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City of Alexandria, Virginia

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2000

CITY OF ALEXANDRIA, VIRGINIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR
JULY 1, 1999 TO JUNE 30, 2000

Alexandria City Council
Kerry J. Donley, *Mayor*
William C. Cleveland, *Vice-Mayor*
Claire M. Eberwein
William D. Euille
Redella S. Pepper
David G. Speck
Joyce Woodson

City Manager ..... Philip Sunderland
Assistant City Manager for Fiscal and Financial Affairs ..... Mark B. Jinks
Director of Finance ..... Daniel A. Neckel, CPA
Director of Real Estate Assessments ..... Richard Sanderson
City Attorney ..... Ignacio B. Pessoa
City Clerk & Clerk of Council ..... Beverly Jett
Independent Accountants ..... KPMG LLP

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CITY OF ALEXANDRIA VIRGINIA

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Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2000

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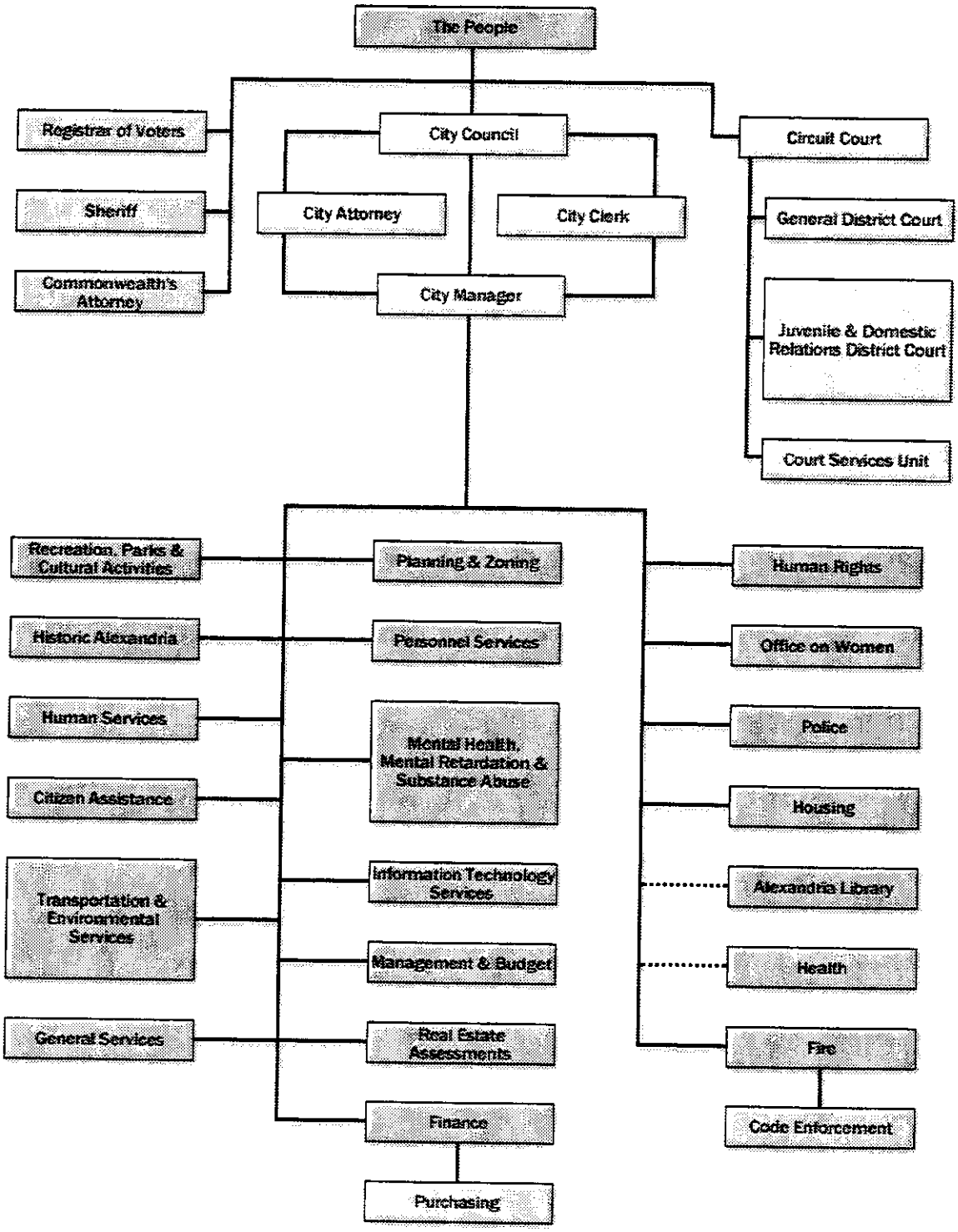
INTRODUCTORY SECTION

ALEXANDRIA CITY GOVERNMENT
ORGANIZATIONAL CHART



City of Alexandria, Virginia

November 6, 2000

To the Honorable Mayor and Members of City Council,
the Citizens of the City of Alexandria, and
the Financial Community:

We are pleased to present the City of Alexandria's (the City) **Comprehensive Annual Financial Report** (the CAFR) for the fiscal year ended June 30, 2000. The report is designed to present fairly the financial position and results of financial operations 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:

- Accounting principles generally accepted in the United States, which are uniform minimum standards and guidelines for financial accounting and reporting in the United States;
- Governmental accounting and financial reporting statements, interpretations and technical bulletins issued by the Governmental Accounting Standards Board (GASB); and
- 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 has implemented the recently issued GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. GASB Statement No. 34, labeled by GASB as "the most significant change in the history of government financial reporting," mandates that by FY 2002, governments comparable to the City of Alexandria, amend their financial reporting to provide additional information about their fiscal health including information about the status of public infrastructure. In order to take a leading position in this area, utilize available City accounting data and professional resources, as well as to get hands-on experience with the new reporting requirements, we have fully implemented the standard with this FY 2000 CAFR, two years ahead of the GASB mandate. As a result the City of Alexandria is one of the first governments in the nation to undertake GASB Statement No. 34 reporting.

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 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 provides a comprehensive range of municipal services including education, health, welfare, housing and human services programs, public safety and administration of justice, community development, recreation, library, cultural and historic activities, transportation, environmental services, and planning.

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 School Board, the Library System, and the Alexandria Transit Company are reported as discretely presented component units. This report does not include the financial activities of the City's Deferred Compensation Plan, Alexandria Hospital, Alexandria Industrial Development Authority, Alexandria Redevelopment and Housing Authority, Alexandria Economic Development Partnership, Inc., Alexandria Sanitation Authority, 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

Over the last decade, Alexandria has emerged as a major job center in the Washington Metropolitan area, with over 90,093 persons employed in a broad range of industries, including corporate headquarters, technology firms, and national trade and professional associations. During 1999 and 2000, the local economy continued to grow in real terms. Local jobless rates were at historical lows during the year with the jobless rate at 1.8 percent as of June 30, 2000. Inflation, as measured by the change in the CPI-U for the Washington-Baltimore region from July 1999 to July 2000, was 3.5 percent for that period.

The real estate market, which is the principal source of tax revenue for area local governments, has improved. Total real property assessments increased by 9.1 percent (55 percent for reassessments and 45 percent for new construction) from 1999 to 2000, which is the largest increase since 1990. Some new residential and commercial development in Eisenhower Valley, Cameron Station, and Potomac Yard is expected to continue to contribute to some growth over the next decade and beyond. As these last few major undeveloped parcels are built out, however, fewer opportunities for this type of new development will become available.

MAJOR INITIATIVES

Strong fiscal management remains a hallmark of Alexandria's City government and has enabled the City to respond to priority needs, including public safety, public education, and modernization of heavily used recreation and library facilities. Alexandria is among an elite group of cities in the United States to hold the top AAA/Aaa bond ratings from both of Wall Street's major credit rating agencies. These top bond ratings were reconfirmed in June 2000.

During the past fiscal year, the City made progress in a number of important areas:

- In January 2000, the newly constructed Charles E. Beatley, Jr. Central Library was completed and opened to the public. In May 1999, the City commenced construction of the first new public school in the City in 30 years. Development continues in Cameron Station, one of the largest new residential developments in the City. The City is building a new Cameron Station park.

- During the 2000 fiscal year, Alexandria enjoyed a very strong economy. The City's office vacancy rate on June 30, 2000 was 5.3 percent, and retail sales grew by 6.7 percent, largely due to new retail stores and restaurants at Potomac Yard. Unemployment and violent crime were down and the City experienced continued growth in its population and an increase in its diversity as more families, single professionals and retirees discovered Alexandria's outstanding quality of life.

SERVICE EFFORTS AND ACCOMPLISHMENTS - ALEXANDRIA POLICE DEPARTMENT

In accordance with Government Accounting Standards Board (GASB) Concept Statement No. 1, Service Efforts and Accomplishments, each year the City selects a department to highlight for its efforts and accomplishments. In 2000, the Police Department has been selected for its efforts and accomplishments.

The Alexandria Police Department is a nationally accredited law enforcement agency responsible for providing patrol, investigative and crime prevention services to the citizens, business people and visitors of Alexandria.

First established in 1870, the Police Department has a sworn strength of 278 officers and nearly 160 full and part-time civilian employees. To put more officers on the streets, the Police Department has taken advantage of grants and also civilianized jobs once held by sworn police officers.

The Police Department's trademark is its community-oriented approach to policing. In community policing, police work in partnership with a defined community to address the specific needs of that community. Some neighborhoods are served by residential police officers who live in the community they are assigned to; other community support officers work full-time in a neighborhood-in-need. School resource officers work with the students, faculty and staff at all four public middle and high schools to provide security, investigate reported activity, prevent crime and offer conflict resolution to reduce violence. The domestic violence intervention officer team is assigned to handle stalking cases and domestic-related abuse. This specially trained team works with victims to break the cycle of abuse that historically was treated as a family matter instead of the violent crime that it is. The majority of these positions were initially funded through federal and state grants, with matching funds from the City. Once the positions proved effective and the grant terms expired, the City absorbed the costs into its general operating budget.

