



POPULAR ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2025



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Introduction

The City of Alexandria’s Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2025, covers the period from July 1, 2024, to June 30, 2025. The intended use of a PAFR is to serve as a summary of the financial activities during the listed timeframe.

The PAFR is a supplement to the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2025. All data listed in the PAFR is acquired from the FY 2025 ACFR. Unlike the FY 2025 ACFR, the PAFR is more easily digestible for the everyday reader while providing an overview of the contents of the 2025 ACFR. An important distinction is that the data in the ACFR is presented in accordance with Generally Accepted Accounting Principles (GAAP); however, the PAFR does not observe GAAP and is not an audited body of work. A PAFR does not observe GAAP to allow for greater flexibility and creativity in the presentation of information.

The FY 2025 ACFR was audited by the accounting firm of Clifton, Larsen Allen and received an unmodified or “clean” audit opinion. Community members who wish to review a comprehensive report of the City’s financial statements in a GAAP-compliant format may review the ACFR at www.alexandriava.gov/financialreports.

CITY COUNCIL



ALEXANDRIA CITY COUNCIL: Top row from left are Councilman John Chapman, Councilman Abdel-Rahman Elnoubi and Councilwoman Jacinta Greene. Bottom row from left are Councilman R. Kirk McPike, Vice Mayor Sarah Bagley, Mayor Alyia Gaskins, and Councilman Canek Aguirre.

Alyia Gaskins, Mayor
Sarah Bagley, Vice Mayor
Councilman Canek Aguirre
Councilman John Chapman
Councilman Abdel-Rahman Elnoubi
Councilwoman Jacinta Greene
Councilman R. Kirk McPike

City Manager's Letter

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

I am pleased to present the FY 2025 Popular Annual Financial Report (PAFR) for the City of Alexandria. The report highlights a variety of relevant and complicated financial information in a simple, user-friendly format.

The City ended FY 2025 with an overall net position of \$608.6 million, a decrease of \$18.9 million compared to last year. Net position declines as bond proceeds are spent to complete construction on capital assets and long-term debt is issued, increasing liabilities, to address additional capital needs.

As of June 30, 2025, the City's General Fund Balance was \$227 million, an increase of \$24.5 million. Of this amount, \$217.6 million represents Spendable Resources, which is approximately 24 percent of General Fund actual revenue. The City's bond rating was recently reaffirmed at AAA/Aaa.

As FY 2026 continues to progress and the budget development for FY 2027 gets underway, City staff will continue to engage the community, to further the priorities of City Council, and to exemplify the fiscal stewardship for which the City of Alexandria is recognized.

Sincerely,
James F. Parajon
City Manager



Did you know?

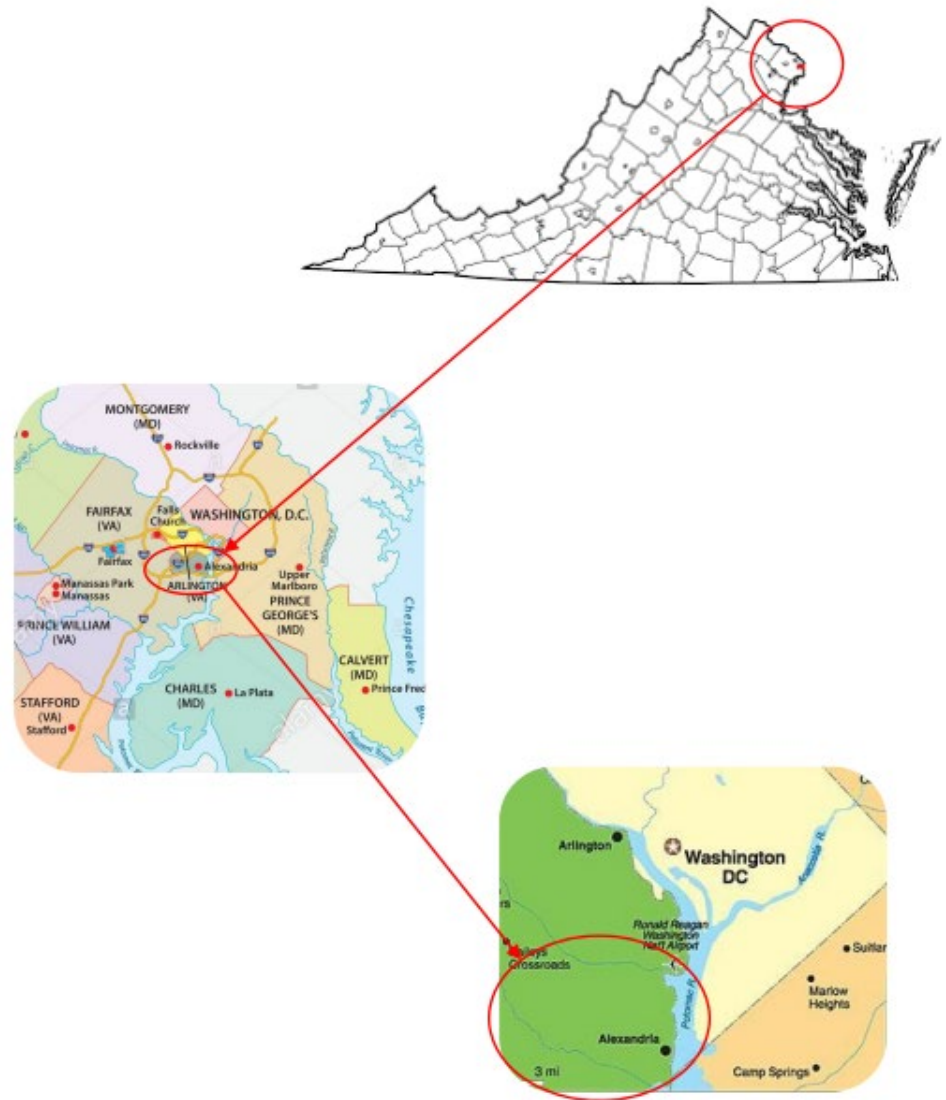
Alexandria's City Hall was built in 1871. Market Square has been a civic gathering space since the City's founding 1749. FY 2025 included many major milestones for the renovation of this iconic structure.

