

CITY OF ALEXANDRIA, VIRGINIA

Monthly Financial Report

September 2015



Report Summary—Revenues

General Property taxes are slightly higher in the first quarter than in FY 2015. Total collections to date of \$27.9 million reflect 6.5% of the budgeted amount, compared to \$21.9 million in FY 2015, which represented 5.3% of the total property tax revenues received. Real Property tax bills were mailed on September 22 and are due on November 15. Personal property taxes were due on October 5th and will be reflected in next month's report, however through September the collections were very similar to last year. Through September, 56 percent of the total locally collected personal property tax revenues of \$24.4 million had been received, compared to 47 percent for the same time period in FY 2015.

Other local taxes are trending consistently compared to last year. Two notable areas are Consumer Utility taxes and Admissions taxes. Consumer Utility tax receipts through September are \$0.9 million higher than through the same period last year. This is attributable to the timing of payments and not an indication of actual increasing revenue collections. Admissions tax is lower compared to FY 2015 due to the timing of a payment in August that was accrued to the prior year, but was received too late in August 2014 to be accrued in FY 2015. Other Revenue appears to reflect a significant variance and collections to date are higher than through September 2014, but it is important to keep in mind that the total revenues in FY 2015 included revenue from the sale of the Old Health Department Building.

Alexandria's economic environment is fairly stable and reflects the conditions across the region. Several key indicators are showing positive signs. As of June 2015, the office vacancy rate was 15.8%, a decrease of 1.5% over the same period last year and approximately one percent lower than the average for Northern Virginia. Unemployment in Alexandria continues to fall and was 3.5% at mid-year 2015. This is the second lowest rate in the region, (Arlington is lowest at 3.15) and compares favorably to the 4.9 percent average for Virginia and the 5.3 percent national average.

Residential real estate sales continue to be fairly volatile. In the month of July, not including foreclosures and short sales, 256 units sold, which is an increase of 4.9% compared to July 2014. The median sales prices dropped by 10.8%. However, in the month of August, there was an 18% increase in the number of units sold and an 11.6% increase in the median sales price. Through August 2015 the median sales prices of residential units is 3 percent higher than through August 2014. The residential assessment sales ratio for the 1,725 units that sold between January 1, 2015 and August 2015 was 95.67 percent. Between January 1, 2014 and December 31, 2014, for the 2,286 units that sold, the assessment to sales ratio was 94.73 percent. Property assessments reflect the fair market value of real property in the City. An assessment sales ratio around 95 percent indicates that the City's current property assessments are fairly consistent with the market and the selling price of homes is basically flat compared to the prior year.

The Monthly Financial Report details the City's General Fund revenues and expenditures as of the last day of the month, compares revenues and expenditures to historical data, and focuses on specific economic indicators relevant for the month. This report is presented to City Council by the City Manager and made available to the public.