By identifying the specific needs of a community, the Alexandria Police Department has been able to better tailor its enforcement and crime prevention initiatives to improve the quality of life for members of that community. Additionally, to maximize police-community relations, the Department maintains a liaison officer program, makes quarterly reports to the Human Rights Commission, and holds three sessions of its Citizens' Police Academy (two for adults, one for youths) each year.

The Alexandria Police Department incorporates dynamic use of technology to give its officers every advantage in fighting crime. The Department was selected as the first operational test bed for the National Institute of Justice's Advanced Generation Interoperability for Law Enforcement (AGILE) program. AGILE is investigating solutions of voice, data, image and video transmission interoperability in police work. An interface device that links several public safety agencies through their radio systems has been tested, and a portable scanner and newly developed software package will allow an officer investigating a missing child to scan a photo of the victim and transmit it to all circulating patrol units and other agencies within seconds. This same technology will allow photos of wanted criminal suspects to be quickly disseminated as well.

First in the nation to provide its officers with completely mobile computers capable of accessing national criminal databases, Alexandria has now issued more than 130 portable tactical computers to patrol officers and detectives. All accident reports can now be completed on computers and stored electronically, allowing officers to access them without leaving their patrol beats.

As a result of these innovations and other positive trends, serious crime in Alexandria is at its lowest point in more than 30 years. In calendar year 1999, Alexandria experienced the fewest number of violent crimes in 38 years and saw overall crime decrease for the fourth consecutive year.

Serious Crime in Alexandria (January 1 - December 31)

Offense	1999	1998	Change
Homicide	2	7	-71.4%
Rape	22	39	-43.6%
Robbery	158	202	-21.8%
Aggravated Assault	206	241	-14.5%
Burglary	556	790	-29.6%
Larceny	4,036	4,038	---
Auto Theft	702	743	-5.5%
Total	5,682	6,060	-6.2%

In 1999, police responded to 78,136 calls for service, a 2.3% increase over the 76,375 calls for service in 1998. In 1999, police made 6,580 criminal arrests for serious crimes and for drug and nuisance offenses. This is a decrease of 7.2% compared to 7,092 arrests in 1998.

While the focus on reducing serious crime remains high, the Department is also examining ways to improve traffic safety. Certified officers now use LIDAR, a laser-enhanced speed-tracking tool more accurate than radar. As many surveys indicate that more than 85% of all child restraint devices are improperly used or installed, this past year officers trained in child safety seat inspection conducted free checkpoints, aided by a new donated vehicle. The vehicle, donated by a local car dealership, allows officers to better demonstrate proper installation of safety and booster seats.

During the last part of FY 2000, in an effort to reduce traffic gridlock during evening rush hour, officers were posted at the most congested intersections of Alexandria's Old Town. Because the Old Town street pattern resembles a checkerboard, vehicles that enter an intersection but fail to clear it before light turns red can easily block through traffic. Officers were directed to keep traffic moving and prevent cars from making illegal turns. As a result, through lanes were maintained and a survey of motorists traveling in Alexandria indicated that more than 80% found the program beneficial in that traffic was moving more efficiently through Old Town.

FINANCIAL CONDITION

The City government continues to be in sound financial condition as demonstrated by the financial statements and schedules included in this report. Within the context of a fiscally prudent budget, the City has continued to provide basic services and has achieved many of its program goals. The City's cash and investment position was strong throughout the fiscal year.

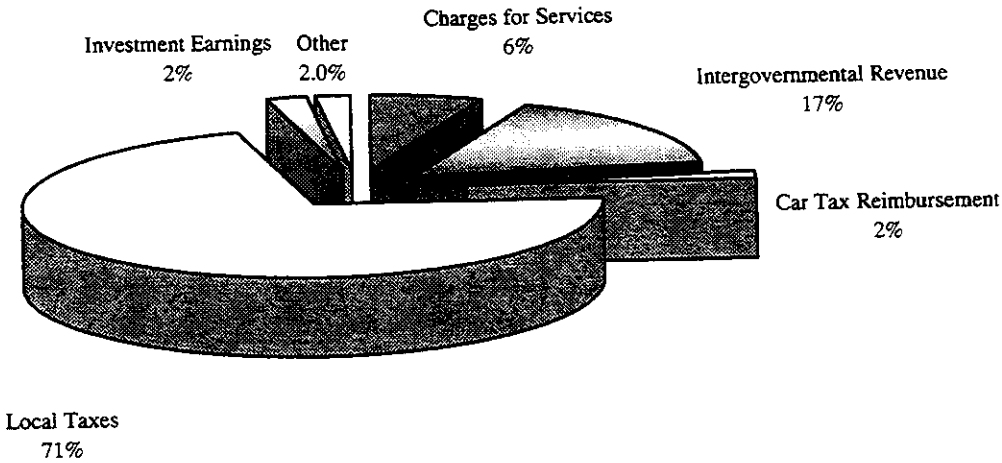
The City will continue to experience budget pressure over the next several years. Keeping existing programs funded, salaries of public employees competitive, and addressing the budget and expanded program requests of citizens and community groups will continue to challenge the City. In addition, as the City grows, so will the services needed to support additional residents and new or expanded businesses. Debt service costs from the six-year capital improvement plan are expected to increase from $9 million to $17.4 million by the year FY 2004. In reference to public schools, the need for increased operating and capital support due to growing enrollment and educational initiatives of the schools remains as one of the City's major budget challenges. Over the next year, revenues are budgeted and expected to grow by at least 5.3 percent. In relation to GASB Statement No. 34, the City believes, in general, that the overall state of its infrastructure of streets, bridges, and other public facilities is good, with the adopted $156 million capital improvement program aimed at maintaining and improving the City's infrastructure.

The amount of development in the City will also influence future expenditure and revenue levels with all major new developments projected to generate more tax revenues than expenditures. Cameron Station, one of the City's largest residential developments, has more than 500 housing units completed and long-range plans to build 2,000 more. The proposed relocation of the federal Patent and Trademark Office (PTO) headquarters and its more than 7,100 employees to the Carlyle development area is also expected to have a major positive impact on the City's economic development. In March 2000, the PTO relocation to the City was approved by City Council. The PTO will include 2.5 million square feet of office and related space, housed in five buildings, with two parking garages containing 3,838 spaces. Last spring, construction began on a multi-screen cinema with 4,150 stadium-style seats and retail space in the City.

Over the last ten years, the City's property tax base has had modest growth while the pace of expenditures continued to increase. The City has been able to maintain its fiscal strength as the result of the City Council's adoption of, and subsequent adherence to, the series of financial policies listed on page 12. These policies are aimed at (1) limiting debt and annual debt service requirements and (2) maintaining an appropriate General Fund fund balance so as to retain the City's AAA/Aaa bond rating 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 tax base was 1.4 percent. Because the City relied on "pay-as-you-go" financing for capital projects over the last decade and did not have many major projects, the City reduced its outstanding debt significantly. With the issuance of $55 million in general obligation debt at the end of FY 2000, the City's debt to tax base ratio was just 0.86 percent as of June 30, 2000. The City's financial policies encourage the use of surplus General Fund Revenue to fund capital projects rather than to fund operating programs.

GENERAL GOVERNMENT FUNCTIONS

The revenues of the governmental funds totaled $363.5 million (Exhibit IV) and its discretely (separately) presented component units included general revenues and transfers of $101.2 million, charges for services of $3.5 million, and operating grants and contributions of $29.0 million in FY 2000 (Exhibit XI). As can be seen in the following chart, seventeen percent of the City's revenues, excluding component units, now come from the Commonwealth (excluding $6.8 million for the car tax reimbursement) and the Federal government. A 9.1 increase in the overall real property assessed value as of January 1, 2000 produced a 5.6 percent increase in real property tax revenues in FY 2000 over FY 1999.



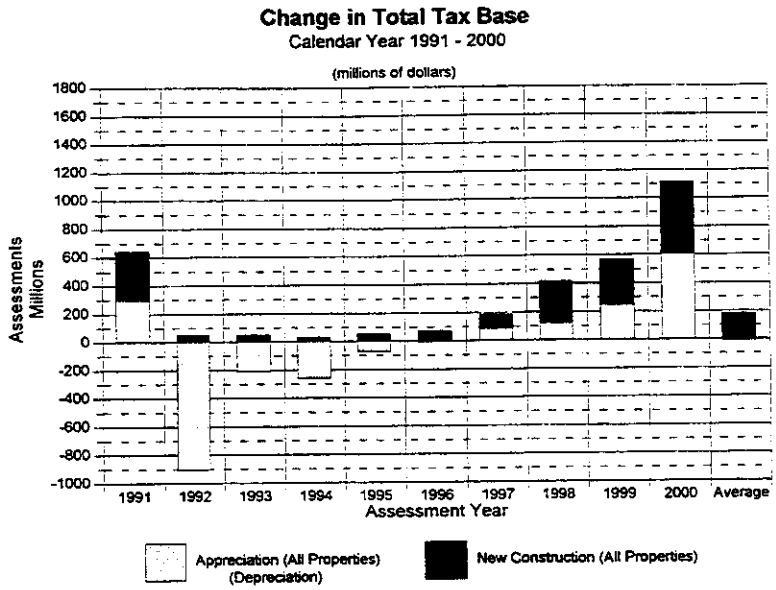
This is the sixth consecutive year that the overall assessed values have increased. As the following table shows, the total assessed value of real property declined approximately $1.3 billion, or 10.9 percent, from 1991 to 1994. Since 1994 the overall assessed value has increased by $2.5 billion including a $1.1 billion increase from 1999 to 2000. Real property taxes, which are based on assessments as of January 1, are due in two payments. The first half tax is due on June 15 and the second half tax is due on November 15.

