2021	78,526	23,475	74,456	94.82	2,004	76,460	97.37
2021	FY 2022	82,400	23,112	77,935	94.58	2,384	80,319	97.47
2022	FY 2023	90,331	23,258	85,523	94.68	4,261	89,784	99.39
2023	FY 2024	97,177	23,455	91,025	93.67	3,656	94,681	97.43
2024	FY 2025	104,392	23,400	95,397	91.38	3,326	98,723	94.57

¹ Includes Car Tax and Business Personal Property Levy

² A subset of Total Levy and Current Payments

Source: City of Alexandria Department of Finance

CITY OF ALEXANDRIA, VIRGINIA
Real and Personal Property Tax Assessments and Rates
Last Ten Calendar Years

TABLE VI

Calendar Year	Locally Assessed Real Property (\$000)				Personal Property (\$000)				
	Residential	Commercial	Total	Tax Rate per \$100	Motor Vehicle and Tangibles Assessments	Tax Rate per \$100	Machine and Tools Assessment	Tax Rate per \$100	Total Assessment
2015	21,713,189	15,886,156	37,599,345	1.073	1,492,140	5.00	10,776	4.50	1,502,916
2016	22,092,997	16,284,957	38,377,954	1.130	1,517,743	5.00	11,199	4.50	1,528,942
2017	22,844,035	16,437,017	39,281,052	1.130	1,555,607	5.00	6,123	4.50	1,561,730
2018	23,310,833	17,025,285	40,336,118	1.130	1,581,904	5.00	9,727	4.50	1,591,631
2019	24,550,610	17,501,144	42,051,754	1.130	1,491,271	5.33	14,262	4.50	1,505,533
2020	26,029,769	17,158,601	43,188,369	1.110	1,652,958	5.33	14,963	4.50	1,667,921
2021	27,828,841	18,074,465	45,903,306	1.110	1,775,759	5.33	11,115	4.50	1,786,874
2022	29,224,848	18,430,001	47,654,849	1.110	1,903,199	5.33	15,755	4.50	1,918,954
2023	30,096,124	17,693,119	47,789,243	1.110	2,059,639	5.33	16,506	4.50	2,076,145
2024	31,466,528	17,536,719	49,003,247	1.110	2,269,124	5.33	17,704	4.50	2,286,827

Note: Property is assessed each year as of January 1. Property is assessed at actual value; therefore, assessed values are equal to actual values.

Note: Tax Rate % double check from Table IX

CITY OF ALEXANDRIA, VIRGINIA
Net Position
Last Ten Fiscal Years
(in millions)

TABLE VII

Governmental Activities	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net Investment in Capital Assets	\$ 373.4	\$ 389.1	\$ 416.1	\$ 469.8	\$ 461.4	\$ 406.0	\$ 348.0	\$ 279.8	\$ 320.1	\$ 313.3
Restricted for										
Affordable Housing	0.7	2.0	5.7	13.8	8.3	5.7	10.8	14.0	16.2	4.1
Other Projects	15.8	20.4	20.4	8.7	9.5	8.6	7.5	8.1	8.9	9.1
Net Pension Assets	-	-	-	-	4.4	43.7	2.0	5.8	5.0	5.9
OPIOD Settlement	-	-	-	-	-	-	-	1.1	1.9	1.9
Unrestricted Net Position	(17.2)	32.3	64.1	77.7	100.8	151.6	287.4	345.8	275.4	274.3
Total Governmental Activities Net Position	<u>\$ 372.7</u>	<u>\$ 443.8</u>	<u>\$ 506.3</u>	<u>\$ 570.0</u>	<u>\$ 584.4</u>	<u>\$ 615.6</u>	<u>\$ 655.7</u>	<u>\$ 654.6</u>	<u>\$ 627.5</u>	<u>\$ 608.6</u>

**Amounts may not add due to rounding

CITY OF ALEXANDRIA, VIRGINIA
Fund Balances Governmental Funds
Last Ten Fiscal Years

TABLE VIII

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Reserved for:										
Non-Spendable	\$ 3,374,907.00	\$ 10,917,115.00	\$ 11,009,773.00	\$ 5,685,676.00	\$ 7,101,792.00	\$ 7,272,032.00	\$ 20,378,954.00	\$ 19,983,095.00	\$ 6,970,826.00	\$ 9,402,169
Committed	10,382,766	11,737,149	10,015,523	9,360,247	9,336,383	11,807,016	13,024,074	16,006,322	13,123,826	14,064,497
Assigned	12,400,000	35,789,849	34,152,482	46,762,362	50,643,051	63,400,000	85,994,340	56,964,943	46,492,992	63,992,992
Unassigned	51,624,142	61,562,170	73,780,565	81,406,421	85,718,804	94,165,465	105,740,238	130,735,831	135,927,181	139,505,396
Subtotal General Fund	<u>\$ 77,781,815</u>	<u>\$ 120,006,283</u>	<u>\$ 128,958,343</u>	<u>\$ 143,214,706</u>	<u>\$ 152,800,030</u>	<u>\$ 176,644,513</u>	<u>\$ 225,137,606</u>	<u>\$ 223,690,191</u>	<u>\$ 202,514,825</u>	<u>\$ 226,965,054</u>
All Other Governmental Funds										
Reserved For										
Non-Spendable (Special Revenue Fund)	-	-	-	-	-	-	-	1,151,591	1,539,880	1,638,009
Non-Spendable (ATC)	-	-	-	-	-	-	1,063,790	-	-	-
Restricted (Special Revenue Fund)	16,553,843	22,396,774	26,113,490	22,508,963	17,808,272	14,124,539	18,267,147	22,025,591	25,082,530	13,224,497
Committed (Special Revenue Fund)	49,925,447	55,507,559	69,651,113	78,073,867	104,473,313	128,138,998	106,363,652	115,159,106	119,791,673	100,567,987
Committed (Capital Projects)	172,124,584	212,284,917	297,691,622	261,978,279	400,720,737	281,105,893	387,115,344	173,857,156	111,785,574	133,080,123
Restricted (Capital Projects)	-	-	-	-	-	-	-	102,283,026	177,966,886	108,466,956
Unassigned (ATC)	-	-	-	-	-	-	(1,062,962)	-	-	-
Total All Other Governmental Funds	<u>\$ 238,603,874</u>	<u>\$ 290,189,250</u>	<u>\$ 393,456,225</u>	<u>\$ 362,561,109</u>	<u>\$ 523,002,322</u>	<u>\$ 423,369,430</u>	<u>\$ 511,746,971</u>	<u>\$ 414,476,470</u>	<u>\$ 436,166,543</u>	<u>\$ 356,977,572</u>

With the implementation of GASB Statement No. 54 in Fiscal Year 2011, the fund balance terminology was changed.

