THE CITY OF
Alexandria
VIRGINIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDING
JUNE 30, 2021

CITY OF ALEXANDRIA, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR
JULY 1, 2020 TO JUNE 30, 2021

Alexandria City Council
Justin M. Wilson, *Mayor*
Elizabeth B. Bennett-Parker, *Vice-Mayor*
Canek Aguirre
John Taylor Chapman
Amy B. Jackson
Redella S. Pepper
Mohamed E. Seifeldein

City Manager .... Mark B. Jinks
Director of Finance .... Kendel Taylor
Comptroller .... Ian Greaves
Assistant Director of Revenue .... Kevin Greenlief
Real Estate Assessor .... William B. Page
City Attorney .... Joanna C. Anderson
City Clerk and Clerk of Council .... Gloria Sitton
Independent Auditors .... CliftonLarsonAllen, LLP

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CITY OF ALEXANDRIA, VIRGINIA
Annual Comprehensive Financial Report

For Fiscal Year Ended June 30, 2021

The ACFR Project Team extends its gratitude to all personnel throughout the City who contributed to the success of the FY2021 external financial audits and the preparation of the FY2021 ACFR.

Special thanks to the Accounting Division's support personnel, other Finance divisions, and the mailroom staff.

ACFR PROJECT TEAM

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Accountant I

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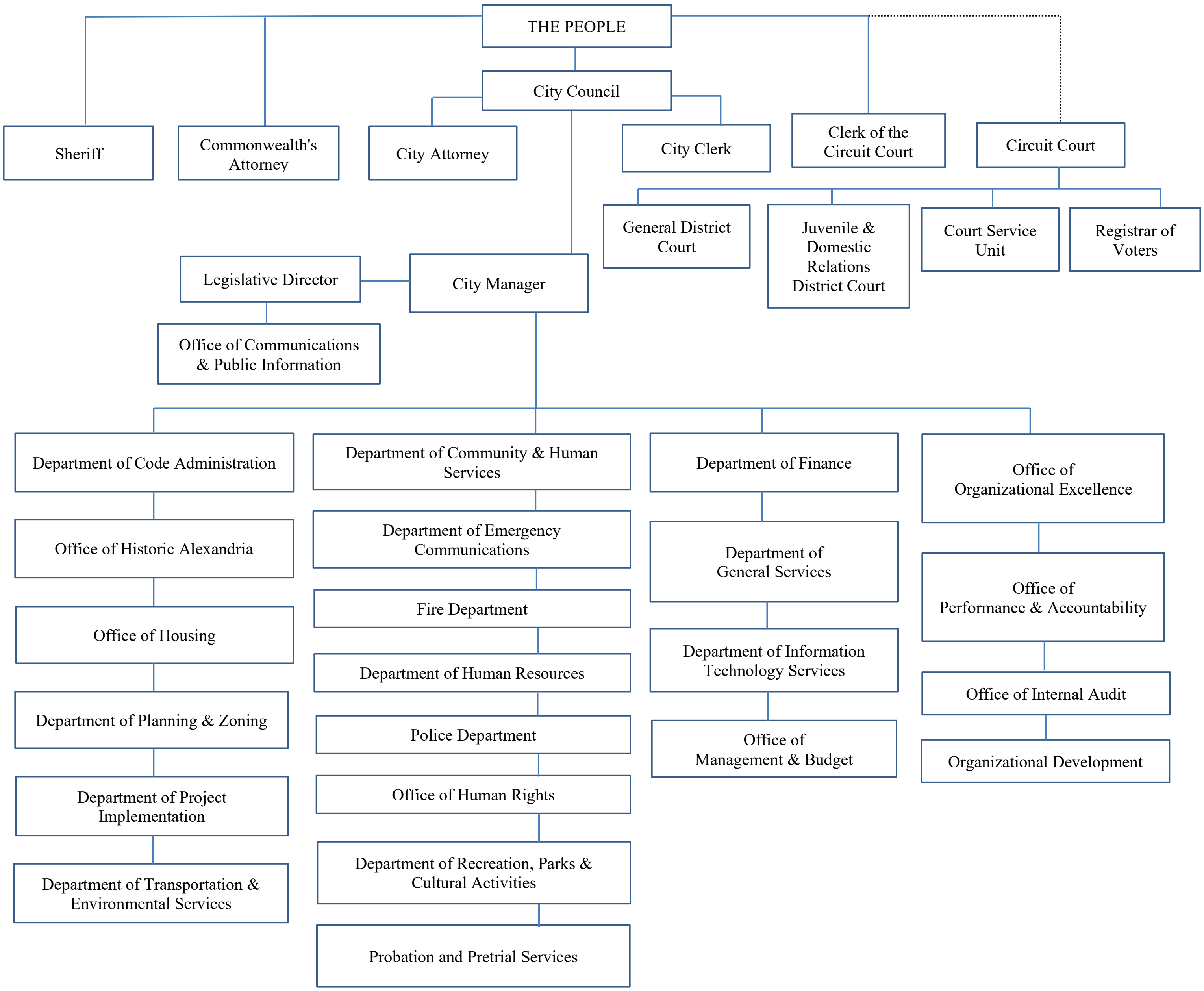


November 2, 2021

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, 2021. 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, results of operations, and cash flows from those of the primary government. The Schools and the Library System are reported as discretely presented component units. This report does not include the financial activities of the City's Deferred Compensation Plan, Alexandria Industrial Development Authority, 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 as it emerges from the COVID-19 pandemic, with strong fundamentals 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. In the first quarter of 2021, the City's employment averaged 82,318, which is 12 percent lower than in 2011. The unemployment rate in the City as of June 2021 was 4.3 percent, returning to historical levels following a temporary spike in the early months of the COVID-19 pandemic. The decline in jobs in the City has been driven almost entirely by decreases in private sector employment, which is down by 15.6 percent since 2011. This decline is attributable to several long-term trends including the relocation of several major employers and impacts of retail closures and national retail trends. Additionally, the City is experiencing continued impacts from the pandemic especially in the hospitality and food service sectors, where employment in March 2021 was 27.3 percent lower than in March 2020.

Despite an overall decrease in employment over the last ten years (since 2011), growth has occurred across several sectors. Professional services and government jobs continue to be the leading employment sectors in the City. Government is led by prominent federal agencies, including the U.S. Patent & Trademark Office, the National Science Foundation, the U.S. Department of Defense, and the U.S. Department of Agriculture Food and Nutrition Service.

The City's strong wage growth (+10.9 percent over ten years, inflation-adjusted) has been driven by wage increases across many sectors of the economy. On the top end, the information industry experienced a 36.5 percent increase in average annual pay (inflation-adjusted), which includes jobs in media and communications technology. Most significantly, the City's two largest and most stable employment sectors, the federal government and professional services, saw sustained wage growth over the last decade (2.9 and 9.1 percent, respectively, inflation-adjusted). These two sectors together comprise 32.1 percent of all jobs and 46.4 percent of all wages earned in the City.

One measure of the health of the local economy, and the strength of the City's recovery from the COVID-19 pandemic, is economically sensitive City revenues. In FY 2021, the City experienced an overall increase in tax revenue of approximately 3 percent. This was led by increases in real property, business license (gross receipts), restaurant meals, and local sales taxes, which offset declines in personal property and transient lodging taxes. Growth in business license and restaurant meals taxes reflects the recovery of the local business community, while sales tax growth was driven by online purchases. The decline in transient lodging taxes corresponds with a slow return to business travel, whereas the dip in personal property tax revenue was due to a temporary suspension in collections activity during the pandemic. Increasing vehicle values point to a likely rebound of personal property tax revenue in FY 2022.

The real estate tax base, which generates over half of the City's General Fund revenues, continued to show steady, moderate growth. Total locally assessed real property increased in value by 2.7 percent compared to 2020. Residential real property increased by 6.0 percent, compensating for a decline of 2.0 percent in commercial assessments. The office vacancy rate of 16.2 percent in the second quarter of 2021 is slightly higher than one year earlier, but lower than the rates for Northern Virginia and the Washington, D.C. metropolitan area. The City's unemployment rate of 4.3 percent in June 2021 shows a nearly full recovery from pandemic-driven unemployment and is lower than the national rate of 5.9 percent.

MAJOR INITIATIVES

Strong fiscal management remains a hallmark of Alexandria's City government and has enabled the City to respond to revenue declines, address priority needs, including public safety, public education, and modernization of heavily used recreation and library facilities. 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

Despite the economic downturn caused by the COVID-19 pandemic, the City government continues to be in very sound financial condition as demonstrated by the financial statements and schedules included in this report. This is due, first of all, to the resilience and creativity of Alexandria's residents and businesses. At the same time, City Council approved a revised FY 2021 budget which prioritized protection of public health and economic recovery while postponing certain capital investments and controlling operating spending. 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.

Keeping existing programs funded, the salaries of public employees competitive in a challenging labor market, and addressing the expanding program needs of the community have required careful budgeting. The City Council has adopted a Strategic Plan to ensure that City resources remain focused on City priorities. The seven goals of the Strategic Plan are:

1. Alexandria has quality development and redevelopment support for local businesses and a strong, diverse, and growing local economy.
2. Alexandria respects, protects, and enhances the health of its citizens and the quality of its natural environment.
3. A multimodal transportation network that supports sustainable land use and provides internal mobility and regional connectivity for Alexandrians.
4. Alexandria is a community that supports and enhances the well-being, success and achievement of children, youth, and families.
5. Alexandria is financially sustainable, efficient; community oriented and values its employees.
6. The City protects the safety and security of its residents, businesses, employees, and visitors.
7. Alexandria is a caring and inclusive community that values its rich diversity, history, and culture.

The City Council's approved FY 2022 – 2031 Capital Improvement Program (CIP) totals $2.66 billion, which is a $552.8 million increase over last year's approved CIP, or 26.2 percent more than last year's ten-year plan. Non-City funds including federal and state grants and private capital contributions contribute $357.6 million of this total for FY 2022 – FY 2031. The City portion for the same period is $2.3 billion, including $1.8 billion in unrestricted cash and bonds and $551.5 million in restricted taxes, fees, and bonds. The increase is largely driven by a new aggressive stormwater capacity program ($266.6 million), the planned purchase of the DCHS/Health office building at Mark Center ($58.7 million), and the inclusion of the Landmark Mall site redevelopment plan City financial participation ($130 million) in the CIP. The City Council's Approved FY 2022 – 2031 CIP is a balanced 10-year plan in that all projects have identified funding sources.

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 11. 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 2021, the City's debt to tax base ratio was 1.61 percent (excluding 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.

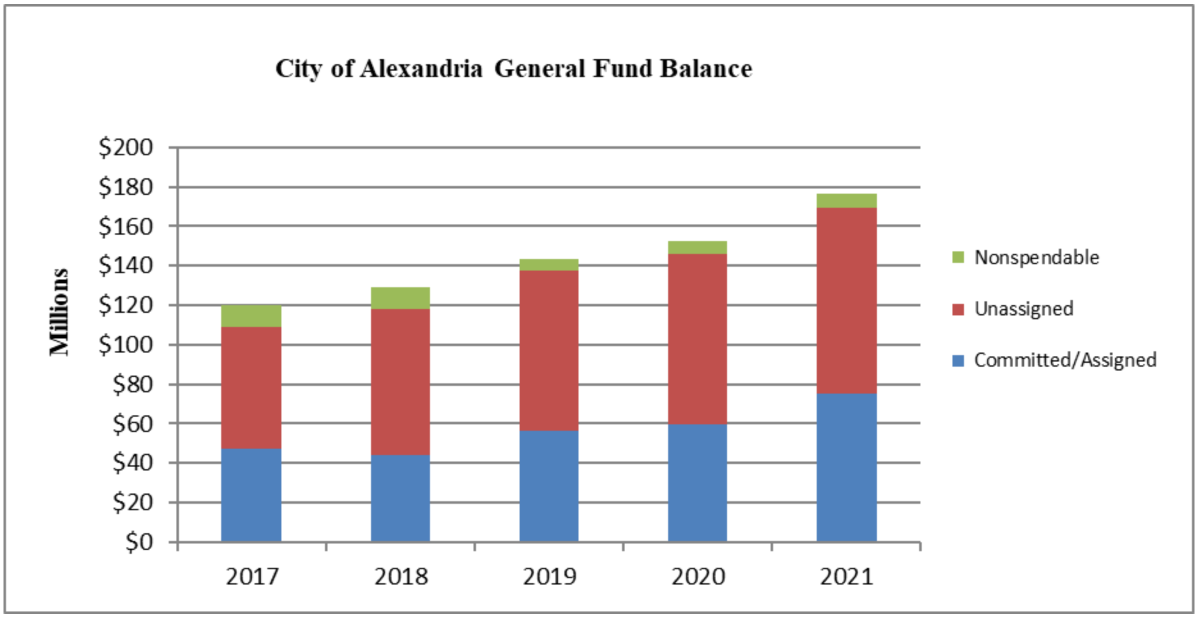
GENERAL GOVERNMENT FUNCTIONS

The table below 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 $10.2 billion since 2012. This includes a 2.7 percent increase from calendar year 2020 to 2021. 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)
2012	18,715,708	1.5%	14,238,581	6.6%	32,954,289	3.7%
2013	19,384,653	3.6%	14,735,802	3.5%	34,120,455	3.5%
2014	20,314,910	4.8%	15,020,272	1.9%	35,335,182	3.6%
2015	21,195,995	4.3%	15,376,112	2.4%	36,572,107	3.5%
2016	21,713,189	2.4%	15,886,156	3.3%	37,599,345	2.8%
2017	22,092,997	1.7%	16,284,956	2.5%	38,377,953	2.1%
2018	22,844,036	3.4%	16,437,017	0.9%	39,281,053	2.4%
2019	23,310,833	2.0%	17,025,285	3.6%	40,336,118	2.7%
2020	24,550,610	5.3%	17,501,144	2.8%	42,051,754	4.3%
2021	26,029,769	6.0%	17,158,601	-2.0%	43,188,369	2.7%

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 2021, the City's General Fund balance was $176.6 million and included a non-spendable fund balance of $7.3 million, commitments and assignments totaling $75.2 million, including $19 million assigned for future capital funding, leaving a remaining unassigned fund balance of $94.2 million. At the end of FY 2021 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 2022 through FY 2031 totals $2.66 billion, including $2.3 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 $357.6 million in additional planned capital funding for the FY 2022—FY 2031 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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Target
Debt as a Percentage of Assessed Value	2.5% (ceiling)	1.36%	1.46%	1.50%	1.46%	1.37%	1.43%	1.49%	1.44%	1.75%	1.61%	N/A
Debt Service as a Percentage of General Governmental Expenditures[1]	12% (ceiling)	5.87%	6.55%	6.99%	7.50%	7.84%	7.36%	7.19%	6.94%	6.68%	6.81%	N/A
10-Year Debt Payout Ratio[2]	50% (floor)	-	-	-	-	-	70.27%	69.02%	70.90%	74.60%	76.20%	65.00%
Spendable Fund Balance as a Percentage of General Fund Revenue:	4% (floor)	13.20%	10.10%	10.20%	11.70%	12.88%	15.96%	16.43%	18.48%	19.97%	22.62%	5.50%
Unrestricted Net Position as a Percentage of General Revenue	4% (floor)	14.20%	17.90%	20.20%	(5.97%)	(2.68%)	4.78%	8.97%	10.49%	14.37%	21.12%	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 October 2020 as follows:

Moody's Investors Service	**Standard & Poor's**
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. On April 29, 2020, the City Council formally approved the FY 2021 original adopted budget, following revisions submitted by the City Manager on April 7, 2020, in response to the COVID-19 public health emergency.

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 Annual Comprehensive Financial Report (ACFR) for the forty-sixth year in 2020. 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 potentials 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 our 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 2021.

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 and joint enterprise waste-to-energy-revenue bonds, to provide each nationally recognized municipal securities information repository and to any appropriate state information depositor, 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,

Kendel Taylor

Director of Finance

Ian Greaves, Ph.D.

Comptroller

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Alexandria
Virginia

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members of the City Council
City of Alexandria
Alexandria, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Alexandria (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Alexandria Library System, a discretely presented component unit, which represents 4.0 percent of the assets, -2.0 percent of the net position, and 1.4 percent of the revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors, whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Alexandria Library System, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the Specifications for Audits of Counties, Cities and Towns, issued by the Auditor of Public Accountants of the Commonwealth of Virginia (Specifications). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. The financial statements of the City of Alexandria Library System were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Alexandria as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter Paragraph

During fiscal year ended June 30, 2021, the City adopted GASB Statement No. 84 Fiduciary Activities. The implementation of this standard resulted in a change in accounting principle (see Note 19). Our auditors' opinion was not modified with respect to the change in accounting principle.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as stated in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Alexandria's basic financial statements. The combining and individual non-major fund financial statements, as presented in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical tables, as listed in the accompanying table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2021, on our consideration of the City of Alexandria's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Alexandria’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Alexandria’s internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Arlington, Virginia
November 2, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

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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, 2021. 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 2021

The City's total Net Position, excluding component units, on a government wide basis, increased approximately $31.2 million from $584.4 million to $615.6 million at June 30, 2021 (Exhibit I). During FY 2021, the City implemented Governmental Accounting Standards Board (GASB) Statements No. 84, "Fiduciary Activities," and No. 90, "Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61."

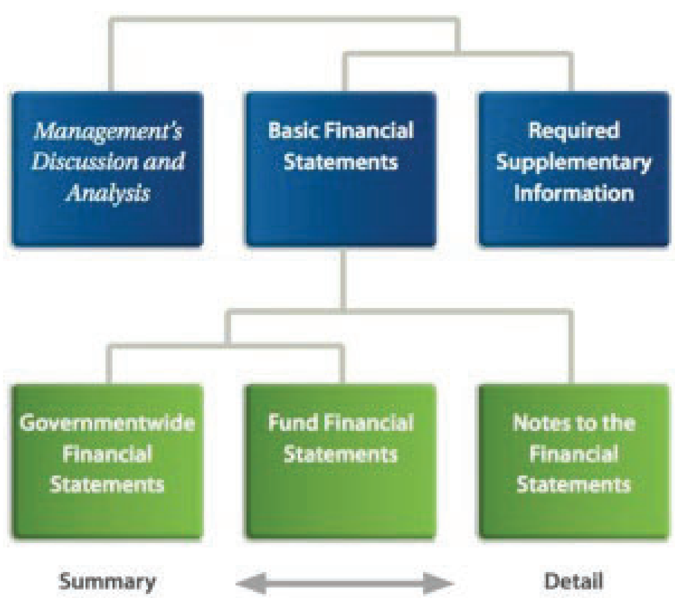
The government-wide activities had an unrestricted net position of $151.6 million (Exhibit I) as of June 30, 2021, an increase of $50.8 million from the FY 2020 total of $100.8 million. The City's revenues for governmental activities of $924.9 million were $18.3 million higher than the $906.6 million reported in FY 2020 (Exhibit II).

The General Fund reported revenues and other financing sources in excess of expenditures and other financing uses, or current net change in fund balance, of $23.7 million (Exhibit IV) after making a $47.3 million transfer to the capital projects fund and a $75.4 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. A fourth section, single audit, will be added pending guidance from the U.S. Office of Management and Budget. As the following chart shows, the financial section of this report has four components - *management's discussion and analysis* (this section), the *basic financial statements*, the *required supplementary information* and *the other supplementary information*.

Required Components of the Financial Report



The government-wide financial statements report information about the City as a whole using accounting methods similar to 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 as a whole. 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 taken into account 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 trusts. It is also responsible for other assets (known as custodial funds) that, because of a trust arrangement, can be used only for the trust beneficiaries. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of 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, 2021 and 2020
(in millions)

	Primary Government Governmental Activities		Component Units	
	2021	2020	2021	2020
ASSETS				
Current and other assets	$ 1,093	$ 1,096	$ 103	$ 84
Capital assets	958	929	16	17
Total Assets	2,051	2,025	119	101
Deferred Outflows	86	76	85	63
LIABILITIES				
Other Liabilities	76	65	52	47
Long-term liabilities	825	875	15	14
Net Pension/OPEB Liability	145	236	335	298
Total Liabilities	1,046	1,176	402	359
Deferred Inflows	475	341	28	30
NET POSITION				
Net Investment in Capital Assets	406	461	16	16
Restricted	58	22	20	15
Unrestricted	152	101	(261)	(256)
Total Net Position	$ 616	$ 584	$ (225)	$ (225)

Amounts may not add due to rounding.

The City's Net Position, (which is the City's bottom line) increased $31.2 million from its Net Position of $584 million to $616 million (Table 1).

Statement of Activities

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

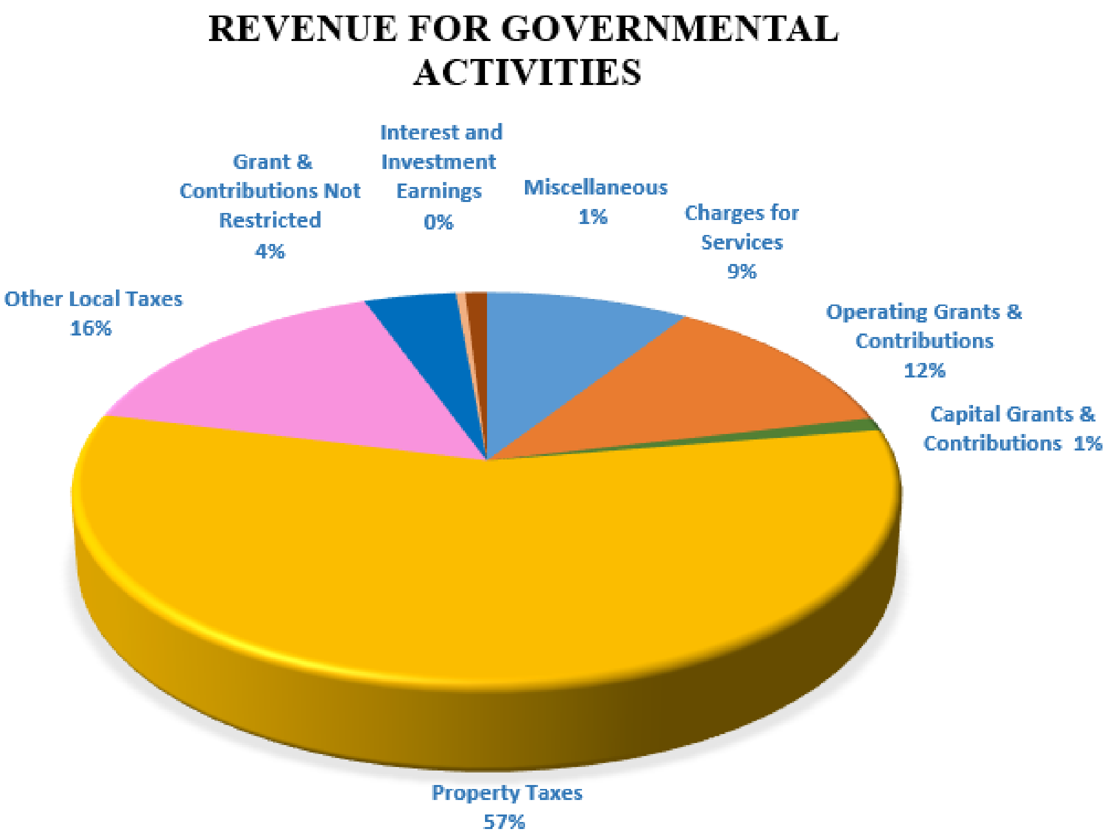
Table 2
Summary of Changes in Net Position
For the Fiscal Years Ended June 30, 2021 and 2020
(in millions)

	Primary Government Governmental Activities		Component Units	
	2021	**2020**	**2021**	**2020**
REVENUES				
Program revenues				
Charges for services	$ 84	$ 96	$ 1	$ 2
Operating grants and contributions	113	60	33	22
Capital grant/contributions	10	7	-	-
General revenues				
Property taxes	524	520	-	-
Other taxes	143	134	-	-
Other	38	50	-	-
Payment to/from City	13	40	307	297
Total Revenues	925	907	341	321
EXPENSES				
General Government	49	95	-	-
Judicial Administration	21	22	-	-
Public Safety	176	163	-	-
Public Works	84	77	-	-
Library	7	7	8	7
Health and Welfare	120	108	-	-
Transit	29	43	-	-
Culture and Recreation	31	33	-	-
Community Development	57	58	-	-
Education	293	263	333	320
Interest on Long-term Debt	27	23	-	-
Total Expenses	894	892	341	327
Change in Net Position	31	14	-	(7)
Net Position beginning of Year, restated	584	570	(225)	(218)
Net Position end of Year	$ 616	$ 584	$ (225)	$ (225)

Amounts may not add due to rounding.

REVENUES

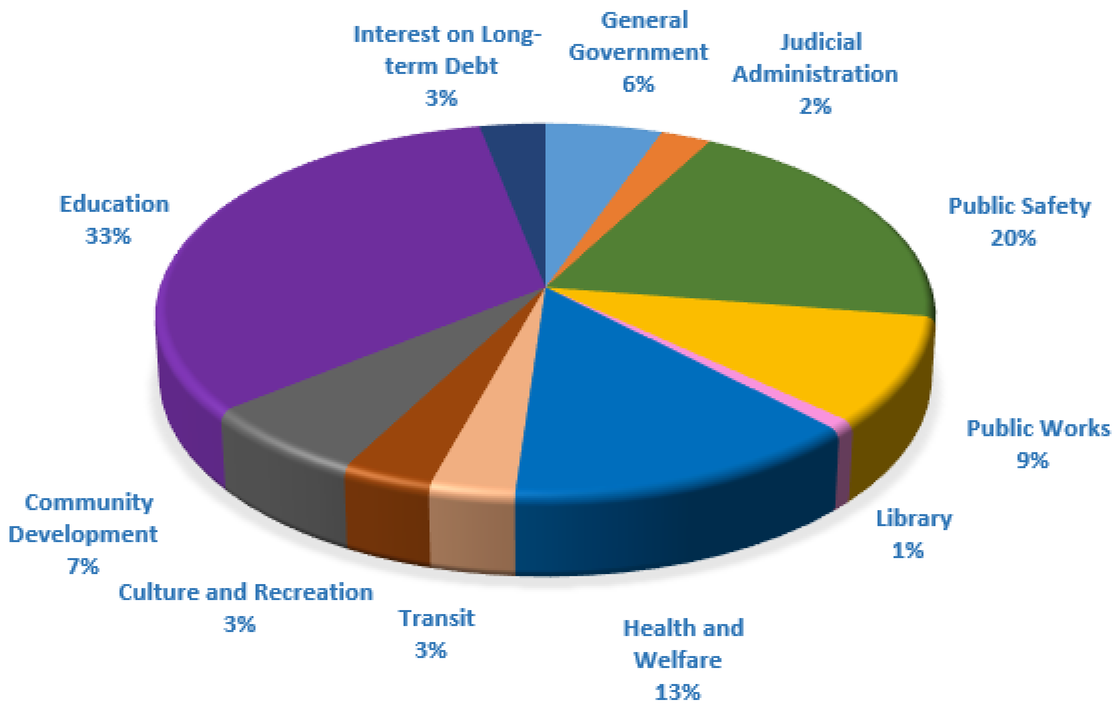
For the fiscal year ending June 30, 2021, revenues for governmental activities totaled $924.9 million, $18.4 million higher than FY 2020's total of $906.6 million (Table 2). This is due to a $53 million increase in operating grants and contributions as well as stable property tax revenues. The increase in operating grants includes the City's share of pandemic-related federal relief funds from the CARES Act. FY 2021 general revenues declined by $25.9 million from $743.9 million in FY 2020 to $718.0 million in FY 2021, due to reductions in unrestricted grants and interest income. Property tax revenues, including real estate and personal property, were stable and generated 57 percent of total revenue for governmental activities. Other Local Tax revenue increased by $10.1 million or 7.6 percent compared to FY 2020, due to a stronger than expected recovery in business and sales taxes. Charges for Services decreased by $11.1 million compared to the prior year, reflecting reduced user fee activity and the suspension of DASH bus transit fares for much of FY 2021.



EXPENSES

For the fiscal year ending June 30, 2021, expenses for governmental activities totaled $893.7 million, an increase of $1.5 million from FY 2020 (Table 2). Expenditures for general government declined due to a selective freeze in hiring and merit pay increases, while transit also decreased significantly because the City used other regional transit funds to meet its FY 2021 contribution to the Washington Metropolitan Area Transit Authority (WMATA). At the same time, spending increases for public safety, health and welfare, and education reflects the City's outward response to the COVID-19 public health emergency. Much of this spending increase was funded by the pandemic-related federal relief grants, particularly the CARES Act. The City's contribution to Alexandria City Public Schools was not impacted by the pandemic and continued to represent a third of expenses for governmental activities.

EXPENSES FOR GOVERNMENTAL ACTIVITIES



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

For the fiscal year ended June 30, 2021, the governmental funds reflect a combined fund balance of $599.7 million (Exhibit III). The Total Governmental Funds fund balance decrease of $76.0 million was driven by the $119.6 decrease in the Capital Projects Fund, in which significant capital investments were made using previously issued bond proceeds. The increase in General Fund fund balance of $23.7 million is the result of revenue collections exceeding the post COVID-19 forecast and the significant expenditure savings that occurred from the precautions taken in the revised FY 2021 budget. These included a selective freeze on hiring and merit pay increases given the uncertainty surrounding the revenue forecast in the pandemic era. Transit expenditures from the General Fund decreased by $14.1 million as the City used other regional transit funds to meet its FY 2021 WMATA contribution. Special Revenue fund balance increased primarily due to the payment of several sewer connection fees related to developer special use permits.

- The General Fund contributed $38.7 million to pay-as-you-go financing of capital projects, which represented 5.3 percent of all General Fund expenditures (excluding bond refunding).
- The City contributed $234.0 million to the Schools operating budget. The ACPS share of total debt service was $28.6 million.
- The City spent $187.4 million in the Capital Projects Fund, the most notable projects being the Potomac Yard Metrorail Station and school projects at Patrick Henry and John Adams Elementary Schools.
- The Northern Virginia Transportation Fund received $23.7 million in regional tax revenue for transportation operations and capital.
- The Potomac Yard fund received $14.0 million in real estate taxes to be used to build a Metrorail station.

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)

	FY 2021			
	Original Budget	**Amended Budget**	**Actual**	**Variance from Amended**
Revenues, Transfers, and Other Financial Sources				
General Property Taxes	$ 535	$ 535	$ 535	$ -
Other Local Taxes	115	115	131	16
Transfers and Other	95	145	142	(3)
Total	745	795	808	13
Expenditures, Transfers, and Other Financial Uses				
Expenditures	409	409	373	(36)
Transfers and Other	344	413	411	(2)
Total	753	822	784	(38)
Change in Fund Balance	$ (8)	$ (27)	$ 24	$ 51

Amounts may not add due to rounding.

Actual General Fund revenues and other financial sources exceeded the original and amended budgets by $13.0 million during FY 2021. Including supplemental appropriations, actual General Fund expenditures were less than the amended budget by $38.0 million. Despite the impact of the pandemic, collection of general property taxes reached its budget target. Other Local Taxes significantly exceeded budget due to a strong recovery in the business community and surging online sales which lifted sales taxes. Reductions in user charges and fees as well as interest income due to low rates were offset by an increase in revenue from permits and licenses and intergovernmental revenue, notably a reimbursement from FEMA for eligible expenditures incurred in FY 2020. On the expenditure side, the City's selective freeze on hiring and merit pay increases, as well as a reduction it its contribution to WMATA, resulted in a substantial savings in the General Fund.

During FY 2021, City Council amended the budget four 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, 2020, but not paid by that date.
- To reappropriate monies to pay for projects budgeted for FY 2020 but not completed before the end of the fiscal year.
- To reappropriate grant, donation and other revenues authorized in FY 2020 or earlier, but not expended or encumbered as of June 30, 2020.

- To appropriate grants, donations, and other revenues accepted or adjusted in FY 2021.

CAPITAL ASSETS

At the end of FY 2021, the City's governmental activities had invested cumulatively $957.9 million (see Note 5) in a variety of capital assets and infrastructure, as reflected in the following schedule, which represents a net increase of $29.0 million.

Table 4
Governmental Activities
Capital Assets
(in millions)

	Balance 6/30/2020	Net Additions/ (Deletions)	Balance 6/30/2021
Non-Depreciable Assets			
Land and Land Improvements	$ 127.6	$ -	$ 127.6
Construction in Progress	59.3	11.7	71.0
Other Capital Assets			
Intangible Assets	26.3	0.1	26.4
Buildings	776.1	21.5	797.6
Infrastructure	308.3	17.2	325.5
Furniture and Other Equipment	185.4	17.3	202.7
Accumulated Depreciation on Other Capital Assets	(554.1)	(38.8)	(592.9)
Total Capital Assets	$ 928.9	$ 29.0	$ 957.9

Amounts may not add due to rounding.

The FY 2022—FY 2031 Approved Capital Improvement Program (CIP), which was approved by City Council on May 5, 2021, sets forth a 10-year program with $2.66 billion in total funding, including $2.3 billion in new City funding and $357.6 million in other non-City sources for public improvements for the City and the Alexandria City Public Schools. This represents (in City funding) an increase of approximately $0.5 billion more than the FY 2021—FY 2030 CIP. For purpose of comparison the Approved FY 2021—FY 2030 CIP totaled $2.1 billion, of which $267.3 million was from non-City sources and $1.8 billion is the net City cost.

LONG-TERM DEBT

At the end of FY 2021, the City had $704.1 million in outstanding general obligation bonds, a decrease of $43.8 million from last year's outstanding bonds of $747.9 million. More detailed information about the City's long-term liabilities is presented in Note 9 to the financial statements.

In October 2020, 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 "very strong" economy, fiscal management, budgetary flexibility, and liquidity as it again rated the City's credit as AAA. Moody's noted the City's tax base, relatively high per capita income, and sound fiscal policies and management in assigning its Aaa rating.

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 $4.3 billion for the City.

On October 2020, the City issued $49.8 million in taxable General Obligation Refunding Bonds with a premium of $0.1 million and a true interest cost of 1.45 percent (Series 2020). The issuance refunded $46.1 million in previously issued bonds at higher interest rates, resulting in a savings to the City of $2.3 million in debt service costs.

ECONOMIC FACTORS

Alexandria's economy remains healthy as it emerges from the COVID-19 pandemic, with strong fundamentals 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. In the first quarter of 2021, the City's employment averaged 82,318, which is 12 percent lower than in 2011. The unemployment rate in the City as of June 2021 was 4.3 percent, returning to historical levels following a temporary spike in the early months of the COVID-19 pandemic. The decline in jobs in the City has been driven almost entirely by decreases in private sector employment, which is down by 15.6 percent since 2011. This decline is attributable to several long-term trends including the relocation of several major employers and impacts of retail closures and national retail trends. Additionally, the City is experiencing continued impacts from the pandemic especially in the hospitality and food service sectors, where employment in March 2021 was 27.3 percent lower than in March 2020.

Despite an overall decrease in employment over the last ten years (since 2011), growth has occurred across several sectors. Professional services and government jobs continue to be the leading employment sectors in the City. Government is led by prominent federal agencies, including the U.S. Patent & Trademark Office, the National Science Foundation, the U.S. Department of Defense, and the U.S. Department of Agriculture Food and Nutrition Service.

The City's strong wage growth (+10.9 percent over ten years, inflation-adjusted) has been driven by wage increases across many sectors of the economy. On the top end, the information industry experienced a 36.5 percent increase in average annual pay (inflation-adjusted), which includes jobs in media and communications technology. Most significantly, the City's two largest and most stable employment sectors, the federal government and professional services, saw sustained wage growth over the last decade (2.9 and 9.1 percent, respectively, inflation-adjusted). These two sectors together comprise 32.1 percent of all jobs and 46.4 percent of all wages earned in the City.

As of 2019 (the latest data available from the U.S. Bureau of Economic Analysis), the City's per capita personal income of $91,990 remains one of the highest in the United States and is the third highest among all Virginia jurisdictions. The City's office vacancy rate stood at 16.2 percent in the second quarter of 2021, which compares favorably to the office vacancy rate in the Washington, D.C. metropolitan area of 23.9 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 Kendel Taylor, Director of Finance, City Hall, P.O. Box 178, Alexandria, VA 22313, kendel.taylor@alexandriava.gov, telephone (703) 746-3900, or visit the City's web site at alexandriava.gov.