CITY OF ALEXANDRIA, VIRGINIA

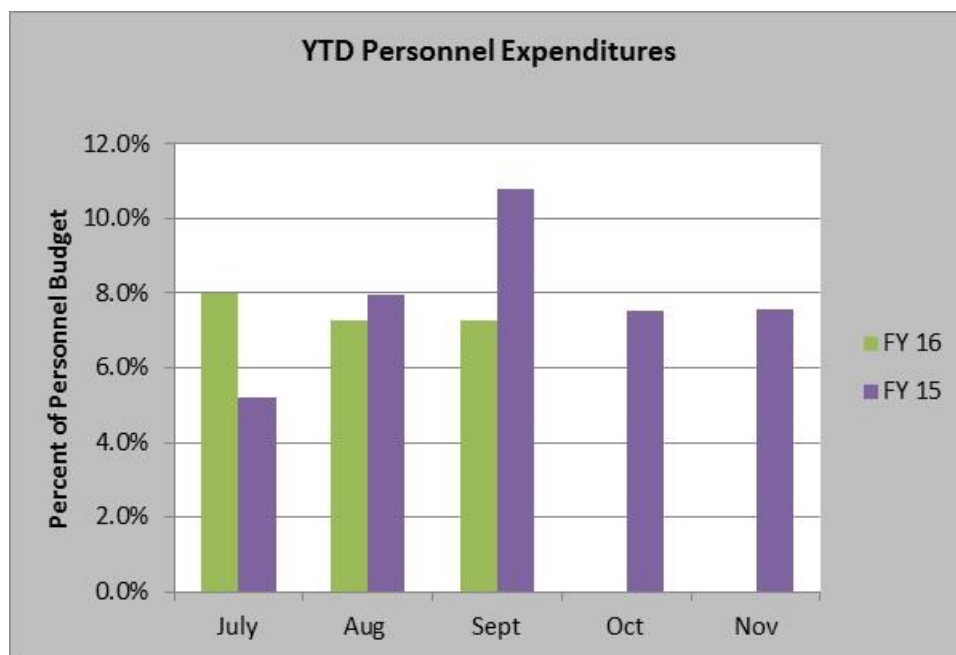
Monthly Financial Report

September 2015



Report Summary—Expenditures

As of September 30, 2015, General Fund expenditures totaled \$141.6 million, which equals 21.8 percent of the budgeted expenditures for FY 2016. At this time period, the City is one quarter of the way through the fiscal year and 24 percent of payrolls have been processed. Expenditures through September 2014 represented 21% of the expenditures for the entire year. At this point in the fiscal year there are no significant unbudgeted or unanticipated expenditures recorded and the variances shown in Attachment 2 are the result of changes in staffing levels or vacancies in departments. There are a number of personnel vacancies and employees in acting capacity in those departments. As positions are filled, the percent of budget expended will be more closely aligned with the percentage of the fiscal year that is completed. Departments that are impacted by this variances in staffing include, Human Resources, Project Implementation, Code Administration, Housing and the Office of Management and Budget. There is a significant variance in the spending percentage for the Registrar, which is attributable to the increase in their budget of approximately \$77,000 for the primary election in March, not to a significant change in their spending levels through the first quarter of the year.