CITY OF ALEXANDRIA, VIRGINIA
2025 Tax Rates for Major Revenue Source

TABLE IX

Real Estate Tax	\$1.135 per \$100 assessed value
Personal Property Tax	\$4.50 per \$100 assessed value (machinery and tools) \$4.75 per \$100 assessed value (tangible personal property) \$1.11 per \$100 assessed value (Mobile homes) \$5.33 per \$100 assessed value (Automobiles) \$4.50 per \$100 assessed value (Automobiles 10,000 lbs or more) \$3.55 per \$100 assessed value (handicap vehicles) \$0.01 per \$100 assessed value (Boats)
Utility Tax (for residential users)	15% of monthly amount charged to consumers of the utility Service \$1.12 plus \$0.012075 of each KWh (\$3.00 monthly) - Electric \$1.28 plus \$0.124444 of each CCF gas delivered (\$3.00 monthly) - Gas \$1.28 plus \$0.050909 of each CCF (\$3.00 monthly) \$1.28 plus 0.023267 of each CCF gas delivered-group meter interruptible consumers (not to exceed \$3.0 per dwelling unit)
Utility Tax (for commercial users)	20% if the monthly bill exceeds \$150 then not tax computed on that in amount above \$150 \$1.18 plus \$0.005578 of each kwh delivered-commercial consumer - Electric, Commercial \$1.18 plus \$0.004544 of each kwh delivered-industrial consumer - Electric, Industrial \$1.28 plus \$0.023267 each CCF gas delivered-commercial/industrial consumer \$4.50 plus \$0.003670 of each CCF gas delivered-non-residential interruptible gas consumers
Business and Professional Licenses	
Alcoholic Beverages	\$5 - \$1,500 (fee based on seating capacity/type of license)
First year of operation:	
Gross receipts less than \$100,000	No tax due (dependant on license category)
Gross receipts of greater than \$10,000 and less than \$100,000	\$50 (First year only, dependant on license category)
Gross receipts of \$2,000,000 or more	Same as renewal for greater than \$100,000 below
Renewal business	
Gross receipts of greater than \$10,000 and less than \$100,000:	
Any business	\$50
Gross receipts of \$100,000 or more	
Amusement and Entertainment	\$0.36 per \$100 gross receipts
Professional	\$0.58 per \$100 gross receipts
Renting of Residential Property	\$0.50 per \$100 gross receipts
Renting of Commercial Property	\$0.35 per \$100 gross receipts
Financial Services	\$0.35 per \$100 gross receipts
Personal, Business and Repair Service	\$0.35 per \$100 gross receipts
Retail Merchants	\$0.20 per \$100 gross receipts
Contractors	\$0.16 per \$100 gross receipts
Wholesale Merchants	\$0.05 per \$100 total purchases
Public Utilities	
Telephone	\$0.50 per \$100 of gross receipts excluding charges for long distance calls
Communication Sales and Use Tax	5% of sale price of each communications service
Water	One-half of one percent of the gross receipt
Admissions Tax	10% of admissions up to \$0.50 per person
Public Rights-of-Way Use Fee	\$1.88 per access line per month (effective 7/1/24)
Electric Consumption Tax	\$0.0038/kwh
Natural Gas Consumption Tax	\$0.004 per CCF
Local Sales Tax	1.0% on sale (added to the rate of the State tax imposed)
Short-Term Rental Tax	1% of gross proceeds of business arising from rentals (1.5% Heavy Equipment).
Cigarette Tax	\$1.26 on each package of twenty cigarette
Transient Lodging Tax	6.5% of total amount paid for room rental plus \$1.25 per night lodging fee
Restaurant Meal Tax	5% of total charge of Meal (on all food and drink)
Recordation Tax	\$0.083 per \$100 of sales price/loan value (equals State max)
Late Payment Tax Penalty	10% or \$10, whichever is greater
Tax Interest	10% for the first year and 5% for each year thereafter.

Source: City of Alexandria Revenue Division

CITY OF ALEXANDRIA, VIRGINIA
Legal Debt Margin Information
Last Ten Fiscal Years

TABLE X

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Assessed Value of Real Property, January 1	\$ 38,195,318,730	\$ 38,987,293,704	\$ 39,897,986,964	\$ 40,977,242,214	\$ 42,679,236,862
Debt Limit: 10 percent	3,819,531,873	3,898,729,370	3,989,798,696	4,097,724,221	4,267,923,686
Amount of Debt Applicable to Debt Limit	<u>522,710,000</u>	<u>557,233,000</u>	<u>595,021,000</u>	<u>589,957,000</u>	<u>747,911,000</u>
Legal Debt Margin	<u>\$ 3,296,821,873</u>	<u>\$ 3,341,496,370</u>	<u>\$ 3,394,777,696</u>	<u>\$ 3,507,767,221</u>	<u>\$ 3,520,012,686</u>
Debt as a Percentage of Assessed Value	1.37%	1.43%	1.49%	1.44%	1.75%
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Assessed Value of Real Property, January 1	\$ 43,826,796,330	\$ 46,560,058,324	\$ 48,332,631,187	\$ 48,490,380,311	\$ 49,738,489,475
Debt Limit: 10 percent	4,382,679,633	4,656,005,832	4,833,263,119	4,849,038,031	4,973,848,948
Amount of Debt Applicable to Debt Limit	<u>704,117,000</u>	<u>852,606,000</u>	<u>946,057,000</u>	<u>1,134,925,000</u>	<u>1,180,291,000</u>
Legal Debt Margin	<u>\$ 3,678,562,633</u>	<u>\$ 3,803,399,832</u>	<u>\$ 3,887,206,119</u>	<u>\$ 3,714,113,031</u>	<u>\$ 3,793,557,948</u>
Debt as a Percentage of Assessed Value	1.61%	1.83%	1.96%	2.34%	2.37%

Limitations on the Incurrence of General Obligation Debt:

There is no requirement in the Virginia Constitution, the Virginia Statutes, or in the Charter of the City of Alexandria that the issuance of general obligation bonds of the City be subject to approval of the electors of the City at referendum.