LOCATION

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

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

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

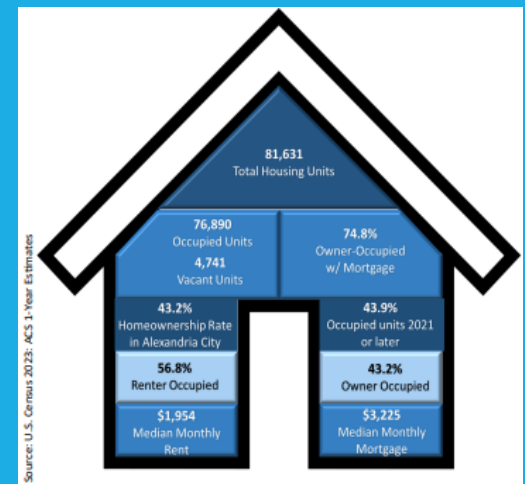
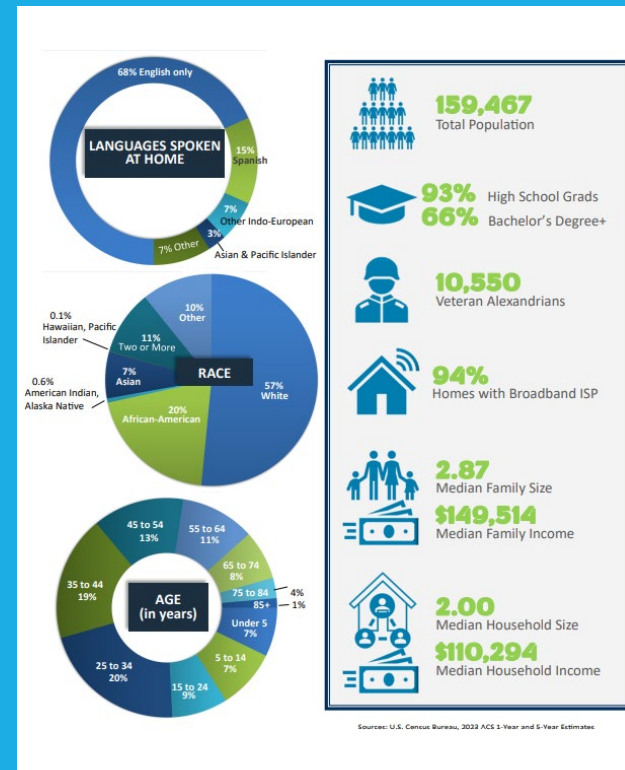