CHANGE IN ASSESSED VALUE OF REAL PROPERTY
(Amounts in thousands of dollars)

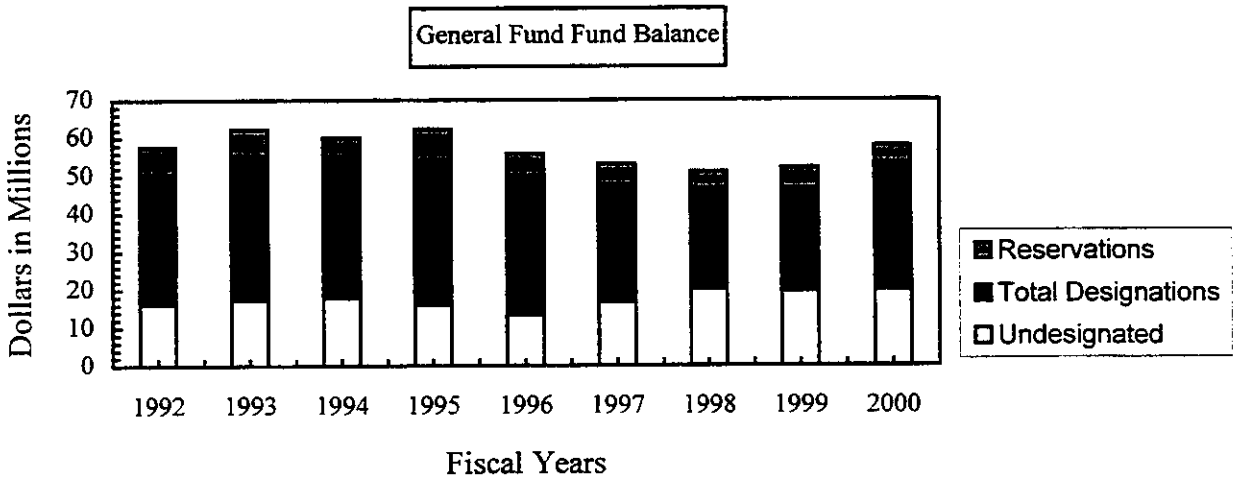
Year	Residential Assessed Value	Residential % Increase (Decrease)	Commercial[1] Assessed Value	Commercial % Increase (Decrease)	Total Assessed Value	Total % Increase (Decrease)
1991	$ 5,578,662	4.8	$ 6,563,270	7.1	$ 12,141,932	6.0
1992	5,402,012	(3.2)	5,841,899	(11.0)	11,243,911	(7.4)
1993	5,465,820	1.2	5,561,158	(4.8)	11,026,978	(1.9)
1994	5,462,996	(0.1)	5,355,328	(3.7)	10,818,324	(1.9)
1995	5,576,578	2.1	5,260,736	(1.8)	10,837,314	0.2
1996	5,658,106	1.5	5,284,168	0.4	10,942,274	1.0
1997	5,742,376	1.5	5,428,427	2.7	11,170,803	2.1
1998	5,882,796	2.4	5,722,494	5.4	11,605,290	3.9
1999	6,169,055	4.9	6,018,465	5.2	12,187,520	5.0
2000	6,716,942	8.9	6,578,366	9.6	13,295,308	9.1

1. Includes apartment buildings.

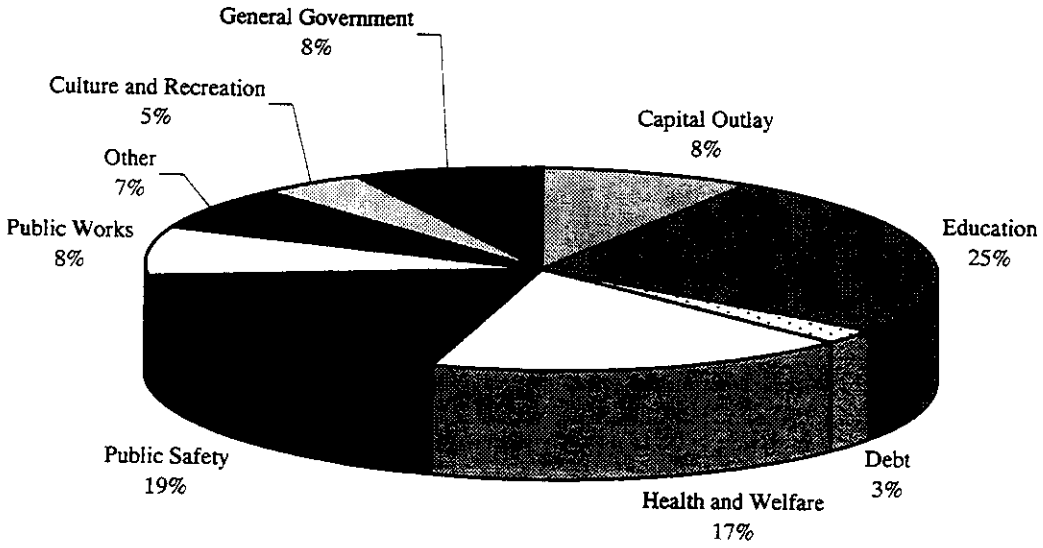
The next chart dissects the increases in assessed values since 1991 into appreciation of existing properties and new properties (this chart is comprised of single year snapshots and is not cumulative).



The General Fund Unreserved Fund Balance financial policies are a keystone to the City's overall financial strength and stability. At the end of FY 2000, the city's General Fund fund balance was $58.0 million and included $17.5 million designated for future capital funding, as well as an unreserved portion of Fund Balance totaling $19.8 million which was about the same as the end of FY 1998 and FY 1999. At the end of FY 2000 the City's ending General Fund fund balance condition was consistent with the City's established financial policies, and somewhat above expectations. This positive outcome above expectations allowed the capital designation to be increased by $6.3 million from the planned $11.2 million to the previously cited $17.5 million.



Expenditures for the governmental funds totaled $356.0 million (Exhibit IV) in FY 2000. As is shown by the following chart of expenditures, public education spending continues to substantially benefit from the City's revenue growth. In accordance with the City's capital improvements program, the City uses pay-as-you capital transfers from the General Fund to the extent possible to fund its capital needs and temper its reliance on debt. Since FY 1992, total General Fund pay-as-you-go capital funding has exceeded $97 million. In FY 2000, $21.9 million of General Fund resources were transferred from the General Fund to the Capital Project Fund for this purpose. The above graph reflects the solid financial health of the City as measured by the General Fund fund balance on a current financial resources basis.



The General Fund provided $92.4 million to the School Board in FY 2000. City expenditures for debt service (including schools) were $9.0 million in FY 2000.

CAPITAL FINANCING AND DEBT MANAGEMENT

In conjunction with the annual operating budget preparation, the City Manager annually prepares a six-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 five 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 designated fund balance), general obligation debt, the sale of surplus property, and intergovernmental grant revenues. The City's Capital Improvement Plan for FY 2001 through 2006 represents $156.2 million of City-funded public improvements to the City's schools, public buildings, parks, and transportation systems. In addition, state and federal grants and other sources will provide $86.9 million in capital funding for the FY 2002-FY 2006 time period.

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:

	Ceiling	1994	1995	1996	1997	1998	1999	2000	Target
Debt as a Percentage of Fair Market Value	1.6%	0.56%	0.48%	0.41%	0.34%	0.26%	0.54%	0.86%	1.1%
Debt Per Capita	$1,100	$519	$447	$381	$320	$256	$540	$931	$800
Debt Per Capita as a Percentage of Per Capita Income	3.25%	1.6%	1.3%	1.1%	0.8%	0.6%	1.2%	2.0%	2.25%
Debt Service as a Percentage of General Governmental Expenditures[1]	10%	3.7%	3.8%	3.2%	2.9%	2.5%	1.7%	2.3%	8.0%
General Fund Balance as a Percentage of General Fund Revenue:									
Unreserved	10% (floor)	23.4%	22.4%	20.6%	19.1%	17.6%	16.5%	17.3%	---
Undesignated	4% (floor)	7.6%	6.6%	5.5%	6.7%	7.6%	6.9%	6.4%	5.5%

[1] Data includes School Board and Library component units.

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 six-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 as follows:

Moody's Investors Service	Standard & Poor's
Aaa	AAA

PROPRIETARY OPERATIONS

The City Council has approved one enterprise fund (the Recycling Program Fund) and one internal service fund (the Equipment Replacement Reserve Fund).

The Recycling Program Fund was established during FY 1991 to account for the cost of the City's curbside and drop-off center recycling efforts. During FY 2000, the City's recycling program continued Citywide with collections of multimaterials, newspapers, magazines and catalogs, white goods, office paper, phone books, asphalt, Christmas trees, and leaves. Recycling Program revenues are currently derived from previously earned tipping fee surcharges on all tonnage delivered to the Arlington/Alexandria waste-to-energy facility located in the City, from the sale of recyclable materials, and transfers from the City's General Fund. As of June 30, 200 the fund had an accumulated cash balance of $1.3 million.

The Equipment Replacement Reserve Fund provides a financing mechanism for the purchase of equipment. Equipment Replacement Reserve Fund revenues are derived from scheduled equipment rental charges to user departments. As of June 30, 2000, the fund had an accumulated cash balance of $9.9 million for the future purchase of equipment.

FIDUCIARY OPERATIONS

The City and its component units participate in nine pension plans, including three statewide plans and six single-employer pension plans. Fiduciary responsibility over the assets is maintained for the six single-employer plans. The cash and investments of pension plans managed by the City have been reported at fair value and are invested in guaranteed long-term accounts with major insurance companies, money market accounts, equities, and other investments.