Under the City Charter the City Council has full authority to authorize and issue general obligation bonds. The authorizing procedure consists of the passage on the first reading of an ordinance authorizing the issuance of the bonds, followed by a notice of public hearing at a subsequent meeting, and the final passage on

The only constitutional limitation on the issuance of general obligation bonds is contained in Article VII, Section 10 of the Virginia Constitution, which states that: "No city or town shall issue any bonds or other interest-bearing obligations which, including existing indebtedness, shall at any time exceed ten percent of the assessed valuation of real estate in the city or town subject to taxation, as shown by the last preceding assessment for taxes."

CITY OF ALEXANDRIA, VIRGINIA
Ratio of Net General Debt¹ to Assessed Value
And Net Debt Per Capita
Last Ten Fiscal Years

TABLE XI

FY Year	Population ⁽³⁾	Taxable Assessed Value (\$000) ⁽²⁾			Outstanding Debt	Outstanding Debt As Percentage of Assessed		Personal Income (\$100)	Debt Per Capita	Debt Per Capita As A Percentage of Per Capita Income ⁽⁴⁾
		Real Property	Personal Property	Total		Real Property	Total Property			
2016	149,900	38,195,319	1,437,203	39,632,522	522,710,000	1.37	1.32	11,789,823	3,487	4.33
2017	152,200	38,987,294	1,503,339	40,490,633	557,233,000	1.43	1.38	12,692,748	3,661	4.45
2018	154,500	39,897,987	1,520,865	41,418,852	595,021,000	1.49	1.44	12,958,210	3,851	4.63
2019	156,800	40,977,242	1,565,335	42,542,577	589,957,000	1.44	1.39	13,455,505	3,762	4.47
2020	159,200	42,679,237	1,596,166	44,275,403	747,911,000	1.75	1.69	14,127,927	4,698	5.59
2021	161,300	43,826,796	1,506,234	45,333,030	704,117,000	1.61	1.55	14,665,740	4,365	4.96
2022	163,400	46,560,058	1,664,074	48,224,132	852,606,000	1.83	1.77	14,894,033	5,218	5.93
2023	165,700	48,332,631	1,791,514	50,124,145	946,057,000	1.96	1.89	15,473,266	5,709	6.49
2024	166,000	48,490,380	1,919,705	50,410,085	1,134,925,000	2.34	2.25	16,367,274	6,837	6.93
2025	168,600	49,738,489	2,073,621	51,812,111	1,180,291,000	2.37	2.28	17,873,820	7,001	6.60

(1) Net General Debt includes general obligation bonds, premium and term notes.

(2) Includes real and personal property as adjusted for changes to levy.

(3) SOURCE: Alexandria Department of Planning and Zoning and the United States Bureau of Economic Analysis

(4) Personal Income and per capita income represents data from the United States Bureau of Economic Analysis, as revised, that generally has a two-year lag.

CITY OF ALEXANDRIA, VIRGINIA
Overlapping Debt and Debt History
June 30, 2025

TABLE XII

The City of Alexandria is autonomous from any county, town, or other political subdivisions of the Commonwealth of Virginia. There is no overlapping general obligation debt or taxing powers. The water system and the sewage treatment plant within the City are operated by a private company and an independent authority, respectively, for which the City has no debt obligations.

The City has never defaulted in the payment of any part of either principal or interest on any debt.

Credit Ratings

Moody's Investors Service.....	Aaa
Standard & Poor's Corporation.....	AAA

Paying Agents

The City's coupon bonds and interest coupons are payable at the Chase Manhattan Bank, N.A., New York, New York, or SunTrust Bank in Richmond, Virginia. Registered bonds and interest are payable at the principal corporate trust office of the Chase Manhattan Bank, N.A., New York, New York, or Depository Trust Company, New York, New York, which are the Registrars for bonds of the City of Alexandria.

**Ratio of Annual Debt Service Expenditures for Net
General Debt ⁽¹⁾ to Total General Expenditures
Last Ten Fiscal Years**

TABLE XIII

Year	Principal	Interest and Other Costs	Total Debt Service	General Expenditures ⁽²⁾	Ratio of Debt Service to General Governmental Expenditures %
2016	41,595,000	21,766,140	63,361,140	808,162,557	7.84
2017	43,300,000	21,490,252	64,790,252	880,542,277	7.36
2018	44,404,949	21,795,764	66,200,713	920,488,621	7.19
2019	45,989,000	24,591,838	70,580,838	1,016,620,191	6.94
2020	46,126,000	23,463,907	69,589,907	1,041,037,742	6.68
2021	47,529,000	27,223,323	74,752,323	1,090,444,851	6.86
2022	45,546,000	27,071,962	72,617,962	1,167,956,936	6.22
2023	49,934,000	31,919,094	81,853,094	1,375,224,313	5.95
2024	66,329,479	41,786,977	108,116,456	1,415,239,040	7.64
2025	55,469,000	45,852,723	101,321,723	1,392,988,833	7.27

(1) Net General Debt includes general obligation bonds

(2) Includes expenditures for School Board and Library component units

CITY OF ALEXANDRIA, VIRGINIA
Demographic Statistics
June 30, 2025

TABLE XIV

Population

<u>Calendar Year</u>	<u>Population</u>	<u>Calendar Year</u>	<u>Population</u>
1990	111,183	2019	156,800
2000	128,283	2020	159,467
2010	139,993	2021	161,300
2015	147,650	2022	163,400
2016	149,900	2023	165,700
2017	152,200	2024	166,000
2018	154,500	2025	168,600

SOURCE: U.S. Bureau of Census, "General Population Characteristics"

2011-2019 City of Alexandria, Department of Planning Zoning. Calendar Year 2020 reflects the 2020 Census data released on August 12, 2021. Calendar Year 2021-2025 is an estimate developed by the City's Department of Planning and Zoning.