COMMUNITY PROFILE

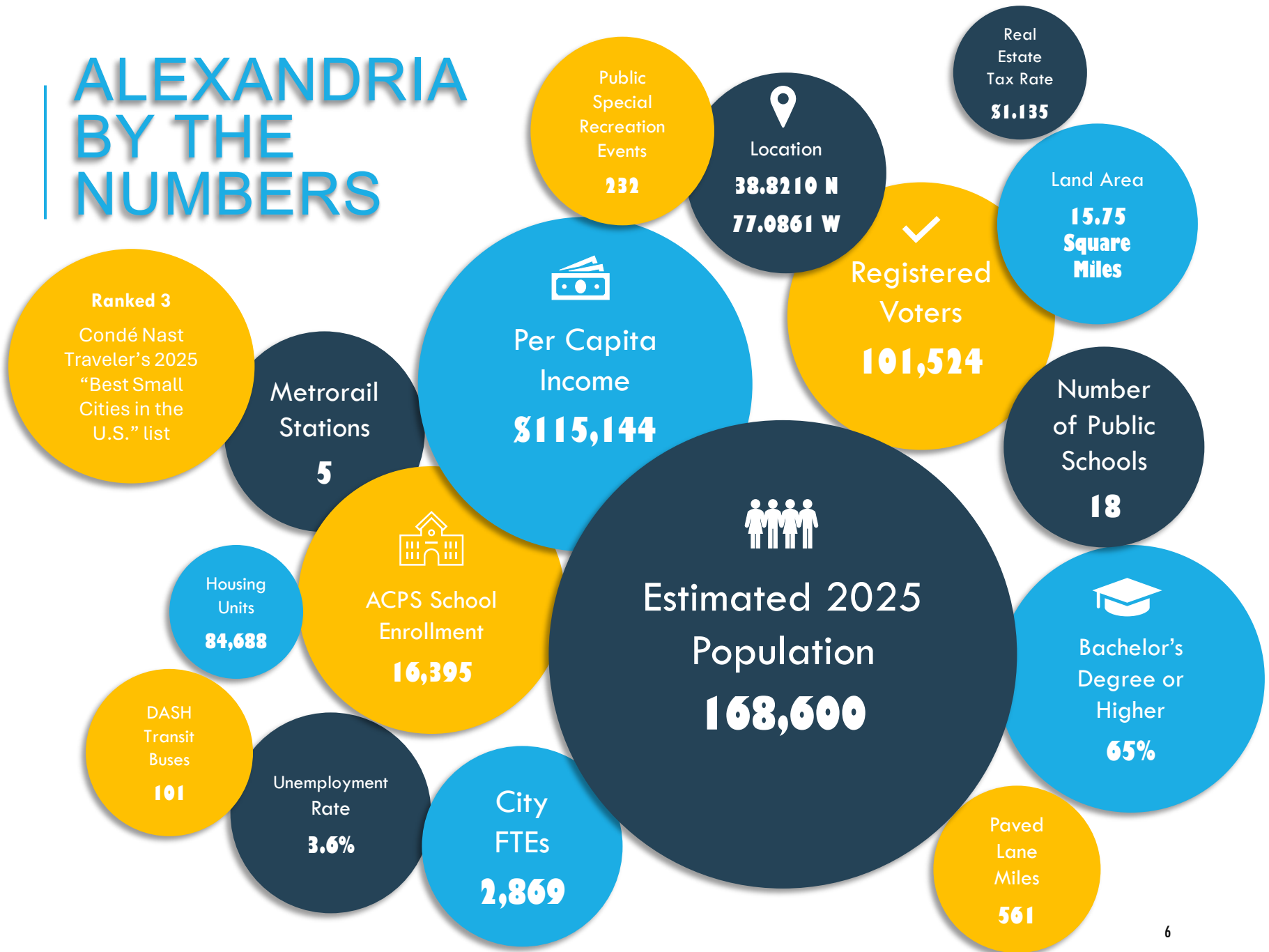
Alexandria's population has seen consistent growth for more than a decade. Midway to the next decennial census, the City's population is estimated to be 168,600 in FY 2025.

Programs and services administered by the Office of Housing market a limited number of affordable resale-restricted units in new developments. Homeownership Assistance Loans offer no-interest, deferred payment loans for down payment and closing cost assistance toward the purchase of City-assisted properties for eligible applicants. Additional programs exist to provide affordable rental opportunities within market-rate apartment properties. Some programs give priority or restrict admission to specific populations such as elderly or disabled residents.