A total Net Pension Obligation of $2.4 million is reflected in the Statement of Net Assets as of June 30, 2000. This includes $2.1 million for the City Supplemental plan and $0.3 million for the Public Safety Pension Plan to reflect the effect of current actuarial and earnings assumptions.

COMPONENT UNIT OPERATIONS

The City has three component units: the City of Alexandria School Board, the City of Alexandria Library System, and the Alexandria Transit Company. These functions are reported separately from the primary government operations.

- The City of Alexandria School Board expended $125.8 million in FY 2000 serving a student enrollment of 11,245 (September 30, 2000 count). General Fund operating subsidies for the School Board totaled $92.4 million in FY 2000.

- The Alexandria Library System received a $3.8 million operating subsidy and served over 620,000 patrons in FY 2000.

- The Alexandria Transit Company, known as DASH transported more than 9,500 passengers a day in calendar year 1999. City operating subsidies for the Alexandria Transit Company were $3.0 million in FY 2000. City capital contributions for buses were $1.7 million in FY 2000.

CASH MANAGEMENT

The primary objectives of the City's cash management and investment program are the safety and preservation of principal, liquidity, and yield.

The City takes full advantage of temporarily idle cash and the scheduling of vendor payments. To ensure the most competitive rates on investments, the cash resources of the individual funds (excluding Bond Proceeds in the Capital Projects Fund, certain cash with fiscal agents in the Fiduciary Funds, and certain cash accounts of discretely presented component units) are combined to form a pool of cash and investments. The investment pool's portfolio is composed of obligations of the U.S. Government and its agencies, repurchase agreements fully collateralized by obligations of the U.S. Government or its agencies, and highly rated commercial paper. The City maintains security over its investments in repurchase agreements through an agreement with its portfolio management services whereby the collateral on the City's investments is maintained in the City's name at the Bank of New York. The City's investments in obligations of the U.S. Government and its agencies are held by the Atlanta, Georgia Federal Reserve Bank in a pledge account in the City's name. All investments are stated at fair value.

For the cash and investment pool, the average daily investment portfolio in FY 2000 was $93.2 million. The City earned interest income during the year at an average rate of return of 5.98 percent.

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. Each department and agency prepares its own budget request for review by the Office of Management and Budget and the City Manager prior to inclusion in the City's general operating budget. The School Board prepares the Schools' budget and transmits it to the City Manager. The City Manager then submits his recommendation to City Council for consideration. The City of Alexandria's practice is to prepare and present a budget document that meets the Government Finance Officers Association (GFOA) criteria to receive the Distinguished Budget Presentation Award. According to GFOA, "in order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operation guide, as a financial plan, and as a communications device." Since the budget document for fiscal year 1990, the City of Alexandria, has presented budgets every year that conformed to GFOA requirements and plans to do so for future budget documents.

City Council establishes a time and place for public hearings on the budget. One of the hearings must be at least 60 days before the beginning of the next fiscal year. Except for the Schools' budget, which may only be increased or decreased by major category or as a whole, City Council may insert new items of expenditure or may increase, decrease or strike out items of expenditure (other than debt service or other legal requirements). 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 it had been adopted by Council. During FY 2000, as is customary, the City Council also approved supplemental budget amendments.

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 performed 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.

RISK MANAGEMENT PROGRAM

The City's risk management program is designed to protect against accidental losses that would significantly affect personnel, property, the budget, or the City's ability to fulfill its responsibility to the taxpayers and the public. To limit its exposure to the various risks of loss, the City carries several types of insurance, has joined several risk pools, and is self-insured for some of its workers' compensation liabilities and other liabilities. A total of $5 million of the unreserved General Fund balance has been designated to meet potential self-insurance losses as of June 30, 2000.

In addition, the risk management program includes employee training in prevention and administration of workers' compensation claims. As part of this program, all employees who drive City vehicles must attend defensive driving classes.

REPORT FORMAT

The City's Finance Department has prepared this **Comprehensive Annual Financial Report (CAFR)** in an effort 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 national 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.

This **Comprehensive Annual Financial Report** is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes a list of principal officials, the City's organizational chart, and this transmittal letter. The financial section includes the management discussion and analysis (MDA), basic, fund, and component unit financial statements, footnotes to financial statements, budgetary comparison schedules, required supplemental information (RSI) other than MDA, and schedules, as well as the independent auditors' report on the MDA, financial statements, and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The single audit section contains information on the City programs that are financed by federal grants. This information is required by the Single Audit Act Amendments of 1996, and by the Auditor of Public Accounts of the Commonwealth of Virginia.

In June 1999 GASB issued GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* effective for FY 2002. This statement, known as the "Reporting Model" statement, affects the way the City prepares and presents financial information. Accounting systems collect vast amounts of financial data. The financial community refers to a standard format or framework used to organize and present data in external financial reports as the "financial reporting model." State and local governments, traditionally have used a financial reporting model substantially different from the one used to prepare private-sector financial reports. With this CAFR, the City has chosen to early implement GASB Statement No. 34 two years ahead of the GASB Statement No. 34 mandate.

GASB Statement No. 34 establishes new requirements for the annual financial reports of state and local governments. The Statement was developed to make annual reports easier to understand and more useful to the people who use governmental financial information to make decisions (or who may do so in the future): City Council members, City staff, members of oversight bodies; investors, creditors, and others who provide resources to governments; and citizen groups and the public in general.

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 auditor to examine all funds of the City in accordance with generally accepted auditing standards and the standards set forth in the General Accounting Office's *Government Auditing Standards*. In addition, the auditor must conduct the compliance examinations required by the Single Audit Act Amendments of 1996, the related U.S. Office of Management and Budget's Circular A-133, and the *Specifications for Audit 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 KPMG LLP to perform these audit services. Their reports are presented in the Financial Section and the Single Audit Section of this report.

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 **Comprehensive Annual Financial Report** for the 22nd consecutive year in 1999. 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, a CAFR 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.

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 securities information repository (NRMSIR) and to any appropriate state information depositor (SID), 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. This CAFR provides this information which includes the "Debt Statement" found in Note 10 of Notes to the Financial Statements, a "Five Year Summary of General Fund Revenues and Expenditures" found in Table XX and Principal Tax Revenue by Source found in Table II.

ACKNOWLEDGMENTS

We would like to express our appreciation to everyone in the City who assisted with and contributed to the preparation of this report. During our implementation of GASB Statement No. 34, numerous City staff in various departments assisted in determining the City's infrastructure assets. Special recognition is extended to the Accounting Division for their dedicated pursuit of excellence and leadership in financial reporting.

Respectfully submitted,

Mark B. Jinks
Assistant City Manager for
Fiscal and Financial Affairs

Daniel A. Neckel, CPA
Director of Finance

Laura B. Triggs, CPA
Deputy Director of Finance/
Comptroller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

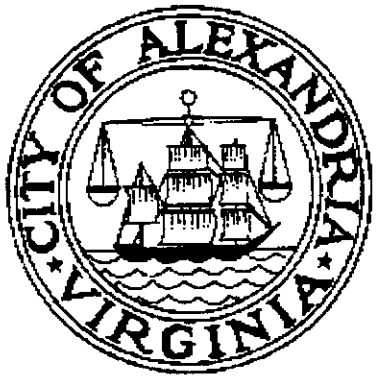
City of Alexandria, Virginia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1999

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director


CITY OF ALEXANDRIA
VIRGINIA

FINANCIAL SECTION

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF ALEXANDRIA
VIRGINIA

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 ended June 30, 2000. 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 2000

The General Fund, on a current financial resource basis, reported revenues in excess of expenditures and other financing sources and uses by $5.5 million (Exhibit IV) after making a $21.9 million transfer to the capital projects fund.

On a government-wide basis for governmental activities, the City had expenses net of program revenue of $257.1 million, which was $34.3 million less than the general revenues of $291.4 million (Exhibit II).

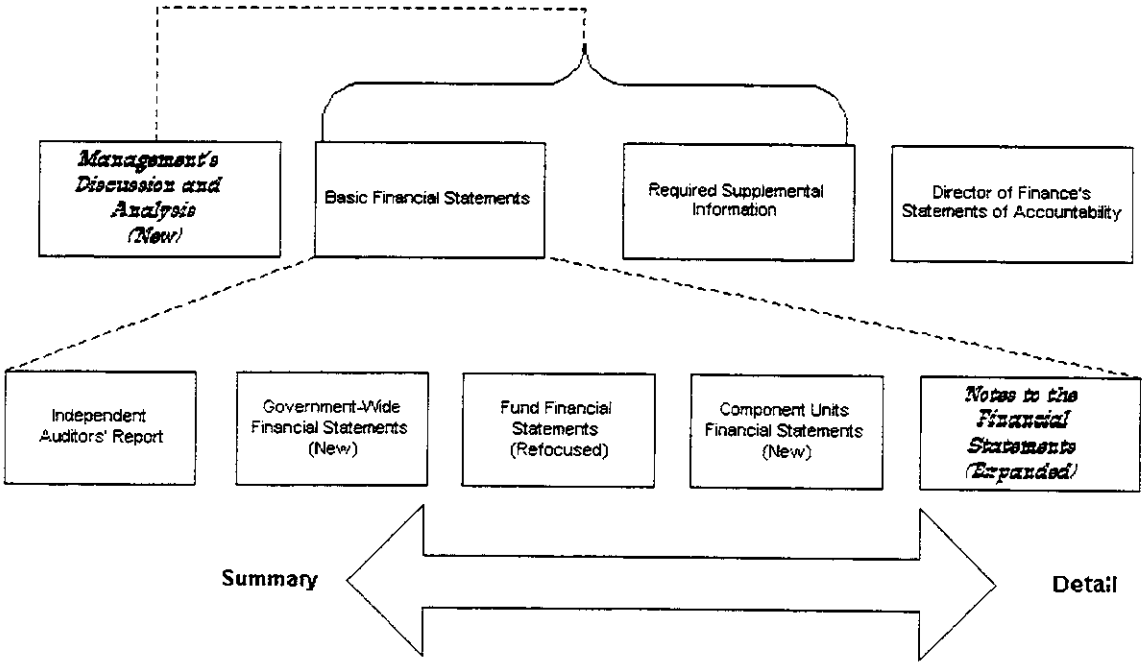
The City's total net assets excluding component units, on the government-wide basis, totaled $268.5 million at June 30, 2000 (Exhibit I).