BASIC
FINANCIAL STATEMENTS

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CITY OF ALEXANDRIA, VIRGINIA
Statement of Net Position
June 30, 2021

Exhibit I

	Primary Government Governmental Activities	Component Units
ASSETS		
Cash and Cash Equivalents	$ 474,824,518	$ 76,815,516
Cash and Investments with Fiscal Agents	204,349,549	4,928,068
Receivables, Net	322,293,036	5,249,556
Accrued Interest	27,640	-
Due From Other Governments	39,340,398	9,690,170
Inventory of Supplies	7,586,546	281,184
Prepaid and Other Assets	813,711	2,101,999
Net Pension Asset	43,725,206	3,387,963
Capital Assets:		
Land and Construction in Progress	198,712,224	999,381
Other Capital Assets, Net	759,170,893	15,330,394
Capital Assets, Net	957,883,117	16,329,775
Total Assets	2,050,843,721	118,784,231
DEFERRED OUTFLOWS		
Pension	60,591,444	79,086,317
OPEB	5,517,202	6,307,814
Deferred Gain on Refunding Bonds	19,537,062	-
Total Deferred Outflows of Resources	85,645,708	85,394,131
LIABILITIES		
Accounts Payable	18,307,083	17,923,933
Accrued Wages	15,860,531	30,036,213
Accrued Liabilities	1,094,386	-
Notes Payable	195,000	-
Unearned Revenue	4,782,587	4,258,949
Other Liabilities	28,991,685	-
Deposits	6,682,100	-
Long-term Liabilities Due Within One Year	60,687,409	2,935,864
Long-term Liabilities Due in More Than One Year	763,868,008	11,726,463
Net Pension Liability	120,784,107	291,935,783
Net OPEB Liability	24,383,484	42,514,622
Total Liabilities	1,045,636,380	401,331,827
DEFERRED INFLOWS		
Deferred Tax Revenues	348,184,113	-
Pension	97,225,935	18,683,576
OPEB	29,801,382	9,072,153
Total Deferred Inflows of Resources	475,211,430	27,755,729
NET POSITION		
Net Investment in Capital Assets	405,988,360	16,329,775
Restricted for:		
Affordable Housing	5,711,472	-
Special Projects	8,413,067	-
Net Pension Assets	43,725,206	3,387,963
Educational Projects	-	15,701,679
Unrestricted	151,803,514	(260,328,611)
Total Net Postion	$ 615,641,619	$ (224,909,194)

See Accompanying Notes to Financial Statements

CITY OF ALEXANDRIA, VIRGINIA
Statement of Activities
For the Fiscal Year Ended June 30, 2021

Exhibit II

		Program Revenues			Net (Expense) Revenue and Changes in Net Position	
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants & Contributions**	**Capital Grants & Contributions**	**Primary Government Governmental Activities**	**Component Units**
Primary Government:						
Governmental Activities:						
General Government	$ 48,971,746	$ 6,114,867	$ 24,543,736	$ -	$ (18,313,143)	
Judicial Administration	21,200,818	978,138	1,066,007	-	(19,156,673)	
Public Safety	175,683,527	7,337,330	11,193,204	-	(157,152,993)	
Public Works	83,991,704	53,246,518	855,557	7,297,534	(22,592,095)	
Library	7,379,204	-	-	-	(7,379,204)	
Health and Welfare	119,613,105	6,164,954	52,551,767	-	(60,896,384)	
Transit	28,748,152	3,594,391	127,489	-	(25,026,272)	
Culture and Recreation	30,579,851	2,687,100	1,096,445	2,443,000	(24,353,306)	
Community Development	57,475,970	4,412,212	21,177,063	-	(31,886,695)	
Education	292,540,162	-	-	-	(292,540,162)	
Interest on Long-term Debt	27,494,995	-	-	-	(27,494,995)	
Total Governmental Activities	893,679,234	84,535,510	112,611,268	9,740,534	(686,791,922)	
Total Primary Government	893,679,234	84,535,510	112,611,268	9,740,534	(686,791,922)	
Component Units:						
Schools	333,475,126	445,016	33,199,667	-	-	(299,830,443)
Library	7,777,478	255,424	208,533	-	-	(7,313,521)
Total Component Units	$ 341,252,604	$ 700,440	$ 33,408,200	$ -	$ -	$ (307,143,964)
		General Revenues				
		Property Taxes:				
		Real Estate			478,384,338	-
		Personal Property			45,163,953	-
		Other Local Taxes:				
		Business License			37,042,157	-
		Local Sales			44,299,858	-
		Meals			21,934,868	-
		Transient Lodging			4,762,880	-
		Utility			11,534,144	-
		Communications Sales			8,106,878	-
		Motor Vehicle License, Recordation, and other local			15,866,296	-
		Revenue from Primary Government				
		Payment from City of Alexandria Operating				252,415,347
		Grants & Contributions Not Restricted to Specific Programs			38,242,748	52,812,342
		Interest and Investment Earnings			3,839,349	735,369
		Miscellaneous			8,860,406	750,981
		Total General Revenues			718,037,875	306,714,039
		Change in Net Postion			31,245,954	(429,925)
		Net Position at Beginning of Year			584,395,665	(224,479,269)
		Net Position at End of Year			$ 615,641,619	$ (224,909,194)

See Accompanying Notes to Financial Statements

CITY OF ALEXANDRIA, VIRGINIA
Balance Sheet
Governmental Funds
June 30, 2021

Exhibit III

	General	Special Revenue	Capital Projects	Alexandria Transit Company	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	$ 198,879,510	$ 175,796,084	$ 83,116,233	$ 1,317,501	$ 459,109,328
Cash and Investments with Fiscal Agents	-	-	204,349,549	-	204,349,549
Receivables, Net	308,548,947	13,373,820	-	370,269	322,293,036
Accrued Interest	27,640	-	-	-	27,640
Due From Other Governments	31,332,936	5,702,628	1,762,076	542,758	39,340,398
Inventory of Supplies	6,737,499	-	-	849,047	7,586,546
Prepaid and Other Assets	647,745	16,717	-	149,249	813,711
Total Assets	546,174,277	194,889,249	289,227,858	3,228,824	1,033,520,208
LIABILITIES					
Accounts Payable	6,210,180	4,195,093	6,611,118	282,333	17,298,724
Due to Other Goverments	268,409	-	-	-	268,409
Accrued Wages	10,937,523	3,852,000	366,276	704,732	15,860,531
Current Portion of Notes Payable	-	195,000	-	-	195,000
Other Liabilities	26,605,659	1,230	1,144,571	1,240,225	28,991,685
Deposits	6,682,100	-	-	-	6,682,100
Due to Other Funds	-	-	-	-	-
Unearned Revenue	4,782,587	-	-	-	4,782,587
Total Liabilities	55,486,458	8,243,323	8,121,965	2,227,290	74,079,036
DEFERRED INFLOWS					
Deferred Inflows	314,043,306	44,382,389	-	1,331,736	359,757,431
TOTAL LIABILITIES AND DEFERRED INFLOWS	369,529,764	52,625,712	8,121,965	3,559,026	433,836,467
FUND BALANCES					
Non-Spendable	7,272,032	-	-	-	7,272,032
Restricted	-	14,124,539	-	-	14,124,539
Committed	11,807,016	128,138,998	281,105,893	-	421,051,907
Assigned	63,400,000	-	-	-	63,400,000
Unassigned	94,165,465	-	-	(330,202)	93,835,263
Total Fund Balances	176,644,513	142,263,537	281,105,893	(330,202)	599,683,741
Total Liabilities and Fund Balances	$ 546,174,277	$ 194,889,249	$ 289,227,858	$ 3,228,824	

(1) Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds. (Note 5)	916,647,334
(2) Other long-term assets are not available to pay for current period expenditures; the taxes offset by deferred revenue in the governmental funds. (Note 1)	11,573,318
(3) Other long-term assets are not avilable to pay for current period expenditures; deferred gain on refunding. (Note 1)	19,537,062
(4) Deferred inflows of resources related to OPEB & Pensions. (Note 16 & 17)	(127,027,317)
(5) Deferred outflows of resources related to OPEB & Pensions. (Note 16 & 17)	66,108,646
(6) 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)	22,672,116
(7) Alexandria Transit Company is blended in to the primary government, and therefore, the assets and liabilities are included in govermental activites in the statement of Net Position. (Note 5)	33,538,907
(8) Long-term liabilities, including bonds payable, are not reported as liabilities in the governmental funds. (Note 9)	(970,817,394)
(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)	43,725,206
	615,641,619

See Accompanying Notes to Financial Statements

CITY OF ALEXANDRIA, VIRGINIA
Statement of Revenues, Expenditures and Changes Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2021

Exhibit IV

	General	Special Revenue	Capital Projects	Alexandria Transit Company	Total Governmental Funds
REVENUES					
General Property Taxes	$ 534,770,027	$ 1,490,190	$ -	$ -	$ 536,260,217
Other Local Taxes	131,506,114	5,181,389	6,859,577	-	143,547,080
Permits, Fees, and Licenses	4,185,341	14,406,531	-	-	18,591,872
Fines and Forfeitures	3,076,876	-	-	-	3,076,876
Use of Money and Property	3,149,630	1,358,614	689,719	-	5,197,963
Charges for Services	10,681,086	45,344,456	1,073,380	3,594,391	60,693,313
Intergovernmental Revenue	59,552,814	78,136,120	9,740,535	127,489	147,556,958
Miscellaneous	1,921,463	5,599,015	2,103,788	50,976	9,675,242
Total Revenues	748,843,351	151,516,315	20,466,999	3,772,856	924,599,521
EXPENDITURES					
Current Operating:					
General Government	52,615,276	5,412,470	-	-	58,027,746
Judicial Administration	19,773,623	1,266,449	-	-	21,040,072
Public Safety	142,367,202	11,066,150	-	-	153,433,352
Public Works	25,638,460	21,171,393	-	-	46,809,853
Library	7,379,204	-	-	-	7,379,204
Health and Welfare	20,962,751	98,145,096	-	-	119,107,847
Transit	2,478,947	-	-	26,269,205	28,748,152
Culture and Recreation	24,292,705	1,683,168	-	-	25,975,873
Community Development	20,174,219	24,636,960	-	-	44,811,179
Education	234,037,296	-	10,910,634	-	244,947,930
Debt Service:					
Principal	44,965,570	2,563,430	-	-	47,529,000
Interest and Other Charges	19,638,000	7,585,324	-	-	27,223,324
Capital Outlay	-	-	176,485,849	-	176,485,849
Total Expenditures	614,323,253	173,530,440	187,396,483	26,269,205	1,001,519,381
Excess (Deficiency) of Revenues Over (Under) Expenditures	134,520,098	(22,014,125)	(166,929,484)	(22,496,349)	(76,919,860)
OTHER FINANCING SOURCES (USES)					
Issuance of Debt	-	-	-	-	-
Sale of land	-	-		-	-
Issuance of Refunding Bonds	49,887,196	-	-	-	49,887,196
Bond Premium (Discount)		-	-	-	-
Other Financing		-	-	-	-
Payment to Refunded Bonds Escrow Agent	(49,618,630)	-	-	-	(49,618,630)
Transfers In	9,246,427	75,429,239	47,314,640	22,495,350	154,485,656
Transfers Out	(120,356,796)	(33,433,163)	-	-	(153,789,959)
Total Other Financing Sources and Use	(110,841,803)	41,996,076	47,314,640	22,495,350	964,263
Total other financing sources (uses)	(110,841,803)	41,996,076	47,314,640	22,495,350	
Net Change in Fund Balance	23,678,295	19,981,951	(119,614,844)	(999)	(75,955,597)
Fund Balance at Beginning of Year	152,800,030	122,281,585	400,720,737	(329,203)	675,473,149
Increase/(Decrease) in Reserve for Inventory	166,188	-	-	-	166,188
Fund Balance at End of Year	$ 176,644,513	$ 142,263,536	$ 281,105,893	$ (330,202)	599,683,740

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 govermental finds, but the repayment reduces long-term liabilities in the Statement of Net Position. (Note 9)	47,529,000
(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. (Note 5)	178,566,906
(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)	29,319,485
(4) Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds. (Note 4)	(12,711,925)
(5) 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)	(49,887,196)
(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)	6,733,216
(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)	(1,686,750)
(8) Change in net pension & OPEB liability. (Note 9)	(90,827,373)
	$ 31,245,954

See Accompanying Notes to Financial Statements

CITY OF ALEXANDRIA, VIRGINIA
Statement of Net Position
Proprietary Funds – Internal Service Fund
June 30, 2021

Exhibit V

ASSETS		
Current Assets:		
Cash and Cash Equivalents	$	15,715,190
Total Current Assets		15,715,190
Capital Assets:		
Land		
Buildings and Equipment		49,779,005
Less Accumulated Depreciation		(42,082,129)
Capital Assets, Net		7,696,876
Total Noncurrent Assets		7,696,876
Total Assets	$	23,412,066
LIABILITIES		
Accounts Payable		739,950
Total Liabilities		739,950
NET POSITION		
Net Investment in Capital Assets		7,696,876
Unrestricted Net Position		14,975,240
Total Net Position		22,672,116
Total Liabilities and Net Position	$	23,412,066

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, 2021

Exhibit VI

OPERATING REVENUES	
Charges for Services	$ 988,666
Total Operating Revenues	988,666
OPERATING EXPENSES	
Materials and Supplies	2,073,551
Depreciation	3,689,486
Total Operating Expenses	5,763,037
Operating Loss	(4,774,371)
NON-OPERATING REVENUES (EXPENSES)	
Insurance Recoveries	93,832
Net Loss Before Transfers and Contributions	(4,680,539)
Transfers Out	(695,697)
Total Net Transfers	(695,697)
Change in Net Position	(5,376,236)
Net Position at Beginning of Year	28,048,352
Net Position at End of Year	$ 22,672,116

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, 2021

Exhibit VII

CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts From Customers	$	988,666
Reduction in Payments to Suppliers		(1,473,435)
Net Cash Provided by Operating Activities		(484,769)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from Other Funds		(695,697)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Insurance Recovery		93,832
Purchases of Capital Assets		(3,101,461)
		(3,195,293)
Net Cash Used By Capital and Related Financing Activities		(3,890,990)
Net Increase in Cash and Cash Equivalents		(4,375,759)
Cash and Cash Equivalents at Beginning of Year		20,090,949
Cash and Cash Equivalents at End of Year		15,715,190
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Loss		(4,774,371)
Adjustments:		
(1) Cash flows reported in other categories:		
Interest and dividends		
Depreciation Expense		3,689,486
(2) Effect of changes in Operating Assets and Liabilities:		
Accounts Payable		600,116
Net Cash Provided by Operating Activities	$	(484,769)

See Accompanying Notes to Financial Statements

CITY OF ALEXANDRIA, VIRGINIA
Statement of Fiduciary Net Position
June 30, 2021

Exhibit VIII

	Employee Benefit Trust Funds	Private-Purpose Trusts	Custodial Funds
ASSETS			
Cash and Short-term Investments	$ -	$ -	$ 60,260
Investments, at Fair Value:			
U.S. Government Obligations			
LGIP/CDARS/Commercial Paper	-	7,476	-
Mutual Funds	219,491,397	-	-
Stocks	157,392,843	-	-
Guaranteed Investment Accounts	37,221,262	-	-
Real Estate	52,296,894	-	-
Timber	23,638,114	-	-
Private Equity	36,870,526	-	-
Other Investments	289,397,487	-	-
Total Investments	816,308,523	7,476	-
Total Assets	816,308,523	7,476	60,260
LIABILITIES			
Refunds Payable and Other	-	-	60,260
Total Liabilities	-	-	$ 60,260
NET POSITION			
Restricted For			
Pension Benefits	701,119,149	-	
Other Post Employment Benefits	115,189,374	-	
Other Purposes	-	7,476	
Total Net Position	$ 816,308,523	$ 7,476	

See Accompanying Notes to Financial Statements

CITY OF ALEXANDRIA, VIRGINIA
Statement of Change in Fiduciary Net Position
For the Year ended June 30, 2021

Exhibit IX

	Employee Benefit Trust Funds	Private-Purpose Trusts
ADDITIONS		
Contributions:		
Employer	$ 28,488,282	$ -
Plan Members	5,226,073	-
Total Contributions	33,714,355	-
Investment Earnings:		
Net Appreciation (Depreciation) in Fair Value of Investments	137,577,183	-
Interest	51,890,847	22
Investment Expense	(2,447,087)	-
Net Investment Income	187,020,943	22
Total Additions	220,735,298	22
DEDUCTIONS		
Benefits	32,327,095	-
Refunds of Contributions	1,389,570	-
Administrative Expenses	1,398,910	-
Total Deductions	35,115,575	-
Change in Net Position	185,619,723	22
Net Position at Beginning of Year	630,688,800	7,454
Net Position at End of Year	$ 816,308,523	$ 7,476

See Accompanying Notes to Financial Statements

CITY OF ALEXANDRIA, VIRGINIA
Combining Statement of Net Position
Component Units
June 30, 2021

Exhibit X

	Schools	Library	Total
ASSETS			
Cash and Cash Equivalents	$ 76,137,375	$ 678,141	$ 76,815,516
Cash and Investments with Fiscal Agents	817,042	4,111,026	4,928,068
Receivables	5,249,556	-	5,249,556
Due from Other Governments	9,690,170	-	9,690,170
Inventory of Supplies	281,184	-	281,184
Net Pension Assets	3,387,963	-	3,387,963
Prepaid and Other Assets	2,101,225	774	2,101,999
Capital assets			
Land and Construction in Progress	999,381	-	999,381
Other Capital Assets, Net	15,330,394	-	15,330,394
Capital Assets, Net	16,329,775	-	16,329,775
Total Assets	113,994,290	4,789,941	118,784,231
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	79,086,317	-	79,086,317
OPEB	6,307,814	-	6,307,814
Total Deferred Outflows of Resources	85,394,131	-	85,394,131
Total Assets and Deferred Outflows of Resources	199,388,421	4,789,941	204,178,362
LIABILITIES			
Accounts Payable	17,807,884	116,049	17,923,933
Accrued Wages	29,758,889	277,324	30,036,213
Unearned Revenue	4,258,949	-	4,258,949
Long-term Liabilities Due Within One Year	2,935,864	-	2,935,864
Long-term Liabilities Due in More Than One Year	11,726,463	-	11,726,463
Net Pension Liabilities	291,935,783	-	291,935,783
Net OPEB Liabilities	42,514,622	-	42,514,622
Total Liabilities	400,938,454	393,373	401,331,827
DEFERRED INFLOWS OF RESOURCES			
Pensions	18,683,576	-	18,683,576
OPEB	9,072,153	-	9,072,153
Total Deferred Inflows of Resources	27,755,729	-	27,755,729
NET POSITION			
Net Investment in Capital Assets	16,329,775	-	16,329,775
Restricted for grant programs	4,734,758	-	4,734,758
Restricted for health benefits	10,966,921	-	10,966,921
Restricted for net pension assets	3,387,963	-	3,387,963
Unrestricted	(264,725,179)	4,396,568	(260,328,611)
Total Net Postion	(229,305,762)	4,396,568	(224,909,194)
Total Deferred Inflows of Resources, Liabilities and Net Postion	$ 199,388,421	$ 4,789,941	$ 204,178,362

See Accompanying Notes to Financial Statements

CITY OF ALEXANDRIA, VIRGINIA
Combining Statement of Activities
Component Units
For the Fiscal Year Ended June 30, 2021

Exhibit XI

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Schools	Net (Expense) Revenue and Changes in Net Position: Library	Net (Expense) Revenue and Changes in Net Position: Totals
Schools	$ 333,475,126	$ 445,016	$ 33,199,667	$ (299,830,443)	$ -	$(299,830,443)
Library	7,777,478	136,902	196,640	-	(7,443,936)	(7,443,936)
Total Component Units	341,252,604	581,918	33,396,307	(299,830,443)	(7,443,936)	(307,274,379)
General Revenues:						
Payment From City				244,947,930	7,379,204	252,327,134
Grants Not Restricted To Specific Programs				52,812,342	-	52,812,342
Interest and Investment Earnings				-	735,369	735,369
Miscellaneous				467,282	248,575	715,857
Total General Revenues				298,227,554	8,363,148	306,590,702
Change in Net Position				(1,602,889)	919,212	(683,677)
Net Position Beginning of Year				(227,702,873)	3,477,356	(224,225,517)
Net Position End of Year				$ (229,305,762)	$ 4,396,568	$(224,909,194)

See Accompanying Notes to Financial Statements

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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 164,650 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 similar to 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 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, reduced by the outstanding balances (net of unspent bond proceeds) of any borrowing used for the acquisition, construction, or improvement of those assets.

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).

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 and so data from these units are combined with data of the primary government. The discretely presented component units, on the other hand, are reported in a separate column in the government-wide statements to emphasize they 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 total $244.9 million in FY 2021. 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. 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 and 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 legal liability for the general obligation debt issued on behalf of the Library remains with the City but 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 $7.1 million for FY 2021. The Library provides a variety of services to the community that is supplemented with funding by endowments and is not completely government services. The City budget provides most of the funding for all services and programs; many of the endowments supplement the materials budget, and nothing more. The City has no authority in the selection of books and materials the Library carries, or the day to day management of the operations of the Library buildings or staffing. The Library issues separate audited financial statements.

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 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 Industrial Development Authority, 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 focus is 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) 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 on a current financial resources and modified accrual basis of accounting. This is the manner in which 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.

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 (pension, 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 2021.

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, 2021 is comprised of the following sub funds:

CARES - This sub fund accounts for the City's funds across multiple departments in support of the COVID-19 pandemic response. The source of funding is the Coronavirus Aid Relief and Economic Security Act adopted in March 2020.

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

Sanitary Sewer – This sub 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 sub 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 sub 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 sub fund is funded by certain real estate taxes for the development of the Potomac Yard Metro Rail station.

Northern Virginia Transportation Authority (NVTA) – This sub 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 sub fund accounts for grants and donations and other amounts that represent a small percentage of special revenues.

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.

2. Proprietary Funds

Proprietary Funds are used to account for activities that are like those often found in the private sector. The measurement focus is 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. 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 Funds, Employee Retirement Funds, 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, the Employee Retirement Funds, and other post-employment benefits are accounted for in essentially the same manner as proprietary funds. Private Purpose Trust Funds account 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 do not involve measurement of results of operations. Fiduciary funds are not included in the government-wide financial statements because the resources cannot be used for operations of the government.

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 fiduciary net position of the Pension Plans and additions to/deductions from the 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.

**Exhibit XII
(Continued)**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The custodial funds held by the City as of the end of FY 2021 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 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 April 29, 2020, the City Council formally approved the original adopted budget and on June 19, 2021, 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 City Council.

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 $23,290 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2021, is comprised of the following:

GENERAL FUND:		
Taxes Receivable:		
Real Property	$	1,856,283
Personal		17,155,889
Penalties and Interest		633,552
Total Taxes		19,645,724
Accounts Receivable		45,217
Notes Receivable		309,000
		19,999,941
SPECIAL REVENUE FUND:		
Housing Fund Notes Receivable	$	86,785,094
CAPITAL PROJECTS FUND:		
Capital Projects Fund Notes Receivable	$	1,475,000

The component units' accounts receivable is considered fully collectible and therefore an allowance for uncollectible accounts is not applicable to those receivables.

G. Inventory of Supplies and Prepaid and Other Assets

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 market 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 and deferred revenue.

Exhibit XII
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Other Assets

Other assets in the government-wide statements also include taxes receivable discussed in Note 4 and deferred interest, 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:

Taxes receivable	$ 11,573,318
Deferred gain on Refunding Bonds	19,537,062
Total Adjustment	$ 31,110,380

I. 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. Depreciation is 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.

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, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

J. Compensated Absences

The City accrues compensated absences (annual and sick leave benefits) when vested. 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 discretely presented component unit Library, since the City funds all Library personnel costs.

Exhibit XII
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The component unit Schools accrues matured compensated absences (annual, personal, and sick leave benefits) when vested. 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 in the period in which they are earned.

K. 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.

L. 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 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.

Exhibit XII
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Detail

General Fund

Nonspendable		
Inventories	$	6,737,499
Prepaids		134,533
Long Term Notes		400,000
Total		7,272,032
Committed		
Encumbrances		6,807,016
Self-Insurance		5,000,000
Total		11,807,016
Assigned		
Subsequent Capital Program		19,000,000
FY 2022 Operating Budget		10,000,000
FY 2023 Operating Budget		5,800,000
FY 2022 Pay Initiatives		7,200,000
Transit Savings		5,000,000
Carryover and Incomplete Projects		8,400,000
Natural Disaster/Emergencies		3,000,000
Landmark Redevelopment Soil Contingency		3,000,000
Accrued Leave Payout		1,000,000
Economic Development Incentives		1,000,000
Total		63,400,000
Unassigned		94,165,465
Total Fund Balance	$	176,644,513

Encumbrances – These funds ($6.8 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 for reserves for the City's self-insurance program.

Subsequent Fiscal Years' Capital Program—These funds ($19.0 million) have been assigned to fund a portion of the capital improvement program for CIP projects in FY 2022 and beyond.

FY 2022 Operating Budget - These funds ($10.0 million) have been assigned to fund a portion of the operating budget in FY 2022.

FY 2023 Operating Budget - These funds ($5.8 million) have been assigned to fund a portion of the operating budget in FY 2023.

FY 2022 Pay Initiatives - These funds ($7.2 million) have been assigned to address compensation needs that were eliminated from the FY 2021 Proposed Budget due to revenue uncertainty during the early months COVID-19 pandemic.

Exhibit XII
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Transit Savings - These funds ($5.0 million) have been assigned for future transit costs in the FY 2023 and FY 2024 budget. Savings were generated in FY 2021 as a result of available federal funding for WMATA and the City's utilization of NVTC reserves.

Carryover and Incomplete Projects - These funds ($8.4 million) are assigned to support projects and initiatives that are approved but not yet under contract.

Natural Disaster/Emergencies/ Emergency Response - These funds ($3.0 million) have been assigned to cover damages and operational costs associated with responding to extraordinary emergencies.

Landmark Redevelopment Soil Removal Contingency – These funds ($3.0 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 ($1.0 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 ($1.0 million) are assigned to provide funds to incentivize business to locate or expand in the City.

Special Revenue

Restricted	
Grants	$ 2,354,401
Donations	6,058,666
Housing Programs	5,711,472
Total	14,124,539
Committed	
Sanitary Sewer	59,541,090
Stormwater Utility	6,946,312
Stormwater	1,761,197
Other Programs	25,495,037
Potomac Yard	29,874,860
NVTA	4,634,929
IDA	(114,427)
Total	128,138,998
Total Fund Balance	$ 142,263,537

Sanitary Sewer - These funds ($59.5 million) are committed for sanitary sewer maintenance and construction. The funds originate from sewer connection fees and charges.

Stormwater Utility - These funds ($6.9 million) are committed for stormwater capital projects. The funds originate from a stormwater utility fee which was implemented in 2019. This fee replaces the dedicated real estate property tax in the Stormwater Management fund.

**Exhibit XII
(Continued)**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Stormwater Management - These funds ($1.8 million) are committed for stormwater capital projects. The funds originated from a dedicated real estate property tax of 0.5 cents per $100 of assessed value; however, it was replaced with a stormwater utility fee in 2020.

Potomac Yard - These funds ($29.9 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 ($4.6 million) are committed for transportation improvements in the City. The funds originate from various state and other local taxes collected by the NVTA.

Other Programs - These funds ($25.5million) are committed per the terms of various grants and donations received by the City.

Capital Projects

Committed	
Notes Receivable	$ 210,903,469
Encumbrances	70,202,424
Total Fund Balance	$ 281,105,893

Significant encumbrances greater than $1.0 million as of June 30, 2021 were:

Fund	Vendor	Amount
Capital Projects	Skanska USA Building, Inc.	$ 35.7 million
Capital Projects	Jones Utilities Construction, Inc.	$ 10.9 million
Capital Projects	Sagres Construction Corp.	$ 7.1 million
Capital Projects	Perkins Eastman Architects DPC	$ 6.0 million
Capital Projects	New Flyer of America, Inc.	$ 5.3 million
Capital Projects	Greeley & Hansen LLC	$ 4.2 million
Capital Projects	Ft. Myer Construction Corp.	$ 3.9 million
Capital Projects	Proterra, Inc.	$ 3.6 million
Capital Projects	Carollo Engineers, Inc.	$ 2.9 million
Capital Projects	Penn Care, Inc.	$ 2.0 million
Capital Projects	F.L. Pinto Companies LLC	$ 1.6 million
Capital Projects	Keller Brothers, Inc.	$ 1.2 million
Capital Projects	Virginia Electric & Power Co.	$ 1.1 million

M. Short Term Liabilities

Short Term Liabilities include unclaimed funds. The City did not have any short-term debt during FY 2021.

N. 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 subsequent to 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, 2021, the City had deferred outflows of resources related to pensions and OPEB of $66.1 million. GASB 75 was implemented in FY 2018 and Outflows now include OPEB.

The City calculated a deferred gain on bond refunding in the amount of $19,537,062 for prior year bonds.

O. 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, 2021, the City had deferred inflows of resources of $475.2 million.

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 2021, 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 2021, several intradepartmental transfers were made.

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, the majority of funds in the City's general account are invested at all times. 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, 2021, the carrying value of the City's deposits was ($113,793) and the bank balance was $4,243,678. The difference between the carrying value of the City's deposits and the bank balance are 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 similar to 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 in order 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, 2021, the City had $204,349,549 in the SNAP short term investment.

Component Units

At June 30, 2021, the carrying value of deposits for the Schools was ($2,339,958) and the bank balance was $0. The difference between the carrying value of the School's deposits and the bank balance are 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, 2021, the carrying value of deposits and bank balance for the Library was $175,606. The entire balance is covered by federal depository insurance or collateralized in accordance with the Virginia Security for Public Deposits Act as defined above.

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 2021 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 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. The investments for five of the City's six pension plans are handled by Prudential, a company with an A (Excellent) rating, one of the top three, by A.M. Best rating agency. The investment for the defined contribution plan is directed by employees and is invested in mutual funds and guaranteed investment accounts. The City has directed Prudential to invest funds for the other four defined benefit pension plans in guaranteed investment accounts, mutual funds and stocks. The Commonwealth of Virginia manages the investments of the Virginia Retirement System (VRS). Prudential also handles investments for OPEB (Other Post-Employment Benefits) trust fund for the City.

**Exhibit XII
(Continued)**

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

Custodial Risk – Custodial risk is the risk that in the event of the failure of the counter-party, 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 has to 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.

As of June 30, 2021, the City had the following cash, investments and maturities:

Primary Government

		Investment Maturities		
INVESTMENT TYPE	**Fair Value**	**1-12 Months**	**13-24 Months**	**25-60 Months**
Fixed Certificate of Deposit	$ 10,733,753	$ 6,872,044	$ 3,861,709	$ -
Federal Farm Credit Bank (FFCB)	12,812,554	-	-	12,812,554
Federal Home Loan Bank (FHLB)	29,054,830	-	-	29,054,830
Local Government Investment Pool	422,344,650	422,344,650	-	-
Subtotal	474,945,787	429,216,694	3,861,709	41,867,384
OPEB Trust Investments *	115,189,374	-	-	115,189,374
Pension Plan Investments (Exhibit VIII) *	701,119,149	-	-	701,119,149
Total	$ 1,291,254,310	$ 429,216,694	$ 3,861,709	$ 858,175,907

*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	$ (113,793)
Cash with Fiscal Agents	204,409,809
Total Deposits and Investments	$ 1,495,550,326

Exhibit XII
(Continued)

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

Component Unit
Schools

	Investment Maturities			
	Fair Value	**1-12 Months**	**13-24 Months**	**25-60 Months**
Fixed Certificate of Deposit	$ 1,773,584	$ 1,135,497	$ 638,087	$ -
Federal Farm Credit Bank (FFCB)	2,117,073	-	-	2,117,073
Federal Home Loan Bank (FHLB)	4,800,854	-	-	4,800,854
Local Government Investment Pool	69,785,822	69,785,822	-	-
Total Investments Controlled by City	$ 78,477,333	$ 70,921,319	$ 638,087	$ 6,917,927

Component Unit
Library

	Investment Maturities			
	Fair Value	**1-12 Months**	**13-24 Months**	**25-60 Months**
Fixed Certificate of Deposit	$ 15,326	$ 9,812	$ 5,514	$ -
Federal Farm Credit Bank (FFCB)	18,294	-	-	18,294
Federal Home Loan Bank (FHLB)	41,485	-	-	41,485
Local Government Investment Pool	603,036	603,036	-	-
Total Investments Controlled by City	$ 678,141	$ 612,848	$ 5,514	$ 59,779
Total Investments Controlled by City Primary Government and Component Units:	$ 554,101,261			

As of June 30, 2021, the City had investments in the following issuers with credit quality ratings as shown below:

	Fair Value	AAA	AA+	CDs and Cash
Fixed Certificate of Deposit	$ 12,522,662	$ -	$ -	$ 12,522,662
Federal Farm Credit Bank (FFCB)	14,947,921	-	14,947,921	-
Federal Home Loan Bank (FHLB)	33,897,170	-	33,897,170	-
Virginia Investment Pool 1-3 Year	5,159,114	-	5,159,114	-
Virginia Local Govt. Investment Pool	487,574,394	487,574,394	-	-
Total Investments Controlled by City & Components	$ 554,101,261	$ 487,574,394	$ 54,004,205	$ 12,522,662

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	Investment Type	Fair Value	% of Portfolio
Commonwealth of Virginia	VA Dept of Treasury	487,574,394	88.00%
Federal Home Loan Bank (FHLB)	FHLB Bond	33,897,170	6.12%

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, 2021:

	Governmental Activities	Fiduciary Activities	Total
Primary Government including DASH			
Cash on Hand and In Banks	$ (113,793)	$ -	$ (113,793)
Cash and Investments	474,938,311	7,476	474,945,787
Cash and Investments with Fiscal Agents	204,349,549	816,368,783	1,020,718,332
Total	$ 679,174,067	$ 816,376,259	$ 1,495,550,326
Component Unit Schools			
Cash on Hand and In Banks	$ (2,339,958)	$ -	$ (2,339,958)
Cash and Investments Controlled by City	78,477,333	-	78,477,333
Cash and Investments with Fiscal Agents	817,042	-	817,042
Total	$ 76,954,417	$ -	$ 76,954,417
Component Unit Library			
Cash and Investments Controlled by City	$ 678,141	$ -	$ 678,141
Cash and Investments with Fiscal Agents	4,111,026	-	4,111,026
Total	4,789,167	-	4,789,167
Grand Total	$ 760,917,651	$ 816,376,259	$ 1,577,293,910

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 2021, zero investments were classified in Level 1 and Level 3 of the fair value hierarchy. Investments worth $61.4 million were classified in Level 2. Fixed government securities worth $48.9 million and fixed certificates of deposit worth $12.5 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 $487.6 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	$ 48,845,091	$ -	$ 48,845,091	$ -
Fixed Certificates of Deposit	12,522,662	-	12,522,662	-
Total Debt Securities	$ 61,367,753	$ -	$ 61,367,753	$ -
Total Investments by Fair Asset Value	$ 61,367,753	$ -	$ 61,367,753	
Investments measured at the net asset value (NAV)				
Virginia Investment Pool - Liquidity	5,159,114			
	$ 5,159,114			
Total Investments by Fair Value and NAV	$ 66,526,867			
Investments Reported by Amortized Cost				
Virginia Local Govt. Investment Pool	$ 487,574,394			
Total Investments	$ 554,101,261			

Exhibit XII
(Continued)

NOTE 4. RECEIVABLES

Receivables at June 30, 2021, consist of the following:

	General	Special Revenue	Capital Project	Alexandria Transit Company	Total
Taxes					
Real Property	$ 241,803,627	$ 671,072	$ -	$ -	$ 242,474,699
Personal Property	69,715,323	-	-	-	69,715,323
Penalities and Interest	2,659,194	-	-	-	2,659,194
Others	2,948,534	9,028,941	-	-	11,977,475
Total Taxes	317,126,678	9,700,013	-	-	326,826,691
Account	10,713,209	1,175,486	-	370,269	12,258,964
Interest	27,640	-	-	-	27,640
Intergovernmental	31,332,935	5,702,628	1,762,076	542,758	39,340,398
Notes	709,000	89,283,415	1,475,000	-	91,467,415
Gross Receivable	359,909,463	105,861,542	3,237,076	913,027	469,921,108
Less: Allowance for Uncollectables	19,999,940	86,785,094	1,475,000	-	108,260,034
Net Receivables	$ 339,909,523	$ 19,076,448	$ 1,762,076	$ 913,027	$ 361,661,074

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 12.1% percent of the total taxes receivable at June 30, 2021, and is based on historical collection rates. Almost all of the uncollectible taxes derive from personal property taxes. Almost all of the real property tax receivables as of June 30, 2021, represent the second-half payment due for real estate taxes on November 15, 2020.