(Graphics represent 2022/2023 Census Data)



ALEXANDRIA BY THE NUMBERS



WHERE DOES THE MONEY COME FROM

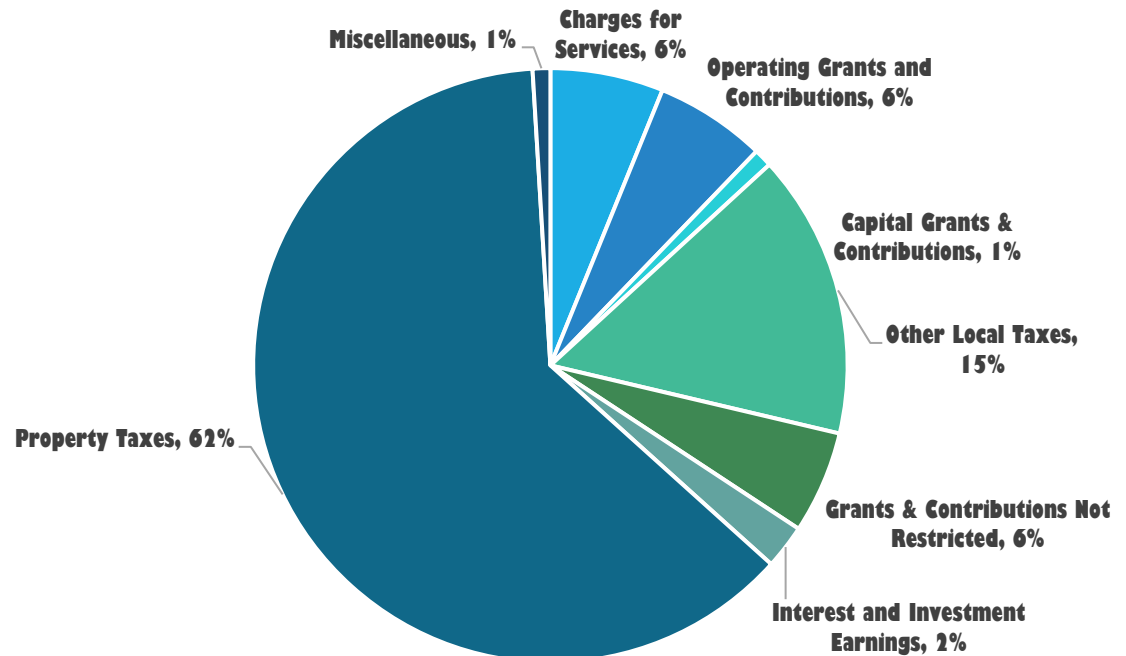
Revenues for governmental activities totaled \$1,012 billion, an increase of \$43 million from FY 2024. The City receives general revenues from real estate, personal property, sales and other local taxes as well as interest earnings. Program revenues are generated from operating and capital grants and charges for services.

Property and other taxes generate nearly 80 percent of total revenues from Governmental Activities.

Did you know?

Alexandria collects 99.6% of real estate taxes within the same year of the tax levy, and almost 100% over five years.