POPULATION INDICATORS
PER CAPITA INCOME*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Alexandria	\$80,506	\$82,253	\$81,887	\$83,477	\$87,761	\$89,884	\$93,835	\$100,017	\$105,239	\$115,144
Arlington	83,616	86,141	87,136	90,390	95,012	98,116	100,823	107,603	112,313	124,345
Fairfax (include..... Fairfax City and Falls Church)	72,552	75,081	76,947	78,751	82,888	86,031	88,971	94,677	101,400	108,855
Washington MSA	\$60,814	\$62,546	\$65,155	\$67,598	\$69,295	\$71,615	\$73,059	\$80,822	\$83,010	\$89,396

***BEA has revised these numbers.**

SOURCE: U.S. Bureau of Economic Analysis (BEA) This data has been revised from previous estimates provided by the Department of Commerce

CITY OF ALEXANDRIA
UNEMPLOYMENT RATE*
LAST TEN YEARS

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Unemployment Rate	2.9%	2.8%	2.4%	2.2%	8.3%	4.3%	2.4%	2.3%	2.4%	3.6%

***The Bureau of Labor Statistics has revised these numbers**

SOURCE: U.S. Bureau of Labor Statistics (BLS). This data has been revised from previous estimates provided by the Bureau of Labor Statistics. Revision occurred on June 2025.

CITY OF ALEXANDRIA, VIRGINIA
Principal Taxpayers
Current Year and Nine Years Ago
June 30, 2025

TABLE XV

Private Property

Owner's Name	Property	2025	
		Assessed Value (in millions)	Percentage of Total Assessed Valuation
1 Paradigm Companies	Apartments	\$673.5	1.35%
2 Stonebridge	Apartments/Office Buildings	641.1	1.29
3 Morgan Properties	Apartments/Shopping Center	543.7	1.09
4 Equity Residential	Apartments	523.8	1.05
5 AIR Communities	Apartments	418.3	0.84
6 LCOR	Office Buildings	399.0	0.80
7 CIM Group	Apartments	305.0	0.61
8 UDR	Apartments	298.4	0.60
9 Elme Communities	Apartments/Office Building	235.3	0.47
10 Carmel Partners	Apartments	230.1	0.46

SOURCE: City of Alexandria, Department of Finance, Real Estate Assessment Division

Owner's Name	Property	2016	
		Assessed Value (in millions)	Percentage of Total Assessed Valuation
1 LCOR Alexandria, L.L.C.	Office Buildings	\$979.1	2.60%
2 Equity Residential	Apartments Buildings	576.6	1.53
3 Paradigm Companies	Apartments Buildings	573.8	1.53
4 JBG Properties	Apartments and Land	469.5	1.25
5 Home Properties	Apartments Buildings	393.9	1.05
6 AIMCO	Apartments	341.7	0.91
7 Southern Towers L.L.C.	Southern Towers	287.1	0.76
8 Hoffman Family	Hoffman Office Buildings	197.2	0.52
9 Area Property Partners	Apartments/Industrial	157.0	0.42
10 Duke Realty	Office Buildings	177.2	0.47

SOURCE: City of Alexandria, Department of Finance, Real Estate Assessment Division

CITY OF ALEXANDRIA, VIRGINIA
Principal Taxpayers
Current Year and Nine Years Ago
June 30, 2025

TABLE XV
(Continued)

Public Service Companies

Owner's Name	2025 Assessed Value (in millions)	Percentage of Total Assessed Valuation
1 Virginia Electric Power Company	270.7	0.54%
2 Virginia-American Water Co.	101.3	0.20
3 Washington Gas Light Company	69.6	0.14
4 Verizon Virginia Inc.	47.1	0.09
5 Potomac electric Power Company	41.7	0.08
6 Covanta Alexandria / Arlington, Inc.	20.9	0.04
7 Celco Partnership	12.0	0.02
8 New Cingular Wireless PCS, LLC	10.6	0.02
Value of Merchants capital (not included in totals)		
9 T-Mobile USA	8.2	0.02
Value of Merchants capital (not included in totals)		
10 Intellifiber Networks, LLC	1.7	0.00

SOURCE: Virginia State Corporation Commission

SOURCE: City of Alexandria, Department of Finance, Office of Real Estate Assessments

Owner's Name	2016 Assessed Value (in millions)	Percentage of Total Assessed Valuation
1 Virginia Electric Power Company	\$222.0	1.50%
2 Norfolk Southern Railway Company	73.4	0.20
3 CSX Transportation	62.9	0.17
4 Virginia-American Water Co.	59.5	0.16
5 Potomac Electric Power Company	43.0	0.12
6 Verizon Virginia Inc.	40.7	0.11
7 Washington Gas Light Company	40.3	0.11
8 Covanta Alexandria/Arlington, Inc	36.9	0.10
9 New Cingular Wireless PCS, LLC	10.2	0.03
10 Celco	7.4	0.02

SOURCE: Virginia State Corporation Commission

CITY OF ALEXANDRIA, VIRGINIA
Alexandria City School
Demographic Statistics
Last Ten Fiscal Years

TABLE XVI

<u>Fiscal Year</u>	<u>Total Enrollment</u>	<u>Number Receiving Free or Reduced Meals</u>	<u>Number in English as Second Language</u>	<u>Number Receiving Special Education</u>	<u>Elementary School Gifted and Talented Programs</u>	<u>Number in Middle (6-8) School Gifted and Talented Programs</u>
2016	14,729	8,664	4,381	1,672	861	545
2017	15,105	8,965	4,789	1,803	933	604
2018	15,540	9,106	4,791	1,731	1,045	663
2019	15,795	9,282	5,045	1,762	1,044	711
2020	16,117	9,094	5,117	1,697	698	691
2021	15,635	8,385	5,062	1,581	392	658
2022	15,526	9,099	4,853	1,571	668	633
2023	15,786	8,589	5,713	1,715	749	606
2024	16,137	8,444	6,434	1,850	808	519
2025	16,395	7,624	6,306	2,198	725	532

SOURCE: City of Alexandria Public School System

CITY OF ALEXANDRIA, VIRGINIA
General Fund
City Department Expenditure Detail by Function
For the Fiscal Year Ended June 30, 2025