Receivables on a government-wide basis include taxes receivable of $11.6 million that are not available to pay for current period expenditures and, therefore, are offset by the deferred inflows in the governmental funds. Tax revenues and the corresponding unearned revenue reported on a government-wide basis, do not include approximately $12.7 million of taxes that are considered current financial resources and, therefore, are reported in the governmental funds. This comprises:

Real Estate Tax Receivables	$ 3,454,518
Personal Property Tax Receivables	9,257,407
Total	$ 12,711,925

**Exhibit XII
(Continued)**

NOTE 4. RECEIVABLES (Continued)

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 2021 unearned revenue in the governmental funds consisted of the following:

	Unavailable	Unearned	Total
Property taxes, net of related allowances	$ 314,043,306	$ 4,782,587	$ 318,825,893
Grant proceeds received prior to completion of	35,860,619	-	35,860,619
eligibility requirements	$ 349,903,925	$ 4,782,587	$ 354,686,512

Deferred Inflows

	General Fund	Special Revenue Fund	Alexandria Transit Company	Comment
Total Deferred Taxes	$ 314,043,306	$ 8,521,770	1,331,736	
Grants Received Prior to Eligibility		35,860,619		Eligible grants with timing differences
Total Deferred Inflows, Receivables	$ 314,043,306	44,382,389.00	1,331,736.00	

Component Units

Receivables at June 30, 2021, consist of following:

	School Board
Accounts	$ 9,690,170
Intergovernmental	5,249,556
Total Receivables	14,939,726

All the component unit receivables are considered to be collectible.

All deferred revenue in the component units is unearned.

Exhibit XII
(Continued)

NOTE 4. RECEIVABLES (Continued)

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, 2021, includes amounts not yet received from the January 1, 2021 levy (due June 15 and November 15, 2021), less an allowance for uncollectible amounts. The installment due on November 15, 2021 is included as unavailable revenue since these taxes are restricted for use until FY 2022. 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 $1.13 per $100 of assessed value during calendar year 2020 and reduced to $1.11 during 2021.

Personal property tax assessments on tangible business property and all motor vehicles are based on 100 percent of fair market 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, 2021, includes amounts not yet billed or received from the January 1, 2021 levy (due October 5, 2021). These taxes are included as unearned revenue since these taxes are restricted for use until FY 2022. The tax rate for motor vehicles was $5.33 per $100 of assessed value during calendar years 2020 and 2021. The tax rate for motor vehicles remained the same in calendar year 2021 ($5.33). Tax rates during calendar years 2020 and 2021 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. Under the provisions of the Personal Property Tax Relief Act of 1998 (PPTRA), the City billed and collected from the Commonwealth, approximately 31 percent of total personal property tax levy in calendar year 2021.

Exhibit XII
(Continued)

NOTE 4. RECEIVABLES (Continued)

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, 2021:

Governmental Activities

General Fund	$ 709,000
Special Revenue Fund	89,283,415
Capital Projects Fund	1,475,000
Less Allowance for Uncollectible Accounts	(88,569,094)
Net Notes Receivable	2,898,321
Amounts due within one year	30,161
Amounts due in more than one year	$ 2,868,160

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, 2021:

Governmental Activities

Primary Government

	Balance June 30, 2020	Increases	Decreases	Balance June 30, 2021
Capital Assets Not Being Depreciated				
Land and Land Improvements	$ 127,673,426	$ -	$ -	$ 127,673,426
Construction in Progress	59,303,465	37,824,491	26,089,158	$ 71,038,798
Total Capital Assets Not Being Depreciated	186,976,891	37,824,491	26,089,158	$ 198,712,224
Depreciable Capital Assets				
Buildings	776,187,335	21,512,943	70,529	$ 797,629,749
Infrastructure	308,314,080	17,200,940	-	$ 325,515,020
Intangible Assets	26,324,867	120,753	-	$ 26,445,620
Furniture and Other Equipment	130,690,086	13,919,728	1,695,615	$ 142,914,199
Total Depreciable Capital Assets	1,241,516,368	52,754,364	1,766,144	$ 1,292,504,588
Less Accumulated Depreciation for				
Buildings	257,276,633	18,073,423	3,086	$ 275,346,970
Infrastructure	166,337,452	10,131,397	-	$ 176,468,849
Intangible Assets	24,503,694	466,993	-	$ 24,970,687
Furniture and Other Equipment	82,646,860	9,129,590	1,690,354	$ 90,086,096
Total Accumulated Depreciation	530,764,639	37,801,403	1,693,440	$ 566,872,602
Depreciable Capital Assets, Net	710,751,729	14,952,961	72,704	$ 725,631,986
Alexandria Transit Company				
Depreciable Capital Assets				
Equipment	54,624,851	7,126,809	1,970,729	$ 59,780,931
Less: Accumulated Depreciation	23,463,919	4,748,834	1,970,729	$ 26,242,024
Total Depreciable Capital Assets, Net	31,160,932	2,377,975	-	$ 33,538,907
Totals	$ 928,889,552	$ 55,155,427	$ 26,161,862	$ 957,883,117

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.

Exhibit XII
(Continued)

NOTE 5. CAPITAL ASSETS (Continued)

Governmental activities capital assets, net of accumulated depreciation at June 30, 2021, are comprised of the following:

General Capital Assets, Net	$	916,647,334
Internal Service Fund Capital Assets, Net		7,696,876
Alexandria Transit Company Capital Assets, Net		33,538,907
Total	$	957,883,117

Depreciation was charged to governmental functions as follows:

General Government	$	2,380,617
Judicial Administration		160,746
Public Safety		3,689,907
Public Works		8,126,431
Depreciation of Infrastructure Assets		10,131,397
Health and Welfare		505,258
Transit		4,748,834
Culture and Recreation		2,442,529
Education		10,135,143
Community Development		229,375
Total	$	42,550,237

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	$	176,485,849
Donated Assets		13,037,592
Depreciation Expense		(42,550,237)
Capital Outlay not capitalized		31,593,702
Total Adjustment	$	178,566,906

Donated assets are comprised of infrastructure assets donated by developers.

Exhibit XII
(Continued)

NOTE 5. CAPITAL ASSETS (Continued)

Net position Investment in capital assets is computed as follows:

General Capital Assets, Net		$ 957,883,117
Outstanding bonds (including premium)	(775,781,368)	
Unspent bond proceeds at SNAP	204,349,549	
Deferred gain on the refunding bonds	19,537,062	
Net Outstanding Debt		(551,894,757)
Investment in Capital Assets Net of Debt		$ 405,988,360

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, 2021:

	Balance June 30, 2020	Increases	Decreases	Balance June 30, 2021
Capital Assets Not Being Depreciated				
Land and Land Improvements	$ 999,381	$ -	$ -	$ 999,381
Construction-in progress	757,599	-	757,599	-
Total Capital Assets Not Being Depreciated	1,756,980	-	757,599	999,381
Depreciable Capital Assets				
Buildings	44,308,357	1,717,833	-	46,026,190
Furniture and Other Equipment	26,045,518	1,368,182	846,535	26,567,165
Total Depreciable Capital Assets	70,353,875	3,086,015	846,535	72,593,355
Less Accumulated Depreciation For				
Buildings and building improvements	38,528,629	471,003	-	38,999,632
Furniture and Other Equipment	16,828,222	2,281,642	846,535	18,263,329
Depreciable Capital Assets, Net	55,356,851	2,752,645	846,535	57,262,961
Total Other Capital Assets, Net	14,997,024	333,370	-	15,330,394
Totals	$ 16,754,004	$ 333,370	$ 757,599	$ 16,329,775

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.

Exhibit XII
(Continued)

NOTE 5. CAPITAL ASSETS (Continued)

Primary Government

Construction-in-progress is composed of the following at June 30, 2021:

	Project Authorization	Expended Through June 30, 2021	Committed
Schools Capital Projects	$ 70,794,046	$ 27,809,971	$ 9,754,156
Housing and Community Improvement	11,665,309	5,672,847	3,575,989
Parks and Recreation	21,612,886	3,340,604	3,228,334
Public Buildings	28,563,747	6,712,834	6,463,004
Public Safety	18,458,517	14,927,503	1,135,680
Infrastructure	35,794,848	15,332,684	11,188,487
Information Technology Hardware	15,182,273	759,215	11,544,914
Total	$ 202,071,627	$ 74,555,658	$ 46,890,564

Component Units

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

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 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, 2021: 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 $19.9 million as of June 30, 2021 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, 2021, the current portion of employees' health insurance was $2.0 million which represents an estimate of health insurance claims that have been incurred but not reported and are reported in accrued liabilities. The amount of expenditures did not exceed funds that are available to pay the claims covering a period of four years. Therefore, a long-term liability has not been recorded as of June 30, 2021. 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, 2021 and 2020 were as follows:

	Workers' Compensation	Health Insurance
July 1, 2019 Liability Balance	$ 19,773,359	$ 940,999
Claims and Changes in Estimates	5,961,551	20,307,169
Claim Payments	(4,425,853)	(19,705,213)
June 30, 2020 Liability Balance	21,309,057	1,542,955
Claims and Changes in Estimates	2,442,622	21,969,654
Claim Payments	(3,804,423)	(21,494,178)
June 30, 2021 Liability Balance	**$ 19,947,256**	**$ 2,018,431**

The Health Insurance liability is included in other liabilities.

Insurance Commitment

In addition, the City has established a General Fund self-insurance commitment of $5.0 million as of June 30, 2021.

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 2021, the Alexandria Transit Company paid an annual premium of $0.2 million for participation in this pool.

Line of Duty Act (LODA) Pension, 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 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 2021, the City contributed to the OPEB trust fund for Line of Duty Act benefits. In fiscal year 2021, an actuarial valuation was issued for Line of Duty Act benefits (see Note 16 OPEB). According to the December 31, 2020 actuarial valuation, 741 active employees were eligible for Line of Duty Act pension/health benefits. As of June 30, 2021, 89 beneficiaries were receiving Line of Duty Act health benefits. During FY 2021, Line of Duty Act premium payments for the recipients amounted to $1.5 million.

In FY21, the average number of employees that were eligible for LODA disability/life insurance was 458, with premium payments of $53,000.

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.

Exhibit XII
(Continued)

NOTE 7. OPERATING LEASES

Rental Costs

The City and the Schools lease office space and equipment under various long-term operating lease agreements expiring at various dates through FY 2036. Certain leases contain provisions for possible future increased rentals based upon changes in the Consumer Price Index.

Scheduled minimum rental payments for succeeding fiscal years ending June 30 are as follows:

Fiscal Year	Primary Government	School Board Component Unit
2022	$ 5,883,071	$ 3,191,155
2023	5,122,292	3,140,535
2024	8,549,848	3,066,882
2025	9,578,693	3,013,114
2026	9,466,976	3,095,975
2027-2031	55,089,333	9,521,931
2032-2036	43,783,376	9,521,931

Total rental costs during FY 2021 for operating leases were $5.8 million for the Primary Government and $3.1 million for the Schools.

Rental Revenues

The City also leases various City-owned properties and buildings under non-cancellable long-term lease agreements through FY 2036. The net book value of leased assets of $6.2 million (cost of $27.2 million less accumulated depreciation of $20.9 million) is included in capital assets in the government-wide financial statements. Certain leases contain provisions for future increased revenues based upon changes in the Consumer Price Index.

Scheduled minimum revenues for succeeding fiscal years ending June 30 are as follows:

Fiscal Year	Total Revenues
2022	$ 1,829,013
2023	1,674,053
2024	1,722,503
2025	1,747,056
2026	1,772,347
2027-2031	7,460,376
2032-2036	11,332,707

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 contributions 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:

i. 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 past 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 2022 agreement is $12.7 million, compared to the FY 2021 contribution for Alexandria, which was $12.5 million.

ii. Operating subsidies - Bus and Rail Systems

During FY 2021, obligations for bus and rail subsidies amounted to $41.7 million. The City paid these obligations from the following sources:

State Aid and State Motor Fuel Sales Tax revenues	40,147,662
NVTA 30%	1,573,000
TOTAL	**$41,720,662**

Expected obligations for FY 2022 are $43 million, $17.6 million of which is expected to be paid from the City's General Fund. The City will also use $23.9 million from NVTC funding and $1.6 million from NVTA 30% funding to cover the rest of the obligations.

iii. Potomac Yard Metrorail Station

Alexandria's Potomac Yard is located in the northeast corner of the City, south of downtown Washington, D.C. and just southwest of Ronald Reagan Washington National Airport. It consists of two development tracts, North Potomac Yard and South Potomac Yard, which are divided into smaller geographic units or "landbays" for zoning and development purposes. As a major long-term economic development investment, the City of Alexandria approved the North Potomac Yard Small Area Plan on June 12, 2010. This initiative rezoned 69 acres of prime real estate located in Alexandria's Potomac Yard area into a high-density mixed-use development of over 7.5 million square feet. An integral part of this plan, which is expected to add approximately 10 percent to the City's tax base and generate over $1 billion in new tax revenue over 30-years, entails the construction of a new Metrorail station (Potomac Yard) along the existing heavy rail Metrorail line.

City Council announced the selection of the Locally Preferred Alternative B concept for the Potomac Yard Metrorail Station on May 20, 2015. On June 16, 2016, City Council unanimously approved the Master Plan Amendment, Development Special Use Permit (DSUP), and other special use permits required to construct the

NOTE 8. COMMITMENTS AND CONTINGENCIES (Continued)

Metrorail station in Potomac Yard. WMATA procured a contractor for the design-build contract in Summer 2018, following the project's review under Section 4(f) of the Department of Transportation Act and the National Environmental Policy Act (NEPA). This process concluded with the issuance of Records of Decision by the Federal Transit Administration and the National Park on October 31, 2016 and November 1, 2016, respectively.
Additional Federal and state water resource permits were required for construction of the Metrorail station to begin. Following agency review and Public Notice procedures, Virginia's Marine Resources Commission issued a letter of no jurisdiction under the Wetland Zoning Ordinance on February 26, 2019; the Virginia Department of Environmental Quality issued a Virginia Water Protection Individual Permit on September 6, 2019; and U.S. Army Corps of Engineers issued the Clean Water Act Section 404 Permit on November 15, 2019.

The project's Notice to Proceed (NTP) was issued on September 24, 2019, and the start of construction was commemorated by a groundbreaking ceremony on December 19, 2019. Construction has continued to advance allowing for substantive construction of the station headhouse (mezzanine, platform, and basement levels), platforms, track zone, AC Switchgear building, pedestrian bridge, north pavilion, and communication and power duct banks.

In November 2018, Amazon selected Virginia's National Landing location, comprised of Arlington's Crystal City and Pentagon City, and Alexandria's Potomac Yard, for its HQ2 offices after an 18-month selection process that began with more than 200 localities. Included in the Commonwealth's Amazon HQ2 bid package was the designation of $50 million for an enhanced Potomac Yard Metrorail Station southwest access. This updated design concept was approved by City Council on April 18, 2020. Site surveying was completed, and City Council approved an amended DSUP reflecting the design improvements in Fall 2020. Project construction, including the enhanced southwest access, is anticipated to be complete in Fall 2022.

The National Landing site was also selected in part due to Virginia Polytechnic Institute and State University's (Virginia Tech) commitment to build a $1 billion, 1-million square foot, technology-focused Innovation Campus in Alexandria. The campus' first building is scheduled open by 2024 and is scheduled to have a classroom presence of approximately 3,000 students by 2028. Virginia Tech's Innovation Campus, and a greater surrounding Innovation District immediately adjacent to the north Metro station entrance, was officially added to the North Potomac Yard Small Area Plan on June 20, 2020.

Locally Preferred Alternative B was originally budgeted at $268 million. In April 2018, changes in labor, materials, and the bidding climate, warranted City Council to authorize increasing the project budget by $50 million to a total of $320 million. The City prepared an updated financial feasibility analysis in Spring 2018 that evaluated the City's ability to finance the station using only local shares. The funding sources include cash derived from net new tax revenues from Potomac Yard, $175 million in long term debt, $69.5 million in grants from the NVTA, and a $50 million 2% VTIB loan that was awarded to the City by the Commonwealth Transportation Board in January 2015 and $25 million from Potomac Yard Fund Balance, and revenue collected in the Potomac Yard development area. In 2020, the projected total project cost increased to $370 million, following approval by City Council to amend the funding agreement with WMATA to incorporate the $50 million in funds granted in the Amazon HQ2 bid.

The financial risk to the City associated with the Metrorail station project has been carefully structured. The debt is anticipated to be structured with a ramped up principal repayment schedule to more closely align the debt service payments with the expected growth surrounding the metro station. Long-term debt will be repaid by the net new taxes derived from Potomac Yard development, developer contributions, and taxes from a special tax district established specifically to generate revenue for construction of the new Metrorail station. In December 2010, City Council approved the Tier I Special Services Tax District for Landbays F, G, and H and the multi-family portion of Landbay I. Tier I tax collections began in 2011 at the rate of 20 cents per $100 of valuation. A Tier II Tax District (Landbays I and J) with a 10-cent per $100 of valuation levy was abolished by City Council in December 2018, due to projected real estate tax revenues resulting from the Amazon HQ2.

NOTE 8. COMMITMENTS AND CONTINGENCIES (Continued)

Additionally, upfront shortfall guarantees totaling $32 million have been negotiated with the North Potomac Yard property owner. No cash flow draw from the City's General Fund is planned.

B. 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.

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.

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) passed to the Corporation.

Acceptance testing on each unit was completed in November 2000, and the Operating Lease agreement between the Authorities and the Corporation took effect in January 2001. Since the lease is essentially a capital lease, the capital assets completed and covered by the lease and the promissory note are 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 FMG budget for FY 2021 was $118,000 and according to the interjurisdictional agreement the City's contribution was $47,200. Operating costs of the Facility are paid for primarily through tipping fees. The City paid $1,015,413 in tipping fees in FY 2021 and is anticipating a similar cost in FY 2022.

D. 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..

NOTE 8. COMMITMENTS AND CONTINGENCIES (Continued)

E. Federal and State Sanitary and Stormwater Requirements

The City is facing increased state and federal regulatory mandates associated with sanitary sewer and stormwater management requirements to protect and enhance the water quality in our local streams, the Potomac River, and the Chesapeake Bay. For Alexandria, this means approximately $400 to $600 million in investments to its combined sewer system over the next 6 years, as well as investing between $65 million to $100 million to for the implementation and maintenance of stormwater infrastructure over the next decade.

Because of state and federal regulations mandating the improvement of Chesapeake Bay water quality for the six states and the District of Columbia that comprise the Bay's watershed, municipalities must make significant capital investments in stormwater management infrastructure. Virginia municipalities in the Bay watershed that are regulated by a municipal separate storm sewer system (MS4) permit that for urban stormwater discharges must achieve increasing pollution reduction goals enforced through three 5-year MS4 permit cycles. Accordingly, the City was required to achieve 5 percent of the pollution reduction targets during the 2013 – 2018 permit, with an additional 35% (40% total) required by the end of the current 2018-2023 MS4 permit, and the remaining 60% (100% total) on or before the end of the 2023 – 2028 MS4 permit as part of the Stormwater Management Program. The estimated cost of Stormwater Management Program infrastructure improvements over this period is between $50 million and $75 million. Additionally, the region and the City have experienced unprecedented intense rainfall events that are occurring more frequently and creating urban and flash flooding that threatens homes and businesses, causing damages to structures and endangering lives. Effective January 1, 2018, the City Council adopted a Stormwater Utility Fee as a dedicated funding source to perform operations and maintenance of existing and new stormwater management infrastructure, and to provide cash capital and funding of debt service to implement new stormwater management infrastructure improvements to meet the state and federal mandates in the MS4 permit and to mitigate the occurrence and impacts of flooding from more frequent and intense storm events. Collection of this fee began in Calendar Year 2018, with the typical single-family home billed approximately $140 per year.

The City also maintains the wastewater collection system serving residents and businesses that comprises of approximately 240 miles of sewers. Alexandria Renew Enterprises, an independent governmental authority, provides wastewater treatment services to most of the City and to a portion of southern Fairfax County. 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 City, alternatives need to be evaluated that may include purchasing portion of Fairfax's capacity at the plant and/or implementing plant systems upgrades.

In addition to federal mandates concerning the Chesapeake Bay, the 2017 Virginia General Assembly (CSO) Combined Sewer Outflow Law (CSO Law) required the City to accelerate its efforts to address combined sewer discharges from all four outfalls in the City. A CSO system in Old Town currently comprises approximately 540 acres of the approximate 10,000 acres of land in the City. The CSO Law mandated construction for each outfall be completed no later than July 1, 2025. On April 14, 2018, City Council adopted a new Long Term Control Plan Update ("LTCPU") also known as the RiverRenew program. The LTCPU was developed as a partnership between the City and Alexandria Renew Enterprises, which allowed for the leveraging of both the City's and Alexandria Renew Enterprises' experience and abilities. City Council also authorized transfer of Combined Sewer Outfalls to Alexandria Renew Enterprises. Accordingly, the Outfall Transfer Agreement was executed and combined sewer outfalls were transferred to Alexandria Renew Enterprises effective July 1, 2018.

The RiverRenew program led by Alexandria Renew Enterprises is anticipated to cost $615 million with the goal of reducing overflows from the Combined Sewer System from an average of about 70 events to less than 4 per year. In 2019, the Virginia General Assembly approved $25 million in State support for this project. The City and Alexandria Renew Enterprises are currently seeking an additional $65 million from the State upcoming biennial

NOTE 8. COMMITMENTS AND CONTINGENCIES (Continued)

budgets. The outfall transfer allows Alexandria Renew Enterprises to own all of 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 would also debt finance this CSO project and 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 City's infiltration and inflow program, and RiverRenew program.

**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. The City currently has no outstanding arbitrage obligation. General obligation bonds outstanding as of June 30, 2021, are comprised of the following individual issues:

1.	$49.8 million General Obligation Refunding Bond of 2020, installments ranging from $0.39 million to $9.99 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.	$	49,800,000
2.	$204.0 million General Obligation Capital Improvement Bonds of 2019, installments ranging from $0.5 million to $46.2 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.		204,080,000
3.	$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.		38,675,000
4.	$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.		34,905,000
5.	$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.		94,570,000
6.	$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 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.		3,720,000
7.	$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.		84,685,000
8.	$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.		32,657,000
9.	$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.		63,920,000
10.	$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.		5,485,000
11.	$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.		17,390,000

Exhibit XII
(Continued)

NOTE 9. LONG-TERM DEBT (Continued)

12.	$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.		31,430,000
13.	$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.		19,795,000
14.	$63.8 million General Obligation (tax-exempt) Refunding Bonds of 2013, installments averaging $3.3 million through 2023, bearing interest at 5.0 percent. The Bonds maturing on or before June 15, 2023 are not subject to redemption prior to maturity.		6,610,000
15.	$76.8 million General Obligation Capital Improvement (tax-exempt) Bonds of 2012, installments ranging from $200,000 to $4.0 million through 2022, bearing interest at rates ranging from 2.0 percent to 5.0 percent. The Bonds maturing on or before June 15, 2022, are not subject to redemption prior to their maturity.		4,000,000
16.	$17.3 million General Obligation (tax-exempt) Refunding Bonds of 2012, installments ranging from $70,000 to $5.6 million through 2022, bearing interest at rates ranging from 2.0 percent to 4.0 percent. The Bonds maturing on or after June 15, 2022, are not subject to redemption before maturity.		8,635,000
17.	$70.0 million General Obligation (tax-exempt) Refunding Bonds of 2011, installments ranging from $1.0 million to $3.8 million through 2021, bearing interest rates ranging from 2.0 percent to 5.0 percent. The Bonds maturing on or before July 15, 2021, are not subject to optional redemption.		3,760,000
	Total	$	704,117,000

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 Refunding Bonds of 2020

CUSIP	Issue	Rate	Maturity Date July 15,
0153027AA8	$ 9,340,000	0.45%	2023
0153027AB6	9,990,000	0.70%	2024
0153027AC4	3,085,000	0.80%	2025
0153027AD2	390,000	1.00%	2026
0153027AE0	395,000	1.15%	2027
0153027AF7	2,195,000	1.35%	2028
0153027AG5	6,135,000	1.40%	2029
0153027AH3	6,030,000	1.50%	2030
0153027AJ9	4,130,000	1.70%	2031
0153027AK6	4,080,000	1.80%	2032
0153027AL4	4,030,000	1.95%	2033
	$ 49,800,000		

2. General Obligation Capital Improvement Bonds of 2019A

CUSIP	Issue	Rate	Maturity Date July 15,
0153027B2	$ 500,000	5.00%	2021
0153027C0	1,120,000	5.00%	2022
0153027D8	1,120,000	5.00%	2023
0153027E6	1,120,000	5.00%	2024
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	4.00%	2033
0153027Q9	6,650,000	2.13%	2034
0153027R7	7,610,000	3.00%	2035
0153027S5	8,570,000	2.25%	2036
0153027T3	9,365,000	3.00%	2037
0153027U0	9,615,000	3.00%	2038
0153027V8	9,855,000	2.63%	2039
0153027W6	10,090,000	2.63%	2040
0153027X4	9,235,000	3.00%	2041
0153027Y2	9,515,000	3.00%	2042
0153027Z9	9,805,000	3.00%	2043
0153028C9	31,235,000	3.00%	2044-2046
0153028G0	46,280,000	3.00%	2047-2050
	$ 204,080,000		

**Exhibit XII
(Continued)**

NOTE 9. LONG-TERM DEBT (Continued)

3. General Obligation Capital Improvement Bonds of 2018C

CUSIP	Issue	Rate	Maturity Date July 15,
0153026H0	2,150,000	5.00%	2021
0153026J6	2,150,000	5.00%	2022
0153026K3	2,150,000	5.00%	2023
0153026L1	2,150,000	5.00%	2024
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
0153027A4	2,145,000	3.40%	2038
	$ 38,675,000		

4. General Obligation Refunding Bond of 2017D

CUSIP	Issue	Rate	Maturity Date July 1,
0153025V0	2,950,000	5.00%	2021
0153025W8	2,995,000	5.00%	2022
0153025X6	3,035,000	5.00%	2023
0153025Y4	3,075,000	5.00%	2024
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
	$ 34,905,000		

**Exhibit XII
(Continued)**

NOTE 9. LONG-TERM DEBT (Continued)

5. General Obligation Refunding Bond of 2017C

CUSIP	Issue	Rate	Maturity Date July 1,
0153025C2	2,130,000	5.00%	2021
0153025E8	500,000	3.00%	2021
0153025D0	500,000	3.50%	2021
0153025F5	8,985,000	5.00%	2022
0153025G3	2,000,000	3.00%	2022
0153025H1	10,595,000	5.00%	2023
0153025J7	10,645,000	5.00%	2024
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
	$ 94,570,000		

6. General Obligation Bonds (taxable) of 2017B

CUSIP	Issue	Rate	July 15,
0153024G4	220,000	2.75%	2021
0153024H2	220,000	3.00%	2022
0153024J8	220,000	3.00%	2023
0153024K5	220,000	3.00%	2024
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
	$ 3,720,000		

Exhibit XII
(Continued)

NOTE 9. LONG-TERM DEBT (Continued)

7. General Obligation Capital Improvement Bonds of 2017A

CUSIP	Issue	Rate	Maturity Date July 15,
0153023L4	4,985,000	5.00%	2021
0153023M2	4,985,000	5.00%	2022
0153023N0	4,985,000	5.00%	2023
0153023P5	4,985,000	5.00%	2024
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
0153023U4	4,980,000	2.00%	2029
0153023V2	4,980,000	3.00%	2030
0153023W0	4,980,000	5.00%	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
	$ 84,685,000		

8. General Obligation Refunding Bond of 2016B

Issue	Rate	Maturity Date July 15,
396,000	1.91%	2021
404,000	1.91%	2022
412,000	1.91%	2023
4,154,000	1.91%	2024
4,111,000	1.91%	2025
4,052,000	1.91%	2026
3,979,000	1.91%	2027
3,904,000	1.91%	2028
3,827,000	1.91%	2029
3,749,000	1.91%	2030
3,669,000	1.91%	2031
$ 32,657,000		

Exhibit XII
(Continued)

NOTE 9. LONG-TERM DEBT (Continued)

9. General Obligation Bonds of 2016A

CUSIP	Issue	Rate	Maturity Date July 15,
0153022R2	3,995,000	5.00%	2021
0153022S0	3,995,000	5.00%	2022
0153022T8	3,995,000	5.00%	2023
0153022U5	3,995,000	5.00%	2024
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
0153023E0	3,995,000	3.00%	2034
0153023F7	3,995,000	3.00%	2035
0153023G5	3,995,000	3.00%	2036
	$ 63,920,000		

10. General Obligation Bonds (taxable) of 2015C

CUSIP	Issue	Rate	Maturity Date July 15,
0153022D3	1,065,000	2.30%	2021
0153022E1	1,040,000	2.45%	2022
0153022F8	1,010,000	2.75%	2023
0153022G6	980,000	2.85%	2024
0153022H4	950,000	3.00%	2025
0153022J0	155,000	3.15%	2026
0153022K7	145,000	3.35%	2027
0153022L5	140,000	3.50%	2028
	$ 5,485,000		

Exhibit XII
(Continued)

NOTE 9. LONG-TERM DEBT (Continued)

11. General Obligation Capital Improvement Bonds of 2015B

CUSIP	Issue	Rate	Maturity Date July 15,
015302X98	1,165,000	5.00%	2021
015302Y22	1,165,000	5.00%	2022
015302Y30	1,165,000	5.00%	2023
015302Y48	1,165,000	5.00%	2024
015302Y55	1,165,000	5.00%	2025
015302Y63	1,165,000	5.00%	2026
015302Y71	1,165,000	5.00%	2027
015302Y89	1,165,000	3.00%	2028
015302Y97	1,165,000	3.00%	2029
015302Z21	1,165,000	3.00%	2030
015302Z39	1,165,000	3.00%	2031
015302Z47	1,165,000	3.13%	2032
015302Z54	1,165,000	3.13%	2033
015302Z62	1,165,000	3.25%	2034
015302Z70	1,080,000	3.25%	2035
	$ 17,390,000		

12. General Obligation Refunding Bond of 2015A Direct Bank Loan

Issue	Rate	Maturity Date July 15,
3,490,000	1.86%	2021
3,430,000	1.86%	2022
3,365,000	1.86%	2023
6,240,000	1.86%	2024
6,100,000	1.86%	2025
3,015,000	1.86%	2026
2,935,000	1.86%	2027
2,855,000	1.86%	2028
$ 31,430,000		

Exhibit XII
(Continued)

13. General Obligation Capital Improvement Bonds of 2014B

CUSIP	Issue	Rate	Maturity Date January 15,
015302V66	1,800,000	5.00%	2022
015302V74	1,800,000	5.00%	2023
015302V82	1,800,000	5.00%	2024
015302V90	1,800,000	5.00%	2025
015302W24	1,800,000	3.00%	2026
015302W32	1,800,000	4.00%	2027
015302W40	-	4.00%	2028
015302W57	-	4.00%	2029
015302X31	-	4.00%	2030
015302W65	1,800,000	3.00%	2031
015302W73	1,800,000	3.00%	2032
015302W81	1,800,000	3.00%	2033
015302W99	1,800,000	3.13%	2034
015302X23	1,795,000	3.20%	2035
	$ 19,795,000		

14. General Obligation Capital Improvement Bonds of 2013

CUSIP	Issue	Rate	Maturity Date June 15,
015302T44	3,305,000	5.00%	2022
015302T51	3,305,000	5.00%	2023
	$ 6,610,000		

15. Public Improvement Bonds of 2012 B

CUSIP	Issue	Rate	Maturity Date June 15,
015302P71	4,000,000	5.00%	2022
	$ 4,000,000		

16. Refunding Bonds of 2012

CUSIP	Issue	Rate	Maturity Date June 15,
015302N40	8,635,000	4.00%	2022
	$ 8,635,000		

17. Public Improvement Bonds of 2011

CUSIP	Issue	Rate	Maturity Date July 15,
015302K84	3,760,000	4.00%	2021
	$ 3,760,000		

Exhibit XII
(Continued)

NOTE 9. LONG-TERM DEBT (Continued)

The requirements to pay all long-term bonds as of June 30, 2021, including interest payments of $233.5 million, are summarized as follows:

Fiscal Year	Serial Bonds Principal	Interest
2022…………………………………………….....	$ 45,546,000	$ 24,171,420
2023…………………………………………….....	46,934,000	22,061,402
2024…………………………………………….....	43,842,000	20,316,049
2025…………………………………………….....	43,614,000	18,634,234
2026…………………………………………….....	41,546,000	16,913,681
2027-2031………………………………………..	191,796,000	60,630,884
2032-2036………………………………………..	116,454,000	34,086,714
2037-2051………………………………………..	174,385,000	36,667,266
	$ 704,117,000	$ 233,481,650

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. The City received $0.3 million in Build America Bonds interest subsidy payments in early FY 2021. All Build America Bonds have been refunded and the City will receive no additional interest subsidy payments.

Legal Debt Margin - The City has no overlapping debt with other jurisdictions. As of June 30, 2021, the City had a legal debt limit of $4.3 billion and a debt margin of $3.5 billion:

Assessed Taxable Value of Real Property, January 1, 2020	$43,826,796,330
Constitution Debt Limit (10% of Assessed Taxable Value)	4,382,679,633
Outstanding General Obligation Indebtedness as of June 30, 2021	
Governmental Activities – General Obligation Debt	704,117,000
Net Indebtedness subject to debt limit	704,117,000
Legal Debt Margin Remaining	$3,678,562,633
Percentage of net debt margin available	83.9%

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, 2021, are summarized below:

	Authorized and Unissued July 1, 2020	Authorized	Issued	Expired	Authorized and Unissued June 30, 2021
General Obligation Bonds	$28,075,000	$336,800,000	$0.00	$28,075,000	$336,800,000

Exhibit XII
(Continued)

NOTE 9. LONG-TERM DEBT (Continued)

On November 11, 2020, the City Council issued $49.8 million in General Obligation Refunding Bonds. The $49.8 million in bonds were issued with an original premium of $89,196 and a true interest cost of 1.45 percent.

The City has not issued any revenue anticipation notes at any time for the past two decades. On July 10, 2018, the City secured lines of credit totaling up to $250 million to assist with cash flow for the Potomac Yard Metrorail Station project. The Station is being funded from a number of sources that are structured as reimbursement funding, including a Northern Virginia Transportation Authority grant. The City has also secured a Virginia Transportation Infrastructure Bank loan. The lines of credit will be available for five years and will be used for cash flow purposes, to fund various capital improvement projects, enabling the City to save debt service costs of general obligation bonds.

Other short-term liabilities represent unclaimed money and deposits.

On January 26, 2021, City Council passed a reimbursement resolution, declaring the intent to use on hand bond resources to make expenditures and then reimburse itself from the proceeds of future debt obligations for capital expenditures. These expenditures of up to $120 million are for projects already approved in the Capital Improvement Program in FY 2020 and FY 2021. The obligations are anticipated to finance projects for the Alexandria City Public Schools in the amount of $90 million, projects related to city buildings and facilities in the amount of $10 million and sewer infrastructure projects totaling $20 million. The general obligation bonds are expected to be issued in the Fall of 2021 and 2022.

Changes in Long-Term Liabilities - Changes in the total long-term liabilities during the fiscal year ended June 30, 2021 are summarized below. In general, the City uses the General Fund to liquidate long-term liabilities.