Revenue from Governmental Activities

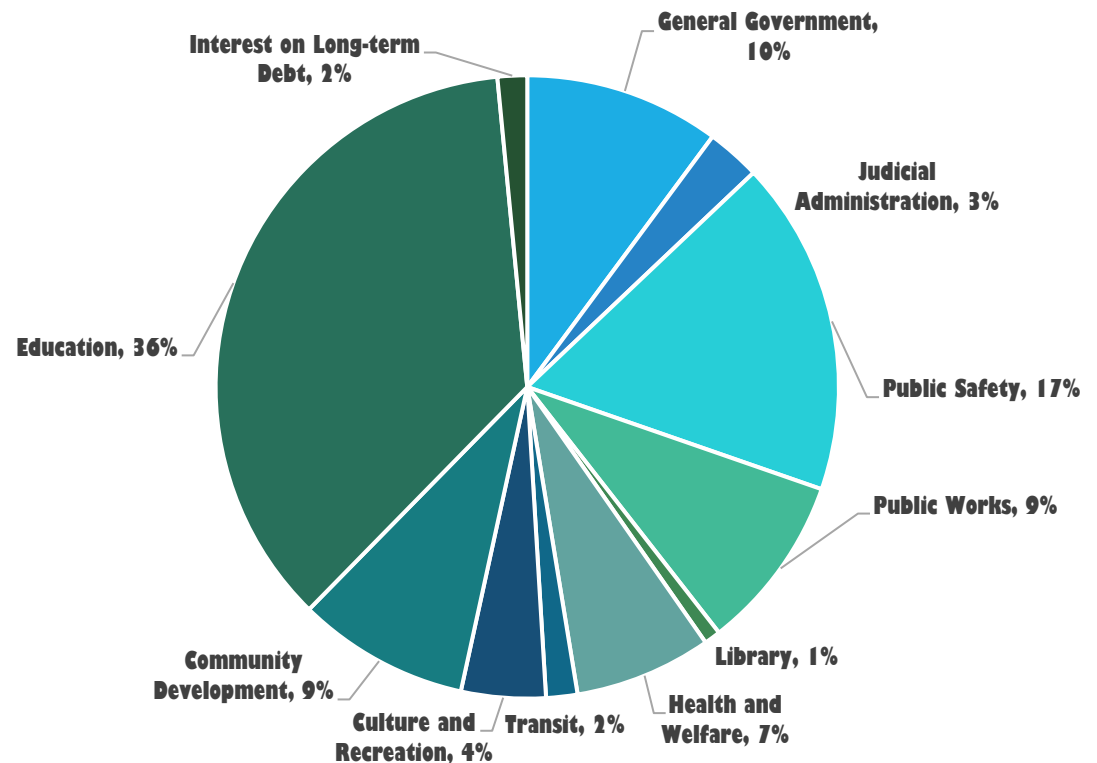


WHERE DOES THE MONEY GO?

Almost 90% represents General Fund expenses, with Education and Public Safety leading the way.

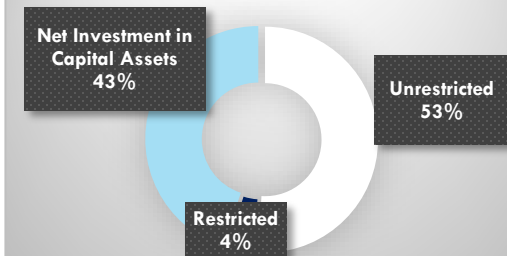
Expenses for governmental activities totaled \$1.031 billion, an increase of \$35 million from FY 2024. Most of the City's basic services are reported here: General government, judicial administration, public safety, public works, library services, health and welfare, transit, culture and recreation, community development, and education.

Expenditures from Governmental Activities



FY 2025 FINANCIAL RESULTS

Components of Net Position



The **unrestricted net position (\$274 million or 45%)** is a significant portion of net position and is considered available.

The City's **net investment in capital assets is \$313 million or 52%**. The City uses these capital assets to provide services to the community making them unavailable for future spending.

The **restricted net position (\$21 million or 3%)** represents funds that are segregated and designed for a specific use. These most commonly reflect programs with external funding sources that impose special requirements and restrictions.

The City's Statement of Net Position and Statement of Activities for the fiscal years ending June 30, 2024 and 2025 are shown in the charts below. This information reflects the assets, deferred outflows, liabilities, deferred inflows and net position of the Primary Government.

Statement of Net Position

(in thousands)	FY 2025	FY 2024
Total Assets and Deferred Outflows of Resources	\$2,750	\$2,698
Total Liabilities and Deferred Inflows of Resources	(2,141)	(2,070)
Ending Net Position	\$ 609	\$ 628