On June 27, 2000, the City sold $55 million in general obligation bonds at a true interest cost of 5.3 percent. The tax-exempt bonds, which will mature incrementally over the next 20 years, will be used to finance public improvements, including City and School facilities and infrastructure.

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT

This Comprehensive Annual Financial Report consists of four sections: introductory, financial, statistical, and single audit. 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, required supplementary information* and the *Director of Finance's Statements of Accountability*.

Components of the Financial Section



For the past 20 years, the primary focus of local government financial statements has been summarized fund type information on a current financial resource basis. This approach has been modified and for the first time, the City's financial statements present two kinds of statements each with a different snapshot of the City's finances. The new focus is on both the City as a whole (government-wide) and the fund financial statements. The government-wide financial statements, which are new, provide both long-term and short-term information about the City's overall financial status. The fund financial statements, which have been provided in the past, focus on the individual parts of the City government, reporting the City's operations in more detail than the government-wide statements. Both perspectives (government-wide and fund) allow the user to address relevant questions, broaden the basis of comparison (year to year or government to government) and enhance the City's accountability.

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities, which are the government-wide statements, report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of 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 assets and changes in them. One can think of the City's net assets - the difference between assets and liabilities - as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. Other nonfinancial factors will need to be considered, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the overall health of the City.

In the Statement of Net Assets and the Statement of Activities, we divide the City into three kinds of activities:

Governmental activities - Most of the City's basic services are reported here: Police, Fire, Transportation and Environmental Services, Recreation, Parks & Cultural Activities Departments, and general administration. Property taxes, other local taxes, and state and federal grants finance most of these activities.

Business-type activities - The City's recycling program operations are reported here as the City charges a fee to customers to help it cover all or most of the cost of certain services it provides.

Component units - The City includes three separate legal entities in its report - the City of Alexandria School Board, the City of Alexandria Library System, and the Alexandria Transit Company. Although legally separate, these "component units" are important because the City is financially accountable for them, and provides operating and capital funding.

FUND FINANCIAL STATEMENTS

Traditional users of government financial statements will find the fund financial statement presentation more familiar. The focus is now on the City's most significant funds. The fund financial statements provide more information about the City's most significant funds - not the City as a whole.

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 more 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 statement that explains the relationship (or differences) between them.

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

In fact, the City's enterprise fund (one type of propriety fund) is the same as its business-type activities, but the fund financial statements provide more detail and additional information, such as cash flow. The City's only enterprise fund accounts for the operation of the City's recycling program.

The City uses an internal service fund (the other kind of propriety 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 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. It is also responsible for other assets 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 assets and a statement of changes in fiduciary net assets. The City excludes these activities 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

In accordance with GASB Statement No. 34, the City is not required to restate prior periods for the purposes of providing comparative information. However, in future years, when prior year information is available, a comparative analysis of government-wide information will be presented.

Statement of Net Assets:

The following table reflects the condensed Statement of Net Assets:

Table 1
Summary of Statement of Net Assets
as of June 30, 2000
(in millions)

	Governmental Activities	Business-type Activities	Total Primary Government	Component Units
Current and other assets	$ 314.4	$ 1.5	$ 315.9	$ 30.3
Capital assets	234.1	0.2	234.3	26.6
Total assets	$ 548.5	$ 1.7	$ 550.2	$ 56.9
Long-term liabilities	122.7	---	122.7	---
Other liabilities	158.9	0.1	159.0	29.8
Total liabilities	$ 281.6	$ 0.1	$ 281.7	$ 29.8
Net assets:				
Invested in capital assets, net of debt	$ 172.6	$ 0.2	$ 172.8	$ 26.6
Restricted	39.2	---	39.2	---
Unrestricted	55.1	1.4	56.5	0.5
Total net assets	$ 266.9	$ 1.6	$ 268.5	$ 27.1

The City's combined net assets (which is the City's bottom line) increased to $268.5 million from $232.5 million as a result of the increase in net assets in the Governmental Activities (Exhibit II). Net assets of the City's governmental funds were $143.1 million (Exhibit III). The City's unrestricted net assets - the part of net assets that can be used to finance day-to-day operations were $55.1 million (Exhibit I). The component units net assets' decrease relates to School maintenance costs recorded by the School Board.

The City's construction in progress increased by $17.7 million (footnote 5), primarily to fund improvements to governmental buildings. The component unit School Board is completing construction of the new Samuel W. Tucker elementary school building. The cost of the building is reflected in the School's construction in progress account.

The net assets of business-type activities remained stable at $1.6 million. The City can use these net assets to finance the continuing operation of its recycling program. In FY 2000, as planned, $0.3 million was transferred to the program from the City's General Fund. The annual cost for this program is approximately $0.6 million per year, and in future years, alternative funding for this program will be required.

Statement of Activities

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

Table 2
Changes in Net Assets
For the Fiscal Year Ended June 30, 2000
(in millions)

	Governmental Activities	Business-type Activities	Total Primary Government	Component Units
Revenues				
Program revenues:				
Charges for services	$ 23.0	$ 0.8	$ 23.8	$ 3.5
Operating grants and contributions	52.0	---	52.0	29.0
Capital grants and contributions	7.8	---	7.8	---
General revenues:				
Property taxes	189.2	---	189.2	---
Other taxes	75.0	---	75.0	---
Other	27.1	---	27.1	0.2
Payment from City	---	0.3	0.3	100.9
Total revenues	$ 374.1	$ 1.1	$ 375.2	$ 133.6
Expenses				
General government	$ 40.3	$ ---	$ 40.3	$ ---
Judicial administration	12.1	---	12.1	---
Public safety	68.0	---	68.0	---
Public works	31.3	---	31.3	---
Library	3.8	---	3.8	4.3
Health and welfare	62.2	---	62.2	---
Transit	5.0	---	5.0	5.6
Culture and recreation	12.5	---	12.5	---
Community development	9.3	---	9.3	---
Education	92.4	---	92.4	125.7
Recycling	---	0.6	0.6	---
Interest on long-term debt	2.9	---	2.9	---
Total expenses	$ 339.8	$ 0.6	$ 340.4	$ 135.6
Change in net assets	$ 34.3	$ 0.5	$ 34.8	$ (2.0)

REVENUES

For the fiscal year ended June 30, 2000, revenues from governmental funds totaled $363.5 million.

Real Estate Tax Revenues, the City's largest revenue source, reflecting the accrual of the last half calendar year 1999 and the first half of calendar year 2000 real property tax billing, were $142.4 million. The City's assessed real property tax base for calendar year 2000 increased 9.1 percent.

In fiscal year 2000, the City accrued $38.4 million in personal property tax revenue, the City's second largest revenue source, and received reimbursement from the Commonwealth of $6.8 million for total personal property tax related receipts of $45.2 million. Under the provisions of the Personal Property Tax Relief Act of 1998 (PPTRA), the State's share of the local personal property tax payment for calendar year 1999 (FY 2000) was 27.5 percent of most taxpayers' payments.

Grants and contributions not restricted to specific programs include revenues from the Commonwealth. These FY 2000 revenues included the $6.8 million for the City's PPTRA reimbursement as discussed above. The City also received $4.5 million HB 599 law enforcement aid from the Commonwealth.

EXPENSES

For the fiscal year ended June 30, 2000, expenses for governmental activities totaled $339.8 million that includes increases for employee compensation, transfers for educational expenses to the School Board, and interest expenses.

With historically low unemployment levels and high demand for skilled employees in both the public and private sectors in this region, it is important that the City provide competitive compensation levels for our employees. The FY 2000 expenses included funding for merit in-step increases, which are awarded based on satisfactory performance, for both City and School Board employees, plus funding for a 2.0 percent general salary adjustment.

Education continues to be one of the City's highest priorities and commitments. The City's transfer in FY 2000 totaled $92.4 million. In addition, the City's capital plan for FY 2001-2006 authorized $14.6 million for the school's capital improvement plan. The City is also paying for the construction of a new elementary school.

The City added $46.6 million, net, in infrastructure assets as part of the implementation of GASB Statement No. 34. Infrastructure assets include roads, bridges and water and sewer system. These assets, which are stationary and can be preserved for significantly longer than most capital assets, are being included in the City's financial statements for the first time this year.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

For the fiscal year ended June 30, 2000, the governmental funds reflect a combined fund balance of $143.1 million. Included in this year's increase in fund balance (Exhibit IV) is $5.5 million in General Fund revenues in excess of expenditures and other financing sources and uses. The primary reason for the General Fund's increase in fund balance mirrors those highlighted in the analysis of governmental activities in the government-wide statements. In addition, these other changes in fund balance should be noted:

The General Fund contributed $21.9 million to pay-as-you-go financing of capital projects in FY 2000.

The City spent $5.1 million for housing needs in the Special Revenue and General Funds.