TABLE XVII

	General Government	Judicial Administration	Public Safety	Public Works	Health and Welfare	Recreation & Culture	Community Development	Education	Library	Transit Subsidies	Debt Services	Total
General Fund Expenditures												
City Council.....	\$ 827,057	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 827,057
City Manager.....	5,049,433	-	-	-	-	-	-	-	-	-	-	5,049,433
Office of Management and Budget.....	1,938,735	-	-	-	-	-	-	-	-	-	-	1,938,735
18th Circuit Court.....	-	1,856,758	-	-	-	-	-	-	-	-	-	1,856,758
18th General District Court.....	-	128,047	-	-	-	-	-	-	-	-	-	128,047
Juvenile and Domestic Relations Courts....	-	92,178	-	-	-	-	-	-	-	-	-	92,178
Commonwealth's Attorney.....	-	5,047,339	-	-	-	-	-	-	-	-	-	5,047,339
Sheriff.....	-	9,735,595	25,828,279	-	-	-	-	-	-	-	-	35,563,874
Clerk of Courts.....	-	2,372,268	-	-	-	-	-	-	-	-	-	2,372,268
Other Correctional Activities.....	-	7,339,525	105,387	-	-	-	-	-	-	-	-	7,444,912
Court Services.....	-	457,086	-	-	-	-	-	-	-	-	-	457,086
Human Rights.....	868,367	-	-	-	-	-	-	-	-	-	-	868,367
Internal Audit.....	556,075	-	-	-	-	-	-	-	-	-	-	556,075
Information Technology Services.....	14,332,338	188,598	-	-	-	-	2,524,337	-	-	-	-	17,045,273
Office of Communications.....	-	-	-	-	-	-	2,203,171	-	-	-	-	2,203,171
City Clerk and Clerk of Council.....	564,967	-	-	-	-	-	-	-	-	-	-	564,967
Finance.....	14,367,994	-	-	-	-	-	-	-	-	-	-	14,367,994
Organizational Excellence.....	-	-	-	-	-	-	-	-	-	-	-	-
Human Resources.....	5,360,126	-	-	-	-	-	-	-	-	-	-	5,360,126
Planning and Zoning.....	-	-	-	-	-	-	7,772,813	-	-	-	-	7,772,813
Economic Development Activities.....	-	-	-	-	-	-	9,252,552	-	-	-	-	9,252,552
City Attorney.....	5,255,122	-	-	-	-	-	-	-	-	-	-	5,255,122
Registrar.....	2,190,152	-	-	-	-	-	-	-	-	-	-	2,190,152
General Services.....	384,855	-	1,374,279	13,341,020	-	-	-	-	-	-	-	15,100,154
Project Implementation Office.....	-	-	-	-	-	-	-	-	-	-	-	-
Performance Analytics.....	947,935	-	-	-	-	-	-	-	-	-	-	947,935
Transportation and Environmental Services.....	3,416,771	-	-	19,587,961	-	-	2,937,584	-	-	-	-	25,942,316
Transit Subsidies.....	-	-	-	-	-	-	-	-	-	16,757,691	-	16,757,691
Fire.....	-	-	71,038,248	-	-	-	-	-	-	-	-	71,038,248
Office of Independent Policing.....	421,800	-	-	-	-	-	-	-	-	-	-	421,800
Police.....	2,298,838	1,127,355	67,308,233	-	-	-	-	-	-	-	-	70,734,426
Emergency Communications.....	-	-	9,965,442	-	-	-	-	-	-	-	-	9,965,442
Code Administration.....	-	-	-	-	-	-	-	-	-	-	-	-
Housing.....	-	-	-	-	-	-	2,285,346	-	-	-	-	2,285,346
Community and Human Services.....	1,774,887	-	-	-	15,259,098	-	-	-	-	-	-	17,033,985
Other Health Services.....	-	-	1,200	-	1,816,457	-	-	-	-	-	-	1,817,657
Health.....	-	-	-	-	8,939,302	-	138,677	-	-	-	-	9,077,979
Office of Historic Alexandria.....	-	-	-	-	-	5,053,914	-	-	-	-	-	5,053,914
Recreation and Cultural Activities.....	-	421,140	-	-	-	27,611,447	-	-	-	-	-	28,032,587
Other Educational Activities.....	-	-	-	-	-	-	-	273,034,300	-	-	-	273,034,300
Miscellaneous.....	5,350,203	-	-	-	-	421,140	520,821	-	8,743,690	-	95,510,367	110,546,221
Total Expenditures.....	\$ 65,905,655	\$ 28,765,890	\$ 175,621,068	\$ 32,928,981	\$ 26,014,857	\$ 33,086,501	\$ 27,635,301	\$ 273,034,300	\$ 8,743,690	\$ 16,757,691	\$ 95,510,367	\$ 784,004,301

CITY OF ALEXANDRIA, VIRGINIA
Government Employees by Function
Last Ten Fiscal Years

TABLE XVIII

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government	317	317	318	327	344	333	342	359	369	379
Judicial Administration	287	281	280	279	279	280	280	284	292	281
Public Safety	809	810	816	818	837	844	836	899	903	916
Public Works	223	222	212	215	217	235	249	260	260	254
Library	70	70	69	67	67	67	66	66	66	68
Health and Welfare	586	586	599	598	607	629	627	637	647	643
Culture and Recreation	175	175	179	181	183	189	192	198	207	214
Community Development	85	91	92	94	95	98	104	106	107	116
Education	2,426	2,489	2,519	2,585	2,607	2,649	2,649	2,661	2,709	2,705
TOTAL	4,978	5,041	5,084	5,164	5,236	5,324	5,345	5,470	5,560	5,574

Source: City of Alexandria FY 2016 - FY 2025 Approved Operating Budgets

Principal Employers
Current Year (as of July 1, 2025 and Nine Years Ago)