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Amounts Due Within One Year
General Obligation Bonds	$ 747,911,000	$ 49,800,000	$ 93,594,000	$ 704,117,000	$ 47,529,000
Bond Premium	77,388,708	87,196	5,811,536	71,664,368	5,811,536
Workers' Compensation Claims	21,309,057	2,931,873	4,293,674	19,947,256	3,810,293
Accrued Compensated Absences	28,202,197	14,043,849	13,419,253	28,826,793	3,536,580
Net Pension Liability	185,290,567	-	64,506,460	120,784,107	-
Net OPEB Liability	50,704,397	-	26,320,913	24,383,484	-
Total	$ 1,110,805,926	$ 66,862,918	$ 207,945,836	$ 969,723,008	$ 60,687,409

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, 2021:	
Long-term liabilities (detail above)	$ 969,723,008
Accrued interest payable	1,094,386
Adjustment	$ 970,817,394

Exhibit XII
(Continued)

NOTE 9. LONG-TERM DEBT (Continued)

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	$	624,596
Workers compensation		(1,361,801)
Discount and interest		(5,724,340)
Accrued interest on bonds		(271,671)
Net Adjustment	$	(6,733,216)

Change in Pension Liability		(64,506,460)
Change in OPEB Liability		(26,320,913)
Net Adjustment	$	(90,827,373)

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 Adjustment

Pension expense, Note 17	$ 18,581,049
Contributions, measurement date	
City Single Agency & VRS FY21	(40,359,624)
Net Pension Expense	(21,778,575)
OPEB Expense, Note 16	963,654
Contributions, measurement date	
City OPEB FY21	(8,504,564)
Net OPEB Adjustment	(7,540,910)
Adjustment to Exhibit IV	$ (29,319,485)

Reconcilation to Net position:
Deferred Inflows

Deferred Inflows: Exhibit III		$ 359,757,431
Tax Receivable, Note I	11,573,318	(11,573,318)
Deferred Gain on Refunding Bonds, Note I	19,537,062	
Adjustment, Exhibit III	31,110,380	
Deferred Inflows, Taxes Exhibit I		348,184,113
Deferred Inflows, Pensions		(97,225,935)
Deferred Inflows, OPEB		(29,801,382)
Deferred Inflows, Pensions & OPEB Exhibit I		$ (127,027,317)

Exhibit XII
(Continued)

NOTE 9. LONG-TERM DEBT (Continued)

Component Unit – Schools

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Amounts Due Within One Year	Long Term Payable
Compensated Absences	$ 10,045,187	$ 17,371,676	$ 16,916,138	$ 10,500,725	$ 986,635	$ 9,514,090
Workers' Compensation Claims	1,499,020	1,881,648	899,261	2,481,407	1,736,985	744,422
Capital Leases	639,474	-	639,474	-	-	-
Rent Abatement Accrual	1,892,439	-	212,244	1,680,195	212,244	1,467,951
Net Pension Liability	251,317,609	121,866,389	81,248,215	291,935,783	-	291,935,783
Net OPEB Obligation	46,784,479	10,507,055	14,776,912	42,514,622	-	42,514,622
Total	$ 312,178,208	$ 151,626,768	$ 114,692,244	$ 349,112,732	$ 2,935,864	$ 346,176,868

Refunding Bonds

Prior-year Defeasance of Debt

In prior years, the City defeased certain general obligation 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, 2021, $136.86 million of bonds outstanding were considered defeased.

Exhibit XII
(Continued)

NOTE 10. INTERFUND BALANCES AND COMPONENT UNIT TRANSACTIONS

Primary Government

This balance represents timing differences related to accounts receivable.

Transfers:	General	Special Revenue	Internal Service	Capital Projects	Total Transfers In
Primary Government					
General Fund	$ -	$ 8,832,247	$ 414,180	$ -	$ 9,246,427
Special Revenue	75,809,799	(662,077)	281,517	-	75,429,239
Capital Projects	38,738,144	8,576,496		-	47,314,640
Alexandria Transit	5,808,853	16,686,497	-	-	22,495,350
Total Transfers Out	120,356,796	33,433,163	695,697	-	154,485,656
Component Unit					
Schools	234,037,296	-	-	10,910,634	244,947,930
Library	7,379,204		-	-	7,379,204
Total Transfers Out	$ 241,416,500	$ -	$ -	$ 10,910,634	$ 252,327,134

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 $6.6 million in capital assets to Alexandria Transit in FY 2021.

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.

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

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 a condition 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 as a result of unallowed disbursements (if any), by the grantor agencies.

NOTE 12. INTERGOVERNMENTAL REVENUES

Intergovernmental revenues for the City and its component units totaled $233.0 million in FY 2021. Sources of these revenues were as follows:

GOVERNMENTAL FUNDS	
Federal Government	$ 63,615,848
Commonwealth of Virginia	83,941,110
Total Primary Government	147,556,958
FEDERAL GOVERNMENT	
Schools	28,231,638
Component Units - Federal Government	28,231,638
COMMONWEALTH OF VIRGINIA	
Schools	57,331,565
Library	208,533
Component Units - Commonwealth of Virginia	57,540,098
Total Component Units	85,771,736
TOTAL CITY AND COMPONENT UNITS	
Federal Government	91,847,486
Commonwealth of Virginia	141,481,208
Total Intergovernmental Revenue	$ 233,328,694

Exhibit XII
(Continued)

NOTE 13. DUE FROM OTHER GOVERMENTS

Due from other governments represents accrued revenue at June 30, 2021, consisting of the following:

PRIMARY GOVERNMENT	
State	
General Fund	$ 30,759,657
Special Revenue Fund	3,281,989
Capital Projects Fund	1,762,076
Alexandria Transit	542,758
Total State	36,346,480
Federal	
General Fund	573,279
Special Revenue Fund	2,420,639
Total Federal	2,993,918
Total Primary Government	39,340,398
COMPONENT UNITS	
State	
Schools	2,110,552
Total State	2,110,552
Federal	
Schools	7,579,618
Total Federal	7,579,618
Total Component Units	9,690,170
Total Primary Government & Component Units	**$ 49,030,568**

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 capital lease with the Industrial Development Authority of Loudoun County. The City maintains an equity interest only in the land and building of the Academy, 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. 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 FY 2021, the City paid $0.7 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 $1.5 million in FY 2021.

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 2021, the City made payments of $0.1 million to VRE.

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 (Carpenter Shelter Project)

In December 2016 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 is scheduled to be completed in November 2020 and is operational and occupied.

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 into 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.

Following ERLLC's establishment, a parcel of City-owned land located at 3600 Jefferson Davis Highway (the 3600 parcel), and required to complete AHC's assemblage for the development, was transferred into the LLC. ERLLC later joined the tax credit partnership formed by AHC and its tax credit investor, as a Special Limited Partner, with the 3600-parcel providing the City's equity stake. While ERLLC's interest in the tax credit entity is de minimis, the City had specific governance and oversight participation rights that were detailed in a March 2013 agreement between the City and AHC. These rights were later incorporated into the City's loan agreement with AHC. In addition to the land parcel, the City provided a $2.5 million residual receipts loan agreement.

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.

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 Spring 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 Spring 2021 and is operational and occupied.

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 is schedule to be completed in Spring/Summer 2022.

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.

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 FY 2021, 386 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 FY 21, 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 $2.4 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, and at least one other member who is an employee or citizen of the City with "proven integrity, business ability, and demonstrated experience in cash management and in investments". The citizen/employee 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.

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 in order 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, 2021.

Target Allocations

Asset Class	Target Allocation
Large Cap Growth	10%
Large Cap Value	15%
Mid Cap Core	10%
Private Equity	5%
Small Cap Core	5%
International Developed Markets	10%
Emerging Markets	15%
Fixed Income Domestic	10%
Tactical Asset Allocation	5%
Timber	5%
Real Estate	5%
Farmland	5%
Total	100%

Rate of Return

For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 34.50 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

The long-term expected rate of return on OPEB plan investments was determined using the last 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 2.50 percent. The long term expected rates of return for each major asset class as of June 30, 2021 are summarized in the following table.

Exhibit XII (Continued)

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

Asset Class	Long Term Expected Rate of Return
Diversified Assets	0.4%
Equity	6.4%
Real Assets	0.9%
Fixed Income	0.7%
Return	8.4%
Inflation	2.2%
Return w/ Inflation	10.6%
Risk Adjustment	-1.5%
Total Expected Arithmetic Nominal Return	9.1%

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, 2020. 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, 2020 actuarial reports was 7.00 percent.

Membership

At January 1, 2021, membership consisted of:	
Retirees and Beneficiaries Currently Receiving Benefits	1,537
Terminated Employees Entitled to Benefits But not yet receiving them	---
Active Employees	2,301
TOTAL	3,838

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.

	OPEB	LODA	Total
Trust Fund Contributions	$ 88,830	$ 1,050,000	$ 1,138,830
Pay Go Contributions	5,891,226	1,474,508	7,365,734
	$ 5,980,056	$ 2,524,508	$ 8,504,564

Exhibit XII (Continued)

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

Annual OPEB Costs and Net OPEB Liability

The City is responsible for funding benefits required under the Virginia Line of Duty Act. 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 $7.3 million as of June 30, 2020 to $3.6 million as of June 30, 2021.

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

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 Plan Board based upon the results of an actuarial experience study covering the period July 1, 2013 through June 30, 2017. The actuarial assumptions for the City Members are similar to the assumptions that were adopted by the City of Alexandria Supplemental Retirement Plan Board based upon the results of an actuarial experience study covering the period July 1, 2010 through June 30, 2015. The City is now offering a high deductible health plan option for both UHC and Kaiser, but very few retirees are participating. Changes made can be referenced in the Required Supplemental Information.

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 SOA RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected fully generationally with scale MP-2017. The mortality rates for City employees were based on the RP-2000 Combined Mortality Table sex distinct for base rates. For mortality improvement, rates were projected generationally from the base year using a modified version of the MP-2015 projection scale. Disability mortality rates for Fire and Police were based on SOA RP-2014 Disabled Retiree Mortality Table, adjusted to 2006 and projected fully generationally with scale MP-2017. The disability mortality rates for City Employees were based on 70 percent of PBGC Disabled Mortality Table 5a for males, and 90 percent PBGC Disabled Mortality Table 6a for females.

For the December 31, 2020 actuarial valuations, the following assumptions apply to both OPEB and LODA valuation reports. The investment rate used was 7.00 percent. The entry-age actuarial cost method was used. For OPEB an annual medical cost trend rate of 6.90 percent for 2021 grading down to 3.12 percent over 19 years was used. For LODA non-Medicare an annual medical cost trend rate of 6.75 percent for 2021 grading down to 4.75 percent over 8 years, 5.25% for 2021 grading down to 4.75 percent over 3 years for Medicare was used. Salary scale ranges were from 3.25 percent for Fire and Police and 3.25 percent for City employees depending on service with 3.25 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. Asset valuation method used was market value and the remaining amortization period as of December 31, 2020 was 17 years.

Exhibit XII (Continued)

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

Total OPEB Liability

The City of Alexandria's total OPEB liability of $139,572,858 was measured as of June 30, 2021 and was determined by an actuarial valuation as of December 31, 2019, projected to June 30, 2021. Measurements as of the reporting date are based on the fair value of assets as of June 30, 2021 and the Total OPEB Liability as of the valuation date, December 31, 2019, updated to June 30, 2021. There were no significant events between the valuation date and the measurement date.

Change in Net OPEB Liability for City of Alexandria

		Increase (Decrease)	
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances as of 6/30/2020	$ 135,592,067	$ 84,887,670	$ 50,704,397
Changes for the year:			
Service cost	2,889,520	-	2,889,520
Interest	9,337,427	-	9,337,427
Changes in benefit terms	-	-	-
Changes in assumptions	(158,892)	-	(158,892)
Difference between expected and actual experience	(721,530)	-	(721,530)
Contributions-employer	-	8,504,564	(8,504,564)
Contributions-member	-	-	-
Net Investment Income	-	29,200,847	(29,200,847)
Benefit payments	(7,365,734)	(7,365,734)	-
Administrative Expense	-	(37,973)	37,973
Net Changes	3,980,791	30,301,704	(26,320,913)
Balances at 6/30/2021	$ 139,572,858	$ 115,189,374	$ 24,383,484

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

For the year ended June 30, 2021, the City recognized OPEB expense of $963,654.

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	$ 81,475	$ 5,932,932
Changes of assumptions	5,435,727	6,983,255
Net difference between projected and actual earnings on OPEB plan investments	-	16,885,195
Total	$ 5,517,202	$ 29,801,382

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

Year ended December 31:

2022	$ (5,321,249)
2023	(5,333,908)
2024	(6,284,992)
2025	(7,197,294)
2026	(146,737)
Total Future Deferrals	$ (24,284,180)

The components of the Net OPEB Liability of the City of Alexandria as of June 30, 2021 are as follows:

	Measurement Date 6/30/2021
Total OPEB Liability	$ 139,572,858
Plan Fiduciary Net Position	115,189,374
Net OPEB Liability	$ 24,383,484
Plan Fiduciary Net Position as a percentage of Total OPEB Liability	82.5%

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 it were calculated using the 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
	6.00%	7.00%	8.00%
Total OPEB Liability	$ 154,916,331	$ 139,572,858	$ 126,807,785
Plan Fiduciary Net Position	115,189,374	115,189,374	115,189,374
Net OPEB Liability 6/30/2021	$ 39,726,957	$ 24,383,484	$ 11,618,411
Plan Fiduciary Net Position as a percentage of Total OPEB Liability	74.4%	82.5%	90.8%

**Exhibit XII
(Continued)**

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

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 and 1.0 percent higher.

Sensitivity of Net OPEB Liability to Changes in Healthcare Cost Trend Data	1% Decrease	Healthcare Trend	1% Increase
Total OPEB Liability	$ 133,203,189	$ 139,572,858	$ 147,070,148
Plan Fiduciary Net Position	115,189,374	115,189,374	115,189,374
Net OPEB Liability 6/30/2021	$ 18,013,815	$ 24,383,484	$ 31,880,774
Plan Fiduciary Net Position as a percentage of Total OPEB Liability	86.5%	82.5%	78.3%

OPEB Trust

The table 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 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. During fiscal year 2021, $11.5 million worth of investments were evaluated and classified in Level 1 of the fair value hierarchy.

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 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. During fiscal year 2021, $63.6 million worth of investments were evaluated and classified in Level 2 of the fair value hierarchy.

Exhibit XII
(Continued)

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

OPEB TRUST
As of June 30, 2021

Portfolio	Level 1	Level 2	Level 3
Equity Securities			
Common Stock & ETFs	$ 11,523,602	$ -	$ -
Mutual Funds	-	63,289,166	-
Total Equity Securities	11,523,602	63,289,166	-
Cash Equivalents			
Money Market Funds	-	265,283	-
Total Cash Equivalents	-	265,283	-
Total Investments by Fair Asset Value	$ 11,523,602	$ 63,554,449	$ -
Investments measured at net asset value (NAV)			
Commingled Collective Trusts	$ 25,686,910		
Private Equity	3,180,624		
Real Estate Funds	3,922,618		
Timber Funds	5,177,886		
Farmland	2,143,285		
Total Investments Measured at NAV	40,111,323		
Total Value	**$ 115,189,374**		

Exhibit XII
(Continued)

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

$40.1 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	$25,686,910	Monthly to Quarterly
Private Equity	$4,600,000	$3,370,591	$1,229,409	$3,180,624	Closed End Strategies
Real Estate Funds	$2,900,000	$2,900,000	$0	$3,922,618	Quarterly
Timber Funds	$4,950,000	$4,856,000	$94,000	$5,177,886	Closed End Strategies
Farmland	$1,700,000	$1,700,000	$0	$2,143,285	Quarterly
	$14,150,000	$12,826,591	$1,323,409	$40,111,323	

**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 range from $0 to $1,961 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 2021, ACPS contributed up to $265 for each participant.

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 retiree 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, 2020 valuation are reflected in the chart below.

Membership and Key Actuarial Assumptions	
Active plan members	2,459
Inactive/Deferred Vested	0
Retirees and spouses	620
Total	3,079
Covered Payroll	$169,644,131
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	UHC POS: 9% in 2021 then grading to 4.55% in 2040; UHC MA-PD: -5% in 2021. 9% in 2021 then grading to 4.55% in 2040; Kaiser: 0% in 2021, 6% in 2022 then grading to 4.55% in 2040
Mortality rates:	
- Pre-Retirement	RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at 81 and older with Scale BB to 2020.
- Post-Retirement	RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at age 50 and older projected with Scale BB to 2020; males 1% increase compounded from ages 70 to 90; females setback 3 years with 1.5% increase compounded from ages 65 to 74 and 2% increase compounded from ages 75 to 90.
- Post-Disablement	RP-2014 Disabled Mortality Rates projected with Scale BB to 2020; 115% of rates for males and females.

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 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 2021.

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.

Investment Type	Allocation	Expected Long-Term Rates of Return (real)	Long-Term Arithmetic Weighted Average Real Return
Large Cap Equity (Domestic)	26.00%	7.15%	1.86%
Small Cap Equity (Domestic)	10.00%	8.44%	0.84%
International Equity (Developed)	13.00%	7.94%	1.03%
Emerging Markets Equity	5.00%	9.09%	0.45%
Private Equity	5.00%	10.40%	0.52%
Long/Short Equity	6.00%	5.72%	0.34%
Core Bonds Fixed Income	7.00%	2.58%	0.18%
Core Plus Fixed Income	14.00%	2.86%	0.40%
Liquid Absolute Return Fixed Income	4.00%	3.26%	0.13%
Real Estate Real Assets	10.00%	6.66%	0.67%
Total	100.00%		6.43%
		Inflation	2.75%
		Expected arithmetic nominal return	9.18%

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, 2021 is 7.00%, which is the estimated long-term rate of return on 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, 2021.

Exhibit XII
(Continued)

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

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, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 30.07%. 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]

	2021	2020	2019	2018	2017
Annual Money-Weighted Rate of Return Net of Investment Expense	30.07%	3.01%	4.67%	9.52%	13.04%

[1]This chart is intended to show information for 10 fiscal years. More data will be added as it become available.

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, 2020 and rolled forward to June 30, 2021. The net OPEB liability at the end of the measurement year, June 30, 2021, is measured as of a valuation date of January 1, 2020 and projected to June 30, 2021. 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.

	Changes in Net OPEB Liability *Increase (Decrease)*		
	Total OPEB Liability	**Plan Fiduciary Net Position**	**Net OPEB Liability**
Balances as of June 30, 2020	$ 30,104,795	$ 21,698,465	$ 8,406,330
Changes for the year:			
Service cost	1,060,180	-	1,060,180
Interest	2,149,474	-	2,149,474
Contributions - employer	-	881,633	(881,633)
Contributions - member	-	-	-
Net investment income	-	6,522,171	(6,522,171)
Benefit payments	(881,633)	(881,633)	-
Administrative expense	-	(24,438)	24,438
Net changes	2,328,021	6,497,733	(4,169,712)
Balances as of June 30, 2021	$ 32,432,816	$ 28,196,198	$ 4,236,618

Plan Fiduciary Net Position as a percentage of the Total OPEB Liability 86.9%

Exhibit XII (Continued)

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

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	$ 36,261,557	$ 32,432,816	$ 29,287,786
Plan Fiduciary Net Position	28,196,198	28,196,198	28,196,198
Net OPEB Liability	$ 8,065,359	$ 4,236,618	$ 1,091,588
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	77.8%	86.9%	96.3%

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.

	Trend Minus (-) 1%	Trend Baseline	Trend Plus (+) 1%
Total OPEB Liability	$ 30,940,443	$ 32,432,816	$ 34,233,956
Plan Fiduciary Net Position	28,196,198	28,196,198	28,196,198
Net OPEB Liability	$ 2,744,245	$ 4,236,618	$ 6,037,758
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	91.1%	86.9%	82.4%

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

For the year ended June 30, 2021 the OPEB expense is $271,342. At June 30, 2021, 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	$ -	$ 3,534,125
Change in assummptions	240,238	687,984
Net difference between projected and actual earnings on OPEB plan investments	-	3,402,849
Total	$ 240,238	$ 7,624,958

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

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

Year Ending June 30,	Amount
2022	$ (1,444,700)
2023	(1,364,336)
2024	(1,455,654)
2025	(1,621,711)
2026	(620,889)
Thereafter	(877,430)
Total	$ (7,384,720)

Contributions

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 through the use of investment income and employer contributions. For the period ending June 30, 2021, ACPS contributed $1.7 million for current costs and an additional $1.0 million to prefund benefits.

The funding policy of ACPS is to contribute the difference between the actuarially determined contribution and the expected explicit subsidy payment to the Trust Fund. Benefit payments, including the implicit subsidy, are paid outside the Trust over the next 8 years. It is anticipated that once the Plan becomes 100% funded, ACPS will switch to paying benefit payments from the Trust. The assets were then projected forward reflecting known contributions through June 30, 2021, and then assuming the funding policy is followed going forward. Using the long-term expected rate of return of 7.0%, the assets are projected to always be greater than the expected benefit payments in any given year.

The following is a summary of fiduciary net position of the Trust as of June 30, 2021:

Summary of Fiduciary Net Position
ACPS OPEB Trust Fund
As of June 30, 2021

ASSETS	
Cash Equivalents	$ 611,858
Bonds	14,222,162
Mutual Funds	8,089,489
Other Investments	5,272,689
Contribution Receivable	1,046,537
Total assets	29,242,735
NET POSITION	
Held in trust for pension benefits	$ 29,242,735

Exhibit XII
(Continued)

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

The following is a summary of changes in fiduciary net position of the Trust for the year ended June 30, 2021:

Summary of Changes in Fiduciary Net Position
ACPS OPEB Trust Fund
For the Year Ended June 30, 2021

ADDITIONS		
Contributions	$	2,739,107
Investment Income, net		6,522,171
Total Additions		9,261,278
DEDUCTIONS		
Benefit payments		1,692,570
Administrative expenses		24,438
Total Deductions		1,717,008
Change in net position		7,544,270
NET POSITION, beginning of year		21,698,465
NET POSITION, end of year	$	29,242,735

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.

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:

<table>
<tr><th>TEACHER EMPLOYEE HEALTH INSURANCE CREDIT PROGRAM (HIC) PLAN PROVISIONS</th></tr>
<tr><td>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.</td></tr>
<tr><td>Benefit Amounts
The Teacher Employee Retiree Health Insurance Credit Program provides the following benefits for eligible employees:
<u>At Retirement</u> – 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.
<u>Disability Retirement</u> – 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.</td></tr>
<tr><td>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.</td></tr>
</table>

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 as a result 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, 2021 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, 2019. 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 $2.0 million for each of the years ended June 30, 2021 and June 30, 2020, respectively.

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, 2021, the school division reported a liability of $24.4 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, 2020 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, 2019 and rolled forward to June 30, 2020. 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, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the school division's proportion of the VRS Teacher Employee HIC Program was 1.85656% as compared to 1.87679% at June 30, 2019.

For the year ended June 30, 2021, the school division recognized VRS Teacher Employee HIC Program OPEB expense of $ 2.0 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, 2021, 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 325,665
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	108,069	-
Changes in assumptions	482,079	133,239
Changes in proportionate share	296,521	172,161
Employer contributions subsequent to the measurement date	1,986,737	-
Total	$ 2,873,406	$ 631,065

An amount of $2.0 million reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division's contributions subsequent to the measurement date will be recognized as a

Exhibit XII (Continued)

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

reduction of the Net Teacher Employee HIC OPEB Liability in the Fiscal Year ending June 30, 2022. 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:

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

Year Ending June 30,	Amount
2022	$ 43,535
2023	54,246
2024	50,657
2025	53,815
2026	54,815
Thereafter	(1,464)
Total	$ 255,604

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, 2019, 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, 2020.

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*

*Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of OPEB liabilities.

Mortality rates – Teachers

Pre-Retirement:

RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.

Post-Retirement:

RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with Scale BB to 2020; 115% of rates for males and females.

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2012 through June 30, 2016, except the change in the discount rate which was based on VRS Board action effective as of July 1, 2019. 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 a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decrease rate from 7.00% to 6.75%

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, 2020, NOL amounts for the VRS Teacher Employee HIC Program is as follows (amounts expressed in thousands):

	Teacher Employee HIC OPEB Plan
Total Teacher Employee HIC OPEB Liability	$ 1,448,676
Plan Fiduciary Net Position	144,160
Teacher Employee net HIC OPEB Liability	$ 1,304,516
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability	9.95%

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 weighting the expected future real rates of return by the target asset

Exhibit XII (Continued)

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

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	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi -Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
Total	100.00%		4.64%
		Inflation	2.50%
		(1) Expected arithmetic nominal return	7.14%

(1) The above allocation provides a one-year return of 7.14%. 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 provide a medium return of 7.11% including expected inflation of 2.50%. On October 10, 2019 the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY 2020 actuarial valuations provide a median return of 6.81%.

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, 2020, 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, 2020 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.

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	$ 27,297,708	$ 24,386,110	$ 21,911,463

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 2019 Comprehensive Annual Financial Report (annual financial report). A copy of the 2020 VRS annual financial report may be downloaded from the VRS website at http://www.varetire.org/Pdf/Publications/2020-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, 2021, 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 Virginia Retirement System (VRS) Group Life Insurance Program is a multiple employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The Group Life Insurance Program was established pursuant to §51.1-500 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 Group Life Insurance Program is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers. For purposes of measuring the net Group Life Insurance Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the Group Life Insurance Program OPEB, and Group Life Insurance Program OPEB expense, information about the fiduciary net position of the VRS Group Life Insurance Program OPEB and the additions to/deductions from the VRS Group Life Insurance Program OPEB's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, 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

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

plan is administered by the Virginia Retirement System (the System), along with pensions and other OBEB plans, 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 table below:

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 $8,463 as of June 30, 2020.

Exhibit XII (Continued)

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

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 as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the Group Life Insurance Program was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% X 60%) and the employer component was 0.54% (1.31% X 40%). Employers may elect to pay all or part of the employee contribution, however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2021 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. 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 $2.2 million for both years ended June 30, 2021 and June 30, 2020 respectively. Total contributions for the Locality group were $0.1 million for both years ended June 30, 2021 and June 30, 2020, respectively.

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, 2021, ACPS reported liabilities of $ 13.3 million and $0.6 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, 2020 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, 2019 and rolled forward to June 30, 2020. 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, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, for the Teachers group, the ACPS employer's proportion was 0.79551% as compared 0.80828% at June 30, 2019, and for the Locality group, the employer's proportion was 0.0.03692% at June 30, 2020 as compared 0.04033% at June 30, 2019.

For the year ended June 30, 2021, ACPS recognized GLI OPEB expense of $0.5 million for the Teachers group and $6,774 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, 2021, 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	$ 851,518	$ 119,239	$ 39,519	$ 5,534	$ 891,037	$ 124,773
Net difference between projected and actual earnings on GLI OPEB program investments	398,792	-	18,508	-	417,300	-
Changes in assumptions	663,941	277,206	30,814	12,865	694,755	290,071
Changes in proportion	266,042	321,258	-	80,028	266,042	401,286
Employer contributions subsequent to the measurement date	883,521	-	41,515	-	925,036	-
Total	$ 3,063,814	$ 717,703	$ 130,356	$ 98,427	$ 3,194,170	$ 816,130

**Exhibit XII
(Continued)**

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

An amount of $0.9 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, 2022. 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:

Year Ending June 30,	GLI - Teachers Amount	GLI - Locality Employees Amount	GLI - Total Amount
2022	$ 215,223	$ (7,441)	$ 207,782
2023	327,844	(2,215)	325,629
2024	407,890	2,556	410,446
2025	422,893	4,496	427,389
2026	88,358	(5,417)	82,941
Thereafter	382	(1,565)	(1,183)
Total	$ 1,462,590	$ (9,586)	$ 1,453,004

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2018, 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, 2019.

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

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of OPEB liabilities.

Mortality rates – Teachers

Pre-Retirement:

RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.

Post-Retirement:

RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with Scale BB to 2020; 115% of rates for males and females.

**Exhibit XII
(Continued)**

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2012 through June 30, 2016, except the change in discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (Pre-retirement, postretirement healthy, and disabled)	Update to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decrease rate from 7.00% to 6.75%

Mortality rates – Largest Ten Locality Employers – General Employees

Pre-Retirement:
RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with Scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:
RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:
RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (Pre-retirement, postretirement healthy, and disabled)	Update to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each age and service year
Disability Rates	Lowered Disability Rates
Salary Scale	No change
Discount Rate	Decrease rate from 7.00% to 6.75%

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, 2019, 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	$3,523,937
Plan Fiduciary Net Position	1,855,102
Employers' Net GLI OPEB Liability (Asset)	$1,668,835
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	52.64%

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 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:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PI-Private Investment Partnership	3.00%	6.49%	0.19%
Total	100.00%		4.64%
		Inflation	2.50%
		(1) Expected arithmetic nominal return	7.14%

(1) The above allocation provides a one-year return of 7.14%. 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,

**Exhibit XII
(Continued)**

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

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 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY 2020 actuarial valuations, provide a median return of 6.81%.

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, 2020, 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, 2019 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	$ 17,452,005	$ 13,275,760	$ 9,884,257
School division's proportionate share of the VRS Group Life Net OPEB Liability - Locality Employee Group	$ 809,956	$ 616,134	$ 458,733
Total VRS Group Life Net OPEB Liability	$ 18,261,961	$ 13,891,894	$ 10,342,990

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 2020 Comprehensive Annual Financial Report (annual financial report). A copy of the 2020 VRS annual financial report may be downloaded from the VRS website at http://www.varetire.org/Pdf/Publications /2020-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 VRS Group Life Insurance OPEB Plan

At June 30, 2020, ACPS reported payables to the VRS Group Life Insurance OPEB Plan of $0.2 million for the Teachers group and $9,000 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 June 30, 2021.

Exhibit XII (Continued)

NOTE 16. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

	ACPS OPEB Trust				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
Net OPEB Liability	$ -	$ -	$ 4,236,618	$ -	$ -	$ -	$ 24,386,110	$ -
Net difference between projected and actual earnings on OPEB plan investments	-	3,402,849	-	-	108,069	-	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-	-	-	296,521	172,161	-	-
Differences between expected and actual experience	-	3,534,125	-	-	-	325,665	-	-
Changes in assumptions	240,238	687,984	-	-	482,079	133,239	-	-
Employer contributions subsequent to the measurement date	-	-	-	-	1,986,737	-	-	-
OPEB Expense				271,342				2,040,600
Total	$ 240,238	$ 7,624,958	$ 4,236,618	$ 271,342	$ 2,873,406	$ 631,065	$ 24,386,110	$ 2,040,600

	GLI OPEB Program				Total OPEB Programs			
	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	$ -	$ -	$ 13,891,894	$ -	$ -	$ -	$ 42,514,622	
Net difference between projected and actual earnings on OPEB plan investments	417,300	-	-	-	525,369	3,402,849	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	266,042	401,286	-	-	562,563	573,447	-	-
Differences between expected and actual experience	891,037	124,773	-	-	891,037	3,984,563	-	-
Changes in assumptions	694,755	290,071	-	-	1,417,072	1,111,294	-	-
Employer contributions subsequent to the measurement date	925,036	-	-	-	2,911,773	-	-	-
OPEB Expense				528,295	-	-	-	2,840,237
Total	$ 3,194,170	$ 816,130	$ 13,891,894	$ 528,295	$ 6,307,814	$ 9,072,153	$ 42,514,622	$ 2,840,237

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS

PRIMARY GOVERNMENT

During FY 2021, 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 of 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 Plan 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 Prudential. Prudential invests the money according their guidelines. The following is the asset allocation policy as of June 30, 2021.

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.

Asset Class	Supplemental Retirement Plan	Firefighters & Police Officers Pension Plan	Pension Plan for Firefighters & Police Officers
Large Cap Growth	5%	5%	0%
Large Cap Value	10%	15%	0%
Mid Cap Core	10%	15%	0%
Private Equity	5%	5%	0%
Small Cap Core	5%	5%	0%
International Dev.	10%	10%	0%
Emerging Markets	10%	10%	0%
Domestic Fixed Income	7.5%	7.5%	0%
Global Fixed Income	10%	5%	0%
Tactical Asset Allocation	5%	0%	0%
Timber	5%	5%	0%
Real Estate	8%	10%	0%
Farmland	2%	0%	0%
Cash/ Other Fixed	7.5%	7.5%	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

	Capital Market	Supplemental Retirement Plan		Firefighters & Police Officers Pension Plan		Pension Plan for Firefighters & Police Officers	
Asset Class	Estimate	Allocation	Return	Allocation	Return	Allocation	Return
Diversified	7.8%	4.9%	0.4%	0.0%	0.0%	0.0%	0.0%
Domestic Equity	9.2%	60.4%	5.6%	69.1%	6.4%	0.0%	0.0%
Commodities	2.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Real Assets	8.7%	11.2%	1.0%	10.2%	0.9%	0.0%	0.3%
Fixed Income	4.6%	16.0%	0.7%	19.9%	0.9%	0.0%	0.0%
Cash	1.3%	7.5%	0.1%	0.8%	0.0%	100.0%	3.5%
Return			7.7%		8.2%		3.5%
Inflation			2.2%		2.2%		2.5%
Return w/Inflation			9.9%		10.4%		6.0%
Risk Adjustment			-1.5%		-1.5%		-0.5%
Total Expected Arithmetic Nominal Return			8.4%		8.9%		5.5%

Assumed Rate of Return for Firefighters & Police Officers Pension Plan also applies to Firefighters and Police Officers Disability Pension Plan

Money-Weighted Rate of Return

Supplemental Retirement Plan	Firefighters & Police Officers Pension Plan	Pension Plan for Firefighters & Police Officers
29.6%	29.9%	4.0%

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

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Virginia Retirement System Long-Term Expected Rate of Return

Asset Class	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS-Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP-Private Investment Partnership	3.0%	6.49%	0.19%
Total	100.00%		4.64%
Inflation			2.50%
Expected arithmetic nominal return			7.14%

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.

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Combining Schedule of 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
ASSETS							
Investments, at Fair Value							
Mutual Funds	$ 45,539,997	$ -	$ 14,927,706	$ 68,181,210	$ 27,553,318	$ 63,289,166	$ 219,491,397
Stocks	36,371,430	-	-	99,870,357	9,627,454	11,523,602	157,392,843
Guaranteed Investment Accounts	14,826,521	17,845,101	-	3,941,368	214,621	393,651	37,221,262
Real Estate	12,118,646	-	-	36,255,630	-	3,922,618	52,296,894
Timber	6,883,947	-	-	11,576,281	-	5,177,886	23,638,114
Private Equity	10,414,600	-	-	22,233,850	1,041,452	3,180,624	36,870,526
Other	72,662,881	-	-	185,498,709	3,534,070	27,701,827	289,397,487
Total Investments	198,818,022	17,845,101	14,927,706	427,557,405	41,970,915	115,189,374	816,308,523
Total Assets	$ 198,818,022	$ 17,845,101	$ 14,927,706	$ 427,557,405	$ 41,970,915	$ 115,189,374	$ 816,308,523
NET POSITION							
Held in Trust for Pension Benefits	$ 198,818,022	$ 17,845,101	$ 14,927,706	$ 427,557,405	$ 41,970,915	$ 115,189,374	$ 816,308,523

CITY OF ALEXANDRIA, VIRGINIA
Notes to Financial Statements
June 30, 2021

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	$ 9,388,833	$ 1,700,000	-	$ 14,784,520	$ 1,476,099	$ 1,138,830	$ 28,488,282
Plan Members	1,769,665	-	-	3,240,298	216,110	-	5,226,073
Total Contributions	11,158,498	1,700,000	-	18,024,818	1,692,209	1,138,830	33,714,355
Investment Income:							
Net Appreciation (Depreciation) in Fair Value of Investments	39,166,451	-	2,869,505	68,203,165	5,650,032	21,688,030	137,577,183
Interest	6,737,500	574,502	107,285	35,942,989	803,980	7,724,591	51,890,847
Investment Expense	(588,975)	-	-	(1,525,297)	(121,041)	(211,774)	$ (2,447,087)
Net Investment Income	45,314,976	574,502	2,976,790	102,620,857	6,332,971	29,200,847	187,020,943
Total Additions	56,473,474	2,274,502	2,976,790	120,645,675	8,025,180	30,339,677	220,735,298
DEDUCTIONS							
Benefits	8,300,436	2,623,917	933,919	17,520,606	2,948,217	-	32,327,095
Refunds of Contributions	819,468	-	-	570,102	-	-	1,389,570
Administrative Expenses	978,590	22,725	5,193	325,054	29,375	37,973	$ 1,398,910
Total Deductions	10,098,494	2,646,642	939,112	18,415,762	2,977,592	37,973	35,115,575
Net Increase (Decrease)	46,374,980	(372,140)	2,037,678	102,229,913	5,047,588	30,301,704	185,619,723
Assets Transfer in (Out)		-	-				$ -
Net Position at Beginning of Year	152,443,042	18,217,241	12,890,028	325,327,492	36,923,327	84,887,670	$ 630,688,800
Net Position at End of Year	$ 198,818,022	$ 17,845,101	$ 14,927,706	$ 427,557,405	$ 41,970,915	$ 115,189,374	$ 816,308,523
	$ 198,818,022	$ 17,845,101	$ 14,927,706	$ 427,557,405	$ 41,970,915	$ 115,189,374	$ 816,308,523

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

The actuarial valuations for all defined benefit plans are performed annually with the exception of 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, 2019 actuarial valuation is 8.93 percent of payroll. Contribution rates for VRS employers are established every two years, so this rate applies to fiscal years ending 2021 and 2022. The Deputy Sheriffs adopted enhanced hazardous duty benefits as of January 1, 2020 which increased the contribution from 8.93 percent to 9.92 percent.