The City spent $30.2 million in the Capital Projects Fund and issued $55 million in General Obligation bonds to support these as well as future expenditures.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund

	FY 2000 (in millions)		
	Original Budget	Amended Budget	Actual
Revenues			
Taxes	$ 243.0	$ 243.2	$ 258.3
Intergovernmental	22.1	22.1	25.6
Other	22.7	23.0	25.1
Total	$ 287.8	$ 288.3	$ 309.0
Expenditures and Transfers			
Expenditures	$ 162.9	$ 169.0	$ 164.0
Transfers	125.3	139.9	139.5
Total	$ 288.2	$ 308.9	$ 303.5
Change in Fund Balance	$ (0.4)	$ (20.6)	$ 5.5

Revenue and other financing sources exceeded expenditures and other financing uses by $5.5 million in the General Fund for FY 2000.

Actual General Fund revenues exceeded original budgeted revenues by $21.2 million during FY 2000. This increase is attributable in part to increased real estate assessments and other increased local taxes such as personal property, business license and transient lodging tax revenues. Revenue collections exceeded the amended budget by $20.7 million. Primarily due to supplemental appropriations, actual General Fund expenditures and transfers were greater than the original budget by $15.3 million, and were less than the amended budget by $5.4 million.

During the fiscal year 2000, City Council amended the budget three times. These budget amendments or supplemental appropriation ordinances were primarily for the following purposes:

- To reappropriate monies to pay for commitments in the form of encumbrances established prior to June 30, 1999 but not paid by that date. Encumbrances for General Fund obligations for purchase orders authorized and issued, but for which goods and services were not received or paid by June 30, 1999 totaled $4.9 million.

- To reappropriate grant revenues authorized in Fiscal Year 1999 or earlier, but not expended or encumbered as of June 30, 1999

- To appropriate grants or donations accepted or adjusted in FY 2000

- To appropriate the designated General Fund balance of $14.5 million to Capital Projects.

CAPITAL ASSETS

At the end of Fiscal Year 2000, the City's governmental fund (including internal service funds) had invested $234.1 million (see Footnote 5) in a variety of capital assets and infrastructure, as reflected in the following schedule, which represents a net increase of $17.1 million, or 7.9 percent from the end of last fiscal year.

Table 3
Governmental Funds
Change in Capital Assets
(in Millions)

	Restated Balance June 30, 1999	Net Additions/ Deletions	Balance June 30, 2000
Non-Depreciable Assets			
Land and Land Improvements	$ 35.5	$ 4.1	$ 39.6
Construction in Progress	36.3	(16.6)	19.7
Other Capital Assets			
Infrastructure	76.6	4.7	81.3
Buildings	127.1	31.2	158.3
Furniture and Other Equipment	31.0	(0.5)	30.5
Accumulated Depreciation on Other Capital Assets	(89.5)	(5.8)	(95.3)
Totals	$ 217.0	$ 17.1	$ 234.1

The FY 2000 additions to construction-in-progress include improvements to public buildings and recreation facilities.

The FY 2001-FY 2006 Approved Capital Improvement Program (CIP), which was approved by City Council during May 2000, and sets forth a six-year, $156.2 million City funded and $86.8 million largely state transportation aid funded program of public improvements for the City and the Alexandria City Public Schools, represents (in City funding) an increase of approximately $38 million, or 32.2 percent, over the FY 2000-2005 CIP. The increase in the six-year capital program reflects phased funding for critical public works infrastructure needs and infrastructure upgrades that will help ensure compliance with increasingly strict environmental requirements, and funding for facility improvements to serve a growing City population and increased student enrollment in the public schools. The CIP also provides an increased capital investment in recreational and leisure programs, including open space preservation and acquisition, to enhance the quality of life in Alexandria.

LONG-TERM DEBT

On June 27, 2000, the City sold $55 million in general obligation bonds at a true interest cost of 5.3 percent. The tax-exempt bonds, which will mature incrementally over the next 20 years, will be used to finance public improvements, including City and School facilities and infrastructure. At the end of fiscal year 2000, the City had $114.7 million in outstanding general obligation bonds, an increase of $49 million, or 74.5 percent, from last year. More detailed information about the City's long-term liabilities is presented in Note 10 to the financial statements.

During June 2000, Moody's Investors Services, Inc. and Standard & Poor's (S&P) credit rating agencies reaffirmed the City of Alexandria's triple-A bond ratings, in conjunction with the issuance of the $55 million in general obligation bonds. The City received its first triple-A rating from Moody's in 1986 and from S&P in 1992.

The state limits the amount of general obligation debt the City can issue to ten percent of the assessed value of real property within the City. The City's outstanding debt is significantly below this limit - which is currently $1.3 billion.

ECONOMIC FACTORS

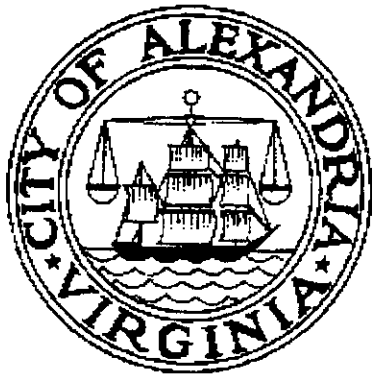
In the last five years, the City added over 6,000 jobs, with total employment increasing to just over 90,000 by December 1999. Most of this gain was generated by the services sector (information technology, business services, health services, engineering and management and associations), and accounted for 45.7 percent of all jobs in the City. In the five years from the 4th quarter 1994 to the 4th quarter 1999, the City's office vacancy rate dropped from 7.7 to 5.7 percent. The City's unemployment rate (1.8 percent as of June 30, 2000) continues to be lower than both the state and federal rates (2.5 percent and 4.1 percent respectively). As of 1998 (the latest data available from the U.S. Bureau of Economic Analysis), the City's per capita income of $46,290 was one of the highest in the United States, and the second highest of any major jurisdiction in Virginia.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, 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 Daniel Neckel, Director of the City of Alexandria's Finance Department, City Hall, P.O. Box 178, Alexandria, VA 22313, telephone (703) 838-4755, or visit the City's web site at www.ci.alexandria.va.us.

CITY OF ALEXANDRIA
VIRGINIA

INDEPENDENT AUDITORS' REPORT


CITY OF ALEXANDRIA
VIRGINIA

2001 M Street, N.W.
Washington, DC 20036

Independent Auditors' Report

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

We have audited the accompanying basic financial statements and the combining fund financial statements and schedules of the City of Alexandria, Virginia (the City) as of and for the year ended June 30, 2000, identified as Exhibits I through XII and Schedules 1 through 7 in the Financial Section of the accompanying table of contents. These financial statements and schedules are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements and schedules based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; and *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards and specifications require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the City as of June 30, 2000, and the results of its operations, cash flows of its proprietary funds, and changes in its fiduciary net assets for the year then ended in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the basic financial statements and the combining fund financial statements and schedules referred to above present fairly, in all material respects, the financial position of each of the individual funds of the City as of June 30, 2000, and the results of operations of such funds, cash flows of each of the proprietary funds, and changes in net assets of each of the fiduciary funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the basic financial statements, the City adopted Governmental Accounting Standards Board Statement No. 34 *"Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Government,"* effective July 1, 1999.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2000 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

KPMG LLP. KPMG LLP, a U.S. limited liability partnership, is a member of KPMG International, a Swiss association.

Management's Discussion and Analysis on pages 23-31 and the budgetary comparison schedules and the schedules of funding progress and employer contributions identified as Exhibits XIII through XVI in the Financial Section of the accompanying table of contents are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the basic financial statements and on the combining fund financial statements and schedules taken as a whole. The information identified as Schedules 8 through 10 in the Financial Section and Table IX in the Statistical Section of the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Introductory and Statistical Sections of the report are presented for the purposes of additional analysis and are not required parts of the financial statements of the City. Such additional information, except as to Table IX as described in the preceding paragraph, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

KPMG LLP

November 6, 2000

BASIC
FINANCIAL STATEMENTS

CITY OF ALEXANDRIA, VIRGINIA
Statement of Net Assets
June 30, 2000

Exhibit I

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
ASSETS				
Cash and Cash Equivalents	$ 84,931,759	$ 1,256,761	$ 86,188,520	$ 21,347,376
Cash and Investments with Fiscal Agents	1,456,175	-	1,456,175	1,733,994
Current Portion of Receivables (Net)	189,538,846	269,107	189,807,953	49,170
Accrued Interest	390,213	-	390,213	6,150
Due From Component Units	11,230,834	-	11,230,834	-
Due From Other Governments	23,815,220	-	23,815,220	2,476,066
Inventory of Supplies	1,288,791	3,416	1,292,207	354,715
Prepaid and Other Assets	377,749	-	377,749	4,333,335
Long-term Portion of Notes Receivable	1,356,370	-	1,356,370	-
Capital Assets				
Land and Construction in Progress	59,322,329	-	59,322,329	11,274,633
Other Capital Assets, Net	174,778,628	171,570	174,950,198	15,366,367
Capital Assets, Net	$ 234,100,957	$ 171,570	$ 234,272,527	$ 26,641,000
Total Assets	$ 548,486,914	$ 1,700,854	$ 550,187,768	$ 56,941,806
LIABILITIES				
Accounts Payable	$ 10,612,163	$ 9,131	$ 10,621,294	$ 1,723,208
Matured Coupons Payable	61,923	-	61,923	-
Accrued Liabilities	3,834,406	7,031	3,841,437	12,633,167
Deferred Revenue	131,495,564	-	131,495,564	400,944
Due To Primary Government	-	-	-	11,230,834
Other Short-term Liabilities	2,158,691	40,607	2,199,298	310,589
Deposits	2,527,299	-	2,527,299	-
Long-term Liabilites Due Within One Year	8,208,617	-	8,208,617	-
Long-term Liabilities Due in More Than One Year	122,716,661	-	122,716,661	3,460,923
Total Liabilities	$ 281,615,324	$ 56,769	$ 281,672,093	$ 29,759,665
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	$ 172,590,199	$ 171,570	$ 172,761,769	$ 26,641,000
Restricted for:				
Capital Projects	39,192,685	-	39,192,685	-
Unrestricted Assets	55,088,706	1,472,515	56,561,221	541,141
TOTAL NET ASSETS	$ 266,871,590	$ 1,644,085	$ 268,515,675	$ 27,182,141