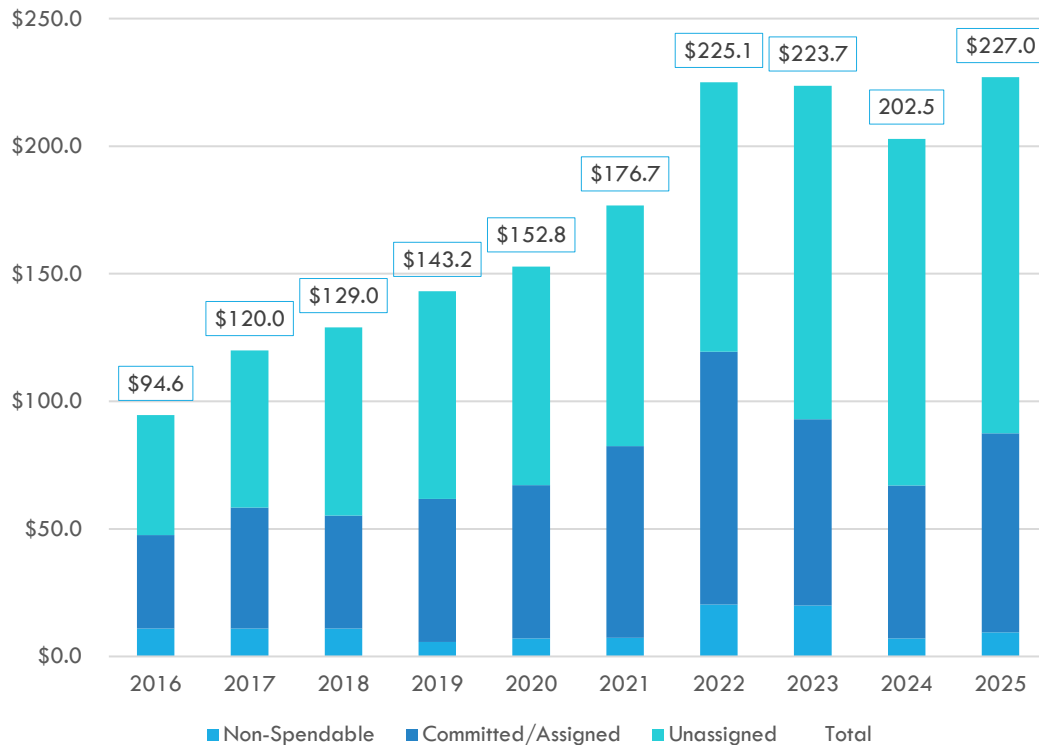
Statement of Activities

(in thousands)	FY 2025	FY 2024
Revenues	\$1,012	\$ 969
Less: Expenses	(1,031)	(996)
Increase/(Decrease) in Net Position	(19)	(27)
Beginning Net Position	628	655
Ending Net Position	\$ 609	\$ 628

Did you know?

Change in net position represents total assets less total liabilities on an organization-wide basis.

GENERAL FUND RESERVES



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

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

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

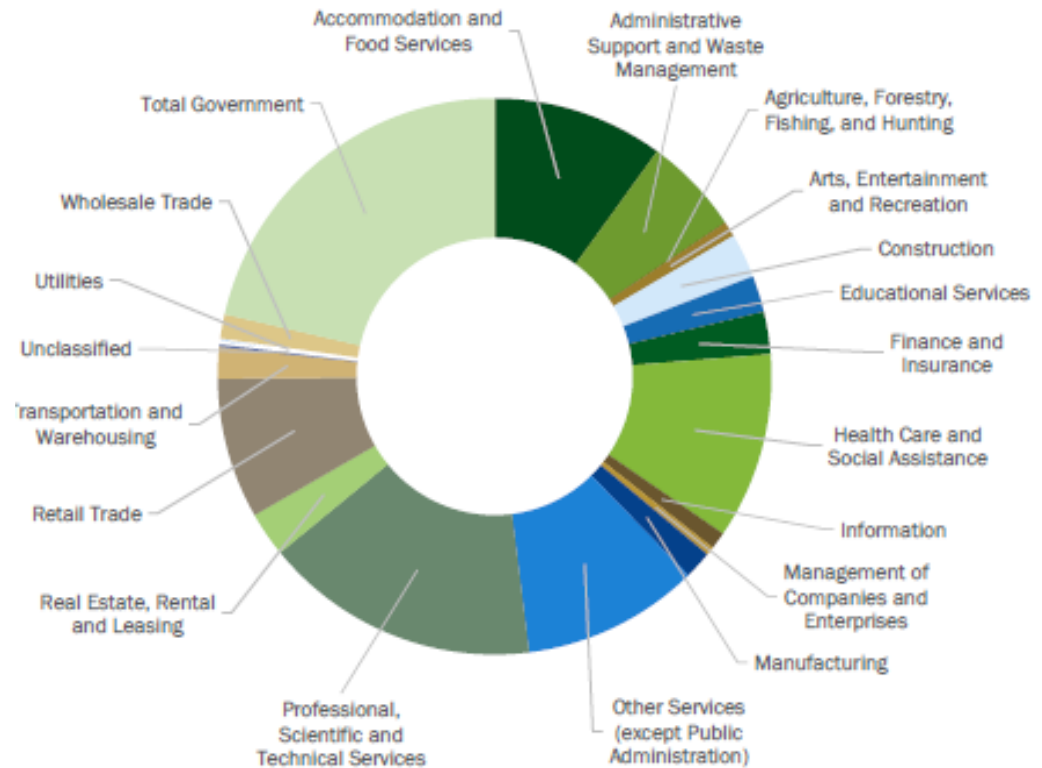
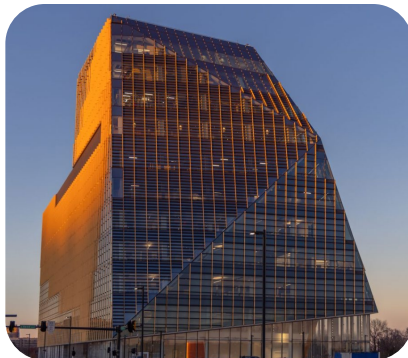
At the end of June 30, 2025, the City's Spendable Fund Balance as a Percent of General Fund Revenue is approximately 24%.

DIVERSE EMPLOYMENT

The proximity to the Nation's Capital benefits Alexandria in several ways, including providing 8,970 federal jobs or 11 percent of the City employment. The chart shows the diversity of the City's total employment by industry.