TABLE XIX

Current Year	Employees	Percentage of Total City Employment ^(*)	Nine Years Ago	Employees	Percentage of Total City Employment ^(*)
LARGEST PUBLIC EMPLOYERS			LARGEST PUBLIC EMPLOYERS		
U.S. Department of Defense - Mark Center	8,000	9.98%	U.S. Department of Commerce	1,000 & over	3.41%
U.S. Patent and Trademark Office	6,000	7.49%	U.S. Department of Defense	1,000 & over	3.41%
City of Alexandria	2,600	3.24%	Alexandria Public Schools	1,000 & over	2.88%
Alexandria Public School System	2,500	3.12%	City of Alexandria	1,000 & over	2.59%
U.S. Inspector General	2,400	3.00%	WMATA	500-998	0.85%
U.S. Dept of Commerce	2,000	2.50%	Northern Virginia Community College	500-999	0.85%
National Science Foundation	1,800	2.25%	U.S. Department of Agriculture	500-999	0.85%
WMATA	1,500	1.87%	U.S. Department of Homeland Defense	250-499	0.43%
U.S. General Services Administration	800	1.00%			15.27%
Northern Virginia Community College	600	0.75%			
		35.19%			
LARGEST PRIVATE EMPLOYERS			LARGEST PRIVATE EMPLOYERS		
Inova Health System	2,500	3.12%	Inova Health System	1,000 & over	3.41%
System Plan & Analysis INC	1,600	2.00%	Institute for Defense Analysis	500-999	0.85%
Institute for Defense Analysis	1,500	1.87%	Grant Thornton LLP	500-999	0.85%
Goodwin House	1,000	1.25%	The Home Depot	500-999	0.85%
Kearney & Company PC	700	0.87%	CAN Corporation	250-499	0.43%
Wegmans	600	0.75%	Oblon Spivak McClelland PC	250-499	0.43%
National Center for Missing and Exploited Childen	600	0.75%	Catholic Diocese of Arlington	250-499	0.43%
Haris Teeter	450	0.56%	Giant Food	250-499	0.43%
Woodbine Rehabilitation & Healthcare Center	300	0.37%			7.25%
Giant Food	200	0.25%			
		11.79%			

SOURCE: Virginia Employment Commission and Alexandria Economic Development Partnership
Quarterly Census of Employment and Wages, Q2 2025

*Employment numbers are estimates only

CITY OF ALEXANDRIA, VIRGINIA
Operating Indicators By Function
Last Ten Fiscal Years

TABLE XX

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Judicial Administration										
Civil and criminal cases processed by Clerk of Courts	5,377	5,734	5,985	6,489	5,185	4,168	5,827	7,605	7,859	7,859
Public Safety										
Number of Homicides*	7	6	4	2	2	3	6	3	3	-
***Response time (minutes and seconds) from time dispatched to arrival for fire incidents met 90% of the time	6:51	6:10	6:59	6:35	6:47	7:08	8:17	7:57	8:10	8:03
***Response time (minutes and seconds) from time dispatched to arrival for medical emergency incidents met 90% of the time	6:30	6:29	7:13	6:58	7:22	7:53	8:30	8:21	8:24	8:25
Public Works										
Tons of Waste Disposed Annually	21,199	21,033	22,058	22,328	22,045	22,960	23,049	22,590	21,847	21,040
Lane Miles Repaired	66	72	45	44	46	48	16	48	43	41
Acres of Impervious Surface within City	1,519	1,522	1,536	1,544	1,560	1,573	1,579	1,586	1,740	1,755
City-Wide Recycling Rate	49	50	48	49	52	53	54	53	52	**
Library										
Total number of material circulated	1,304,000	1,595,528	1,607,718	1,611,014	1,458,234	1,262,833	1,412,497	1,443,215	1,443,366	1,420,057
Number of Library Visitors and Web Users	1,247,355	1,303,209	1,382,324	1,556,345	1,493,926	1,121,843	1,228,567	1,389,238	1,251,917	1,238,770
Health and Welfare										
Number of immunizations given to the public	10,234	12,844	9,553	8,221	6,772	3,923	6,820	10,766	6,504	6,807
Average number of active participants in Women, Infants, and Children program per month	2,754	2,801	3,003	2,826	2,875	3,259	3,292	3,409	2,871	2,385
Teen Wellness Center Visits	3,167	3,800	3,720	3,398	2,888	1,863	2,503	2,297	2,449	2,775
Pharmacy (number of prescriptions)	17,567	19,173	26,742	28,355	27,852	30,207	30,251	28,673	24,949	****
Transit										
Annual Ridership of Bus & Trolley	4,108,706	3,939,351	3,892,685	3,940,251	2,844,989	1,521,928	3,019,825	4,538,202	5,310,995	5,640,991
Number of Metro Rail Riders Originating in Alexandria	5,034,745	4,306,919	4,426,213	3,861,674	2,141,993	605,820	1,540,000	1,801,106	3,338,416	4,157,664
Miles of service	1,758,689	1,857,385	1,851,653	1,966,261	2,073,300	1,844,028	2,338,240	2,787,421	2,650,599	2,660,931
Culture and Recreation										
Number of Registered Users in Recreation Centers and Recreation Activities***	23,806	26,423	26,403	30,014	33,127	36,376	19,652	9,323	31,266	34,789
Number of Public Special Events	211	136	137	165	114	117	159	244	198	232
Community Development										
Number of Affordable Housing Units	3,955	3,955	4,075	4,084	4,450	4,687	4,913	4,995	5,032	5,085
Assessed Value Average Residential Property	516,280	522,800	542,202	549,253	577,988	576,901	655,901	679,914	698,794	729,925
Education										
Cost per pupil	16,896	17,216	17,193	17,740	18,190	18,241	19,864	20,719	21,116	21,892
Graduation Rate	82	83	81	83	82	91	83	83	87	**

Source Virginia DOE On-Time Graduation Rate by school district has two-year lag. CityData.com Homicides

**Lag in reporting. Virginia DEQ Recycling Rate has two-year lag.

*City of Alexandria Police Crime data base

***This metric has been adjusted from the previous ACFR reports to align with AFD's 2023 accreditation where the department adjusted its response time calculations following recommendations made by the accrediting body.

**** The Alexandria Health Department's pharmacy was not open during FY25

CITY OF ALEXANDRIA, VIRGINIA
Capital Indicators By Function
Last Ten Fiscal Years

TABLE XX (cont.)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Judicial Administration										
Number of foster care homes	46	39	47	51	53	56	56	56	35	42
Public Safety										
Fire vehicles*	143	143	144	144	183	167	119	125	137	*
Public Works										
Paved streets	560	561	561	561	561	561	548	561	561	561
Sidewalks	319	319	319	319	319	319	366	320	320	320
Library										
Full service branches and central library	4	4	4	4	4	4	4	4	4	4
Health and Welfare										
Preventative health care sites	3	3	3	3	3	3	3	3	3	3
Transit										
DASH transit buses	85	85	85	85	99	99	101	101	101	115
Culture and Recreation										
Playgrounds	40	41	41	42	42	42	42	42	42	43
Athletic fields available for games	53	53	59	56	56	56	55	55	55	55
Acreage of park and open space	1,036	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,123
Total number of facilities maintained	181	130	126	126	127	117	159	144	144	164
Community Development										
Public housing and public housing replacement u	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150
Education										
Public schools	16	16	16	18	18	18	18	18	18	18

*Lag in reporting. Virginia DEQ Recycling Rate has two-year lag.