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, 2021, the City of Alexandria had 730 employees enrolled in the Hybrid Defined Contribution Plan. The FY 2021 City contribution was $1.2 million.

The assumption changes are presented in the RSI for Pensions. The basis for the assumptions for all participants is the Virginia Retirement System Experience Study for the Four-Year Period July 1, 2012 to June 30, 2016 issued February 21, 2018 and presented and adopted by the Board at its April 2017 meeting as well as the investment rate of return of 6.75 percent adopted by the Board of Trustees at its October 10, 2019 meeting.

Financial statements and required supplementary information are presented in the VRS comprehensive annual 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 6.78 percent for FY 2021.

The recommended contribution rate decreased from 34.99 percent as of July 1, 2019 to 34.86 percent as of July 1, 2020 for the Firefighter and Police Officers Basic Plan and decreased from 1.67 percent as of July 1, 2019 to 1.26 percent as of July 1, 2020 for the Disability Plan. During the year ended June 30, 2020, the Basic Plan's assets returned 7.64 percent and the Disability Plan's assets had a return of 7.25 percent on a market value basis. As of the July 1, 2020 Actuarial Valuation, the Basic Plan's unfunded actuarial liability was $63.3 million, and the Disability Plan's unfunded actuarial liability was negative $5.8 million.

The actuarial assumptions for the Firefighters and Police Officers Basic and Disability Plans are based on an actuarial experience study based on experience of the Plans from July 1, 2013 to June 30, 2017. The administrative expense assumption for the Basic Plan was increased from $200,000 to $400,000 to account for higher expected expenses. The actuarial assumptions for the Pension Plan for Firefighters and Police Officers, have not been changed since the prior actuarial valuation with the exception of the assumed rate of return which was lowered from 5.00% to 3.50%. The actuarial assumptions reflect the actuary's understanding of the likely future experience of the Plan. The Supplemental Plan had no changes in assumptions since the prior actuarial valuation with the exception of the lump sum conversion rate. The lump sum conversion rate is scheduled to change annually. The lump sum conversion rate for disbursements made in calendar year 2021 is 6.50 percent and calendar year 2022 and thereafter is 7.00 percent.

On June 30, 2021, the City recognized a total liability of $784 thousand for one of the City's Single Employer Pension Plans. The City recognized a net pension asset of $43.7 million for the other three City Single Employee

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension Plans. Measurements as of June 30, 2021 were based on the fair value of assets as of June 30, 2021 and the Total Pension Liability as of the valuation date, June 30, 2020, updated to June 30, 2021. The City recognized a liability of $120 million for the VRS net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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 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.

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.

PLAN DESCRIPTION

	(1) VRS City	(2) City Supplemental Retirement	(3) Pension for Fire and Police	(4) Retirement Income for Fire and Police	(5) Firefighters and Police Pension	(6) Fire and Police Disability
Administrator	State of Virginia	Prudential	Prudential	MissionSquare	Prudential	Prudential
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	6/30/2020	7/1/2020	7/1/2020	N/A	7/1/2020	7/1/2020
Measurement Date	6/30/2020	6/30/2021	6/30/2021	6/30/2021	6/30/2021	6/30/2021
MEMBERSHIP AND PLAN PROVISIONS						
Active Participants	2041	1997	0	48	536	536
Retirees & Beneficiaries	1337	545	85	0	343	102
Terminated Vested & Non-vested	945	758	0	49	73	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 &	Disability	Disability	Disability	N/A	Disability	Disability
Death Benefits	Death	Death	Death	Death	Death	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 vested in the Defined Contributions Plan after four years.

**Exhibit XII
(Continued)**

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

MEMBERSHIP AND PLAN PROVISIONS

As of:	6/30/2020	7/01/2020	7/01/2020	6/30/2021	7/01/2020	7/01/2020
	(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	6.8%	7.0%	3.5%	N/A	7.0%	7.0%
Projected Salary Increases Attributable to:						
Inflation	2.5%*	2.75%	N/A	N/A	2.5%	3.3%
Seniority/Merit	3.50% -5.35%**	3.25%-5.10%	N/A	N/A	3.25%-7.25%	3.25%-7.25%
Projected Postretirement Increases	2.5%*, 2.25%[t]	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	14-23	3(10 year layer)	5	N/A	9(15 year layer)	9(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	$ 561,191,401	$ 155,256,730	$ 18,217,241	N/A	$ 335,096,820	$ 37,937,434
Actuarial Accrued Liability	671,819,770	167,844,281	20,578,793	N/A	398,377,649	32,114,759
Unfunded Actuarial Accrued Liability (UAAL)	$ 110,628,369	$ 12,587,551	$ 2,361,552	N/A	$ 63,280,829	$ (5,822,675)
Funded Ratio	83.5%	92.5%	88.5%	N/A	84.1%	118.1%
Annual Covered Payroll	$ 141,098,814	$ 155,989,640	N/A	N/A	$ 45,242,944	$ 45,242,944
UAAL as Percentage of Covered Payroll	76.4%	8.1%	N/A	N/A	139.9%	-12.9%

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

* Plan 1, [t] Plan 2 and Hybrid

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

Exhibit XII (Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

FUNDING POLICY AND ANNUAL PENSION COST

As of:	6/30/2020	6/30/2021	6/30/2021	6/30/2021	6/30/2021	6/30/2021
	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 %	9.92% **	4.78%	$ 1.7 mil/Yr.	N/A	34.60%	2.50%
AMOUNT CONTRIBUTED						
Employee	$ 6,663,188	$ 1,769,665	$ -	$ -	$ 3,240,297	$ 216,110
Employer	13,010,172	9,388,833	1,700,000	-	14,784,520	1,476,099
Total Amount Contributed	$ 19,673,360	$ 11,158,498	$ 1,700,000	$ -	$ 18,024,817	$ 1,692,209

All employees make a 5% contribution to VRS.

COVERED PAYROLL						
Dollar Amount (in millions)	$ 141.1	$ 156.0	$ N/A	$ N/A	$ 45.2	$ 45.2
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.

Prudential General Account (Long Term)	*	8%	100%	-	1%	1%
Prudential and Comerica Mutual Funds	*	23%	-	100%	16%	66%
Stocks	*	18%	-	-	23%	23%
Real Estate	*	6%	-	-	8%	0%
Timber	*	3%	-	-	3%	0%
Private Equity	*	5%	-	-	5%	2%
Other	*	37%	-	-	44%	8%

* Investment information not available on an individual jurisdiction basis.

** The VRS employer contribution was increased from 8.93% to 9.92% due to the additon of enhanced hazardous duty coverage for Deputy Sheriffs.

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

The tables below summarize investments managed by the City of Alexandria in accordance with the fair value hierarchy established by the 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.

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, 2021

Portfolio	Level 1	Level 2	Level 3
Equity Securities			
Common Stock & ETFs	$ 99,870,357	$ -	$ -
Mutual Funds		68,181,210	-
Total Equity Securities	99,870,357	68,181,210	-
Private Equity			
Secondaries Funds	-	-	22,233,850
Total Private Equity	-	-	22,233,850
Cash Equivalents			
Money Market Funds	-	4,099,552	-
Total Cash Equivalents	-	4,099,552	-
Total Investments by Fair Asset Value	$ 99,870,357	$ 72,280,762	$ 22,233,850
Investments measured at net asset value (NAV)			
Commingled Collective Trusts	227,311,710		
Real Estate Funds	36,255,360		
Timber Funds	11,576,281		
Total Investments Measured at NAV	275,143,351		
Total Value	**$ 469,528,320**		

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

During fiscal year 2021, $469.5 million worth of investments were evaluated and classified in the fair value hierarchy as follows: Level 1, $99.9 million; Level 2, $72.3 million; Level 3, $22.2 million; and NAV, $275.1 million. The following table presents the NAV investment disclosures for Firefighters and Police Officers Pension Plan.

	Capital Commitment	Capital Called	Remaining Uncalled Commitment	Current NAV	Withdrawal Frequency
Commingled Collective Trusts	N/A	N/A	N/A	$227,311,710	Daily to Quarterly
Real Estate Funds	$4,400,000	$4,400,000	$0	$36,255,360	Monthly
Timber Funds	$8,500,000	$8,359,000	$141,000	$11,576,281	Closed End Strategies
	$12,900,000	$12,759,000	$141,000	$275,143,351	

Pension for Fire and Police
As of June 30, 2021

Portfolio	Level 1	Level 2	Level 3
Prudential Guaranteed Deposit Funds	$ -	$ 17,845,101	$ -
Totals	**$ -**	**$ 17,845,101**	**$ -**

During fiscal year 2021, $17.8 million worth of investments were evaluated and classified in Level 2 of the fair value hierarchy.

Retirement Income for Firefighters and Police
As of June 30, 2021

Portfolio	Level 1	Level 2	Level 3
Equity Securities			
Common Stock & ETFs	$ -	$ -	$ -
Mutual Funds		14,927,706	-
Total Equity Securities	-	14,927,706	-
Total Investments by Fair Asset Value	$ -	$ 14,927,706	$ -

During fiscal year 2021, $14.9 million worth of investments were evaluated and classified in Level 2 of the fair value hierarchy.

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Supplemental Retirement Plan
As of June 30, 2021

Portfolio	Level 1	Level 2	Level 3
Equity Securities			
Common Stock & ETFs	$ 36,371,430	$ -	$ -
Mutual Funds		45,539,997	-
Total Equity Securities	36,371,430	45,539,997	-
Private Equity			
Secondaries Funds	-	-	10,414,600
Total Private Equity	-	-	10,414,600
Cash Equivalents			
Money Market Funds	-	14,886,507	-
Total Cash Equivalents	-	14,886,507	-
Total Investments by Fair Asset Value	$ 36,371,430	$ 60,426,504	$ 10,414,600
Investments measured at net asset value (NAV)			
Commingled Collective Trusts	69,254,074		
Real Estate Funds	12,118,646		
Timber Funds	6,883,947		
Farmland	3,348,821		
Total Investments Measured at NAV	91,605,488		
Total Value	**$ 198,818,022**		

During fiscal year 2021, $198.8 million worth of investments were evaluated and classified in the fair value hierarchy as follows: Level 1, $36.4 million; Level 2, $60.4 million; Level 3, $10.4 million; and NAV, $91.6 million. The following table presents the NAV investment disclosures for Supplemental Retirement Plan.

	Capital Commitment	Capital Called	Remaining Uncalled Commitment	Current NAV	Withdrawal Frequency
Commingled Collective Trusts	N/A	N/A	N/A	$69,254,074	Daily to Quarterly
Real Estate Funds	$4,400,000	$4,400,000	$0	$12,118,646	Monthly
Timber Funds	$5,200,000	$5,087,200	$112,800	$6,883,947	Closed End Strategies
Farmland	$2,000,000	$2,000,000	$0	$3,348,821	Quarterly
	$11,600,000	$11,487,200	$112,800	$91,605,488	

Pension Liabilities and Pension Expense Resources Related to Pensions

For the year ended June 30, 2021, the City recognized a net pension expense of $18,581,049 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.

Exhibit XII (Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Firefighters & Police Officers Pension Plan	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a)-(b)
Balances as of 6/30/2020	$ 400,338,848	$ 325,327,492	$ 75,011,356
Changes for the year:			
Service cost	9,483,217	-	9,483,217
Interest	27,927,795	-	27,927,795
Changes in benefit terms	-	-	-
Changes in assumptions	-	-	-
Difference between expected and actual experience	(1,961,199)	-	(1,961,199)
Contributions-employer	-	14,784,520	(14,784,520)
Contributions-employee	-	3,240,297	(3,240,297)
Net Investment Income	-	102,620,858	(102,620,858)
Benefit payments, including refunds	(18,090,708)	(18,090,708)	-
Administrative Expense	-	(325,054)	325,054
Net Changes	17,359,105	102,229,913	(84,870,808)
Balances at 6/30/2021	$ 417,697,953	$ 427,557,405	$ (9,859,452)

Firefighters & Police Officers Disability Pension Plan	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a)-(b)
Balances as of 6/30/2020	$ 32,516,030	$ 36,923,327	$ (4,407,297)
Changes for the year:			
Service cost	609,396	-	609,396
Interest	2,189,249	-	2,189,249
Changes in benefit terms	-	-	-
Changes in assumptions	-	-	-
Difference between expected and actual experience	(401,271)	-	(401,271)
Contributions-employer	-	1,476,099	(1,476,099)
Contributions-employee	-	216,110	(216,110)
Net Investment Income	-	6,332,970	(6,332,970)
Benefit payments, including refunds	(2,948,216)	(2,948,216)	-
Administrative Expense	-	(29,375)	29,375
Net Changes	(550,842)	5,047,588	(5,598,430)
Balances at 6/30/2021	$ 31,965,188	$ 41,970,915	$ (10,005,727)

Exhibit XII (Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Supplemental Retirement Plan	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a)-(b)
Balances as of 6/30/2020	$ 167,137,485	$ 152,443,042	$ 14,694,443
Changes for the year:			
Service cost	4,484,408	-	4,484,408
Interest	11,749,210	-	11,749,210
Changes in benefit terms	-	-	0
Changes in assumptions	-	-	0
Difference between expected and actual experience	706,796	-	706,796
Contributions-employer	-	9,388,833	(9,388,833)
Contributions-employee	-	1,769,665	(1,769,665)
Net Investment Income	-	45,314,976	(45,314,976)
Benefit payments, including refunds	(9,119,904)	(9,119,904)	-
Administrative Expense	-	(978,590)	978,590
Net Changes	7,820,510	46,374,980	(38,554,470)
Balances at 6/30/2021	$ 174,957,995	$ 198,818,022	$ (23,860,027)

Pension Plan for Firefighters & Police Officers	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a)-(b)
Balances as of 6/30/2020	$ 19,692,596	$ 18,217,241	$ 1,475,355
Changes for the year:			
Service Cost	-	-	-
Interest	674,734	-	674,734
Changes in benefit terms	-	-	-
Changes in assumptions	1,660,222	-	1,660,222
Difference between expected and actual experience	(774,025)	-	(774,025)
Contributions-employer	-	1,700,000	(1,700,000)
Contributions-employee	-	-	-
Net Investment Income	-	574,501	(574,501)
Benefit payments, including refunds	(2,623,916)	(2,623,916)	-
Administrative Expense	-	(22,725)	22,725
Net Changes	(1,062,985)	(372,140)	(690,845)
Balances at 6/30/2021	$ 18,629,611	$ 17,845,101	$ 784,510

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 6/30/2019	$ 644,745,020	$ 550,635,607	$ 94,109,413
Changes for the year:			
Service cost	12,301,089	-	12,301,089
Interest	42,394,263	-	42,394,263
Changes in benefit terms	-	-	-
Changes in assumptions	-	-	-
Difference between expected and actual experience	(1,331,112)	-	(1,331,112)
Contributions-employer	-	10,636,082	(10,636,082)
Contributions-employee	-	6,894,324	(6,894,324)
Net Investment Income	-	10,450,641	(10,450,641)
Benefit payments, including refunds	(33,363,733)	(33,363,733)	-
Other	-	(15,985)	15,985
Administrative Expense	-	(361,356)	361,356
Net Changes	20,000,507	(5,760,027)	25,760,534
Balances at 6/30/2020	$ 664,745,527	$ 544,875,580	$ 119,869,947

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, 2021 are as follows:

	Firefighters & Police Officers Pension Plan	Firefighters & Police Officers Disablity Pension Plan	Supplemental Retirement Plan	Pension Plan for Firefighters & Police Officers
Total Pension Liability	$ 417,697,953	$ 31,965,188	$ 174,957,995	$ 18,629,611
Plan Fiduciary Net Position	427,557,405	41,970,915	198,818,022	17,845,101
Net Pension Liability/(Asset)	$ (9,859,452)	$ (10,005,727)	$ (23,860,027)	$ 784,510
Plan Fiduciary Net Position as a percentage of Total Pension Liability	102.4%	131.3%	113.6%	95.8%

The following presents the Net Pension Liablities 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 it were calculated using a discount rate that is 1.00% lower or higher than the current rate

Firefighters & Police Officers Pension Plan

Sensitivity of Net Pension Liability to Changes in the Discount Rate	1% Decrease	Current Discount Rate	1% Increase
	6.00%	7.00%	8.00%
Total Pension Liability	$ 476,947,137	$ 417,697,953	$ 369,107,148
Plan Fiduciary Net Position	427,557,405	427,557,405	427,557,405
Net Pension Liability/(Asset) 6/30/2021	$ 49,389,732	$ (9,859,452)	$ (58,450,257)
Plan Fiduciary Net Position as a percentage of Total Pension Liability	89.6%	102.4%	115.8%

Firefighters & Police Officers Disability Pension Plan

Sensitivity of Net Pension Liability to Changes in the Discount Rate	1% Decrease	Current Discount Rate	1% Increase
	6.00%	7.00%	8.00%
Total Pension Liability	$ 34,887,868	$ 31,965,188	$ 29,476,805
Plan Fiduciary Net Position	41,970,915	41,970,915	41,970,915
Net Pension Liability/(Asset) 6/30/2021	$ (7,083,047)	$ (10,005,727)	$ (12,494,110)
Plan Fiduciary Net Position as a percentage of Total Pension Liability	120.3%	131.3%	142.4%

Supplemental Retirement Plan

Sensitivity of Net Pension Liability to Changes in the Discount Rate	1% Decrease	Current Discount Rate	1% Increase
	6.00%	7.00%	8.00%
Total Pension Liability	$ 191,413,117	$ 174,957,995	$ 160,809,326
Plan Fiduciary Net Position	198,818,022	198,818,022	198,818,022
Net Pension Liability/(Asset) 6/30/2021	$ (7,404,905)	$ (23,860,027)	$ (38,008,696)
Plan Fiduciary Net Position as a percentage of Total Pension Liability	103.9%	113.6%	123.6%

Pension Plan for Firefighters & Police Officers

Sensitivity of Net Pension Liability to Changes in the Discount Rate	1% Decrease	Current Discount Rate	1% Increase
	2.50%	3.50%	4.50%
Total Pension Liability	$ 19,736,709	$ 18,629,611	$ 17,635,408
Plan Fiduciary Net Position	17,845,101	17,845,101	17,845,101
Net Pension Liability/(Asset) 6/30/2021	$ 1,891,608	$ 784,510	$ (209,693)
Plan Fiduciary Net Position as a percentage of Total Pension Liability	90.4%	95.8%	101.2%

Virginia Retirement System (VRS)

Sensitivity of Net Pension Liability to Changes in the Discount Rate	1% Decrease	Current Discount Rate	1% Increase
	5.75%	6.75%	7.75%
Net Pension Liability/(Asset) 6/30/2021	$ 202,744,228	$ 119,869,947	$ 50,912,297

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

$13,010,172 reported as deferred outflows of resources related to pensions resulting from City contributions to VRS subsequent to the measurement date of June 30, 2020 will be recognized in pension expense in the year ended June 30, 2021.
At June 30, 2020, 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 Ouflows of Resources	Total Deferred Inflows of Resources	Net Deferred Outflows/(Inflows) of Resources
Differences between expected and actual experience	$ 1,777,233	$ 2,752,475	$ 612,430	$ 6,966,231	$ 5,902,348	$ -	$ -	$ -	$ 3,786,359	$ 973,286	$ 12,078,370	$ 10,691,992	$ 1,386,378
Changes in assumptions	8,243,437	-	1,086,677	2,802,491	707,501	-	-	-	8,734,368	-	18,771,983	2,802,491	15,969,492
Net difference between projected and actual earnings on pension plan investments	-	56,073,644	-	2,222,767	-	25,435,041	410,625	-	16,320,294	-	16,730,919	83,731,452	(67,000,533)
Employer contributions subsequent to the measurement date	-	-	-	-	-	-	-	-	13,010,172	-	13,010,172	-	13,010,172
Total	$ 10,020,670	$ 58,826,119	$ 1,699,107	$ 11,991,489	$ 6,609,849	$ 25,435,041	$ 410,625	$ -	$ 41,851,193	$ 973,286	$ 60,591,444	$ 97,225,935	$ (36,634,491)
Total deferred outflows	$ 60,591,444												
Total deferred inflows	$ 97,225,935												

	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:					
2022	$ (11,637,337)	$ (1,948,251)	$ (3,361,203)	$ 190,800	$ 7,084,159
2023	(10,533,723)	(1,902,815)	(4,260,163)	137,401	10,227,311
2024	(10,158,404)	(1,871,160)	(4,423,688)	73,089	5,322,233
2025	(16,206,594)	(1,832,050)	(6,780,138)	9,335	5,234,032
2026	10,782	(756,712)	-	-	-
Thereafter	(280,173)	(1,981,394)	-	-	-
Total Future Deferrals	$ (48,805,449)	$ (10,292,382)	$ (18,825,192)	$ 410,625	$ 27,867,735

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.

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 in excess of 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.

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.

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

<table>
<tr><th>VRS Plan 1</th><th>VRS Plan 2</th><th>VRS Hybrid
Retirement Plan</th></tr>
<tr><td>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.</td><td>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.</td><td>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.</td></tr>
<tr><td>Eligible Members

Employees are in Plan 1 if their membership date is before July 1, 2010 and they were vested as of 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.</td><td>Eligible Members

Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of 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.

Political Subdivision Plan Only:
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.</td><td>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.</td></tr>
<tr><td>Retirement Contributions

Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Member contributions are</td><td>Retirement Contributions

Same as Plan 1.</td><td>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</td></tr>
</table>

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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.		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** **Defined Benefit Component:** 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. **Defined Contributions Component:** 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** **Defined Benefit Component** 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. **Defined Contributions Component:** Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the 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

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

		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** Defined Benefit Component: See definition under Plan 1 Defined Contribution Component: 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** **Defined Benefit Component:** **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. **Defined Contribution Component:** Not applicable.
Normal Retirement Age **VRS:** Age 65.	**Normal Retirement Age** **VRS:** Normal Social Security retirement age.	**Normal Retirement Age** **VRS:** **Defined Benefit Component:** Same as Plan 2. **Defined Contribution Component:** Members are eligible to receive distributions upon leaving employment, subject to restrictions.

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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:** **Defined Benefit Component:** Normal Social Security retirement age with at least five years (60 months) of creditable service or when their age and service equal 90. **Defined Contribution Component:** 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) if 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:** **Defined Benefit Component:** Age 60 with at least five years (60 months) of creditable service. **Defined Contribution Component:** 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 following unreduced retirement eligibility date. **Exceptions to COLA Effective Dates:** 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.	**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. **Exceptions to COLA Effective Dates:** Same as Plan 1.	**Cost-of-Living Adjustment (COLA) in Retirement** **Defined Benefit Component:** Same as Plan 2. **Defined Contribution component:** Not applicable. **Eligibility:** Same as Plan 1 and Plan 2. **Exceptions to COLA Effective Dates:** Same as Plan 1 and Plan 2.

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

• 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.		
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. When buying service, members must purchase their most recent period of service first. Members also may be eligible to purchase periods of leave without pay.	**Purchase of Prior Service** Same as Plan 1.	**Purchase of Prior Service** **Defined Benefit component:** Same as Plan 1, with the following exceptions: • Hybrid Retirement Plan members are ineligible for ported service **Defined Contribution Component**: Not applicable.

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, 2019 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Active Members	**244**
Inactive members:	
Vested inactive members	37
Non-vested Inactive Members	96
LTD	-
Inactive members active elsewhere in VRS	48
Total Inactive Members	**181**
Inactive members or their beneficiaries currently receiving benefits	**209**
Total Covered Employees	**634**

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, 2020 was 1.21 % of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

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, 2021 and June 30, 2020, respectively.

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Net Pension Liability

The net pension liability (NPL) is calculated separately for each employer and represents that particular 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, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2019 rolled forward to the measurement date of June 30, 2020.

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, 2019, 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, 2020.

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	RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.
- Post-Retirement	RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.
- Post-Disablement	RP-2014 Disability Mortality Table Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.
All Others (non 10 Largest) Non-LEOS:	15% of deaths are assumed to be service related
- Pre-Retirement	RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.
- Post-Retirement	RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.
- Post-Disablement	RP-2014 Disability Mortality Table Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.
* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.	

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS board action, effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS board action are asfollows:

Largest 10-Non-LEOS:

- Update mortality table
- Lowered rates of retirement at older ages and changed final retirement from 70 to 75
- Decrease in rates of disability retirement
- Adjusted withdrawal rates to better fit experience

All Others (Non 10 Largest)-Non-LEOS:

- Update mortality table
- Lowered rates of retirement at older ages and changed final retirement from 70 to 75
- Decrease in rates of disability retirement
- Adjusted withdrawal rates to better fit experience

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 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:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return [(1)]
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
Total	100.00%		4.64%
		Inflation	2.50%
		[(1)] Expected arithmetic nominal return	7.14%

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

(1) The above allocation provides a one-year return of 7.14%. 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 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY 2020 actuarial valuations, provide a median return of 6.81%.

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, 2020, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017, actuarial valuations, whichever was greater. From July 1, 2020 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.

Changes in Net Pension Liability (Asset)

	Increase(Decrease)		
	Total Pension Liability	**Plan Fiduciary Net Position**	**Net Pension Liability (Asset)**
Balances at June 30, 2019	$ 44,264,527	$ 49,127,702	$ (4,863,175)
Changes for the year:			
Service Cost	698,590		698,590
Interest	2,908,527		2,908,527
Differences between expected and actual experience	(803,167)		(803,167)
Changes in assumptions	-		-
Contributions - employer	-	68,525	(68,525)
Contributions - employee	-	365,985	(365,985)
Net investment income	-	927,946	(927,946)
Benefit payments, including refunds of employee contributions	(2,350,467)	(2,350,467)	-
Administrative expenses	-	(32,633)	32,633
Other changes	-	(1,085)	1,085
Net changes	453,483	(1,021,729)	1,475,212
Balances at June 30, 2020	$ 44,718,010	$ 48,105,973	$ (3,387,963)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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)	$ 1,324,465	$ (3,387,963)	$ (7,385,546)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2021, ACPS recognized pension expense of approximately $178,497. As of June 30, 2021, ACPS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ 1,433,010	$ -
Employer contributions subsequent to the measurement date	71,190	-
Change in assumptions	325,507	-
Differences between expected and actual experience	-	798,584
Total	$ 1,829,707	$ 798,584

The $0.1 million 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, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2022	$ (274,054)
2023	271,368
2024	498,143
2025	464,476
	$ 959,933

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Payables to the Pension Plan

At June 30, 2021, ACPS reported payables to the VRS Political Subdivision Retirement Plan of $50,000. 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 2020 *Comprehensive Annual Financial Report* (Annual Financial Report). A copy of the 2020 VRS Annual Financial Report may be downloaded from the VRS website at http://www.varetire.org/ pdf/Publications/2020-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 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, 2021 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. 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 $33.5 million and $32.1 million for each of the years ended June 30, 2021 and June 30, 2020, respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, ACPS reported a liability of $268.3 million for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2020 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of June 30, 2019, and rolled forward to the measurement date of June 30, 2020. 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, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the school division's proportion was 1.84340% as compared to 1.85247% at June 30, 2019.

For the year ended June 30, 2021, ACPS recognized pension expense of $31.5 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.

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

At June 30, 2021, ACPS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ 20,404,381	$ -
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,888,842	1,871,902
Changes in assumptions	18,312,321	-
Differences between expected and actual experience	-	15,724,353
Employer contributions subsequent to the measurement date	25,704,096	-
Total	$ 66,309,640	$ 17,596,255

The deferred outflows of resources of $25.7 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, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2022	$ 540,432
2023	6,882,388
2024	9,044,628
2025	6,906,133
2026	(364,292)
	$ 23,009,289

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2019, 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, 2020.

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	RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.
- Post-Retirement	RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.
- Post-Disablement	RP-2014 Disability Mortality Rates projected with scale BB to 2020; 115% of rates for males and females.
* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.	

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action, effective as of July 1, 2019.

Changes to the actuarial assumptions as a result of the experience study are as follows:

- Update mortality table
- Lowered rates of retirement at older ages
- Adjusted rates of withdrawals for 0 through 9 years of service
- Adjusted rates of disability to better match experience

**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, 2020, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	Teacher Employee Retirement Plan
Total Pension Liability	$ 51,001,855
Plan Fiduciary Net Position	36,449,229
Employers' Net Position Liability	$ 14,552,626
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.47%

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:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return (1)
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
Total	100.00%		4.64%
		Inflation	2.50%
		(1) Expected arithmetic nominal return	7.14%

(1) The above allocation provides a one-year return of 7.14%. 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

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY 2020 actuarial valuations, provide a median return of 6.81%.

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, 2020, 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 100% of the actuarially determined contribution rate. From July 1, 2020 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:

	(-1%) Decrease 5.75%	**Current Discount Rate** 6.75%	**(+1%) Increase** 7.75%
ACPS' proportionate share of VRS Teacher Plan Net Pension Liability	$ 393,602,232	$ 268,263,110	$ 164,591,812

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2020 *Comprehensive Annual Financial Report* (Annual Financial Report). A copy of the 2020 VRS Annual Financial Report may be downloaded from the VRS website at http://www.varetire.org/Pdf/Publications/2020annual-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, 2021, ACPS reported payables to the VRS Teacher Retirement Plan of $3.6 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.

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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 period ending August 31, 2020 was measured as of August 31, 2020, using the total pension liability that was determined by an actuarial valuation as August 31, 2020.

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, 2020 has been used 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

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

payroll. During FY 2021, only ACPS employees contributed to the Plan. These contributions totaled $2.7 million for the fiscal year ended June 30, 2021. 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, 2020.

Asset Class (Strategy)	Target Allocation	Arithmetic Long-term Expected Rate of Return	Expected Geometric Return
U.S Equity - Large Cap	21.95%	7.70%	6.20%
U.S Equity - Mid Cap	2.57%	8.00%	6.20%
U.S Equity - Small Cap	2.55%	8.55%	6.20%
Non-US Equity	10.86%	8.00%	6.20%
REITs	0.50%	7.30%	5.65%
Real Estate (direct property)	10.19%	5.35%	5.00%
TIPS	0.75%	1.70%	1.50%
Core Bond	47.84%	2.60%	2.45%
High Yield	2.79%	5.45%	5.00%
Total	100.00%		
Exp LTROA (arithmetic mean)	4.97%		
Portfolio Standard Deviation	7.91%		
40th percentile	4.05%		
45th percentile	4.36%		
Expected Compound Return	**4.68%**		
55th percentile	4.99%		
60th percentile	5.31%		
Portfolio Investment Mix:	Equity 38% / Fixed Income 51% / Other 11%		

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 $132.4 million, that represented 5 percent or more of the Plan's fiduciary net position.

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Annual Money-Weighted Rate of Return

For the Plan year ended August 31, 2020, the annual money-weighted rate of return on plan investments for the measurement period is 6.69%. 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, 2020, 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) 2018. The capital market assumptions were developed with a primary focus on forward-looking valuation models and market indicators. The key fundamental economic inputs for these models are future inflation, economic growth, and interest rate environment. Due to the long-term nature of the pension obligations, the investment horizon for the CMA 2018 is 20- 30 years. In addition to forward-looking models, historical analysis of market data and trends was reflected, as well as the outlook of recognized economists, organizations and consensus CMA from other credible studies.

Actuarial Assumptions

The actuarial assumptions used in the August 31, 2020 valuation were based upon the results of an actuarial assumption review for the five-year period of September 1, 2007 to August 31, 2012.

During the plan year ended August 31, 2020, the following changes in assumptions were implemented.

- The mortality base table has been changed from Pri-2012 to PubG-2010.
- The mortality improvement scale has been changed to MP2020.
- The discount rate has decreased from 6.00% to 5.50%.
- The long-term rate of return for the current year has decreased from 6.00% to 5.50%.

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

MEMBERSHIP AND PLAN PROVISIONS (Employees' Supplemental)

Active plan members	2,359
Retirees and beneficiaries currently receiving benefits	1,282
Inactive or disabled plan members entitled to but not receiving benefits	1,811
Total	5,452
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	2.25%
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-2020 Mortality Improvement Scale
Mortality - Post-reretirement	PubG-2010 General base table with MP-2020 Mortality Improvement Scale

PERCENTAGE OF COVERED PAYROLL CONTRIBUTION

Employee contribution percentage		1.50%
Employer contribution percentage		0.00%
Employee contribution, during the measurement period	$	2,692,796
Employer contribution		-
Total amount contributed	$	2,692,796
Covered payroll (Annual member compensation)	$	164,529,061
Legally-required reserves		None
Long-term contribution contracts		None

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Projected Cash Flows

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 5.5%. 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 2020 to 2115. Benefit payments after 2115 are projected to be $0.00.

Net Pension Liability

The net pension liability reported for ACPS fiscal year end of June 30, 2021 was measured as of August 31, 2020, using the total pension liability that was determined by an actuarial valuation as of August 31, 2020.

Changes in Net Pension Liability

	Increase(Decrease)		
	Total Pension Liability	**Plan Fiduciary Net Position**	**Net Pension Liability**
Balances at August 31, 2019	$ 135,346,188	$ 127,824,158	$ 7,522,030
Changes for the year			
Service Cost	3,930,063	-	3,930,063
Interest	8,155,001	-	8,155,001
Differences between expected and actual experience	68,199	-	68,199
Change in assumptions	14,870,418		
Contributions - employer	-	-	-
Contributions - employee	-	2,692,796	(2,692,796)
Net investment income	-	8,415,730	(8,415,730)
Benefit payments, including refunds of employe contributions	(6,302,704)	(6,302,704)	-
Administrative expenses	-	(235,488)	235,488
Net changes	20,720,977	4,570,334	16,150,643
Balances at August 31, 2020	$ 156,067,165	$ 132,394,492	$ 23,672,673

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 (Asset)	$ 46,831,505	$ 23,672,673	$ 4,845,449

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, 2021 is $8.0 million. For the year ended June 30, 2021, ACPS reported deferred inflows of resources related to pensions for this Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ 160,409	$ -
Changes in assumptions	10,681,568	288,737
Differences between expected and actual experience	104,994	-
Total	$ 10,946,971	$ 288,737

Amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in the pension expense as follows:

Year Ending June 30,	Amount
2022	$ 3,742,378
2023	4,344,080
2024	2,747,004
2025	(175,228)
Total	$ 10,658,234

Payables to the Pension Plan

At June 30, 2021, ACPS reported payables to the Employees' Supplemental Retirement Plan of $0.2 million.

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

The following is a summary of fiduciary net position of the Plan as of June 30, 2021.

Summary of Fiduciary Net Position
Employees' Supplementary Retirement Plan
As of June 30, 2021

ASSETS		
Bonds	$	83,871,093
Mutual Funds		28,316,136
Other Investments		28,064,813
Contribution Receivable		290,166
Total assets		140,542,208
NET POSITION		
Held in trust for pension benefits	$	140,542,208

The following is a summary of changes in fiduciary net position of the Plan for the year ended June 30, 2021.

Summary of Changes in Fiduciary Net Position
Employees' Supplementary Retirement Plan
For the Year Ended June 30, 2021

ADDITIONS		
Contributions	$	2,739,364
Investment Income, net		16,905,649
Total Additions		19,645,013
DEDUCTIONS		
Benefit payments		6,361,678
Administrative expenses		277,552
Total Deductions		6,639,230
Change in net position		13,005,783
NET POSITION, beginning of year		127,536,425
NET POSITION, end of year	$	140,542,208

Exhibit XII
(Continued)

NOTE 17. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Summary of Retirement Related Deferred Outflows and Inflows of Resources
As of June 30, 2021

	VRS - Teachers Plan			
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Pension Liability	Pension Expense
Net Pension Liability	$ -	$ -	$ 268,263,110	$ -
Net Pension Asset	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	20,404,381	-	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,888,842	1,871,902	-	-
Differences between expected and actual experience	-	15,724,353	-	-
Changes in assumptions	18,312,321	-	-	-
Employer contributions subsequent to the measurement date	25,704,096	-	-	-
Pension Expense	-	-	-	31,507,570
Totals	$ 66,309,640	$ 17,596,255	$ 268,263,110	$ 31,507,570

	VRS -Political Subdivision Plan			
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Pension Asset	Pension Expense
Net Pension Liability	$ -	$ -	$ -	$ -
Net Pension Asset	-	-	3,387,963	-
Net difference between projected and actual earnings on pension plan investments	1,433,010	-	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-	-	-
Differences between expected and actual experience	-	798,584	-	-
Changes in assumptions	325,507	-	-	-
Employer contributions subsequent to the measurement date	71,190	-	-	-
Pension Expense	-	-	-	178,497
Totals	$ 1,829,707	$ 798,584	$ 3,387,963	$ 178,497

	Employees Supplemental Plan			
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Pension Liability	Pension Expense
Net Pension Liability	$ -	$ -	$ 23,672,673	$ -
Net Pension Asset	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	160,409	-	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-	-	-
Differences between expected and actual experience	104,994	-	-	-
Changes in assumptions	10,681,568	288,737	-	-
Employer contributions subsequent to the measurement date	-	-	-	-
Pension Expense	-	-	-	7,998,355
Totals	$ 10,946,971	$ 288,737	$ 23,672,673	$ 7,998,355

	Total Pension Plans				
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Pension Asset	Net Pension Liability	Pension Expense
Net Pension Liability	$ -	$ -	$ -	$ 291,935,783	$ -
Net Pension Asset	-	-	3,387,963	-	-
Net difference between projected and actual earnings on pension plan investments	21,997,800	-	-	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,888,842	1,871,902	-	-	-
Differences between expected and actual experience	104,994	16,522,937	-	-	-
Changes in assumptions	29,319,395	288,737	-	-	-
Employer contributions subsequent to the measurement date	25,775,286	-	-	-	-
Pension Expense	-	-	-	-	39,684,422
Totals	$ 79,086,317	$ 18,683,576	$ 3,387,963	$ 291,935,783	$ 39,684,422

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 exception is the first January 1 after the first certificate of occupancy. In the event the performance standard is achieved during the first year following the issuance of the first certificate of occupancy, the abatement shall apply to the entire calendar year.