The Monthly Financial Report details the City's General Fund revenues and expenditures as of the last day of the month, compares revenues and expenditures to historical data, and focuses on specific economic indicators relevant for the month. This report is presented to City Council by the City Manager and made available to the public.

REVENUES



REVENUE VARIANCES IN DETAIL

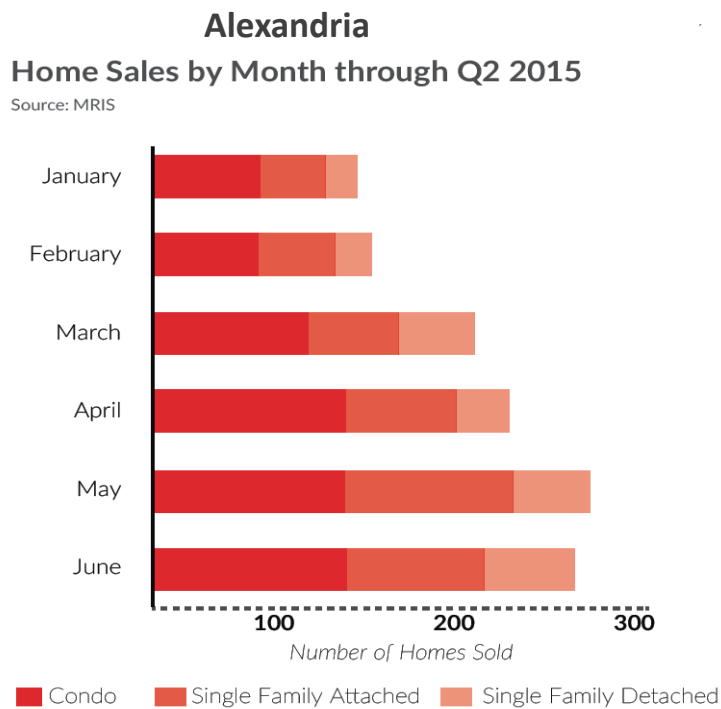
Variances in FY16 YTD Revenue from FY15 YTD Revenue	Explanation
Real Estate Recordation Tax	Real Estate Recordation Tax receipts reflect one month of collections for July 2015 and are considerably lower than the amount collected in July 2014. The amount collected to date is fairly consistent with the FY 2015 monthly average of \$445,979.
Consumer Utility Taxes	Consumer utility tax receipts through September are \$0.9 million higher than through the same period last year. This is attributable to the timing of payments and not an indication of actual increased revenue collections.
Admissions Tax	The City's largest remittances come from two movie theatres. In FY 2015, one of the July payments for June attendance was received later in the August so it is included as revenue for FY 2015. In August this year, both July payments were received earlier in the month and as a result were included in FY 2015.
Revenue from the Fed. Government	Federal revenue is higher compared to the prior year due to the timing of the receipt of our tax credit for Build America Bonds.
Other Revenue	In FY 2015, final revenue collections reflect the proceeds from the sale of the old Health Department Building of approximately \$5.3 million. FY 2016 reflects normal activity for the year.