CITY OF ALEXANDRIA, VIRGINIA
Five-Year Summary of General Fund Revenues and Expenditures
As of June 30, 2025

TABLE XXI

Date of Incorporation..... 1779
 Date of City Charter..... 1932
 Form of Government..... Council-Manager
 Number of Full-Time City Positions
 (Other than Schools) 2869
 Number of Full-Time Equivalent School Positions 2705

Land Area

15.75 Square Miles

Elevation

0 to 287 ft above sea level

Location

38.8210 N
 77.0861 W

Climate

Average January Temperature 30.4°F
 Average July Temperature 80.0°F

Transportation

Major Highways:
 Capital Beltway (I-95)
 I-395 (Shirley Highway)
 U.S. Route 1
 George Washington Memorial Parkway
 Rail:

The City is served by the north-south routes of Amtrak. The Virginia Railway Express provides commuter service between Alexandria, Washington, D.C., Fredericksburg, and Manassas, Virginia. Freight lines entering the City are Conrail, CSX Transportation, and Norfolk Southern Company.

Washington Metropolitan Area Transit Authority (WMATA) provides rail transit to the Washington Metro area. Five of the systems stations are located in Alexandria.

Air:

Ronald Reagan Washington National Airport is only minutes away from any location within the City.

Dulles International Airport provides international and longer domestic travel.

Ground:

The City is served by local bus service provided by the Alexandria Transit Company.

The City is served by the local and express buses of the Washington Metropolitan Area Transit Authority (METRO) and the Fairfax Connector.

Individualized service is available through privately owned taxicab fleets.

Port Facilities:

The port of Alexandria has two docks for ocean-going freighters and two major public docks. The 24-foot deep Potomac River channel runs the length of the Alexandria waterfront.

Population

2025 Resident Population (Estimate)..... 168,600
 Number of Households (2019-2023 U.S. Census ACS) 80,570
 Household Size (2019-2023) 2.09 Persons Per Unit
 2024 Population by Race (2019-2023 U.S. Census ACS):
 White 53.6%
 Black or African American 21.1%
 Native American 0.3%
 Asian and Pacific Islanders 6.3%
 Multi-Racial 12.9%
 Hispanic (All Races) 18.2%

2023 Population by Age and Sex (U.S. Census Bureau Estimate):
 Persons under 5 years 6.70%
 Persons under 19 years 19.50%
 Persons 65 + years 12.60 %
 Female Persons 51.50%

Registered Voters

June 2025 101,524
 Temporary Assistance to Needy Families
 (Cases) - Monthly Average, 2025 447
 Food Stamps (Cases) - Monthly Average, 2025 12,113
 Medicaid (Cases) - Monthly Average, 2025 30,343

Economy

Employed Residents, June 2025 97,700
 Unemployed Residents, June 2025 3,657
 Unemployed Rate, June 2025 3.6%
 Washington PMSA Inflation Rate, based
 on Consumer Price Index, for FY 2025 2.5%

CITY OF ALEXANDRIA, VIRGINIA
Five-Year Summary of General Fund Revenues and Expenditures
As of June 30, 2025

Housing	2025	2024
Total Housing Units	84,688	83,953
Type of Single-Family Housing		
Detached	9,125	9,118
Semi-Detached	5,897	5,895
Rowhouse	6,781	6,781
Condo Townhouse	1,608	1,547
Total Single-Family	23,411	23,341
Garden Condominium	10,883	10,872
High Rise and Cooperative		
Condominium	8,470	8,460
Rental Apartments	41,924	41,280
Public Housing and Public Housing		
Replacement Units	1,150	1,150
Average Assessed Value of Single-Family Homes	\$1,001,336	\$962,276
Average Assessed Value of Condominiums	\$447,612	\$423,765
Average Market Rents Efficiency	\$1,859	\$1,760
1 Bedroom Apartment	\$2,358	\$2,200
2 Bedroom Apartment	\$2,989	\$2,780
3 Bedroom Apartment	\$3,182	\$3,060

Communications

Television:
All major networks plus cable
Local Newspapers:
Alexandria Gazette Packet (weekly)
Regional Newspapers:
Washington Post
Washington Times
Washington Examiner
Radio:
50 major and minor radio stations in metropolitan area

Miles of Streets, Sidewalks and Alleys

Streets:
Paved - Lane miles..... 561
Sidewalks miles 320
Alleys, Paved miles 0.0

Utilities

Telephone various
Electric..... Dominion Virginia Power
Gas..... Washington Gas
Water Virginia - American Water Company
Sewer Alexandria Renewal Enterprises
Cable..... Comcast Communications

Public Recreation

Acreage..... 1,123
Facilities:
Playground Areas 43
Swimming Pools..... 5
Gymnasiums (doesn't include schools) 7
Basketball Courts (outdoor, schools, half courts) 34
Tennis Courts (includes schools) 14
Multi-Use Courts (includes schools) 26
Playing Fields (include schools do not include overlays) 55

Medical Facilities

Hospital:
INOVA Alexandria Hospital 318
Nursing Homes:
Alexandria Rehabilitation and Healthcare Center.....111
George Washington Health & Rehabilitation 96
Goodwin House Alexandria.....80
Mount Vernon Healthcare Center.....130
Woodbine Rehabilitation & Healthcare Center307

Libraries

Number
Central Library 1
Full-service branches 3
(Books and other materials for home use as well as electronic and print reference service)
Local History – Special Collections I 1
Talking book service. 1

Education

Public Schools:
Number
Elementary..... 15
Middle 2
High School 1
Parochial and Private Schools..... 39

Higher Education:

Located within the City are the Alexandria campus of Northern Virginia-Community College, Regent University, and the Episcopal Theological Seminary. Nearby institutions include George Mason, George Washington, American, Catholic, Georgetown, and Howard Universities.