Professional, Science and Technical Services represents the largest segment of the City's jobs and includes a diverse collection of businesses from accounting and engineering firms to scientific research and consulting companies.

The Virginia Tech Innovation Campus, which opened in FY 2025, will produce world-class engineers, scientists and researchers to support the region's thriving tech sector.



Source: Virginia Employment Commission - City of Alexandria Community Profile

QUALITY OF LIFE

The City of Alexandria boasts more than one mile of riverfront land, providing residents and visitors with active and passive recreational uses, and stunning dining opportunities on the Potomac River.

Outdoor dining became more popular in the past several years, and the City recently approved an expansion of the pedestrian zone on lower King Street. This walkable, vibrant area provides visitors to Old Town with safe and open access to unique shops and restaurants, and provides the City with increased tourism and revenue.



Old Town Alexandria



Founders Park



Potomac River Waterfront



George Washington Masonic National Memorial



Rivergate Park



Torpedo Factory Art Center

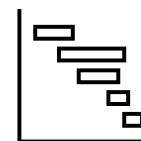
■ Culture

- Old Town Alexandria
- Historic King Street
- Torpedo Factory Art Center
- The Birchmere Music Hall
- The George Washington Masonic National Memorial
- Alexandria Archaeology Museum
- Alexandria Black History Museum
- Potomac River Waterfront

■ Recreation

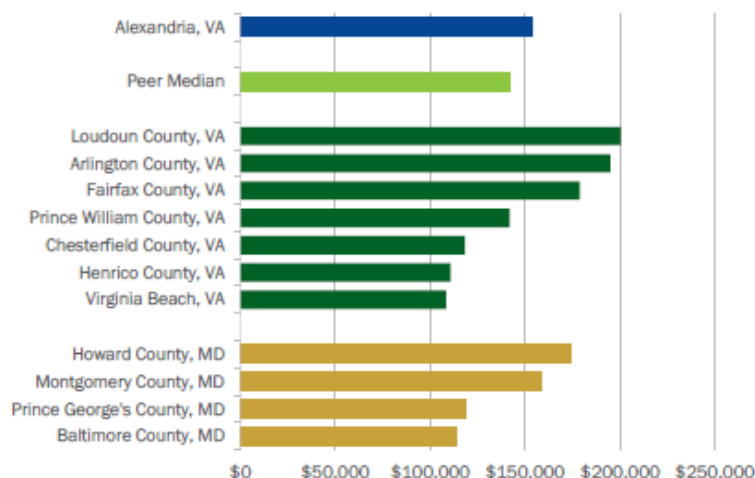
- 49 multi-use athletic fields
- 45 hard surface courts
- 62 boat slips at the City Marina
- 20 miles of trails
- 566 acres of City owned parkland
- 41 playground areas
- 18 dog parks
- 10 community recreation centers





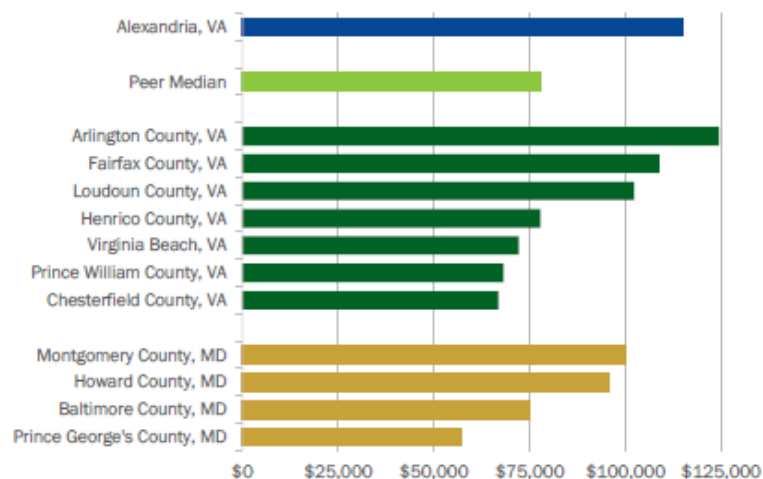
INCOME COMPARISONS

Median Family Income (FY 2023)

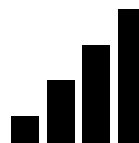


Locality	Median Family Income
Alexandria, VA	\$153,506
Peer Median	141,710
Loudoun County, VA	200,316
Arlington County, VA	194,878
Fairfax County, VA	178,683
Prince William County, VA	141,710
Chesterfield County, VA	118,200
Henrico County, VA	110,829
Virginia Beach, VA	108,168
Howard County, MD	174,263
Montgomery County, MD	158,399
Prince George's County, MD	118,434
Baltimore County, MD	113,535