ECONOMIC INDICATORS



- As of June 2015, the average sales price of residential properties was approximately 97.8% of the list price.
- The average days on the market for homes in Alexandria as of June 2015 was 42 days, which is the same as June 2014.
- Alexandria's overall retail vacancy rate of 3.7% in the second quarter of 2015 continues to be approximately 2% below the average for the Northern Virginia suburbs due in large part to very low vacancy rates in Old Town, Potomac Yard and Del Ray.
- Through the first three quarters of calendar year 2015 the City has issued 717 net new business licenses, including 1,088 offset by 371 that have terminated. It should be noted that this may not reflect changes in the total number of businesses in the City, but changes in the various classifications of business that existing businesses are licensed to conduct in the City.

Source: Alexandria Economic Development Partnership, Inc., and RBIntel



ATTACHMENT 1



CITY OF ALEXANDRIA, VIRGINIA

COMPARATIVE STATEMENT OF REVENUES GENERAL FUND

FOR THE PERIODS ENDING SEPTEMBER 30, 2015 AND SEPTEMBER 30, 2014

	B	C	D=C/B	E	F	G=F/E
	FY2016	FY2016		FY 2015	FY2015	
	REVISED	REVENUES	%	TOTAL	REVENUES	%
	BUDGET	THRU 9/30/15	OF BUDGET	REVENUE	THRU 09/30/14	OF TOTAL
General Property Taxes						
Real Property Taxes.....	\$ 382,088,719	\$ 3,208,266	0.8%	\$ 368,179,677	\$ 661,001	0.2%
Personal Property Taxes.....	43,860,000	24,448,454	55.7%	44,495,560	21,097,668	47.4%
Penalties and Interest.....	2,145,000	197,576	9.2%	2,065,762	125,258	6.1%
Total General Property Taxes	\$ 428,093,719	\$ 27,854,296	6.5%	\$ 414,740,999	\$ 21,883,927	5.3%
Other Local Taxes						
Local Sales and Use Taxes.....	\$ 25,500,000	\$ 2,141,726	8.4%	\$ 25,620,565	\$ 2,137,250	8.3%
Consumer Utility Taxes.....	12,500,000	1,938,964	15.5%	12,364,106	1,051,597	8.5%
Communication Sales and Use Taxes.....	11,000,000	881,629	8.0%	10,776,792	903,430	8.4%
Business License Taxes.....	33,000,000	299,385	0.9%	33,474,138	213,347	0.6%
Transient Lodging Taxes.....	11,500,000	1,853,857	16.1%	11,371,287	1,990,731	17.5%
Restaurant Meals Tax.....	17,750,000	2,584,053	14.6%	17,635,886	2,343,837	13.3%
Tobacco Taxes.....	3,060,000	528,230	17.3%	3,020,469	529,770	17.5%
Motor Vehicle License Tax.....	3,400,000	1,472,226	43.3%	3,483,135	1,434,781	41.2%
Real Estate Recordation.....	4,700,000	831,870	17.7%	5,351,748	1,008,448	18.8%
Admissions Tax.....	810,000	73,024	9.0%	902,556	132,623	14.7%
Other Local Taxes.....	3,909,800	71,751	1.8%	3,652,202	78,482	2.1%
Total Other Local Taxes	\$ 127,129,800	\$ 12,676,715	10.0%	\$ 127,652,884	\$ 11,824,295	9.3%
Intergovernmental Revenues						
Revenue from the Fed. Government.....	\$ 9,650,382	\$ 1,851,936	19.2%	\$ 9,691,407	\$ 1,088,185	11.2%
Personal Property Tax Relief from the Commonwealth.....	23,578,531	11,789,265	50.0%	23,578,531	11,789,265	50.0%
Revenue from the Commonwealth.....	22,759,967	4,703,937	20.7%	22,131,578	4,670,884	21.1%
Total Intergovernmental Revenues	\$ 55,988,880	\$ 18,345,138	32.8%	\$ 55,401,516	\$ 17,548,334	31.7%
Other Governmental Revenues And Transfers In						
Fines and Forfeitures.....	\$ 6,015,000	\$ 1,138,787	18.9%	\$ 4,916,607	\$ 984,224	20.0%
Licenses and Permits.....	2,534,625	772,075	30.5%	2,455,001	683,255	27.8%
Charges for City Services.....	19,321,236	3,433,256	17.8%	18,557,721	3,215,906	17.3%
Revenue from Use of Money & Prop.....	4,875,080	1,258,053	25.8%	4,870,007	1,086,611	22.3%
Other Revenue.....	624,654	440,264	70.5%	7,109,874	297,050	4.2%
Transfer from Other Funds.....	4,573,898	-	0.0%	3,206,574	-	0.0%
Total Other Governmental Revenues	\$ 37,944,493	\$ 7,042,435	18.6%	\$ 41,115,784	\$ 6,267,047	15.2%
TOTAL REVENUE	\$ 649,156,892	\$ 65,918,584	10.2%	\$ 638,911,183	\$ 57,523,603	9.0%
Appropriated Fund Balance						-
General Fund.....	\$ -	\$ -	\$ -	\$ -	\$ -	-
Appropriated refunding bond proceeds	-	10,645,678	0.0%	33,995,000	-	0.0%
Reappropriation of FY 2014	-	-	-	-	-	-
Encumbrances And Other	-	-	-	-	-	-
Supplemental Appropriations....	-	-	-	-	-	-
TOTAL	\$ 649,156,892	\$ 76,564,262	11.8%	\$ 672,906,183	\$ 57,523,603	8.5%