Financial Institutions

Commercial Banks 15
Credit Unions..... 11

**Lodging
(FY 2025)**

Alexandria Available Hotel
Rooms.....4,686
Alexandria Hotel
Occupancy63.9%
National Hotel
Occupancy (as of June 2025)62.8%
Alexandria Average Daily Rate.....\$180.64
National Average Daily Rate (as of June 2025)\$159.96

SOURCE: Visit Alexandria

CITY OF ALEXANDRIA, VIRGINIA
Five-Year Summary of General Fund Revenues and Expenditures
As of June 30, 2025

Table XXII

	2021	2022	2023	2024	2025
Revenues					
General Property Taxes	\$ 534,770,027	\$ 552,540,913	\$ 582,975,505	\$ 601,982,933	\$ 626,578,693
Other Local Taxes	131,506,114	148,875,492	152,409,150	158,907,657	161,644,387
Permits, Fees, and Licenses	4,185,341	2,202,262	2,683,307	3,026,166	3,054,806
Fines and Forfeitures	3,076,876	2,694,652	3,129,147	6,131,452	6,293,044
Use of Money and Property	3,149,630	1,115,117	20,186,948	30,017,827	31,237,549
Charges for Services	10,681,086	15,203,509	17,312,775	17,374,352	15,935,211
Intergovernmental Revenues	59,552,814	56,268,765	59,286,179	35,610,144	63,692,887
Interest from Lease	-	52,798	212,764	358,798	334,053
Miscellaneous	1,921,463	2,597,949	5,140,380	16,988,115	10,157,265
Total Revenues	748,843,351	781,551,457	843,336,155	870,397,444	918,927,895
Other Financing Sources					
Operating Transfers In	9,246,427	45,584,494	14,233,764	15,045,709	16,387,652
Refunding Bonds	49,887,196	11,782,546	-	-	-
Total Other Financing Sources	59,133,623	57,367,040	14,233,764	15,045,709	16,387,652
Total Revenues and Other Financing Sources	807,976,974	838,918,497	857,569,919	885,443,153	935,315,547
Expenditures					
Current					
General Government	52,615,276	56,619,999	66,364,403	61,428,813	65,905,655
Judicial Administration	19,773,623	20,440,688	22,545,469	25,888,578	28,765,890
Public Safety	142,367,202	147,184,920	157,867,952	168,796,690	175,621,068
Public Works	25,638,460	27,917,451	28,753,194	35,468,255	32,928,981
Library	7,379,204	7,680,826	8,149,962	8,336,066	8,743,690
Health and Welfare	20,962,751	21,726,647	22,769,857	26,419,155	26,014,857
Transit	2,478,947	18,681,843	17,435,975	17,143,919	16,757,691
Culture and Recreation	24,292,705	26,704,089	30,835,418	32,032,575	33,086,501
Community Development	20,174,219	21,667,205	24,424,539	25,420,425	27,635,301
Education	234,037,296	239,437,296	248,737,300	258,686,800	273,034,300
Debt Services					
Principal Retired	44,965,570	42,992,958	47,904,788	66,329,479	73,069,012
Interest and Fiscal Charges	19,638,000	19,656,254	24,019,704	31,339,709	15,741,720
Capital Outlay	-	-	-	-	6,699,635
Total Expenditures	614,323,252	650,710,176	699,808,559	757,290,464	784,004,301
Other Financing Uses					
Payment to Refunded Bonds	-	-	-	-	-
Escrow Agent	49,618,630	11,710,136	-	-	-
Operating Transfers Out	120,356,796	127,261,747	159,822,821	149,290,681	135,129,942
Total Other Financing Uses	169,975,426	138,971,883	159,822,821	149,290,681	135,129,942
Total Expenditures and Other Financing Uses	784,298,677	789,682,059	859,631,380	906,581,145	919,134,243
Revenues and Other Financing Sources					
Over/(Under) Expenditures and Other Financing	23,678,295	49,236,438	(2,061,461)	(21,137,992)	22,880,939
Fund Balances at Beginning of Year	152,800,030	176,644,513	225,137,606	223,690,191	202,514,825
Increase (Decrease) in Reserve for Inventory	166,188	(743,345)	614,046	(37,374)	1,569,290
FUND BALANCES AT END OF YEAR	\$ 176,644,513	\$ 225,137,606	\$ 223,690,191	\$ 202,514,825	\$ 226,965,054

CITY OF ALEXANDRIA, VIRGINIA
Summary of Total
General Obligation Bonds
Debt Service
As of June 30, 2025

TABLE XXIII

Fiscal Year	Total Principal	Total Interest	Total
FY 2026	71,426,000	44,566,834	115,992,834
FY 2027	68,997,000	41,451,320	110,448,320
FY 2028	72,659,000	38,298,286	110,957,286
FY 2029	73,479,000	35,130,054	108,609,054
FY 2030	70,747,000	32,222,390	102,969,390
FY 2031	66,469,000	29,512,404	95,981,404
FY 2032	62,694,000	26,924,636	89,618,636
FY 2033	58,610,000	24,537,502	83,147,502
FY 2034	52,000,000	22,290,518	74,290,518
FY 2035	53,580,000	20,298,665	73,878,665
FY 2036	52,810,000	18,377,489	71,187,489
FY 2037	52,875,000	16,447,169	69,322,169
FY 2038	49,880,000	14,552,648	64,432,648
FY 2039	41,815,000	12,785,796	54,600,796
FY 2040	40,115,000	11,216,184	51,331,184
FY 2041	40,560,000	9,718,106	50,278,106
FY 2042	39,935,000	8,226,775	48,161,775
FY 2043	33,300,000	6,870,150	40,170,150
FY 2044	28,255,000	5,735,650	33,990,650
FY 2045	20,025,000	4,869,575	24,894,575
FY 2046	16,350,000	4,245,428	20,595,428
FY 2047	16,910,000	3,687,541	20,597,541
FY 2048	17,480,000	3,110,341	20,590,341
FY 2049	18,070,000	2,513,331	20,583,331
FY 2050	18,690,000	1,895,616	20,585,616
FY 2051	19,320,000	1,255,525	20,575,525
FY 2052	7,515,000	779,300	8,294,300
FY 2053	7,825,000	472,500	8,297,500
FY 2054	6,085,000	194,300	6,279,300
FY 2055	1,815,000	36,300	1,851,300
Total	\$ 1,180,291,000	\$ 442,222,333	\$ 1,622,513,333

* Of the FY 2026 debt service, \$47.8 million is debt service for Alexandria City Public Schools related general obligation bonds issued by the City.

** Excludes annual payment of \$256,070 that represents City's portion of debt servicing costs associated with debt issued by the Northern Virginia Transportation District (NVTB).