See Accompanying Notes to Financial Statements

CITY OF ALEXANDRIA, VIRGINIA
Statement of Activities
For the Fiscal Year Ended June 30, 2000

Exhibit II

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants & Contributions
Primary Government:				
Governmemal Activities:				
General Government	$ 40,251,589	$ 50,542	$ 986,345	$ -
Judicial Administration	12,043,863	1,157,052	3,620,036	5,819,073
Public Safety	68,036,032	8,753,589	9,444,850	830,000
Public Works	31,289,107	5,756,105	4,780,897	1,095,657
Library	3,813,427	-	-	-
Health and Welfare	62,249,282	5,503,852	28,156,781	-
Transit	5,004,487	-	-	-
Culture and Recreation	12,447,385	1,747,020	553,723	5,425
Community Development	9,284,253	80,228	4,416,914	-
Education	92,455,610	-	-	-
Interest on Long-term Debt	2,945,125	-	-	-
Total Governmental Activities	$ 339,820,160	$ 23,048,388	$ 51,959,546	$ 7,750,155
Business-type activities				
Recycling	$ 638,750	$ 799,820	-	-
Total Primary Government	$ 340,458,910	$ 23,848,208	$ 51,959,546	$ 7,750,155
Component units:				
Alexandria Library	$ 4,271,298	$ 103,474	$ 244,011	$ -
Alexandria Transit Company	5,627,499	1,554,139	42,766	-
Alexandria Public Schools	125,750,414	1,811,322	28,749,802	-
Total Component Units	$ 135,649,211	$ 3,468,935	$ 29,036,579	$ -

General Revenues:

Taxes:

Real Estate and Personal Property

Other

Payment from City of Alexandria

Grants and Contributions Not Restricted to Specific Programs

Interest and Investment earnings

Miscellaneous

Total General Revenues

Change in Net Assets

Net Assets at Beginning of Year, as Restated

Net Assets at End of Year

See Accompanying Notes to Financial Statements

CITY OF ALEXANDRIA, VIRGINIA
Statement of Activities
For the Fiscal Year Ended June 30, 2000

Exhibit II
(Continued)

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
$ (39,214,702)	$ -	$ (39,214,702)	$ -
(1,447,702)	-	(1,447,702)	-
(49,007,593)	-	(49,007,593)	-
(19,656,448)		(19,656,448)	-
(3,813,427)	-	(3,813,427)	-
(28,588,649)	-	(28,588,649)	-
(5,004,487)	-	(5,004,487)	-
(10,141,217)	-	(10,141,217)	-
(4,787,111)	-	(4,787,111)	-
(92,455,610)	-	(92,455,610)	-
(2,945,125)	-	(2,945,125)	-
$ (257,062,071)	$ -	$ (257,062,071)	-
-	$ 161,070	$ 161,070	-
$ (257,062,071)	$ 161,070	$ (256,901,001)	-
$ -	$ -	$ -	$ (3,923,813)
-	-	-	(4,030,594)
-	-	-	(95,189,290)
$ -	$ -	$ -	$ (103,143,697)
$ 189,211,248	$ -	$ 189,211,248	$ -
75,040,938	-	75,040,938	-
-	300,000	300,000	100,929,995
19,119,696	-	19,119,696	-
7,308,161	-	7,308,161	26,536
705,468	-	705,468	224,602
$ 291,385,511	$ 300,000	$ 291,685,511	$ 101,181,133
$ 34,323,440	$ 461,070	$ 34,784,510	$ (1,962,564)
232,548,150	1,183,015	233,731,165	29,157,825
$ 266,871,590	$ 1,644,085	$ 268,515,675	$ 27,195,261

CITY OF ALEXANDRIA, VIRGINIA
Balance Sheet
Governmental Funds
June 30, 2000

Exhibit III

	General	Special Revenue	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	$ 56,396,054	$ 8,751,943	$ 9,922,596	$ 75,070,593
Cash and Investments with Fiscal Agents	1,356,743	99,432	-	1,456,175
Receivables, Net	134,587,447	311,879	54,639,520	189,538,846
Accrued Interest	390,213	-	-	390,213
Due From Component Units	27,390	-	11,203,444	11,230,834
Due From Other Governments	16,641,979	6,856,389	316,852	23,815,220
Inventories	1,288,791	-	-	1,288,791
Prepaid and Other Assets	304,807	72,942	-	377,749
Long-term Portion of Notes Receivable	-	1,356,370	-	1,356,370
Total Assets	$ 210,993,424	$ 17,448,955	$ 76,082,412	$ 304,524,791
LIABILITIES				
Accounts Payable	$ 5,907,124	$ 2,528,090	$ 2,089,305	$ 10,524,519
Matured Coupons Payable	61,923	-	-	61,923
Accrued Liabilites	2,137,722	550,479	-	2,688,201
Other Liabilites	2,141,572	-	17,119	2,158,691
Deposits	2,527,299	-	-	2,527,299
Deferred Revenue	140,219,253	2,590,652	629,824	143,439,729
Total Liabilities	$ 152,994,893	$ 5,669,221	$ 2,736,248	$ 161,400,362
FUND BALANCES				
Reserved for:				
Capital projects	$ -	$ -	$ 51,089,259	$ 51,089,259
Notes Receivable	-	1,455,942	-	1,455,942
Inventory	1,288,791	-	-	1,288,791
Encumbrances	3,207,099	-	11,908,389	15,115,488
Unreserved	53,502,641	10,323,792	10,348,516	74,174,949
Total Fund Balances	$ 57,998,531	$ 11,779,734	$ 73,346,164	$ 143,124,429
Total Liabilities and Fund Balances	$ 210,993,424	$ 17,448,955	$ 76,082,412	

Adjustments for the Statement of Net Assets:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds. (Note 5)	225,443,344
Other long-term assets are not available to pay for current-period expenditures and therefore are offset by deferred reveue in the governmental funds. (Note 4)	11,944,165
Internal service funds are used by management to charge the costs of equipment replacement; and, therefore, the assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Assets.	18,431,135
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the goevernmental funds. (Note 10)	(132,071,483)
Net Assets of Governmental Activities	$ 266,871,590

See Accompanying Notes to Financial Statements

CITY OF ALEXANDRIA, VIRGINIA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2000

Exhibit IV

	General	Special Revenue	Capital Projects	Total Governmental Funds
REVENUES				
General Property Taxes	$ 183,296,264	$ -	$ -	$ 183,296,264
Other Local Taxes	75,040,938	-	-	75,040,938
Permits, Fees, and Licenses	4,380,592	-	-	4,380,592
Fines and Forfeitures	4,237,420	-	-	4,237,420
Use of Money & Property	7,078,467	296,729	229,694	7,604,890
Charges for Services	8,684,519	5,745,857	5,425	14,435,801
Intergovernmental Revenue	25,606,354	40,003,496	1,658,500	67,268,350
Miscellaneous	705,468	1,533,362	4,975,573	7,214,403
Total Revenues	$ 309,030,022	$ 47,579,444	$ 6,869,192	$ 363,478,658
EXPENDITURES				
Current Operating:				
General Government	$ 26,962,817	$ 308,038	$ -	$ 27,270,855
Judicial Administration	10,604,624	944,144	-	11,548,768
Public Safety	64,776,874	1,683,831	-	66,460,705
Public Works	22,627,379	4,807,540	-	27,434,919
Library Transfer	3,813,427	-	-	3,813,427
Health and Welfare	12,241,432	49,751,660	-	61,993,092
Transit and Transit Transfer	5,004,487	-	-	5,004,487
Culture and Recreation	11,078,547	504,724	-	11,583,271
Community Development	4,633,017	4,626,050	-	9,259,067
Education and Transfer to School	92,455,610	-	-	92,455,610
Debt service:				
Principal	6,134,298	-	-	6,134,298
Interest and Other Charges	2,861,267	-	-	2,861,267
Capital Outlay	-	-	30,189,913	30,189,913
Total Expenditures	$ 263,193,779	$ 62,625,987	$ 30,189,913	$ 356,009,679
Excess (Deficiency) of Revenues over Expenditures	$ 45,836,243	$ (15,046,543)	$ (23,320,721)	$ 7,468,979
OTHER FINANCING SOURCES (USES)				
Sale of Surplus Property	$ -	$ 12,441	$ 15,000	$ 27,441
Bond Proceeds	-	-	55,000,000	55,000,000
Transfers In	-	18,124,291	23,380,967	41,505,258
Transfers Out	(40,287,613)	(1,612,055)	-	(41,899,668)
Total Other Financing Sources and Uses	$ (40,287,613)	$ 16,524,677	$ 78,395,967	$ 54,633,031
Net Change in Fund Balance	$ 5,548,630	$ 1,478,134	$ 55,075,246	$ 62,102,010
Fund Balance at Beginning of Year	52,226,469	10,301,600	18,270,918	
Increase in Reserve for Inventory	223,432			223,432
Fund Balance at End of Year	$ 57,998,531	$ 11,779,734	$ 73,346,164	

Adjustments for the Statement of Activities:

Repayment of bond principal is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	$ 6,134,298
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense 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)	14,882,182
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds. (Note 4)	5,914,984
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (Note 10)	(55,000,000)
	(2,017,480)
Internal service funds are used by management to charge the costs of certain equipment to individual funds. The net revenue of the internal service fund (except depreciation which is reported in capital outlays above) is reported with governmental activities.	2,084,014
Change in Net Assets of Governmental Activities	$ 34,323,440