ATTACHMENT 2



COMPARATIVE STATEMENT OF EXPENDITURES & TRANSFERS BY FUNCTION GENERAL FUND FOR THE PERIODS ENDING SEPTEMBER 30, 2015 AND SEPTEMBER 30, 2014

	B	C	D=C/B	E	F	G=F/E
	FY2016 APPROVED BUDGET	FY2016 EXPENDITURES THRU 09/30/15	% OF BUDGET EXPENDED	FY 2015 TOTAL EXPENDITURES & ENCUMBRANCES	FY2015 EXPENDITURES THRU 09/30/14	% OF TOTAL
FUNCTION						
Legislative & Executive.....	\$ 5,305,916	\$ 1,050,400	19.8%	\$ 4,920,956	\$ 1,334,717	27.1%
Judicial Administration.....	\$ 41,610,243	\$ 9,742,400	23.4%	\$ 41,033,725	\$ 10,081,110	24.6%
Staff Agencies						
Information Technology Services.....	\$ 9,769,154	\$ 2,921,930	29.9%	\$ 9,530,069	\$ 2,404,139	25.2%
Management & Budget.....	1,297,704	242,582	18.7%	1,154,740	280,572	24.3%
Finance.....	13,356,917	2,594,211	19.4%	12,551,139	2,834,949	22.6%
Performance and Accountability.....	558,348	114,255	20.5%	**	**	0.0%
Internal Audit.....	302,895	74,284	24.5%	880,952	154,302	17.5%
Human Resources.....	3,653,561	647,718	17.7%	3,170,131	749,105	23.6%
Planning & Zoning.....	5,348,364	1,125,795	21.0%	5,138,421	1,213,528	23.6%
Economic Development Activities.....	5,327,600	1,323,829	24.8%	5,171,371	1,374,257	26.6%
City Attorney.....	2,824,383	844,861	29.9%	2,745,420	641,939	23.4%
Registrar.....	1,332,438	236,360	17.7%	1,116,014	252,711	22.6%
General Services.....	14,013,599	3,101,788	22.1%	13,895,860	3,230,962	23.3%
Total Staff Agencies	\$ 57,784,963	\$ 13,227,613	22.9%	\$ 55,354,117	\$ 13,136,464	23.7%
Operating Agencies						
Transportation & Environmental Services.....	\$ 27,776,656	\$ 6,404,488	23.1%	\$ 27,733,020	\$ 6,742,524	24.3%
Project Implementation.....	\$ 1,994,596	371,302	18.6%	1,535,464	\$ 345,742	22.5%
Fire.....	45,738,517	11,182,890	24.4%	44,199,360	10,334,016	23.4%
Police.....	58,634,383	14,550,029	24.8%	54,304,913	14,139,552	26.0%
Emergency Communications.....	7,162,801	1,845,609	25.8%	6,489,868	1,825,616	28.1%
Code.....	120,000	17,039	14.2%	115,773	23,694	20.5%
Transit Subsidies.....	10,156,073	2,537,961	25.0%	7,137,722	1,662,246	23.3%
Housing.....	1,827,112	360,847	19.7%	1,709,778	438,281	25.6%
Community and Human Services.....	13,661,244	3,436,521	25.2%	13,500,413	3,062,929	22.7%
Health.....	8,304,340	3,118,935	37.6%	7,970,262	3,090,231	38.8%
Historic Resources.....	2,836,470	625,488	22.1%	2,826,811	733,538	25.9%
Recreation.....	21,204,923	5,445,288	25.7%	21,063,798	5,866,079	27.8%
Total Operating Agencies	\$ 199,417,115	\$ 49,896,397	25.0%	\$ 188,587,182	\$ 48,264,449	25.6%
Education						
Schools.....	\$ 198,811,472	\$ 26,427,003	13.3%	191,811,472	\$ 27,565,953	14.4%
Other Educational Activities.....	11,877	2,993	25.2%	11,877	2,969	25.0%
Total Education	\$ 198,823,349	\$ 26,429,996	13.3%	\$ 191,823,349	\$ 27,568,922	14.4%
Capital, Debt Service and Miscellaneous						
Debt Service.....	\$ 63,684,774	\$ 21,578,641	33.9%	\$ 59,738,661	\$ 20,165,348	33.8%
Expenses on Refunding Bonds.....		10,749,293		33,858,404	-	0.0%
Non-Departmental.....	8,680,410	4,030,272	46.4%	9,859,352	3,876,141	39.3%
General Cash Capital.....	16,025,541	-	0.0%	22,854,753		0.0%
Contingent Reserves.....	1,305,000	-	0.0%	-		
Total Capital, Debt Service and Miscellaneous	\$ 89,695,725	\$ 36,358,206	40.5%	\$ 126,311,170	\$ 24,041,489	19.0%
TOTAL EXPENDITURES	\$ 592,637,311	\$ 136,705,012	23.1%	\$ 608,030,499	\$ 124,427,151	20.5%
Cash Match (Transportation/DCHS/ and Transfers to the Special Revenue /Capital Proj)	\$ 37,529,079	\$ 122,371	0.3%	\$ 40,723,456	\$ 11,052,940	27.1%
Transfer to Library.....	6,729,652	1,682,413	25.0%	6,468,697	1,651,790	25.5%
Transfer to DASH.....	12,260,850	3,065,213	25.0%	10,930,569	3,041,750	27.8%
TOTAL EXPENDITURES & TRANSFERS	\$ 649,156,892	\$ 141,575,009	21.8%	\$ 666,153,221	\$ 140,173,631	21.0%
Total Expenditures by Category						
Salaries and Benefits.....	\$ 213,979,511	\$ 48,133,733	22.5%	\$ 199,450,991	\$ 47,699,305	23.9%
Non Personnel (includes all school funds)	435,177,381	93,441,277	21.5%	\$ 466,702,230	92,474,326	19.8%
Total Expenditures	\$ 649,156,892	\$ 141,575,010	21.8%	\$ 666,153,221	\$ 140,173,631	21.0%

** In FY 2015 Internal Audit and Performance and Accountability were combined in one department