

amendments adopted by the School Board in the Final Budget will be brought to City Council for appropriation in the Fall.

ADOPTED OPERATING BUDGET: Sections 1 through 9 of the attached proposed appropriation ordinance legally establishes the revenues and expenditures of the FY 2023 budget. As detailed in Section 7 of the attached ordinance, a significant portion of the General Fund’s revenues are transferred to other funds and component units, principally to finance operations of the Alexandria City Public Schools. In addition, the total expenditure appropriation is reduced by the amount of these transfers (referred to as “Interfund Transfers”) to eliminate double counting and accurately reflect the aggregate expenditure appropriations. Table I, which is attached to the ordinance, provides the detailed breakdown for all funds for each department and component unit. Table II, which is also attached to the ordinance, provides the detailed revenue estimate for all funds by the major sources of revenue. Both tables reflect expenditures and revenues net of Interfund Transfers. The total appropriation of \$2,024,701,611, net of \$445,981,079 in Interfund Transfers (in order to not double count) equals \$1,578,720,532.

REAPPROPRIATION OF PROJECTED ENCUMBRANCES: Section 10 of the attached proposed appropriation ordinance reappropriates monies authorized and expected to be obligated in FY 2022 but not expected to be expended as of June 30, 2022. By City Charter, all appropriations lapse at the end of the fiscal year. When budgeted goods and services are ordered prior to the end of one fiscal year but not delivered until the next fiscal year, monies need to be reappropriated to cover the expenditures paid in the current fiscal year. As introduced in 2006, encumbrances are now authorized based on estimates of preliminary encumbrances. The actual encumbrance amount that is carried over from FY 2022 into FY 2023 may be lower than this amount. The final encumbrance amount that is carried over into FY 2023 will be reduced to reflect actual authorized encumbrances.

FISCAL IMPACT: This ordinance authorizes the receipt and expenditure of \$2,035,520,611 for FY 2022 in the following sections: \$2,024,701,611 in Sections 1 through 9 and \$10,819,000 in Section 10):

Section 1 to Section 9

General Fund	\$ 839,213,971
Special Revenue Fund	133,495,438
Affordable Housing Fund	10,044,431
Sewer Special Revenue Fund	18,240,983
Stormwater Special Revenue Fund	19,979,491
Potomac Yard Fund	21,373,975
Northern Virginia Transportation Authority Fund	31,433,459
Capital Projects Fund	561,155,721
Equipment Replacement Internal Service Fund	6,981,960
Alexandria City Public Schools	345,837,487
Library Fund	8,554,192
Alexandria Transit Company	28,390,503
Less: Interfund Transfers	(445,981,079)
Total	<u>\$ 1,578,720,532</u>

The amounts listed for the Alexandria Transit Company, the Schools, and the Library represent their total budgets, including the City’s General Fund appropriation to each agency and any fee revenue, grants, State aid or other revenues that are part of the total budgets. By the City Charter, Council must appropriate all monies, including those for the Alexandria Transit Company, Alexandria City Public Schools, irrespective of the source. The total appropriation of \$345.8 million to the ACPS includes \$316.2 million of operating funds, \$17.6 million for grants and special projects and \$12.0 million for the School Lunch Fund. The “Less: Interfund Transfers” line backs out dollars counted in more than one fund. The attached tables show revenues and expenditures by department and fund, net of interfund transfers.

Section 10

The reappropriation of \$10,819,000 of General Fund Balance as the maximum monies estimated to be encumbered as of June 30, 2022. This is a high end estimated amount which likely will be lowered in the first few months of FY 2023 to the actual encumbrance need. By obtaining an estimated authorized amount by July 1, clearer internal budget management is facilitated.

Reappropriation of monies encumbered as of June 30, 2022	<u>\$ 10,819,000</u>
Total	<u>\$ 10,819,000</u>

ATTACHMENTS:

Attachment 1 - Appropriation Ordinance Cover

Attachment 2 - Appropriation Ordinance

Attachment 3 - Table I - Expenditures by Department or Component Unit by Fund

Attachment 4 - Table II - Sources of Revenue

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