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.

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.

The tax exemption is dependent on the independent federal government agency (agency) fully meeting a required performance standard as follows:

1) While the plans are to occupy 100 percent of the building, the agency must achieve at least 80 percent of the net leasable space of the property. If the agency does not lease its portion and achieve the minimum 80 percent occupancy within one year from the issuance of the last certificate of occupancy, then no tax exemption shall apply.

NOTE 18. TAX ABATEMENTS (Continued)

2) Space not occupied by the agency due to incidents such as fires, earthquakes, hurricanes, or other acts of god shall be considered leased and occupied space by the agency in the calculation of the 80 percent occupancy threshold.

3) By March 1 of each calendar year, the owner of the property at the District is responsible for notifying the City's director of finance of the occupancy level by the agency on a form designated by the director of finance. In the event during a calendar year the agency's occupancy rate falls below 80 percent, the owner of the property is responsible for notifying the director of finance of the changed agency occupancy level, as well as the date that the occupancy rate fell below 80 percent.

4) Within 60 days of meeting the performance standard, the City must be notified by the property owner. The City then determines in the performance standard was satisfied.

5) The partial exemption of real property taxes, including the qualifications and the declining percentage value of the exemption as detailed on the table above shall be considered a covenant that shall run with the land. The City has recorded the covenant in the land records of the City which identifies and defines the partial property tax exemption. These terms, conditions and limitations shall not be revoked during the 15-year period and shall control the payment of real property taxes irrespective of any change in the applicable City Code.

6) Per State law, which authorizes the partial real estate tax abatement, this partial real estate tax abatement cannot be reduced during the 15-year abatement period, and is recorded in the City's land records. This provides the needed surety to the property owner and the agency that the proffered tax abatement cannot be reduced or withdrawn later.

7) In the event the Property is sold to the federal government or a federal government related entity prior to 20 years after the effective starting date of the property tax exemption then the net present value of the foregone real property taxes which would otherwise have been due to the City between the date of the sale and the 20 years after the effective starting date of the property tax exemption, would be due to the City at the time of the sale (Due on Sale).

8) For the purposes of calculating the net present value of forgone real estate taxes prescribed above the following methodology shall apply:

    a. The discount rate utilized in that calculation shall reflect the City's estimated cost of funds utilizing Thomson Municipal Market Data (MMD) for 10-year AAA rated tax exempt general obligation bonds as of either January 1 or July 1 of the calendar year of the sale of the property, and if this MMD information is not available an equivalent measure shall be substituted,

    b. the real estate tax assessment used in the net present value calculation shall reflect the real estate tax assessment as of January 1 of the calendar year of the property transfer, and

    c. the real estate tax rate used shall reflect the adopted real estate tax rate for the calendar year of the sale of the Property, or if the real estate tax rate of the calendar year of the sale has not yet been adopted, then the adopted real estate tax rate for the calendar year prior to the sale of the property shall be used.

The agency's presence in the City is projected to generate (in today's dollars) $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

NOTE 18. TAX ABATEMENTS (Continued)

$45.0 million over a 15-year period and $68.0 million over a 20-year period. An economic analysis indicated that the agency will generate 90,000 hotel room stays per year, 30,000 above the original study estimate (worth between $10.0 million and $14.0 million to these tax generation estimates).

In FY 2021, the eligibility requirements for the District were met and $2.7 million in real estate taxes were abated.

2021 Real Estate Tax Relief Program for Elderly and Disabled Persons

Residents who are either 65 years of age or older or permanently and totally disabled, or who become such during the current calendar year, may be eligible for the City's Real Estate Tax Relief Program for Elderly and Disabled Persons. The applicant must own and occupy the property as their sole residence. The following limits are currently in effect:

- For a full tax exemption, a household's gross combined income may not have exceeded $40,000 in 2020.
- For an exemption of 50 percent of taxes, a household's gross combined income may not have exceeded $55,000 in 2020.
- For an exemption of 25 percent of taxes, a household's gross combined income may not have exceeded $72,000 in 2020.
- Taxes over the maximum exemption may be deferred for qualifying applicants, subject to repayment with interest upon conveyance or demise of the owner.
- Qualifying elderly and disabled applicants with gross income over $72,000 but not in excess of $100,000 may defer their taxes, also subject to repayment with interest. An exemption does not apply for this category.
- For all qualifying applicants, the assets of the household may not exceed $430,000 (excluding the house and one acre of land).

2021 Real Property Tax Exemption for Veterans with 100% Service-Connected Disability, and Surviving Spouse

The City offers a full real estate tax exemption to veterans with total and permanent service-connected disability and their surviving spouses, subject to the terms in Virginia Code § 58.1-3219.5:

For veterans:

- The veteran must have been rated by the U.S. Department of Veterans Affairs or its successor agency pursuant to federal law as having a service-connected 100 percent permanent and total disability.
- The residence for which the veteran is seeking tax exemption must be his or her primary residence.
- The property must be deeded in the name of the veteran or the veteran and his or her spouse (to include applicable title in trust).
- The veteran's spouse, if applicable, must also be identified.

For surviving spouses of disabled veterans:

- The surviving spouse must be able to meet the standards above for the deceased veteran's disability certification.
- The residence must be deeded in the name of the veteran and surviving spouse, or the surviving spouse has ownership rights by virtue of a will or trust agreement.
- The residence for which the surviving spouse is seeking tax exemption must be his or her principal place of residence, however, the exemption applies without any restriction on the spouse's moving to a different principal place of residence.
- The veteran must have died on or after January 1, 2011.
- The surviving spouse must not be remarried.

2021 Real Property Tax Exemption for Spouse of Veteran Killed in Action

The City offers a full real estate tax exemption to the spouse of any veteran killed in action, subject to the terms in Virginia Code § 58.1-3219.9:

- Effective for tax years 2015 and beyond.
- Eligible to the surviving spouse (i) of any member of the armed forces of the United States who was killed in action as determined by the U.S. Department of Defense and (ii) who occupies the real property as their principal place of residence.
- Per state code, the spouse is eligible "so long as the surviving spouse does not remarry and continues to occupy the real property as their principal place of residence." The exemption applies without any restriction on the spouse's moving to a different principal place of residence.
- "Killed in action" includes a determination by the U.S. Department of Defense of "died of wounds received in action."
- If the surviving spouse acquires the property after January 1, 2015, then the exemption shall begin on the date of acquisition.
- If the value of the applicant's dwelling is in excess of the average assessed residential value in the City, then only that portion of the assessed value that is not in excess of the average value shall be exempt from real property taxes.
- In most cases, exemption applies to the qualifying dwelling and the land, not exceeding one acre upon which it is situated.

NOTE 19. NEW ACCOUNTING STANDARDS

In FY 2021, the following Governmental Accounting Standards Board (GASB) statement(s) were implemented:

Statement No. 84, “Fiduciary Activities.” The objective of GASB 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The City’s activities previously reported in agency funds are now reported in custodial funds. The activities in the Industrial Development Authority (IDA) fund did not meet the criteria for a custodial fund and is now reported in a special revenue fund.

Statement No. 90, "Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2020.

In FY 2022, the following GASB statement(s) will be implemented as follows:

Statement No. 87, “Leases.” The objective of GASB 87 statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational 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, thereby enhancing the relevance and consistency of information about governments’ leasing activities. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2022.

Statement No. 89, “Accounting for Interest Cost Incurred before the End of a Construction Period.” The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2021.

Statement No. 91, "Conduit Debt Obligations." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2022.

Statement No. 92, "Omnibus 2020." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2022.

Statement No. 93, "Replacement of Interbank Offered Rates." The requirement in paragraph 11b will take effect for reporting periods ending after December 31, 2021. The requirements in paragraphs 13 and 14 will take effect for financial statements starting with the fiscal year that ends June 30, 2022.

Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2023.

Statement No. 96, "Subscription-Based Information Technology Arrangements." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2023.

Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2022.

NOTE 20. SUBSEQUENT EVENTS

Alexandria Housing Development Corporation (AHDC) Lacy Court, Inc.

On July 6, 2021, Alexandria Lacy Courts Limited Partnership and the City of Alexandria executed an additional loan for funds in the amount of $0.8 million; these funds are needed for unforeseen costs related to mold in units and building foundation inadequacies related to the renovation of the Lacy Courts project.

The Bloom at Braddock Apartments

The Bloom is an affordable housing project partnership between AHDC and the Carpenter's Shelter (the Project). On July 14, 2021, the first amendment to the funding loan agreement was executed for additional funds in the amount of $1.1 million; these funds are needed for unforeseen costs related to contaminated/unsuitable soils and utility conflicts related to the development of the Project. Use of these funds for the foregoing purposes are consistent with the terms of the original loan documents.

Landmark Mall Revitalization and Landmark Community Development Authority (CDA)

On September 18, 2021, the City Council created the Landmark CDA to provide the necessary financial backstop to ensure the City's $86.0 million investment in the Landmark Mall redevelopment is fully repaid. On July 30, 2021, the Development and Financing Agreement between the City, Landmark Land Holdings, LLC, and Inova Health Care Services, and the Grant Agreement between the City and the Industrial Development Authority of the City of Alexandria were executed. The proposed development will transform the unoccupied, enclosed 51.4-acre mall site into a mixed-use, walkable urban village. The Landmark Redevelopment would generate an estimated $1.0 billion in tax revenue over a 30-year period from Landmark and create the opportunity to redevelop the Seminary Road Inova site into taxable residential use. After deducting estimated debt service of $278.0 million for both the infrastructure improvements and the land purchase, the net gain for the City to pay for Landmark and citywide services over that timeframe is estimated at $762.0 million. This net gain does not include new tax revenues created by the positive economic impact of the redevelopment of sites adjacent to or near the Landmark Redevelopment and the Seminary Road sites.

The City proposes to issue one or more series of City Bonds in a maximum aggregate principal amount sufficient to (i) generate $86.0 million in net construction proceeds available to pay the costs of the infrastructure improvements and (ii) pay capitalized interest on the City Bonds. To the extent that the Incremental Tax Revenues are less than the amounts due on the City Bonds, the City shall be entitled to seek reimbursement for any City funds applied to pay debt service on the City Bonds through the collection of annual installments of the special assessments.

1703 North Beauregard Office Building Purchase

The 1703 North Beauregard office building is encumbered with three leases totaling 23,801 square feet in leases that run until 2027 and 2032, with the longest lease of 12,488 square feet for the first-floor tenant running until 2034. While these leases produce about $0.7 million per year in income, the leases also block use of that space by ACPS unless the leases were bought out. The cost of that buyout will not be known until negotiations between ACPS and the tenants occur. ACPS believes that it can buy out at a reasonable cost the shorter-term leases making three of the four floors available for ACPS use in the short-term. The first floor would likely remain rented for some period. The 1703 building would house some ACPS administrative functions, then serving as swing space for schools to allow the rebuilding of the George Mason Elementary School and then the Cora Kelly Elementary School, and finally a new 600 student elementary or secondary school for which ACPS projects the need in about 10 years.

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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, 2021

EXHIBIT XIII

	Original Budget	Budget as Amended	Actual	Variance from Amended Budget - Positive (Negative)
Revenues:				
General Property Taxes	$ 535,575,000	$ 535,575,000	$ 534,770,026	$ (804,974)
Other Local Taxes	114,611,090	114,611,090	131,506,114	16,895,024
Permits, Fees, and Licenses	2,339,631	2,339,631	4,185,341	1,845,710
Fines and Forfeitures	3,502,615	3,502,615	3,076,876	(425,739)
Use of Money and Property	5,498,250	5,498,250	3,149,630	(2,348,620)
Charges for Services	14,308,344	14,308,344	10,681,086	(3,627,258)
Intergovernmental Revenues	58,235,689	57,679,700	59,552,814	1,873,114
Miscellaneous	2,019,966	2,199,285	1,921,463	(277,822)
Total Revenues	736,090,585	735,713,915	748,843,350	13,129,435
Expenditures:				
City Council	698,106	698,106	672,803	25,303
City Manager	2,369,544	2,453,592	2,452,836	755
Office of Management and Budget	1,275,096	1,274,629	1,142,806	131,823
18th Circuit Court	1,536,534	1,621,661	1,379,510	242,151
18th General District Court	98,910	99,003	96,932	2,070
Juvenile And Domestic Relations Court	85,811	85,868	78,955	6,913
Commonwealth's Attorney	2,930,696	2,926,679	2,759,268	167,411
Sheriff	32,849,624	33,096,346	30,709,241	2,387,105
Clerk of Courts	1,744,354	1,744,435	1,691,720	52,715
Other Correctional Activities	4,568,711	4,608,929	4,542,588	66,342
Court Services	1,511,230	1,644,500	1,591,950	52,549
Human Rights	940,880	1,039,907	963,440	76,467
Internal Audit	306,170	412,464	359,692	52,772
Information Technology Services	12,664,588	13,118,675	11,866,759	1,251,916
Office of Communications	1,547,230	1,567,258	1,307,506	259,752
City Clerk and Clerk of Council	423,541	423,637	399,902	23,735
Finance	12,319,067	12,845,109	11,045,393	1,799,716
Organizational Excellence	152,429	189,548	181,921	7,627
Human Resources	4,012,280	4,344,021	4,060,370	283,651
Planning and Zoning	5,777,856	5,923,231	5,673,464	249,768
Economic Development Activities	6,923,390	6,923,390	6,813,893	109,497
City Attorney	3,251,445	3,751,516	3,223,971	527,545
Registrar of Voters	1,459,825	1,468,350	1,343,429	124,922
General Services	10,950,902	11,470,118	9,883,574	1,586,544
Office of Proj. Implementation	-	-	-	-
Performance and Accountability	509,308	524,772	489,824	34,948
Transportation and Environmental Services	23,775,536	24,207,285	21,829,683	2,377,603
Transit Subsidies	20,658,367	13,562,467	2,478,947	11,083,520
Fire	54,008,566	54,016,580	52,137,733	1,878,846
Police	62,042,696	62,394,683	59,517,036	2,877,648
Emergency Communication	8,727,703	8,743,235	8,115,470	627,765
Building and Fire Code Administration	24,000	24,000	5,388	18,612
Housing	1,757,228	1,912,163	1,860,597	51,566
Community and Human Services	13,847,042	14,850,318	13,444,436	1,405,881
Other Health Services	1,235,495	1,726,070	1,725,870	200
Health	8,207,391	7,404,290	6,981,794	422,496
Office of Historic Alexandria	3,295,795	3,566,232	3,361,076	205,155
Recreation and Cultural Activities	23,063,820	23,236,260	20,801,744	2,434,516
Library	15,411	15,794	41,672	(25,878)
ACPS (Debt Service)	28,578,698	28,578,698	28,578,698	-
Other Educational Activities	16,009	16,009	16,009	-
Non Departmental (including debt service)	48,421,314	50,042,989	47,190,641	2,852,347
	408,582,598	408,552,817	372,818,539	35,734,277
Other Financing Sources (Uses):				
Proceeds of Refunding Bonds	-	49,887,196	49,887,196	-
Payment to Refunded Bonds Escrow Agent	-	(49,618,630)	(49,618,630)	-
Transfers In	9,246,427	9,246,427	9,246,427	-
Transfers Out	(102,247,747)	(120,371,460)	(120,356,796)	14,664
Transfers Out - Component Units	(241,197,856)	(241,647,856)	(241,504,713)	143,143
	(334,199,176)	(352,504,323)	(352,346,516)	157,807
Net Change in Fund Balance.	(6,691,189)	(25,343,225)	23,678,295	49,021,520
Fund Balances at Beginning of Year	152,800,030	152,800,030	152,800,030	-
Increase/(Decrease) in Reserve for Inventory	-	166,188	166,188	-
FUND BALANCES AT END OF YEAR	**$ 146,108,841**	**$ 127,622,993**	**$ 176,644,513**	**$ 49,021,520**

(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, 2021

EXHIBIT XIV

	Original Budget	Budget as Amended	Actual	Variance From Amended Budget Positive (Negative)
Revenues:				
General Property Taxes	$ 1,552,283	$ 1,552,283	$ 1,490,191	$ (62,092)
Other Local Taxes	5,047,000	5,047,000	5,181,389	134,389
Permits, Fees and Licenses	10,079,286	10,079,286	14,406,531	4,327,245
Use of Money and Property	561,036	561,036	1,358,615	797,579
Charges for Services	41,378,717	43,495,732	45,344,456	1,848,724
Intergovernmental Revenues	125,416,261	137,902,493	78,136,119	(59,766,374)
Miscellaneous	21,349,596	23,526,617	5,599,015	(17,927,602)
Total Revenues	205,384,179	222,164,446	151,516,315	(70,648,131)
Other Financing Sources:				
Transfers In	(76,064,440)	(76,094,016)	75,429,239	151,523,255
Issuance of Debt and other Financing	-	-	-	-
Total Other Financing Sources	(76,064,440)	(76,094,016)	75,429,239	151,523,255
Total Revenues and Other Financing Sources	129,319,738	146,070,430	226,945,554	80,875,124
Expenditures:				
Commonwealth's Attorney	1,070,299	1,069,343	285,163	784,179
Sheriff	161,565	161,565	137,213	24,352
Clerk of Courts	127,915	127,915	15,375	112,540
Law Library	-	-	-	-
Other Correctional and Judicial Activities	692,343	698,154	627,343	70,811
Court Services	451,269	501,249	203,828	297,421
Human Rights	50,884	50,884	37,241	13,643
Information Technology Services	495,218	495,218	374,841	120,377
Finance	837,060	843,310	757,156	86,154
Planning and Zoning	604,977	666,001	392,380	273,620
Economic Development	-	-	-	-
Registrar	300,154	300,154	300,154	
General Services	127,152	127,152	45,315	81,837
Office of Project Implementation	790,730	790,730	25	790,705
Transportation and Environmental Services	40,007,631	42,701,271	25,096,604	17,604,666
Transit Subsidies	5,800,000	5,800,000	9,789,511	(3,989,511)
Fire	7,698,283	7,939,621	4,089,401	3,850,221
Police	887,616	1,392,254	688,414	703,839
Emergency Communications	121,128	121,128	109,371	11,757
Building and Fire Code Administration	8,104,256	8,122,834	6,176,490	1,946,344
Office of Housing	28,538,693	33,054,469	13,556,367	19,498,102
Community and Human Services	95,061,542	98,622,782	91,667,206	6,955,575
Alexandria Health	574,234	330,168	330,952	(784)
Historic Alexandria	1,003,144	1,116,628	377,890	738,738
Recreation and Cultural Activities	3,700,178	3,668,636	1,241,946	2,426,690
Library	64,200	64,200	63,332	868
ACPS - Schools	290,000	290,000	290,000	
Non-Departmental	26,856,857	40,307,254	16,876,919	23,430,335
Total Expenditures	224,417,328	249,362,919	173,530,439	75,832,480
Other Financing Sources/Uses:				-
Transfers Out	33,207,047	35,061,899	33,433,163	1,628,736
Total Other Financing Uses	33,207,047	35,061,899	33,433,163	1,628,736
Total Expenditures and Other Financing Uses	257,624,375	284,424,818	206,963,602	77,461,216
Revenues and Other Financing Sources Over/ (Under) Expenditures and Other Financing Uses	(128,304,636)	(138,354,388)	19,981,952	19,981,952
Fund Balance at Beginning of Year	122,281,585	122,281,585	122,281,585	122,281,585
FUND BALANCE AT END OF YEAR	$ (6,023,051)	$ (16,072,803)	$ 142,263,537	$ 142,263,537

(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, 2021

EXHIBIT XV

	Original Budget	Budget as Amended	Actual	Variance from Amended Budget - Positive (Negative)
Revenues:				
Charges for Services..................................	$ 7,423,346	$ 7,423,346	$ 3,594,391	$ (3,828,955)
Intergovernmental Revenues..........................	16,000	131,189	127,489	(3,700)
Miscellaneous...	55,000	55,000	50,976	(4,024)
Total Revenues	7,494,346	7,609,535	3,772,856	(3,836,679)
Expenditures:				
Personnel Services..	20,142,074	20,441,785	20,771,555	(329,770)
Contractual Services.....................................	1,095,294	1,214,044	1,193,715	20,329
Materials and Supplies..................................	2,790,400	2,561,850	2,282,664	279,186
Other Charges...	1,396,260	2,158,802	2,021,271	137,531
Total Expenditures....................................	25,424,028	26,376,481	26,269,205	107,276
Other Financing Sources (Uses):				
Transfers In..	17,723,682	18,597,682	22,495,350	3,897,668
Transfers Out..	-	-	-	-
Total Other Financing Sources (Uses)........	17,723,682	18,597,682	22,495,350	3,897,668
Change in Fund Balance	(206,000)	(169,264)	(999)	168,265
Fund Balance at Beginning of Year................	(329,203)	(329,203)	(329,203)	-
Increase/(Decrease) in Reserve for Invento	-	-	-	-
FUND BALANCE AT END OF YEAR............	**$ (535,203)**	**$ (498,467)**	**$ (330,202)**	**$ 168,265**

(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, 2021

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 April 29, 2020, 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	Budgetary Statement Amount	Adjustment for Transfer to Component Unit (Note 10)	Exhibit IV	Exhibit IV Title
Other Educational Activities	$ 16,009	$ 234,037,296	$ 234,053,305	Education
Library Transfer	-	7,379,204	7,379,204	Library
Other Expenditures (not listed separately)	372,890,744	-	372,890,744	Other Expenditures (not listed separately)
Total Expenditures	372,906,753	241,416,500	614,323,253	Total Expenditures
Transfers Out – Component Units	241,416,500	(241,416,500)	-	None
Operating Transfers Out	120,356,796	-	120,356,796	Operating Transfers Out
Other Financing	(9,246,427)	-	(9,246,427)	Other Expenditures (not listed separately)
Total Financing (Sources) Uses	$ 352,526,869	$ (241,416,500)	$ 111,110,369	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, 2021

Exhibit XVII

PENSION SCHEDULE OF EMPLOYER CONTRIBUTIONS

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Supplemental Plan										
Actuarial Determined Contribution	$ 8,363,413	$ 8,866,569	$ 10,743,083	$ 9,509,690	$ 9,378,597	$ 9,193,893	$ 7,548,253	$ 8,462,725	$ 7,441,425	$ 9,394,774
Actual Contribution Amounts	9,388,833	8,627,444	8,622,481	8,148,716	8,006,825	7,586,006	7,173,760	9,705,496	9,373,813	9,854,860
Contribution Deficiency (Excess)	(1,025,420)	239,125	2,120,602	1,360,974	1,371,772	1,607,887	374,493	(1,242,771)	(1,932,388)	(460,086)
Percentage of Actual Contribution Contributed	112.26%	97.30%	80.26%	85.69%	85.37%	82.51%	95.04%	114.69%	125.97%	104.90%
Covered Payroll	155,989,640	151,867,063	147,362,907	142,843,740	139,044,952	139,914,668	136,374,392	127,784,140	129,419,066	125,569,484
Contribution as a Percentage of Covered Payroll	6.02%	5.68%	5.85%	5.70%	5.76%	5.42%	5.26%	7.60%	7.24%	7.85%
Pension Plan for Fire and Police*										
Actuarial Determined Contribution	548,040	563,948	652,038	868,570	908,621	1,057,539	1,158,624	1,211,013	1,332,955	1,472,059
Actual Contribution Amounts	1,700,000	1,700,000	1,700,000	1,700,000	1,713,744	1,723,744	1,728,313	1,700,000	1,700,000	1,700,000
Contribution Deficiency (Excess)	(1,151,960)	(1,136,052)	(1,047,962)	(831,430)	(805,123)	(666,205)	(569,689)	(488,987)	(367,045)	(227,941)
Percentage of Actual Contribution Contributed	310.20%	301.45%	260.72%	195.72%	188.61%	163.00%	149.17%	140.38%	127.54%	115.48%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution as a Percentage of										
Firefighters and Police Pension										
Actuarial Determined Contribution	15,772,143	15,117,075	14,018,911	13,620,056	9,903,407	9,384,623	9,273,326	10,471,367	10,291,033	9,770,783
Actual Contribution Amounts	14,784,520	14,681,733	11,099,665	10,436,128	11,232,823	11,119,553	9,933,001	10,398,552	8,634,820	8,330,531
Contribution Deficiency (Excess)	987,623	435,342	2,919,246	3,183,928	(1,329,416)	(1,734,930)	(659,675)	72,815	1,656,213	1,440,252
Percentage of Actual Contribution Contributed	93.74%	97.12%	79.18%	76.62%	113.42%	118.49%	107.11%	99.30%	83.91%	85.26%
Covered Payroll	45,242,944	42,665,383	40,168,637	39,649,421	36,973,064	35,671,448	33,810,854	34,424,794	33,013,511	32,058,296
Contribution as a Percentage of Covered Payroll	32.68%	34.41%	27.63%	26.32%	30.38%	31.17%	29.38%	30.21%	26.16%	25.99%
Firefighters and Police Disability										
Actuarial Determined Contribution	569,453	719,937	1,014,585	1,834,550	4,449,438	4,638,338	4,618,019	4,431,587	2,371,116	1,928,701
Actual Contribution Amounts	1,476,099	2,145,826	5,077,662	6,219,316	5,667,369	4,734,529	2,448,696	2,039,849	1,692,368	1,456,788
Contribution Deficiency (Excess)	(906,646)	(1,425,889)	(4,063,077)	(4,384,766)	(1,217,931)	(96,191)	2,169,323	2,391,738	678,748	471,913
Percentage of Actual Contribution Contributed	259.21%	298.06%	500.47%	339.01%	127.37%	102.07%	53.02%	46.03%	71.37%	75.53%
Covered Payroll	45,242,944	42,665,383	40,168,637	39,649,421	36,973,064	35,671,448	33,810,854	34,424,794	33,013,511	32,058,296
Contribution as a Percentage of Covered Payroll	3.26%	5.03%	12.64%	15.69%	15.33%	13.27%	7.24%	5.93%	5.13%	4.54%
VRS										
Actuarial Determined Contribution	13,010,172	10,506,432	9,890,834	9,983,362	9,974,720	12,285,419	14,070,398	12,629,447	12,542,600	8,274,478
Actual Contribution Amounts	13,010,172	10,506,432	9,890,834	9,983,362	9,974,720	12,285,419	14,070,398	12,629,447	12,542,600	8,274,478
Contribution Deficiency (Excess)	-	(0)	-	-	-	-	-	-	-	-
Percentage of Actual Contribution Contributed	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Covered Payroll	$ 141,098,814	$ 134,462,348	$ 131,605,713	$ 126,449,341	$ 125,437,843	$ 125,890,250	$ 125,890,250	$ 123,842,881	$ 117,489,335	$ 115,330,876
Contribution as a Percentage of Covered Payroll	9.22%	7.81%	7.52%	7.90%	7.95%	9.76%	11.18%	10.20%	10.68%	7.17%

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 and OPEB Plans
For Fiscal Year Ended June 30, 2021

Exhibit XVII (Continued)

Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Fiscal Years

Firefighters & Police Officers Pension Plan

	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability							
Service Cost	$ 9,483,217	$ 9,168,309	$ 9,620,841	$ 8,390,462	$ 6,180,741	$ 5,671,076	$ 5,526,902
Interest	27,927,795	26,764,399	25,379,639	24,192,874	23,064,895	21,948,491	20,769,869
Changes in benefit terms	-	-	-	-	-	-	-
Difference between expected and actual experience	(1,961,199)	2,036,689	(1,715,696)	752,396	(546,278)	1,386,820	(978,630)
Changes in assumptions	-	-	-	19,234,689	-	-	-
Benefit payments, including refunds	(18,090,708)	(17,256,343)	(16,363,487)	(13,965,535)	(12,763,693)	(12,633,775)	(11,610,344)
Net Change in Total Pension Liability	17,359,105	20,713,054	16,921,297	38,604,886	15,935,665	16,372,612	13,707,797
Total Pension Liability - Beginning of Year	400,338,848	379,625,794	362,704,497	324,099,611	308,163,946	291,791,334	278,083,537
Total Pension Liability - End of Year	417,697,953	400,338,848	379,625,794	362,704,497	324,099,611	308,163,946	291,791,334
Plan Fiduciary Net Position							
Contributions - employer	14,784,520	14,681,733	11,099,665	10,436,128	11,232,823	11,119,553	9,933,001
Contributions - employee	3,240,297	3,806,982	4,221,569	2,745,051	2,914,101	2,598,821	2,381,830
Net investment income	143,709,908	6,335,095	22,614,416	24,196,919	32,888,556	3,513,529	6,726,117
Benefit payments, including refunds	(18,090,708)	(17,256,343)	(16,363,487)	(13,965,535)	(12,763,693)	(12,633,775)	(11,610,344)
Administration Expenses	(325,054)	(391,550)	(368,635)	(381,934)	(198,337)	(206,917)	(278,201)
Net Change in Plan Fiduciary Net Position	143,318,963	7,175,917	21,203,528	23,030,629	34,073,450	4,391,211	7,152,403
Plan Fiduciary Net Position - Beginning of Year	325,327,492	318,151,575	296,948,047	273,917,418	239,843,968	235,452,757	228,300,354
Plan Fiduciary Net Position - End of Year	468,646,455	325,327,492	318,151,575	296,948,047	273,917,418	239,843,968	235,452,757
Net Pension Liability - End of Year	$ (50,948,502)	$ 75,011,356	$ 61,474,219	$ 65,756,450	$ 50,182,193	$ 68,319,978	$ 56,338,577
Plan Fiduciary Net Position as a percentage of Total Pension Liability	112.2%	81.3%	83.8%	81.9%	84.5%	77.8%	80.7%
Covered Payroll	$ 45,242,944	$ 42,665,383	$ 40,168,637	$ 39,649,421	$ 36,973,064	$ 35,671,448	$ 33,810,854
Net Pension Liability as a percentage of Covered Payroll	-112.6%	175.8%	153.0%	165.8%	135.7%	191.5%	166.6%

Information is only available for the current and previous fiscal years. Future years will be added to the schedule.

Exhibit XVII (Continued)

Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Fiscal Years

Firefighters & Police Officers Disablity Pension Plan

	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability							
Service Cost	$ 609,396	$ 581,315	$ 544,069	$ 543,661	$ 2,885,911	$ 2,679,963	$ 2,620,753
Interest	2,189,249	2,220,796	2,176,646	2,512,564	2,875,585	2,845,545	2,872,200
Changes in benefit terms	-	-	-	-	-	-	-
Difference between expected and actual experience	(401,271)	637,187	(1,364,824)	(5,049,132)	(2,851,393)	(3,385,398)	409,917
Changes in assumptions	-	-	(3,853,427)	1,707,637	-	-	-
Benefit payments, including refunds	(2,948,216)	(2,813,258)	(2,717,231)	(2,559,855)	(2,488,687)	(2,470,684)	(2,571,831)
Net Change in Total Pension Liability	(550,842)	626,040	(5,214,767)	(2,845,125)	421,416	(330,574)	3,331,039
Total Pension Liability - Beginning of Year	32,516,030	31,889,990	37,104,757	39,949,882	39,528,466	39,859,040	36,528,001
Total Pension Liability - End of Year	31,965,188	32,516,030	31,889,990	37,104,757	39,949,882	39,528,466	39,859,040
Plan Fiduciary Net Position							
Contributions - employer	1,476,099	2,145,826	5,077,662	6,219,316	5,667,369	4,734,529	2,448,696
Contributions - employee	216,110	232,849	218,502	225,640	248,035	243,351	246,551
Net investment income	9,905,931	855,187	2,663,504	2,128,875	2,784,003	263,792	452,996
Benefit payments, including refunds	(2,948,216)	(2,813,258)	(2,717,231)	(2,559,855)	(2,488,687)	(2,470,684)	(2,571,831)
Administration Expenses	(29,375)	(4,876)	(4,896)	(2,467)	(15,277)	(77)	(15,876)
Net Change in Plan Fiduciary Net Position	8,620,549	415,728	5,237,541	6,011,509	6,195,443	2,770,911	560,536
Plan Fiduciary Net Position - Beginning of Year	36,923,327	36,507,599	31,270,058	25,258,549	19,063,106	16,292,195	15,731,659
Plan Fiduciary Net Position - End of Year	45,543,876	36,923,327	36,507,599	31,270,058	25,258,549	19,063,106	16,292,195
Net Pension Liability - End of Year	$ (13,578,688)	$ (4,407,297)	$ (4,617,609)	$ 5,834,699	$ 14,691,333	$ 20,465,360	$ 23,566,845
Plan Fiduciary Net Position as a percentage of Total Pension Liability	142.5%	113.6%	114.5%	84.3%	63.2%	48.2%	40.9%
Covered Payroll	$ 45,242,944	$ 42,665,383	$ 40,168,637	$ 39,649,421	$ 36,973,064	$ 35,671,448	$ 33,810,854
Net Pension Liability as a percentage of Covered Payroll	-30.0%	-10.3%	-11.5%	14.7%	39.7%	57.4%	69.7%

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 and OPEB Plans
For Fiscal Year Ended June 30, 2021

Exhibit XVII (Continued)

Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Fiscal Years

Pension Plan for Firefighters & Police Officers

	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability							
Service Cost	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest	674,734	1,006,234	1,081,231	1,204,224	1,399,445	1,534,443	1,664,966
Changes in benefit terms	-	-	-	-	-	-	-
Difference between expected and actual experience	(774,025)	332,248	(643,998)	(860,707)	(584,816)	(425,528)	(95,467)
Changes in assumptions	1,660,222	-	-	1,282,305	-	-	-
Benefit payments, including refunds	(2,623,916)	(2,841,992)	(2,983,088)	(3,056,201)	(3,298,973)	(3,506,496)	(3,715,881)
Net Change in Total Pension Liability	(1,062,985)	(1,503,510)	(2,545,855)	(1,430,379)	(2,484,344)	(2,397,581)	(2,146,382)
Total Pension Liability - Beginning of Year	19,692,596	21,196,106	23,741,961	25,172,340	27,656,684	30,054,265	32,200,647
Total Pension Liability - End of Year	18,629,611	19,692,596	21,196,106	23,741,961	25,172,340	27,656,684	30,054,265
Plan Fiduciary Net Position							
Contributions - employer	1,700,000	1,700,000	1,700,000	1,700,000	1,713,744	1,723,744	1,728,313
Contributions - employee	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net investment income	574,501	592,045	619,900	706,055	821,797	893,641	920,708
Benefit payments, including refunds	(2,623,916)	(2,841,992)	(2,983,088)	(3,056,201)	(3,298,973)	(3,506,496)	(3,715,881)
Administration Expenses	(22,725)	(25,633)	(13,678)	(21,933)	(23,566)	(27,971)	(18,583)
Net Change in Plan Fiduciary Net Position	(372,140)	(575,580)	(676,866)	(672,079)	(786,998)	(917,082)	(1,085,443)
Plan Fiduciary Net Position - Beginning of Year	18,217,241	18,792,821	19,469,687	20,141,766	20,928,764	21,845,846	22,931,289
Plan Fiduciary Net Position - End of Year	17,845,101	18,217,241	18,792,821	19,469,687	20,141,766	20,928,764	21,845,846
Net Pension Liability - End of Year	$ 784,510	$ 1,475,355	$ 2,403,285	$ 4,272,274	$ 5,030,574	$ 6,727,920	$ 8,208,419
Plan Fiduciary Net Position as a percentage of Total Pension Liability	95.8%	92.5%	88.7%	82.0%	80.0%	75.7%	72.7%
Covered Payroll	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