Per Capita Income (FY 2023)

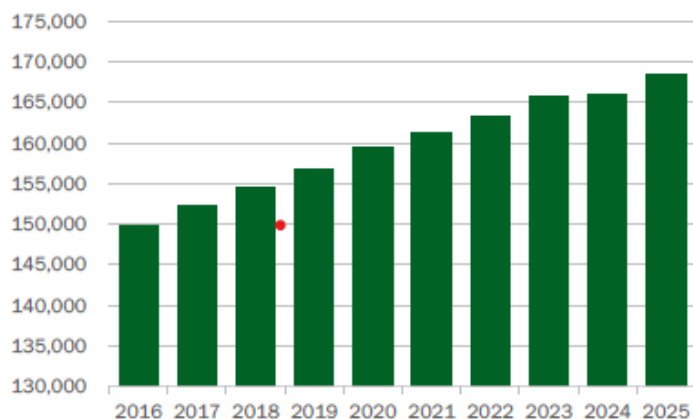


Locality	Per Capita Income
Alexandria, VA	\$115,144
Peer Median	77,783
Arlington County, VA	124,345
Fairfax County, VA	108,855
Loudoun County, VA	102,229
Henrico County, VA	77,783
Virginia Beach, VA	72,091
Prince William County, VA	68,164
Chesterfield County, VA	66,800
Montgomery County, MD	100,044
Howard County, MD	95,529
Baltimore County, MD	74,738
Prince George's County, MD	57,096



POPULATION AND DEMOGRAPHICS

Population Growth since 2016



Year	Alexandria	Growth
2016	149,900	
2017	152,200	1.5%
2018	154,500	1.5%
2019	156,800	1.5%
2020	159,467	1.7%
2021	161,300	1.1%
2022	163,400	1.3%
2023	165,700	1.4%
2024	166,000	0.2%
2025	168,600	1.6%
Avg. Ann. Growth		1.3%

Education and Wealth Statistics

	City of Alexandria	Virginia	United States
High school graduate or higher, percent of persons age 25+	92.90%	91.30%	89.40%
Bachelor's degree or higher, percent of persons age 25+	65.80%	41.50%	35.00%
Median value of owner-occupied housing units	\$696,800	\$360,700	\$303,400
Per capita income in past 12 months	\$77,935	\$49,217	\$43,289
Median family income	\$153,506	\$112,146	\$96,922

- Alexandria has realized steady and manageable growth in population over the last 10 years.
- Alexandria has a well-educated population with more than 65% holding a Bachelor's degree or higher, which is higher than state and national levels.
- Wealth levels are also higher than the state and national medians.

Source: U.S. Census Bureau, City of Alexandria Audited Financial Reports and Budgets

COMING SOON: FY 2027

The lifecycle of a fiscal year is more than two years! The FY 2027 Operating and Capital Budgets are currently being developed.

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

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

The calendar for the development of the FY 2027 Operating and Capital Budgets is published in the chart to the right. Make sure your voice is heard!

FY 2027 Budget Events and Public Meetings

November 1, 2025	City Council Budget Retreat
February 24, 2026	City Manager's FY 2027 Proposed Budget Presentation
February 25, 2026	FY 2027 Budget Work Session #1: Capital Improvement Program
February 26, 2026	Public Presentation of FY 2027 Proposed Budget
March 4, 2026	Tentative: FY 2027 Budget Work Session #2: ACPS
March 9, 2026	City Council FY 2027 Budget Public Hearing
March 10, 2026	FY 2027 Budget: Set Maximum Tax Rate
March 11, 2026	FY 2027 Budget Work Session #3
March 14, 2026	City Council FY 2027 Budget Public Hearing
March 18, 2026	FY 2027 Budget Work Session #4
March 25, 2026	FY 2027 Budget Work Session #5
April 18, 2026	FY 2027 Budget: Tax Rate Public Hearing
April 21, 2026	FY 2027 Budget Work Session #6: Preliminary Add/Delete
April 27, 2027	FY 2027 Budget Work Session #7: Final Add/Delete
April 29, 2027	FY 2027 Budget Adoption/Tax Rate Adoption



ACCOLADES AND ACCOMPLISHMENTS

Received GFOA's
Distinguished Budget
Presentation Award for
FY 2024

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

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

Voted a Top 3 Best
Small City in the US
by business owners
in 2025

Voted one of Best
Cities by travelers
in the US in 2025

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Prepared by the Department of Finance
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