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 and OPEB Plans
For Fiscal Year Ended June 30, 2021

Exhibit XVII (Continued)

Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Fiscal Years

Supplemental Retirement Plan

	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability							
Service Cost	$ 4,484,408	$ 4,456,529	$ 4,300,104	$ 4,561,409	$ 4,429,736	$ 4,353,655	$ 4,512,088
Interest	11,749,210	11,257,622	10,855,794	11,093,766	11,710,854	11,626,797	10,773,145
Changes in benefit terms	-	(221,996)	(10,649,964)	(7,321,279)	-	-	-
Difference between expected and actual experience	706,796	211,707	8,221,593	5,495,455	1,431,699	4,866,212	2,957,767
Changes in assumptions	-	-	-	3,537,513	-	10,625,401	-
Benefit payments, including refunds	(9,119,904)	(9,722,181)	(9,406,431)	(23,092,292)	(19,026,570)	(13,723,857)	(14,043,843)
Net Change in Total Pension Liability	7,820,510	5,981,681	3,321,096	(5,725,428)	(1,454,281)	17,748,208	4,199,157
Total Pension Liability - Beginning of Year	167,137,485	161,155,804	157,834,708	163,560,136	165,014,417	147,266,209	143,067,052
Total Pension Liability - End of Year	174,957,995	167,137,485	161,155,804	157,834,708	163,560,136	165,014,417	147,266,209
Plan Fiduciary Net Position							
Contributions - employer	9,388,833	8,627,444	8,622,481	8,148,716	8,006,825	7,586,006	7,173,760
Contributions - employee	1,769,665	1,640,659	1,352,861	1,140,415	1,070,814	892,335	756,101
Net investment income	66,499,823	5,577,321	8,889,658	13,822,092	18,031,871	895,078	5,922,932
Benefit payments, including refunds	(9,119,904)	(9,722,181)	(9,406,431)	(23,092,292)	(19,026,570)	(13,723,857)	(14,043,843)
Administration Expenses	(978,590)	(994,031)	(1,062,762)	(1,009,780)	(665,349)	(895,060)	(896,419)
Net Change in Plan Fiduciary Net Position	67,559,827	5,129,212	8,395,807	(990,849)	7,417,591	(5,245,498)	(1,087,469)
Plan Fiduciary Net Position - Beginning of Year	152,443,042	147,313,830	138,918,023	139,908,872	132,491,281	137,736,779	138,824,248
Plan Fiduciary Net Position - End of Year	220,002,869	152,443,042	147,313,830	138,918,023	139,908,872	132,491,281	137,736,779
Net Pension Liability - End of Year	$ (45,044,874)	$ 14,694,443	$ 13,841,974	$ 18,916,685	$ 23,651,264	$ 32,523,136	$ 9,529,430
Plan Fiduciary Net Position as a percentage of Total Pension Liability	125.7%	91.2%	91.4%	88.0%	85.5%	80.3%	93.5%
Covered Payroll	$ 155,989,640	$ 151,867,063	$ 147,362,907	$ 142,843,740	$ 139,044,952	$ 139,914,668	$ 136,374,392
Net Pension Liability as a percentage of Covered Payroll	-28.9%	9.7%	9.4%	13.2%	17.0%	23.2%	7.0%

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 and OPEB Plans
For Fiscal Year Ended June 30, 2021

Exhibit XVII
(Continued)

Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Fiscal Years

VRS

	2021	2020	2019	2018	2017	2016
Total Pension Liability						
Service Cost	$ 12,301,089	$ 11,614,379	$ 11,545,603	$ 11,562,356	$ 11,832,548	$ 12,256,191
Interest	42,394,263	40,744,225	39,243,929	38,089,007	36,704,090	35,571,142
Changes in benefit terms	-	-	-	-	-	55,097
Difference between expected and actual experience	(1,331,112)	7,417,578	1,192,221	(3,765,626)	(2,371,962)	(7,166,675)
Changes in assumptions	-	18,439,222	-	(539,132)	-	-
Benefit payments, including refunds	(33,363,733)	(31,061,479)	(30,036,440)	(27,658,980)	(25,101,326)	(23,960,243)
Net Change in Total Pension Liability	20,000,507	47,153,925	21,945,313	17,687,625	21,063,350	16,755,512
Total Pension Liability - Beginning of Year	644,745,020	597,591,095	575,645,782	557,958,157	536,894,807	520,139,295
Total Pension Liability - End of Year	664,745,527	644,745,020	597,591,095	575,645,782	557,958,157	536,894,807
Plan Fiduciary Net Position						
Contributions - employer	10,636,082	9,883,188	9,995,019	9,969,716	12,331,063	12,232,407
Contributions - employee	6,894,324	6,610,813	6,457,201	6,513,944	6,452,307	6,272,097
Net investment income	10,450,641	34,895,658	37,221,708	55,894,128	7,969,523	20,375,167
Benefit payments, including refunds	(33,363,733)	(31,061,479)	(30,036,440)	(27,658,980)	(25,101,326)	(23,960,243)
Other	(15,985)	(24,191)	(32,938)	(49,590)	(3,392)	(4,303)
Administration Expenses	(361,356)	(352,518)	(325,786)	(326,971)	(286,988)	(280,179)
Net Change in Plan Fiduciary Net Position	(5,760,027)	19,951,471	23,278,764	44,342,247	1,361,187	14,634,946
Plan Fiduciary Net Position - Beginning of Year	550,635,607	530,684,136	507,405,372	463,063,125	461,701,938	447,066,992
Plan Fiduciary Net Position - End of Year	544,875,580	550,635,607	530,684,136	507,405,372	463,063,125	461,701,938
Net Pension Liability - End of Year	$ 119,869,947	$ 94,109,413	$ 66,906,959	$ 68,240,410	$ 94,895,032	$ 75,192,869
Plan Fiduciary Net Position as a percentage of Total Pension Liability	82.0%	85.4%	88.8%	88.1%	83.0%	86.0%
Covered Payroll	$ 141,098,814	$ 134,462,348	$ 131,605,713	$ 126,449,341	$ 125,437,843	$ 125,890,250
Net Pension Liability as a percentage of Covered Payroll	85.0%	70.0%	50.8%	54.0%	75.7%	59.7%

Information for VRS is only available for current and previous fiscal years. Future years will be added to the schedule.

Exhibit XVII (Continued)

Assumed Rate of Return for Firefighters & Police Officers Pension Plan also applies to Firefighters and Police Officers Disability Pension Plan

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%

**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 Supplemental Information for the City of Alexandria Pension Plans for the year ended June 30, 2021

Firefighters and Police Officers Pension Plan, Basic Plan and Firefighters and Police Officers Pension Plan, Disability Plan

The administrative expense assumption for the Basic Plan was increased from $200,000 to $400,000 to account for higher expected expenses.

Supplemental Retirement Plan

There were no changes in assumptions for the Supplemental Pension Plan since the prior actuarial valuation.

Pension Plan for Firefighters and Police Officers

The assumed interest rate for the minimum required reserve was changed to 2.81% from 2.16% based on the data file from Prudential. The rate of investment was lowered from 5.00% to 3.50%.

Virginia Retirement System (VRS) Pension Plan

The valuation reflects enhanced benefits with no supplement for Deputy Sheriffs, including a 1.70% benefit multiplier.

CITY OF ALEXANDRIA, VIRGINIA
Required Supplementary Information
Pension and OPEB Plans
For Fiscal Year Ended June 30, 2021

Exhibit XVII (Continued)

Schedule of Changes in Net OPEB Liability and Related Ratios
Last 10 Fiscal Years

	2021	2020	2019	2018	2017
Total OPEB Liability					
Service Cost	$ 2,889,520	$ 3,239,204	$ 4,701,991	$ 4,814,967	$ 3,803,579
Interest	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	(721,530)	(4,162,077)	(5,113,882)	244,419	-
Changes in assumptions	(158,892)	(10,276,267)	7,485,481	5,078,954	-
Benefit payments, including refunds	(7,365,734)	(6,624,477)	(5,732,739)	(6,305,642)	(6,298,159)
Net Change in Total Pension Liability	3,980,791	(8,228,140)	11,245,965	17,891,516	5,737,473
Total OPEB Liability - Beginning of Year	135,592,067	143,820,207	132,574,242	114,682,726	108,945,253
Total OPEB Liability - End of Year	139,572,858	135,592,067	143,820,207	132,574,242	114,682,726
Plan Fiduciary Net Position					
Contributions - employer	8,504,564	10,324,477	11,932,739	12,205,642	16,398,159
Net investment income	29,200,847	2,827,980	4,953,783	4,427,840	6,357,091
Benefit payments, including refunds	(7,365,734)	(6,624,477)	(5,732,739)	(6,305,642)	(6,298,159)
Administration Expenses	(37,973)	(30,149)	(53,715)	(45,886)	(16)
Net Change in Plan Fiduciary Net Position	30,301,704	6,497,831	11,100,068	10,281,954	16,457,075
Plan Fiduciary Net Position - Beginning of Year	84,887,670	78,389,839	67,289,771	57,007,817	40,550,742
Plan Fiduciary Net Position - End of Year	115,189,374	84,887,670	78,389,839	67,289,771	57,007,817
Net Pension Liability - End of Year	$ 24,383,484	$ 50,704,397	$ 65,430,368	$ 65,284,471	$ 57,674,909
Plan Fiduciary Net Position as a percentage of Total Pension Liability	82.5%	62.6%	54.5%	50.8%	49.7%
Covered Payroll	$ 185,548,765	$ 188,014,495	$ 175,843,626	$ 169,455,099	$ 167,129,788
Net Pension Liability as a percentage of Covered Payroll	13.1%	27.0%	37.2%	38.5%	34.5%

Information is only available for the current and previous three fiscal years. Future years will be added to the schedule.

CITY OF ALEXANDRIA, VIRGINIA
Required Supplementary Information
Pension and OPEB Plans
For Fiscal Year Ended June 30, 2021

Exhibit XVII
(Continued)

Schedule of OPEB Contributions

	2021	2020	2019	2018	2017
Actuarially Determined Contributions (ADC)	$ 3,550,219	$ 7,346,160	$ 8,513,816	$ 9,404,961	$ 12,898,197
Contributions related to the ADC	8,504,564	10,324,477	11,932,739	12,205,642	16,398,159
Contribution Excess relative to ADC	$ (4,954,345)	$ (2,978,317)	$ (3,418,923)	$ (2,800,681)	$ (3,499,962)
Covered Payroll	$ 185,548,765	$ 188,014,495	$ 175,843,626	$ 169,455,099	$ 167,129,788
Contributions as a percentage of covered payroll	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 Supplemental Information for the City of Alexandria Other Post-Employment Benefits Trust Fund for the year ended June 30, 2021

Valuation Date	12/31/2020
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	Market Value
Amortization method	17-year level dollar closed as of 12/31/2020
Discount rate	7.00 percent for Regular OPEB and for Line of Duty OPEB
Healthcare Cost Trend Rates	
Regular OPEB	Medical: 6.9 percent for 2021 grading down to 3.12 percent over 19 years Expenses: 5 percent per year
Line of Duty	Non Medicare: 6.75 percent for 2021 grading down to 4.75 percent over 8 years Medicare: 5.25 percent for grading down to 4.75 percent over 3 years
Ultimate Salary Increase	3.25 percent

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%

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OTHER SUPPLEMENTARY INFORMATION

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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.

CITY OF ALEXANDRIA, VIRGINIA
Combining Statement of Changes in Assets and Liabilities – Custodial Funds
For the Fiscal Year Ended June 30, 2021

	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021
HUMAN SERVICES SPECIAL WELFARE ACCOUNT				
Assets:				
Cash and Investments with Fiscal Agent	$ 17,359	$ 15,251	$ -	$ 32,610
Liabilities:				
Other Liabilities	17,359	15,251	-	32,610
Total Liabilities	$ 17,359	$ 15,251	$ -	$ 32,610
HUMAN SERVICES DEDICATED ACCOUNT				
Assets:				
Cash and Investments with Fiscal Agent	$ 26,675	$ 975	$ -	$ 27,650
Liabilities:				
Other Liabilities	26,675	975	-	27,650
Total Liabilities	$ 26,675	$ 975	$ -	$ 27,650
TOTAL ALL CUSTODIAL FUNDS				
Assets:				
Cash and Investments with Fiscal Agent	$ 44,034	$ 16,226	$ -	$ 60,260
Total Assets	$ 44,034	$ 16,226	$ -	$ 60,260
Liabilities:				
Other Liabilities	$ 44,034	$ 16,226	$ -	$ 60,260
Total Liabilities	$ 44,034	$ 16,226	$ -	$ 60,260

Special Revenue Fund

Housing – This sub fund accounts for the City's housing programs.

Sanitary Sewer – This sub fund accounts for the funding of sanitary sewer maintenance and construction.

Stormwater Utility – This sub 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 sub 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 sub fund accounts for funding for improvements in Potomac Yards, including the development of a metro rail station.

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

Coronavirus Aid, Relief, and Economic Security Act (CARES) – This sub fund accounts for the City's funds across multiple departments in support of the COVID-19 pandemic response. The source of funding is the CARES Act adopted in March 2020.

American Rescue Plan Act (ARPA) – This sub 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 sub fund accounts for grants and donations and other amounts that represent a small percentage of special revenues.

CITY OF ALEXANDRIA, VIRGINIA
Combining Balance Sheet
Special Revenue Fund
As of June 30, 2021

	Housing	Sanitary Sewer	Storm water Utility	Storm Sewer	Potomac Yard	NVTA	Cares	ARPA	IDA	Other Special Revenue	Total Combined Special Revenue
ASSETS											
Cash and Cash Equivalents	$ 5,714,890	$ 59,091,919	$ 7,126,156	$ 1,761,197	$ 30,069,861	$ 3,527,307	$ 62,229	$ 28,991,917	$ 292,617	$ 39,157,991	$ 175,796,084
Receivables, Net	-	838,550	7,921,319	-	671,071	1,107,622	-	-	-	2,835,258	13,373,820
Due From Other Governments	-	-	-	-	-	-	-	-	-	5,702,628	5,702,628
Prepaid and Other Assets	-	-	-	-	-	-	-	-	-	16,717	16,717
								-	-		
Total Assets	5,714,890	59,930,469	15,047,475	1,761,197	30,740,932	4,634,929	62,229	28,991,917	292,617	47,712,594	194,889,249
LIABILITIES											
Accounts Payable	3,418	230,533	107,911	-	-	-	51,177	-	407,044	3,395,010	4,195,093
Accrued Wages	-	158,846	142,554	-	-	-	11,052	-	-	3,539,548	3,852,000
Notes Payable	-	-	-	-	195,000	-	-	-	-	-	195,000
Other Liabilities	-	-	-	-	-	-	-	-		1,230	1,230
Total Liabilities	3,418	389,379	250,465	-	195,000	-	62,229	-	407,044	6,935,788	8,243,323
Deferred Inflows	-	-	7,850,698	-	671,072	-	-	28,991,917	-	6,868,702	44,382,389
FUND BALANCES											
Restricted	5,711,472	-	-	-	-	-	-	-	0	8,413,067	14,124,539
Committed	-	59,541,090	6,946,312	1,761,197	29,874,860	4,634,929	-	-	(114,427)	25,495,037	128,138,998
Unassigned	-	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	5,711,472	59,541,090	6,946,312	1,761,197	29,874,860	4,634,929	-	-	(114,427)	33,908,104	142,263,537
Total Liabilities and Fund Balances	$ 5,714,890	$ 59,930,469	$ 15,047,475	$ 1,761,197	$ 30,740,932	$ 4,634,929	$ 62,229	$ 28,991,917	$ 292,617	$ 47,712,594	$ 194,889,249

CITY OF ALEXANDRIA, VIRGINIA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
Special Revenue Fund
For the Fiscal Year Ended June 30, 2021

	Housing	Sanitary Sewer	Storm Water Utility	Storm Sewer	Potomac Yard	NVTA	Cares	ARPA	IDA	Other Special Revenue	Total Combined Special Revenue
REVENUES											
General Property Taxes	$ -	$ -	$ -	$ -	$ 1,490,190	$ -	$ -	$ -	$ -	$ -	$ 1,490,190
Other Local Taxes	-	-	-	-	-	5,181,389	-	-	-	-	5,181,389
Permits, Fees, and Licenses	-	-	-	-	-	1,464,030	-	-	-	12,942,501	14,406,531
Use of Money and Property	1,097	-	-	-	-	3,662	-	-	-	1,353,855	1,358,614
Charges for Services	-	19,180,831	10,158,102	-	-	-	-	-	-	16,005,523	45,344,456
Intergovernmental Revenue	-	-	-	-	-	390,583	20,595,058	825,000	$ -	56,325,479	78,136,120
Miscellaneous	2,581,981	-	-	-	-	-	-	-	-	3,017,034	5,599,015
Total Revenues	2,583,078	19,180,831	10,158,102	-	1,490,190	7,039,664	20,595,058	825,000	-	89,644,392	151,516,315
EXPENDITURES											
Current Operating:											
General Government	-	-	-	-	-	-	3,238,942	-	114,427	2,059,100	5,412,469
Judicial Administration	-	-	-	-	-	-	-	-	-	1,266,449	1,266,449
Public Safety	-	112,299	-	-	-	-	-	-	-	10,953,851	11,066,150
Public Works	-	5,728,892	4,451,275	429	-	1,573,000	-	-	-	9,417,797	21,171,393
Health and Welfare	-	-	-	-	-	-	13,124,709	825,000	-	84,195,387	98,145,096
Culture and Recreation	-	-	-	-	-	-	-	-	-	1,683,168	1,683,168
Community Development	5,730,866	-	-	-	-	-	4,947,836	-	-	13,958,258	24,636,960
Principal	-	2,028,648	534,782	-	-	-	-	-	-	-	2,563,430
Interest and Other Charges	-	649,474	358,741	-	6,577,109	-	-	-	-	-	7,585,324
Total Expenditures	5,730,866	8,519,313	5,344,798	429	6,577,109	1,573,000	21,311,487	825,000	114,427	123,534,010	173,530,439
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,147,788)	10,661,518	4,813,304	(429)	(5,086,919)	5,466,664	(716,429)	-	(114,427)	(33,889,618)	(22,014,124)
OTHER FINANCING SOURCES (USES)											
Transfers In	4,645,948	-	600,000	-	12,483,068	16,686,497	-			41,013,726	75,429,239
Transfers Out	(4,100,000)	(1,411,462)	(2,201,133)	-	(4,866,929)	(18,890,552)	716,428	-	-	(2,679,515)	(33,433,163)
Total Other Financing Sources and Uses	545,948	(1,411,462)	(1,601,133)	-	7,616,139	(2,204,055)	716,428	-	-	38,334,211	41,996,076
Net Change in Fund Balance	(2,601,840)	9,250,056	3,212,171	(429)	2,529,220	3,262,609	(1)	-	(114,427)	4,444,593	19,981,952
Fund Balance at Beginning of Year	8,313,312	50,291,034	3,734,141	1,761,627	27,345,640	1,372,320	-	-		29,463,511	122,281,585
Fund Balance at End of Year	$ 5,711,472	$ 59,541,090	$ 6,946,312	$ 1,761,198	$ 29,874,860	$ 4,634,929	$ (1)	$ -	$ (114,427)	$ 33,908,104	$ 142,263,537

STATISTICAL SECTION

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—2021 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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities										
General Government	$ 84.7	$ 75.3	$ 71.3	$ 73.8	$ 66.3	$ 91.6	$ 47.4	$ 52.3	$ 95.1	$ 49.0
Judicial Administration	20.5	20.8	20.6	20.1	19.9	20.6	20.5	21.7	21.7	21.2
Public Safety	126.9	131.6	141.1	138.6	149.4	152.2	157.3	160.8	163.4	175.7
Public Works	56.4	52.9	68.0	63.9	70.5	78.9	73.3	75.2	76.5	84.0
Library	6.2	6.4	6.6	6.5	6.7	6.9	6.9	7.0	7.1	7.4
Health and Welfare	93.6	92.4	93.8	93.3	94.9	96.9	97.6	100.2	107.7	119.6
Transit	15.9	17.8	10.7	17.8	21.9	32.8	39.0	44.1	42.9	28.7
Culture and Recreation	27.7	28.9	29.8	30.2	32.6	33.4	33.0	34.3	32.7	30.6
Community Development	34.3	40.2	45.7	35.3	33.3	37.1	35.4	44.0	58.3	57.5
Education	185.2	194.6	189.1	197.4	211.2	210.7	217.4	241.9	263.2	292.5
Interest on Long-term Debt	22.0	22.5	23.8	21.8	21.3	20.7	19.4	24.3	23.5	27.5
Total Governmental Activities	$ 673.4	$ 683.4	$ 700.5	$ 698.7	$ 728.0	$ 781.9	$ 747.2	$ 805.8	$ 892.2	$ 893.7
Revenues										
Governmental Activities										
Charges for Services:										
General Government	$ 1.5	$ 3.6	$ 2.2	$ 2.9	$ 2.0	$ 3.6	$ 3.7	$ 3.9	$ 5.6	$ 6.1
Judicial Administration	1.7	1.6	1.3	1.2	1.2	1.3	1.4	1.0	0.8	1.0
Public Safety	14.4	17.0	17.7	16.9	14.1	10.5	3.6	14.5	17.3	7.3
Public Works	23.5	27.8	23.7	22.1	33.0	32.0	38.9	30.4	59.8	53.2
Library	-	-	-	-	-	-	-	-	-	-
Health and Welfare	6.7	6.2	6.4	5.9	5.3	5.5	10.4	0.2	6.1	6.2
Transit	-	-	-	-	-	4.3	4.2	6.1	-	3.6
Culture and Recreation	5.4	3.7	3.9	4.7	4.8	5.0	7.0	11.9	5.1	2.7
Community Development	2.7	4.2	6.6	5.0	1.5	0.8	8.4	2.6	0.9	4.4
Education	-	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions	66.4	75.0	78.8	68.8	46.8	66.3	52.2	51.5	60.2	112.6
Capital Grants and Contributions	19.6	18.5	15.1	11.5	6.5	19.1	7.1	7.0	6.8	9.7
Total Governmental Activities	$ 141.90	$ 157.60	$ 155.70	$ 139.00	$ 115.20	$ 148.40	$ 136.90	$ 129.10	$ 162.6	$ 206.9

CITY OF ALEXANDRIA, VIRGINIA
Schedule of Changes in Net Position
Last Ten Fiscal Years
(in millions)

TABLE I (continued)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net (Expense) (Revenue)										
General Government	$ (82.4)	$ (70.8)	$ (68.1)	$ (69.8)	$ (63.2)	$ (82.0)	$ (43.0)	$ (47.7)	$ (86.4)	$ (18.3)
Judicial Administration	(15.2)	(15.5)	(16.4)	(15.1)	(16.3)	(18.70)	(18.50)	(20.1)	(20.4)	(19.2)
Public Safety	(99.0)	(99.3)	(108.1)	(106.6)	(121.9)	(132.10)	(144.1)	(143.0)	(142.2)	(157.2)
Public Works	(9.6)	(3.3)	(23.6)	(22.3)	(23.7)	(32.80)	(26.20)	(37.2)	(9.1)	(22.6)
Library	(6.2)	(6.4)	(6.6)	(6.5)	(6.7)	(6.90)	(6.90)	(7.0)	(7.1)	(7.4)
Health and Welfare	(54.2)	(56.5)	(56.2)	(56.5)	(69.8)	(58.00)	(54.0)	(65.5)	(62.2)	(60.9)
Transit	(15.9)	(17.8)	(10.7)	(17.8)	(21.9)	(28.00)	(34.6)	(37.4)	(42.6)	(25.0)
Culture and Recreation	(22.0)	(24.6)	(25.6)	(25.3)	(26.7)	(26.00)	(25.7)	(22.1)	(26.9)	(24.4)
Community Development	(19.9)	(14.5)	(16.7)	(20.6)	(30.1)	(17.50)	(20.4)	(30.5)	(45.9)	(31.9)
Education	(185.2)	(194.6)	(189.1)	(197.4)	(211.2)	(210.70)	(217.4)	(241.9)	(263.2)	(292.5)
Interest on Long-term Debt	(21.9)	(22.5)	(23.8)	(21.8)	(21.3)	(20.70)	(19.4)	(24.3)	(23.5)	(27.5)
Subtotal Governmental Activities	(531.5)	(525.8)	(544.9)	(559.7)	(612.8)	(633.4)	(610.2)	(676.7)	(729.5)	(686.8)
Total Primary Government	(531.5)	(525.8)	(544.9)	(559.7)	(612.8)	(633.4)	(610.2)	(676.7)	(729.5)	(686.8)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Real Estate	321.6	333.8	360.7	375.9	393.5	424.4	441.5	455.4	463.8	478.4
Personal Property	48.2	58.6	47.2	50.5	44.5	49.6	57.0	48.2	56.6	45.2
Other	121.1	125.4	127.3	134.1	135.9	155.4	141.0	145.3	133.4	143.5
Transfer	-	-	-		-	-	-	-		
Grants and Contributions										
not restricted to other programs	41.5	36.9	36.1	33.3	58.5	34.8	52.4	58.4	50.3	38.2
Interest and Investment Earnings	1.3	0.8	4.9	4.9	5.4	5.5	7.3	11.3	8.7	3.8
Miscellaneous	1.2	1.4	2.0	5.0	2.9	11.5	15.6	21.8	31.3	8.9
Subtotal Governmental Activities	534.9	556.9	578.2	603.7	640.7	681.2	714.8	740.4	744.0	718.0
Total Primary Government	534.9	556.9	578.2	603.7	640.7	681.2	714.8	740.4	744.0	718.0
Change in Net Position										
Governmental Activities	3.4	31.1	33.3	44.0	27.9	47.8	104.6	63.7	14.4	31.2
	$ 3.4	$ 31.1	$ 33.3	$ 44.0	$ 27.9	$ 47.8	$ 104.6	$ 63.7	$ 14.4	$ 31.2

CITY OF ALEXANDRIA,VIRGINIA
Changes in Fund Balances Governmental Funds
Last Ten Fiscal Years
(in millions)

TABLE II

Revenues	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
General Property Taxes	$ 366.2	$ 385.2	$ 407.8	$ 422.2	$ 439.7	$ 473.0	$ 492.3	$ 505.7	$ 518.5	$ 536.3
Other Local Taxes	121.1	125.3	121.1	134.1	135.9	138.8	140.9	145.3	133.4	143.5
Permits, Fees, and Licenses	8.8	10.6	17.8	10.9	8.1	9.5	10.5	12.8	15.0	18.6
Fines and Forfeitures	4.9	5.1	5.2	4.9	5.0	5.0	5.0	4.3	4.1	3.1
Use of Money and Property	4.6	4.2	5.2	5.1	6.1	7.7	13.8	16.7	14.0	5.2
Charges for Services	32.2	34.6	32.9	32.1	37.5	43.7	56.4	59.6	70.1	60.7
Intergovernmental Revenue	111.1	125.9	126.5	111.9	108.1	117.0	108.8	114.7	124.6	147.6
Miscellaneous and	-	-	-	-	10.6	16.5	14.5	21.8	31.3	9.7
Non Revenue Receipts	8.3	10.2	9.9	8.8	-	-	-	-	-	-
Total Governmental Revenues	657.2	701.1	726.4	730.0	751.0	811.2	842.2	880.9	911.0	924.6
Expenditures										
General Government	46.8	45.2	45.2	45.7	46.6	50.8	52.6	50.1	50.2	58.0
Judicial Administration	20.0	20.3	20.1	19.7	19.4	20.1	19.9	21.1	21.4	21.0
Public Safety	123.8	131.0	134.8	134.9	142.7	146.7	150.0	156.7	158.0	153.4
Public Works	41.0	40.3	49.6	41.8	44.2	43.4	46.0	46.7	49.3	46.8
Library	6.1	6.4	6.6	6.5	6.7	6.9	6.9	7.0	7.1	7.4
Health and Welfare	93.1	91.8	93.1	92.9	94.4	96.5	97.1	99.7	111.1	119.1
Transit and Transit Transfer	15.9	17.8	10.7	17.8	21.9	28.4	35.7	40.2	42.9	28.7
Culture and Recreation	23.2	24.6	25.3	24.7	25.5	26.3	27.0	27.5	28.3	26.0
Community Development	25.9	35.8	41.4	29.4	31.4	34.8	34.1	42.0	47.2	44.8
Education	178.5	185.8	185.9	196.3	202.8	225.3	206.9	227.2	241.2	244.9
Capital Outlay*	71.8	70.9	91.1	99.5	62.9	81.4	101.2	157.8	135.5	176.5
Debt Service - Principal	23.7	27.5	33.5	38.6	41.6	43.3	44.4	46.0	46.1	47.5
- Interest	19.5	22.4	23.8	22.6	21.8	21.5	21.8	24.6	23.5	27.2
Total Governmental Expenditures	689.3	719.8	761.1	770.4	761.9	825.4	843.6	946.6	961.8	1,001.5
Excess of Revenues over (under) expenditures	(32.1)	(18.7)	(34.7)	(40.4)	(10.9)	(14.2)	(1.4)	(65.7)	(50.8)	(76.9)
Other Financing Sources/(Uses)										
Issuance of Debt	74.2	74.8	88.1	70.7	39.1	25.4	84.4	109.7	204.1	49.9
Sale of Land	-	0.6	-	1.2	5.3	-	4.4	-	-	-
Other Financing	-	-	-	-	-	-	-	0.3	-	-
Transfers in	47.9	61.7	82.8	77.8	85.9	91.2	108.8	139.2	135.5	154.5
Transfers out	(48.1)	(65.2)	(82.8)	(81.2)	(86.6)	(90.4)	(109.4)	(139.0)	(137.0)	(153.8)
Capital Contribution	-	-	-	-	-	-	4.3	0.1		
Total	74.0	71.9	88.1	68.5	43.7	26.2	92.5	110.2	202.6	50.6
Net change in Fund Balance	$ 41.9	$ 53.2	$ 53.4	$ 28.1	$ 32.8	$ 12.0	$ 91.1	$ 44.5	$ 151.7	-$ 26.3
Debt Service as percentage of noncapital expenditures	6.88%	7.54%	8.21%	8.51%	8.54%	9.01%	8.08%	8.75%	8.42%	9.06%

** Amounts may not add due to rounding
* Capital Outlay was recalculated in 2021 and back to 2012.

CITY OF ALEXANDRIA, VIRGINIA
Tax Revenues by Source - All Funds
Last Ten Fiscal Years

TABLE III

	Fiscal Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Property Taxes	Real Estate	$ 326,248,520	$ 343,336,713	$ 362,339,024	$ 375,629,898	$ 391,339,844	$ 422,362,653	$ 440,427,264	$ 452,762,144	$ 459,756,284	$ 480,092,075
	Personal	37,897,525	39,694,273	43,799,341	44,495,560	45,556,820	47,476,491	49,240,775	50,007,122	54,534,521	52,984,935
	Penalties and Interest	2,092,976	2,140,497	1,685,517	2,065,762	2,757,775	3,083,530	2,622,511	2,923,419	2,972,751	3,183,207
Other Local Taxes	Local Sales	24,949,593	25,549,709	27,619,132	29,907,322	31,174,524	32,360,983	31,965,152	33,843,610	35,179,797	44,299,858
	Utility	10,322,623	10,650,297	11,460,413	12,364,106	12,579,583	12,286,676	12,069,408	11,264,818	12,077,396	11,534,144
	Business License	31,468,957	32,571,953	30,237,576	33,474,138	32,134,946	33,751,755	33,846,543	36,883,865	35,154,223	37,042,157
	Motor Vehicle License	3,348,075	3,501,907	3,557,565	3,483,135	3,602,980	3,661,152	3,675,482	3,558,915	163,361	25,676
	Bank Franchise	2,768,991	2,641,475	3,035,635	3,077,715	3,408,128	3,391,507	3,828,225	3,932,554	3,445,787	3,603,341
	Tobacco	2,674,157	2,567,249	2,927,125	3,020,469	2,907,915	3,021,243	2,777,656	2,513,138	2,321,508	2,137,890
	Recordation	5,152,593	5,847,889	5,468,147	6,481,339	6,458,302	6,185,633	9,036,488	5,913,217	7,144,558	9,016,670
	Transient Lodging	11,375,121	11,774,914	11,568,709	12,371,555	12,755,322	13,542,901	13,936,579	12,912,839	8,663,346	4,762,880
	Restaurant Food	16,313,765	17,325,897	17,404,589	17,635,886	18,655,330	18,878,758	18,283,682	23,999,949	19,765,936	21,934,868
	Telecommunication	564,219	741,542	821,426	530,408	988,865	772,110	837,655	748,488	694,026	913,013
	Admissions	1,093,182	1,086,841	948,968	902,556	759,368	709,640	688,505	574,440	443,640	104,221
	Communications Sales Tax	11,030,711	11,060,107	10,871,785	10,776,792	10,457,755	10,200,706	9,881,812	9,167,402	8,217,077	8,106,878
	Other	39,246	27,743	1,418,920	44,078	36,409	48,777	59,700	35,860	139,218	65,486
	Total	$ 487,340,254	$ 510,519,006	$ 535,163,872	$ 556,260,719	$ 575,573,866	$ 611,734,515	$ 633,177,437	$ 651,041,780	$ 650,673,428	$ 679,807,297

CITY OF ALEXANDRIA, VIRGINIA
Real and Personal Property Tax Levies and Collections
Last Ten Calendar Years

Table IV

Real Property
(Amounts in thousands)

Calendar Year Ended December 31	Taxes Levied for the Calendar Year*	Collected within the Fiscal Year of the Levy: Amount	Collected within the Fiscal Year of the Levy: Percentage of Levy	Collections in Subsequent Years	Total Collections to date: Amount	Total Collections to date: Percentage of Levy
2011	$ 311,568	$ 310,560	99.7%	$ 1,069	$ 311,630	100.0%
2012	323,779	322,747	99.7%	864	323,611	99.9%
2013	348,850	347,849	99.7%	821	348,670	99.9%
2014	362,580	361,334	99.7%	879	362,212	99.9%
2015	375,568	374,208	99.6%	699	374,907	99.8%
2016	395,839	394,696	99.7%	4,491	399,186	100.8%
2017	426,139	424,908	99.7%	4,182	429,090	100.7%
2018	436,106	434,793	99.7%	48	434,840	99.7%
2019	446,629	445,474	99.7%	938	446,413	100.0%
2020	467,301	465,972	99.7%	744	466,715	99.9%

* Levy adjusted for changes since original levy
Source: City of Alexandria Department of Finance

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Table V

Personal Property
(Amounts in thousands)

Calendar Year Ended December 31	Taxes Levied for the Calendar Year: Total	Taxes Levied for the Calendar Year: Commonwealth Reimbursement	Collected within the Fiscal Year of the Levy: Amount	Collected within the Fiscal Year of the Levy: Percentage of Levy	Collected within the Fiscal Year of the Levy: Collections in Subsequent Years	Total Collections to date: Amount	Total Collections to date: Percentage of Levy
2011	$ 60,123	$ 22,782	$ 58,042	96.5%	$ 1,356	$ 59,398	98.8%
2012	63,337	23,446	59,802	94.4%	2,689	62,491	98.7%
2013	67,192	23,239	65,664	97.7%	627	66,291	98.7%
2014	68,075	23,455	63,579	93.4%	2,919	66,498	97.7%
2015	69,948	23,710	67,329	96.3%	1,938	69,267	99.0%
2016	71,851	23,517	69,382	96.6%	1,611	70,993	98.8%
2017	72,063	23,752	70,919	98.4%	2,074	72,993	101.3%
2018	73,764	22,724	69,614	94.4%	2,304	71,918	97.5%
2019	79,890	23,391	76,012	95.1%	1,898	77,910	97.5%
2020	78,526	23,475	74,456	94.8%	2,004	76,460	97.4%

* Commonwealth reimbursement included in taxes levied and collections.
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

	Locally Assessed Real Property ($000)				Personal Property ($000)				
Calendar Year	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
2012	$ 18,715,708	$ 14,238,580	$ 32,954,288	$ 1.00	$ 1,343,202	$ 4.75	$ 12,631	$ 4.50	$ 1,355,833
2013	19,384,651	14,706,140	34,090,791	0.998	1,417,679	4.75	11,506	4.50	1,429,185
2014	20,314,909	15,020,272	35,335,181	1.043	1,397,502	5.00	11,281	4.50	1,408,783
2015	21,195,556	15,376,112	36,571,668	1.050	1,426,427	5.00	10,776	4.50	1,437,203
2016	21,713,189	15,886,156	37,599,345	1.073	1,492,140	5.00	11,199	4.50	1,503,339
2017	22,092,997	16,284,957	38,377,954	1.130	1,517,743	5.00	6,123	4.50	1,523,866
2018	22,844,035	16,437,017	39,281,052	1.130	1,555,607	5.00	9,727	4.50	1,565,334
2019	23,310,833	17,025,285	40,336,118	1.130	1,581,904	5.00	14,262	4.50	1,596,166
2020	24,550,610	17,501,144	42,051,754	1.130	1,491,271	5.33	14,963	4.50	1,506,234
2021	26,029,769	17,158,601	43,188,369	1.110	1,652,958	4.75	11,115	4.50	1,664,073

Note: Property is assessed each year as of January 1. Property is assessed at actual value; therefore, assessed values are equal to actual values. Tax rates are assessed per $100 of assessed 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	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Net Investment in Capital Assets	$ 321.6	$ 329.5	$ 343.9	$ 364.3	$ 373.4	$ 389.1	$ 416.1	$ 469.8	$ 461.4	$ 406.0
Restricted for										
Affordable Housing	-	-	1.0	1.4	0.7	2.0	5.7	13.8	8.3	$ 5.7
Other Projects	-	-	13.7	15.1	15.8	20.4	20.4	8.7	9.5	$ 8.6
Capital Projects	-	-	-	-	-	-	-	-	-	-
Net Pension Assets	-	-	-	-	-	-	-	-	4.4	$ 43.7
Unrestricted Net Position	76.2	99.4	103.5	(36.0)	(17.2)	32.3	64.1	77.7	100.8	$ 151.6
Total Governmental Activities Net Position	$ 397.8	$ 428.9	$ 462.1	$ 344.8	$ 372.7	$ 443.8	$ 506.3	$ 570.0	$ 584.4	$ 615.6

**Amounts may not add due to rounding

CITY OF ALEXANDRIA, VIRGINIA
Fund Balances Governmental Funds
Last Ten Fiscal Years

TABLE VIII

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Reserved for:										
Encumbrances	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Inventories	-	-	-	-	-	-	-	-	-	-
Notes Receivable	-	-	-	-	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-	-	-	-	-
Non-Spendable	8,099,925	9,945,850	2,952,021	3,374,907	3,374,907	10,917,115	11,009,773	5,685,676	7,101,792	7,272,032
Committed	17,219,808	15,855,605	12,741,566	10,382,766	10,382,766	11,737,149	10,015,523	9,360,247	9,336,383	11,807,016
Assigned	27,235,643	10,769,948	9,538,948	12,400,000	12,400,000	35,789,849	34,152,482	46,762,362	50,643,051	63,400,000
Unassigned	30,427,629	32,941,779	40,019,733	51,624,142	51,624,142	61,562,170	73,780,565	81,406,421	85,718,804	94,165,465
Subtotal General Fund	$ 82,983,005	$ 69,513,182	$ 65,252,268	$ 77,781,815	$ 77,781,815	$ 120,006,283	$ 128,958,343	$143,214,706	$152,800,030	$ 176,644,513
All Other Governmental Funds										
Reserved For										
Capital Projects	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Notes Receivable	-	-	-	-	-	-	-	-	-	-
Encumbrances	-	-	-	-	-	-	-	-	-	-
Unreserved Special Revenue	-	-	-	-	-	-	-	-	-	-
Unreserved Capital Projects	-	-	-	-	-	-	-	-	-	-
Non-Spendable (Special Revenue Fund)	2,596,021	2,596,021	2,498,322	2,498,322	-	-	-	-	-	-
Restricted (Special Revenue Fund)	7,748,211	10,400,005	12,173,856	14,027,836	16,553,843	22,396,774	26,113,490	22,508,963	17,808,272	14,124,539
Committed (Special Revenue Fund)	12,575,087	29,183,258	45,738,029	52,452,826	49,925,447	55,507,559	69,651,113	78,073,867	104,473,313	128,138,998
Committed (Capital Projects)	97,523,662	169,174,812	188,551,536	171,248,033	172,124,584	212,284,917	297,691,622	261,978,279	400,720,737	281,105,893
Assigned (Special Revenue Fund)	7,730,465	-	-	-	-	-	-	-		
Total All Other Governmental Funds	$ 128,173,446	$211,354,096	$248,961,743	$ 240,227,017	$ 238,603,874	$ 290,189,250	$ 393,456,225	$362,561,109	$523,002,322	$ 423,369,430

With the implementaion of GASB Statement No. 54 in Fiscal Year 2011, the fund balance terminology was changed.

CITY OF ALEXANDRIA, VIRGINIA
2021 Tax Rates for Major Revenue Source

TABLE IX

Real Estate Tax	$1.13 per $100 assessed value (December and June)
Personal Property Tax	$4.50 per $100 assessed value (machinery and tools)
	$4.75 per $100 assessed value (tangible personal property)
	$1.13 per $100 assessed value (Mobile homes)
	$5.33 per $100 assessed value (Automobiles)
	$3.55 per $100 assessed value (handicap vehicles)
	$0.01 per $100 assessed value (Boats)
Utility Tax (for residential users)	15% of monthly water service charge
	$1.12 plus $0.012075 of each KWh ($3.00 maximum) - Electric
	$1.28 plus $0.124444 of each CCF gas delivered ($3.00 maximum) - Gas
	$1.28 plus $0.050909 of each CCF gas delivered-group meter consumers) ($3.00 maximum per dwelling unit)
	$1.28 plus 0.023267 of each CCF gas delivered-group meter interruptible consumers ($3.00 maximum per dwelling unit)
Utility Tax (for commercial users)	20% of first $150 of water service charge
	$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
	$1.42 plus $0.050213 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 $100,000 and less than $2,000,000	$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 gross receipts
Communication Sales and Use Tax	5% of sale price of each communications service
Water, heat, electric and gas companies	$0.50 per $100 gross receipts (new note: 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	$1.15 per line per month (effective 7/1/20)
Electric Consumption Tax	$0.0038/kwh
Natural Gas Consumption Tax	$0.004 per CCF
Local Sales Tax	1% added to the rate of the State retail 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% on all food and drink
Recordation Tax	City is $0.083 per $100 (State is $0.25 per $100)
Late Payment Tax Penalty	10% or $10, whichever is greater
Tax Interest	10% for the first year and 5% for each year thereafter. Equals refund rates.

Source: City of Alexandria Revenue Division

CITY OF ALEXANDRIA, VIRGINIA
Legal Debt Margin Information
Last Ten Fiscal Years

TABLE X

	2012	2013	2014	2015	2016
Assessed Value of Real Property, January 1	$ 33,782,697,985	$ 34,725,070,077	$ 35,895,602,676	$ 37,146,860,126	$ 38,195,318,730
Debt Limit: 10 percent	3,378,269,799	3,472,507,008	3,589,560,268	3,714,686,013	3,819,531,873
Amount of Debt Applicable to Debt Limit	459,060,000	508,700,000	539,780,000	540,495,000	522,710,000
Legal Debt Margin	$ 2,919,209,799	$ 2,963,807,008	$ 3,049,780,268	$ 3,174,191,013	$ 3,296,821,873
Debt as a Percentage of Assessed Value	1.36%	1.46%	1.50%	1.46%	1.37%

	2017	2018	2019	2020	2021
Assessed Value of Real Property, January 1	$ 38,987,293,704	$ 39,897,986,964	$ 40,977,242,214	$ 42,679,236,862	$ 43,826,796,330
Debt Limit: 10 percent	3,898,729,370	3,989,798,696	4,097,724,221	4,267,923,686	4,382,679,633
Amount of Debt Applicable to Debt Limit	557,233,000	595,021,000	589,957,000	747,911,000	704,117,000
Legal Debt Margin	$ 3,341,496,370	$ 3,394,777,696	$ 3,507,767,221	$ 3,520,012,686	$ 3,678,562,633
Debt as a Percentage of Assessed Value	1.43%	1.49%	1.44%	1.75%	1.61%

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 and 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 Debt[1] to Assessed Value
And Net Debt Per Capita
Last Ten Fiscal Years

TABLE XI

FY Year	Population[3]	Taxable Assessed Value ($000) [2] Real Property	Taxable Assessed Value ($000) [2] Personal Property	Taxable Assessed Value ($000) [2] Total	Outstanding Debt	Outstanding Debt As Percentage of Assessed Real Property	Outstanding Debt As Percentage of Assessed Total Property	Personal Income ($100)	Debt Per Capita	Debt Per Capita As A Percentage of Per Capita Income[4]
2012	140,800	33,782,698	1,309,164	35,091,862	459,060,000	1.36	1.31	10,758,922	3,260	4.16
2013	142,000	34,725,071	1,343,202	36,068,273	508,700,000	1.46	1.41	11,760,450	3,582	4.37
2014	144,000	35,895,603	1,417,679	37,313,282	539,780,000	1.50	1.45	12,115,212	3,748	4.84
2015	147,650	37,146,860	1,397,502	38,544,362	540,495,000	1.46	1.40	12,071,851	3,661	4.55
2016	149,900	38,195,319	1,437,203	39,632,522	522,710,000	1.37	1.32	11,789,823	3,487	4.24
2017	152,200	38,987,294	1,503,339	40,490,633	557,233,000	1.43	1.38	12,692,748	3,661	4.40
2018	154,500	39,897,987	1,520,865	41,418,852	595,021,000	1.49	1.44	12,958,210	3,851	4.58
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	159,467	42,679,237	1,596,166	44,275,403	747,911,000	1.75	1.69	14,127,927	4,690	5.33
2021	164,650	43,826,796	1,506,234	45,333,030	704,117,000	1.61	1.55	14,665,740	4,276	4.86

(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.

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 %
2012	23,725,000	19,492,222	43,217,222	735,769,542	5.87
2013	27,550,000	22,437,678	49,987,678	763,516,075	6.55
2014	33,476,070	23,835,653	57,311,723	820,080,010	6.99
2015	38,645,000	22,614,198	61,259,198	817,311,890	7.50
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

(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, 2021

TABLE XIV

Population

Calendar Year	Population	Calendar Year	Population
1990	111,183	2015	147,650
2000	128,283	2016	149,900
2010	139,993	2017	152,200
2011	140100	2018	154,500
2012	140,800	2019	156,800
2013	142,000	2020	159,467
2014	144,000	2021	164,650

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 is an estimate developed by the City's Department of Planning and Zoning.

POPULATION INDICATORS
PER CAPITA INCOME*

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Alexandria	$76,362	$78,383	$81,896	$77,419	$80,506	$82,253	$83,167	$84,079	$88,088	$91,990
Arlington	$79,967	$82,491	$83,925	$79,295	$83,616	$86,141	$87,986	$89,487	$95,198	$99,407
Fairfax (include Fairfax City and Falls Church)	$66,679	$69,008	$72,257	$69,817	$72,552	$75,081	$75,978	$78,376	$82,441	$86,141
Washington MS	$57,343	$59,345	$62,496	$60,814	$62,546	$65,155	$66,733	$69,581	$69,375	$74,385

***The BEA has revised these numbers**.

SOURCE: U.S. Bureau of Economic Analysis (BEA)
2011-2020 City of Alexandria, Department of Planning and Zoning

UNEMPLOYMENT RATE
LAST TEN YEARS

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Unemployment Rate	4.6%	4.7%	4.6%	3.5%	2.9%	2.6%	2.4%	2.2%	7.8%	4.3%

SOURCE: Virginia Employment Commission. Updated as of June 2021.

CITY OF ALEXANDRIA, VIRGINIA
Principal Taxpayers
Current Year and Nine Years Ago

TABLE XV

Private Property

	Owner's Name	Property	2021 Assessed Value (in millions)	Percentage of Total Assessed Valuation
1	LCOR Alexandria, L.L.C.	Office Buildings	939.9	2.14%
2	Equity Residential	Apartments	756.8	1.73%
3	Paradigm Companies	Apartments	589.7	1.35%
4	CIM Group	Apartments	563.4	1.29%
5	Morgan Properties	Apartments	537.6	1.23%
6	AIMCO	Apartments	373.3	0.85%
7	Washington REIT	Apartments/Office Buildings	334.3	0.76%
8	UDR	Apartments	313.9	0.72%
9	FPA Multifamily	Apartments	216.9	0.49%
10	Post Carlyle	Apartments	209.9	0.48%

SOURCE: City of Alexandria, Department of Finance, Real Estate Assessment Division

	Owner's Name	Property	2012 Assessed Value (in millions)	Percentage of Total Assessed Valuation
1	LCOR Alexandria, L.L.C.	Office Buildings	$1,000.0	2.96%
2	Paradigm Companies	Meridian Apartments	516.0	1.50%
3	Equity Residential	Apartments	470.1	0.39%
4	Home Properties	Apartments	251.0	1.00%
5	Washington Real Estate Investment Trust	Portfolio	337.4	0.99%
6	Duke Realty	Mark Center Office Buildings	318.0	0.94%
7	AIMCO Foxchase L.P.	Foxchase Apartments	308.2	0.91%
8	Hoffman Family L.L.C.	Hoffman Office Buildings	269.4	0.79%
9	Southern Towers L.L.C.	Southern Towers Apartments	241.5	0.71%
10	Area Property Partners	Apartments/Warehouse	206.8	0.61%

SOURCE: City of Alexandria, Department of Finance, Real Estate Assessment Division

CITY OF ALEXANDRIA, VIRGINIA
Principal Taxpayers
Current Year and Nine Years Ago

TABLE XV
(Continued)

Public Service Companies

	Owner's Name	2021 Assessed Value (in millions)	Percentage of Total Assessed Valuation
1	Virginia Electric Power Company	237.5	0.54%
2	Virginia-American Water Co.	81.1	0.18%
3	Washington Gas Light Company	56.8	0.13%
4	Verizon Virginia Inc.	42.9	0.10%
5	Potomac electric Power Company	40.4	0.09%
6	Covanta Alexandria / Arlington, Inc.	20.4	0.05%
7	Cellco Partnership	11.0	0.03%
8	New Cingular Wireless PCS, LLC	10.5	0.02%
9	T-Mobile Northeast, LLC	7.3	0.02%
10	Sprint Spectrum Reality Company, LLC	3.1	0.01%

SOURCE: Virginia State Corporation Commission
SOURCE: City of Alexandria, Department of Finance, Office of Real Estate Assessments

	Owner's Name	2012 Assessed Value (in millions)	Percentage of Total Assessed Valuation
1	GenOn Potomac River LLC	$202.6	0.60%
2	Virginia Electric Power Company	179.8	0.53%
3	Norfolk Southern Raiway Company	72.9	0.22%
4	Richmond Fredericksburg & Potomac Railway Co	70.4	0.21%
5	Verizon Virginia Inc.	60.0	0.18%
6	Covanta Alexandria/Arlington, Inc	51.6	0.15%
7	Virginia-American Water Co.	49.3	0.15%
8	Washington Gas Light Company	32.3	0.10%
9	New Cingular Wireless PCS, LLC	7.0	0.10%
10	T-Mobile License	6.2	0.02%

SOURCE: Virginia State Corporation Commission

CITY OF ALEXANDRIA, VIRGINIA
Alexandria City School
Demographic Statistics
Last Ten Fiscal Years

TABLE XVI

Fiscal Year	Total Enrollment	Number Receiving Free or Reduced Meals	Number in English as Second Language	Number Receiving Special Education	Elementary School Gifted and Talented Programs	Number in Middle (6-8) School Gifted and Talented Programs
2012	12,395	6,916	3,005	1,686	495	326
2013	13,114	7,370	3,406	1,641	935	351
2014	13,623	8,100	3,642	1,621	759	370
2015	14,224	8,582	4,202	1,634	823	432
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	4,853	1,581	392	658

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, 2021

TABLE XVII

General Fund Expenditures	General Government	Judicial Administration	Public Safety	Public Works	Health and Welfare	Recreation & Culture	Community Development	Education	Library	Transit Subsidies	Debt Services	Total
City Council	$ 672,803	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 672,803
City Manager	2,452,836	-	-	-	-	-	-	-	-	-	-	2,452,836
Office of Management and Budget	1,142,806	-	-	-	-	-	-	-	-	-	-	1,142,806
18th Circuit Court	-	1,379,510	-	-	-	-	-	-	-	-	-	1,379,510
18th General District Court	-	96,932	-	-	-	-	-	-	-	-	-	96,932
Juvenile and Domestic Relations Courts	-	78,955	-	-	-	-	-	-	-	-	-	78,955
Commonwealth's Attorney	-	2,759,268	-	-	-	-	-	-	-	-	-	2,759,268
Sheriff	-	7,717,892	22,991,349	-	-	-	-	-	-	-	-	30,709,241
Clerk of Courts	-	1,691,720	-	-	-	-	-	-	-	-	-	1,691,720
Other Correctional Activities	-	4,457,397	85,191	-	-	-	-	-	-	-	-	4,542,588
Court Services	-	1,591,950	-	-	-	-	-	-	-	-	-	1,591,950
Human Rights	963,440	-	-	-	-	-	-	-	-	-	-	963,440
Internal Audit	359,692	-	-	-	-	-	-	-	-	-	-	359,692
Information Technology Services	9,978,399	-	-	-	-	-	1,888,360	-	-	-	-	11,866,759
Office of Communications	-	-	-	-	-	-	1,307,506	-	-	-	-	1,307,506
City Clerk and Clerk of Council	399,902	-	-	-	-	-	-	-	-	-	-	399,902
Finance	11,045,393	-	-	-	-	-	-	-	-	-	-	11,045,393
Organizational Excellence	181,921											181,921
Human Resources	4,060,370	-	-	-	-	-	-	-	-	-	-	4,060,370
Planning and Zoning	-	-	-	-	-	-	5,673,464	-	-	-	-	5,673,464
Economic Development Activities	-	-	-	-	-	-	6,813,893	-	-	-	-	6,813,893
City Attorney	3,223,971	-	-	-	-	-	-	-	-	-	-	3,223,971
Registrar	1,343,429	-	-	-	-	-	-	-	-	-	-	1,343,429
General Services	312,127	-	1,208,643	8,368,220	-	-	-	-	-	-	-	9,888,990
Project Implementation Office	-	-	-	-	-	-	-	-	-	-	-	-
Performance and Accountablilty	489,824	-	-	-	-	-	-	-	-	-	-	489,824
Transportation and Environmental Services	2,403,507	-	-	16,658,838	-	-	2,162,578	-	-	-	-	21,224,923
Transit Subsidies	-	-	-	-	-	-	-	-	-	2,478,947	-	2,478,947
Fire	-	-	50,443,126	-	-	-	-	-	-	-	-	50,443,126
Police	-	-	59,517,036	-	-	-	-	-	-	-	-	59,517,036
Emergency Communications	-	-	8,115,470	-	-	-	-	-	-	-	-	8,115,470
Code Administration	-	-	5,388	-	-	-	-	-	-	-	-	5,388
Housing	-	-	-	-	-	-	1,860,597	-	-	-	-	1,860,597
Community and Human Services	1,486,496	-	-	-	11,957,941	-	-	-	-	-	-	13,444,437
Other Health Services	-	-	1,000	-	1,724,870	-	-	-	-	-	-	1,725,870
Health	-	-	-	-	6,848,094	-	133,700	-	-	-	-	6,981,794
Office of Historic Alexandria	-	-	-	-	-	3,361,076	-	-	-	-	-	3,361,076
Recreation and Cultural Activities	-	-	-	-	-	20,889,957	-	-	-	-	-	20,889,957
Other Educational Activities	-	-	-	-	-	-	-	234,037,296	-	-	-	234,037,296
Miscellaneous	12,098,360	-	-	611,402	431,846	41,672	334,122		7,379,204	-	64,603,570	85,500,176
Total Expenditures	$ 52,615,276	$ 19,773,623	$ 142,367,202	$ 25,638,460	$ 20,962,751	$ 24,292,705	$ 20,174,219	$ 234,037,296	$ 7,379,204	$ 2,478,947	$ 64,603,570	$ 614,323,253

CITY OF ALEXANDRIA, VIRGINIA
Government Employees by Function
Last Ten Fiscal Years

TABLE XVIII

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government	270	302	321	323	317	317	318	327	344	333
Judicial Administration	123	290	286	286	287	281	280	279	279	280
Public Safety	973	805	803	801	809	810	816	818	837	844
Public Works	238	220	212	212	223	222	212	215	217	235
Library	55	54	71	72	70	70	69	67	67	67
Health and Welfare	532	526	579	589	586	586	599	598	607	629
Culture and Recreation	145	147	183	183	175	175	179	181	183	189
Community Development	62	65	83	82	85	91	92	94	95	98
Education	2,181	2,230	2,285	2,268	2,426	2,489	2,519	2,585	2,607	2,649
TOTAL	4,579	4,639	4,823	4,816	4,978	5,041	5,084	5,164	5,236	5,324

Source: City of Alexandria FY 2012 - FY 2021 Approved Operating Budgets

Principal Employers
Current Year (as of July 1, 2021 and Nine Years Ago)

TABLE XIX

Current Year	Employees	Percentage of Total City Employment(2)	Nine Years Ago	Employees	Percentage of Total City Employment(2)
LARGEST PUBLIC EMPLOYERS			LARGEST PUBLIC EMPLOYERS		
U.S. Department of Defense - Mark Cer	11,050	13.42%	U.S. Department of Commerce	1,000 & over	3.34%
U.S. Patent and Trademark Office	7,100	8.63%	U.S. Department of Defense	1,000 & over	3.34%
City of Alexandria	2,500	3.04%	City of Alexandria	2,398	2.67%
Alexandria Public School System	2,352	2.86%	Alexandria Public Schools	2,181	2.43%
National Science Foundation	1,450	1.76%	WMATA	500-999	0.84%
Washington Metropolitan Area Transi	1,192	1.45%	Northern Virginia Community College	500-999	0.84%
USDA Food and Nutrition Service	800	0.97%	U.S. Department of Agriculture	500-999	0.84%
		32.13%			14.30%
LARGEST PRIVATE EMPLOYERS			LARGEST PRIVATE EMPLOYERS		
Inova Alexandria hospital	1,700	2.07%	The Alexandria Hospital	1,000 & over	3.34%
Institute for Defense Analyses	650	0.97%	ABM Janitorial Srvices M Inc	1,000 & over	3.34%
Woodbine Rehabilitation & Healthcare	425	0.52%	Institute for Defense Analysis	1,000 & over	3.34%
Society-Human Rescource Managemer	400	0.49%	CAN Corporation	1,000 & over	3.34%
Oblon Mier & Neustadt PC	385	0.47%	Gail Service Industries	1,000 & over	3.34%
Kearney & Company, P.C.	380	0.46%	Oblon Spivak NcClelland PC	250-499	0.42%
Systems Planning & Analysis	375	0.46%	Grant Thornton LLP	250-499	0.42%
		5.44%			17.54%

SOURCE: Alexandria Economic Development Partnerisship

(1) Employment ranges are given to ensure confindentiality.

(2) Percentages are based on the midpoint of the employment range.

CITY OF ALEXANDRIA, VIRGINIA
Operating Indicators By Function
Last Ten Fiscal Years

TABLE XX

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Judicial Administration										
Civil and criminal cases processed by Clerk of Courts	6,950	6,950	6,000	6,000	5,377	5,734	5,985	6,489	5,185	4,168
Public Safety										
Number of Homicides	-	5	4	4	7	6	4	2	2	**
Response Time (minutes) from turnout to arrival met by 90% of responses to Fire Emergency Incidents	N/A	N/A	N/A	7:26	7:13	7:26	6:41	6:30	7:11	7:33
Response Time (minutes) from turnout to arrival met by 90% of responses to Medical Emergency Incidents	N/A	N/A	N/A	7:01	7:03	6:09	5:45	5:30	7:45	7:56
Public Works										
Tons of Waste Disposed Annually	22,207	21,732	20,689	20,975	21,199	21,033	22,058	22,328	22,045	**
Lane Miles Repaired	44	N/A	43	45	66	72	45	44	46	48
Acres of Impervious Surface within City	1,267	1,327	1,355	1,444	1,519	1,522	1,536	1,544	1,560	**
City-Wide Recycling Rate	49	49	49	49	49	50	48	49	**	**
Library										
Total number of material circulated	1,060,000	1,132,500	1,335,000	1,339,000	1,304,000	1,595,528	1,607,718	1,611,014	*1,458,234	1,262,833
Number of Library Visitors and Web Users	1,145,267	1,233,203	1,219,936	1,288,629	1,247,355	1,303,209	1,382,324	1,556,345	*1,493,926	1,121,843
Health and Welfare										
Number of immunizations given to the public	N/A	14,757	15,930	14,618	10,234	12,844	9,553	8,221	6,772	3,923
Average number of active participants in Women, Infants, and Children program per month	N/A	3,080	2,511	2,828	2,754	2,801	3,003	2,826	2,875	3,259
Teen Wellness Center Visits	N/A	3,055	3,495	3,440	3,167	3,800	3,720	3,398	2,888	1,863
Pharmacy (number of prescriptions)	7,136	10,161	13,045	16,233	17,567	19,173	26,742	28,355	27,852	30,207
Transit										
Annual Ridership of Bus & Trolley	3,882,022	4,265,417	4,244,588	4,275,682	4,108,706	3,939,351	3,892,685	3,940,251	2,844,989	1,521,928
Number of Metro Rail Riders Originating in Alexandria	5,788,874	5,454,752	5,403,671	5,364,129	5,034,745	4,306,919	4,426,213	3,861,674	2,141,993	605,820
Miles of service	1,472,993	1,493,146	1,550,704	1,714,388	1,758,689	1,857,385	1,851,653	1,966,261	2,073,300	1,844,028
Culture and Recreation										
Number of Registered Users in Recreation Centers and Recreation Activities***	N/A	7,000	7,000	13,745	23,806	26,423	26,403	30,014	33,127	36,376
Number of Public Special Events	148	163	170	197	211	136	137	165	114	117
Community Development										
Number of Affordable Housing Units	3,782	3,782	3,782	3,724	3,955	3,955	4,075	4,084	4,450	4,687
Assessed Value Average Residential Property	455,016	466,774	486,456	505,740	516,280	522,800	542,202	549,253	577,988	576,901
Education										
Cost per pupil	18,516	17,024	17,249	17,041	16,896	17,216	17,193	17,740	18,190	18,241
Graduation Rate	82	86	84	80	82	83	81	82	91	**

* last year data is revised. Information were excluded for e-materials from the circulation number and web visits from the visitor/web user number.

** Lag in reporting. Virginia DOE On-Time Graduation Rate by school district has one-year lag. Virginia DEQ Recyclying Rate has one-year lag. CityData.com Homicides has a two-year lag.

*** Number of Registered User in Recreation centers and Recreation Activities for FY 2013 & 2014 are estimated numbers.

CITY OF ALEXANDRIA, VIRGINIA
Operating Indicators By Function
Last Ten Fiscal Years

TABLE XX (cont.)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Judicial Administration										
Number of foster care homes	53	50	50	46	46	39	47	51	53	56
Public Safety										
Fire vehicles	138	138	143	143	143	143	144	144	183	167
Public Works										
Paved streets	556	560	560	560	560	561	561	561	561	561
Sidewalks	319	319	319	319	319	319	319	319	319	319
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	77	79	79	74	85	85	85	85	99	99
Culture and Recreation										
Playgrounds	36	36	37	36	40	41	41	42	42	42
Athletic fields available for games	49	49	49	49	53	53	59	56	56	56
Acreage of park and open space	722	958	974	1,000	1,036	1,042	1,042	1,042	1,042	1,042
Total number of facilities maintained	181	181	181	181	181	130	126	126	127	117
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	17	17	17	16	16	16	16	18	18	18

* - New indicator - Additional information will be provided as it becomes available.
** - Indicator no longer maintained

CITY OF ALEXANDRIA, VIRGINIA

Miscellaneous Statistical Data

As of June 30, 2021

Table XXI

Date of Incorporation... 1779
Date of City Charter... 1922
Form of Government.. Council-Manager
Number of Full-Time City Positions
(Other than Schools) 2675
Number of Full-Time Equivalent School Positions 2649

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 34.9°
Average July Temperature 79.2°

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. Four 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

2021 Resident Population (Estimate)............................... 164,650
Number of Households (2014- 2019 U.S. Census ACS) 98,278
Household Size (2014-2019) .... 2.21 Persons Per Unit
2019 Population by Race (2017-2022 U.S. Census ACS):
White 62.2%
Black.. 21.8%
Native American.. 0.2%
Asian and Pacific Islanders.. 5.9%
Multi-Racial... 5.3%
Hispanic (All Races)... 16.7%

2019 Population by Age and Sex (U.S. Census Bureau Estimate):
Persons under 5 years 7.1%
Persons under 18 years 18.2%
Persons 65 years and over.. 11.3%
Female persons 51.8%

Registered Voters
June 2021.. 98,719
Temporary Assistance to Needy Families
(Cases) - Monthly Average, 2021……………………………..…308
Food Stamps (Cases) - Monthly Average, 2021……………...5.021
Medicaid (Cases) - Monthly Average, 2021………………...15,860

Economy

Employed Residents, June 2021……………………..……...94,947
Unemployed Residents, June 2021…………….……….…4,305
Unemployed Rate, June 2021……….………………………… 4.3%
Washington PMSA Inflation Rate, based
on Consumer Price Index, for FY 2021……………….………3.8%

CITY OF ALEXANDRIA, VIRGINIA

Miscellaneous Statistical Data

As of June 30, 2021

Table XXI (Continued)

Housing	2021	2020
Total Housing Units	79,576	79,403
Type of Single-Family Housing		
Detached	9,142	9,143
Semi-Detached	5,863	5,861
Rowhouse	6,714	6,709
Condo Townhouse	1,471	1,488
Total Single-Family	23,190	23,201
Condominium Units	18,743	18,649
Rental Apartments	37,470	37,453
Public Housing and Public Housing Replacement Units	1,150	1,150
Average Assessed Value of Single-Family Homes	$839,961	$800,025
Average Assessed Value of Condominiums	$375,070	$348,234
Average Market Rents Efficiency	$1,438	$1,620
1 Bedroom Apartment	$1,799	$1,898
2 Bedroom Apartment	$2,231	$2,301
3 Bedroom Apartment	$2,477	$2,526

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 319
Alleys, Paved 33

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 1042
Facilities:
Playground Areas 42
Swimming Pools 4
Gymnasiums (doesn't include schools) 7
Basketball Courts (outdoor, schools, half courts) 37
Tennis Courts (includes schools) 39
Multi-Use Courts (includes schools) 14
Playing Fields (include schools do not include overlays) 56

Medical Facilities	Beds
Hospital:	
INOVA Alexandria Hospital	318
Nursing Homes:	
Goodwin House	.80
Manorcare Health Services	96
Hermitage Retirement Community	200
Woodbine Rehabilitation & Healthcare Center	307
Washington House	65
Integrated Health Services of Northern Virginia	111

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	33

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 2021)

Alexandria Available Hotel Rooms 4,250
Alexandria Hotel Occupancy 37.6%
National Hotel Occupancy (as of Jan 2021) 49.3%
Alexandria Average Daily Rate $101.32
National Average Daily Rate (as of Jan 2021) $103.00

SOURCE: Visit Alexandria

CITY OF ALEXANDRIA, VIRGINIA
Five-Year Summary of General Fund Revenues and Expenditures
As of June 30, 2021

Table XXII

	2017	2018	2019	2020	2021
Revenues					
General Property Taxes	$ 460,874,188	$ 490,205,197	$ 504,616,490	$ 517,263,555	$ 534,770,027
Other Local Taxes	131,900,663	133,448,905	140,260,786	128,170,493	131,506,114
Permits, Fees, and Licenses	2,713,962	2,235,428	2,802,064	1,387,070	4,185,341
Fines and Forfeitures	4,907,527	5,024,337	4,297,753	4,052,312	3,076,876
Use of Money and Property	5,515,144	7,307,650	11,265,651	8,610,954	3,149,630
Charges for Services	19,419,892	21,272,076	22,276,812	11,215,075	10,681,086
Intergovernmental Revenues	56,444,434	56,587,411	56,124,121	56,885,336	59,552,814
Miscellaneous	1,874,317	1,646,321	2,663,744	1,966,605	1,921,463
Total Revenues	683,650,127	717,727,325	744,307,421	729,551,400	748,843,351
Other Financing Sources					
Operating Transfers In	10,414,477	10,705,736	11,921,244	9,291,882	9,246,427
Refunding Bonds	34,168,000	165,711,747	-	-	49,887,196
Bond Premium (Discount)	-	-	-	-	-
Sale of Land	-	-	-	-	-
Total Other Financing Sources	44,582,477	176,417,483	11,921,244	9,291,882	59,133,623
Total Revenues and Other Financing Sources	728,232,604	894,144,808	756,228,665	738,843,282	807,976,974
Expenditures					
Current					
General Government	49,333,658	51,000,556	48,284,138	46,141,615	52,615,276
Judicial Administration	19,228,767	19,080,832	20,363,626	20,640,006	19,773,623
Public Safety	138,831,088	142,200,883	147,267,680	147,712,011	142,367,202
Public Works	34,554,827	35,665,834	35,212,635	29,164,816	25,638,460
Library	6,863,312	6,935,201	7,026,500	7,095,682	7,379,204
Health and Welfare	20,444,776	20,169,486	20,334,366	20,703,485	20,962,751
Transit	8,450,237	15,340,916	16,926,703	16,570,690	2,478,947
Culture and Recreation	24,326,744	24,860,318	25,257,914	25,814,160	24,292,705
Community Development	18,891,892	19,167,648	18,211,203	19,715,477	20,174,219
Education	204,032,628	214,073,749	223,841,444	231,685,624	234,037,296
Debt Services					
Principal Retired	43,300,000	44,404,949	45,653,950	43,809,930	44,965,570
Interest and Fiscal Charges	21,490,252	21,795,764	23,926,863	21,909,241	19,638,000
Total Expenditures	589,748,181	614,696,136	632,307,022	630,962,737	614,323,252
Other Financing Uses					
Payment to Refunded Bonds Escrow Agent	34,017,394	166,600,582	-		49,618,630
Operating Transfers Out	79,136,615	103,984,281	110,575,925	101,197,911	120,356,796
Total Other Financing Uses	113,154,009	270,584,863	110,575,925	101,197,911	169,975,426
Total Expenditures and Other Financing Uses	702,902,190	885,280,999	742,882,946	732,160,648	784,298,678
Revenues and Other Financing Sources Over/(Under) Expendiures and Other Financing Uses	25,330,414	8,863,809	13,345,718	6,682,634	23,678,295
Fund Balances at Beginning of Year	94,525,932	120,006,283	128,958,343	143,214,706	152,800,030
Increase (Decrease) in Reserve for Inventory	149,937	88,251	910,645	2,902,690	166,188
FUND BALANCES AT END OF YEAR	$ 120,006,283	$ 128,958,343	$ 143,214,706	$ 152,800,030	$ 176,644,513

CITY OF ALEXANDRIA, VIRGINIA
Summary of Total
General Obligation Bonds
Debt Service
As of June 30, 2021

TABLE XXIII

Fiscal Year	Total Principal	Total Interest	Total
2022	$45,546,000	$24,171,420	$69,717,420
2023	46,934,000	22,061,402	68,995,402
2024	43,842,000	20,316,049	64,158,049
2025	43,614,000	18,634,234	62,248,234
2026	41,546,000	16,913,681	58,459,681
2027	38,452,000	15,250,674	53,702,674
2028	40,779,000	13,528,070	54,307,070
2029	40,914,000	11,895,519	52,809,519
2030	38,042,000	10,544,087	48,586,087
2031	33,609,000	9,412,534	43,021,534
2032	29,699,000	8,372,156	38,071,156
2033	26,270,000	7,485,678	33,755,678
2034	19,515,000	6,693,305	26,208,305
2035	20,945,000	6,083,051	27,028,051
2036	20,025,000	5,452,524	25,477,524
2037	19,905,000	4,865,260	24,770,260
2038	16,705,000	4,328,020	21,033,020
2039	11,760,000	3,886,346	15,646,346
2040	9,855,000	3,576,309	13,431,309
2041	10,090,000	3,314,531	13,404,531
2042	9,235,000	3,043,575	12,278,575
2043	9,515,000	2,762,325	12,277,325
2044	9,805,000	2,472,525	12,277,525
2045	10,100,000	2,173,950	12,273,950
2046	10,410,000	1,866,300	12,276,300
2047	10,725,000	1,549,275	12,274,275
2048	11,055,000	1,222,575	12,277,575
2049	11,390,000	885,900	12,275,900
2050	11,740,000	538,950	12,278,950
2051	12,095,000	181,425	12,276,425
Total	$ 704,117,000	$ 233,481,650	$ 937,598,650

City of Alexandria, Virginia
Finance Department
P.O. Box 178
Alexandria, Virginia 22313
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