See Accompanying Notes to Financial Statements

CITY OF ALEXANDRIA, VIRGINIA
Statement of Net Assets
Proprietary Funds
June 30, 2000

Exhibit V

	Business Type Activities-Enterprise Fund	Governmental Activities--
	Recycling Fund	Internal Service Fund
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 1,256,761	$ 9,861,166
Receivables, Net	269,107	-
Inventories	3,416	-
Total Current Assets	$ 1,529,284	$ 9,861,166
Noncurrent Assets:		
Restricted Cash and Cash Equivalents		
Capital Assets:		
Buildings and Equipment	$ 992,073	$ 22,663,004
Less Accumulated Depreciation	(820,503)	(14,005,391)
Capital Assets, Net	$ 171,570	$ 8,657,613
Total Assets	$ 1,700,854	$ 18,518,779
LIABILITIES		
Current Liabilities:		
Accounts Payable	$ 9,131	$ 87,644
Accrued Liabilites	7,031	-
Other Liabilites	40,607	-
Total Current Liabilities	$ 56,769	$ 87,644
Total Liabilities	$ 56,769	$ 87,644
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	$ 171,570	$ 8,657,613
Unrestricted	1,472,515	9,773,522
Total Net Assets	$ 1,644,085	$ 18,431,135
Total Liabilities and Net Assets	$ 1,700,854	$ 18,518,779

See Accompanying Notes to Financial Statements

CITY OF ALEXANDRIA, VIRGINIA
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2000

Exhibit VI

	Business-Type Activities	Governmental Activities--
	Recycling	Internal Service Funds
Operating Revenues:		
Charges for Services	$ 799,820	$ 2,678,787
Total Operating Revenues	$ 799,820	$ 2,678,787
Operating Expenses:		
Personal Services	$ 483,326	$ -
Contractual Services	5,681	-
Materials and Supplies	9,861	277,798
Other Charges	83,696	-
Depreciation	56,186	2,415,656
Total Operating Expenses	$ 638,750	$ 2,693,454
Operating Income (Loss)	$ 161,070	$ (14,667)
Nonoperating Revenues (Expenses):		
Loss on Disposal of Fixed Assets	$ -	$ (411,385)
Total Nonoperating Expenses	$ -	$ (411,385)
Net Income (Loss) Before Transfers	$ 161,070	$ (426,052)
Transfers In	300,000	94,410
Change in Net Assets	$ 461,070	$ (331,642)
Total Net Asset at Beginning of Year	1,183,015	18,762,777
Total Net Assets at End of Year	$ 1,644,085	$ 18,431,135

See Accompanying Notes to Financial Statements

CITY OF ALEXANDRIA, VIRGINIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2000

Exhibit VII

	Business-Type Activities	Governmental Activities--
	Recycling Fund	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts From Customers	$ 709,005	$ 2,678,787
Payments to Suppliers	(105,958)	(274,484)
Payments to Employees	(495,328)	-
Net Cash Provided by Operating Activities	$ 107,719	$ 2,404,303
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating Subsidies and Transfers from Other Funds	$ 300,000	$ 94,410
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of Capital Assets	$ -	$ (2,822,676)
Net Cash (Used) By Capital and Related Financing Activities	$ -	$ (2,822,676)
Net Increase (Decrease) in Cash and Cash Equivalents	$ 407,719	$ (323,963)
Cash and Cash Equivalents at Beginning of Year	849,042	10,185,129
Cash and Cash Equivalents at End of Year	$ 1,256,761	$ 9,861,166
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities		
Operating Income (Loss)	$ 161,070	$ (14,667)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation Expense	56,186	2,415,656
Change in Assets and Liabilities:		
Receivables, Net	(90,816)	-
Inventories	(768)	-
Accounts Payable	(5,952)	3,314
Accrued Liabilities	(15,373)	-
Other Liabilities	3,372	-
Net Cash Provided by Operating Activities	$ 107,719	$ 2,404,303

See Accompanying Notes to Financial Statements

Noncash investing, capital and financing activities:
Capital assets with a net book value of $411,385 were retired in non-cash transactions during the year.

City of Alexandria, Virginia
Statement of Fiduciary Net Assets
June 30, 2000

Exhibit VIII

	Employee Retirement Plans	Private-Purpose Trusts	Agency Funds
ASSETS			
Cash and Short-term Investments	$ -	$ 6,028	$ 31,889
Investments, at Fair Value:			
U.S. Government Obligations	5,585,513	-	334,689
Repurchase Agreements	-	-	60,765
Commercial Paper	-	-	169,013
Guaranteed Investment Accounts	95,535,994	-	-
Mutual Funds	42,154,047	-	-
Corporate Stocks	61,729,023	-	-
Other Investments	1,887,208	-	-
Total Investments	$ 206,891,785	$ -	$ 564,467
Total Assets	$ 206,891,785	$ 6,028	$ 596,356
LIABILITIES			
Refunds Payable and Others	$ -	$ -	$ 596,356
	$ -	$ -	$ 596,356
NET ASSETS			
Held in Trust for Pension Benefits and Other Purposes	$ 206,891,785	$ 6,028	

See Accompanying Notes to Financial Statements

City of Alexandria, Virginia
Statement of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2000

Exhibit IX

CHANGES IN NET ASSETS	Employee Retirement Plans	Private-Purpose Trusts
Contributions:		
Employer	$ 7,270,915	$ -
Plan Members	1,724,713	-
Total Contributions	$ 8,995,628	$ -
Investment Earnings:		
Net Appreciation in Fair Value of Investments	$ 5,422,872	$ -
Interest	7,324,966	419
Total Investment Earnings	$ 12,747,838	$ 419
Less Investment Expense	195,164	
Net Iinvestment Income	$ 12,552,674	$ 419
Total Additions	$ 21,548,302	$ 419
DEDUCTIONS		
Benefits	$ 5,643,546	$ 1,000
Refunds of Contributions	9,287,671	-
Administrative Expenses	306,133	-
Total Deductions	$ 15,237,350	$ 1,000
Change in Net Assets	$ 6,310,952	$ (581)
Net Assets at Beginning of Year	200,580,833	6,609
Net Assets at End of Year	$ 206,891,785	$ 6,028

See Accompanying Notes to Financial Statements

CITY OF ALEXANDRIA, VIRGINIA
Statement of Net Assets
Component Units
June 30, 2000

Exhibit X

	School Board	Library	Transit	Total
ASSETS				
Cash and Cash Equivalents	$ 18,855,406	$ -	$ 2,491,970	$ 21,347,376
Cash and Investments with Fiscal Agents	-	1,733,994	-	1,733,994
Current Portion of Receivables, Net	-	-	49,170	49,170
Accrued Interest	-	6,150	-	6,150
Other Receivables	42,056	-	-	42,056
Due from Other Governments	2,463,017	-	13,049	2,476,066
Inventory of Supplies	80,128	-	274,587	354,715
Prepaid and Other Assets	4,275,929	11,185	4,165	4,291,279
Capital assets				
Land and Construction in Progress	11,274,633	-	-	11,274,633
Other Capital Assets, Net	7,692,699	-	7,673,668	15,366,367
Total Assets	$ 44,683,868	$ 1,751,329	$ 10,506,609	$ 56,941,806
LIABILITIES				
Accounts Payable	$ 1,543,647	$ 18,495	$ 161,066	$ 1,723,208
Accrued Liabilites	12,447,113	60,082	125,972	12,633,167
Deferred Revenue	400,944	-	-	400,944
Due to Primary Government	11,203,444	27,390	-	11,230,834
Other Short-term Liabilites	201,468	-	109,121	310,589
Long-term Liabilities	3,460,923	-	-	3,460,923
Total Liabilities	$ 29,257,539	$ 105,967	$ 396,159	$ 29,759,665
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	$ 18,967,332	$ -	$ 7,673,668	$ 26,641,000
Unrestricted Assets (Deficit)	(3,541,003)	1,645,362	2,436,782	541,141
Total Net Assets	$ 15,426,329	$ 1,645,362	$ 10,110,450	$ 27,182,141

See Accompanying Notes to Financial Statements

CITY OF ALEXANDRIA, VIRGINIA
Statements of Activities
Component Units
For the Year Ended June 30, 2000

Exhibit XI

		Program Revenues		Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	School Board	Library	Transit	Totals
School Board							
Instructional	$ 125,750,414	$ 1,811,322	$ 28,749,802	$ (95,189,290)	$ -	$ -	$ (95,189,290)
Total School Board	$ 125,750,414	$ 1,811,322	$ 28,749,802	$ (95,189,290)	$ -	$ -	$ (95,189,290)
Library	$ 4,271,298	$ 103,474	$ 244,011	-	$ (3,923,813)	$ -	$ (3,923,813)
Transit	5,627,499	1,554,139	42,766	-	-	(4,030,594)	(4,030,594)
Total Component Units	$ 135,649,211	$ 3,468,935	$ 29,036,579	$ -	$ (3,923,813)	$ (4,030,594)	$ (198,332,987)
General Revenues:							
Payment From City				$ 92,442,490	$ 3,813,427	$ 2,976,940	$ 99,232,857
Capital Contribution				-	-	1,684,018	1,684,018
Interest and Investment Earnings				-	26,536	-	26,536
Miscellaneous				162,903	49,886	11,813	224,602
Total General Revenues				$ 92,605,393	$ 3,889,849	$ 4,672,771	$ 101,168,013
Change in Net Assets				$ (2,583,897)	$ (33,964)	$ 642,177	$ (1,975,684)
Net Assets Beginning of Year				18,010,226	1,679,326	9,468,273	29,157,825
Net Assets End of Year				$ 15,426,329	$ 1,645,362	$ 10,110,450	$ 27,182,141

See Accompanying Notes to Financial Statements

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 123,200 and a land area of 15.75 square miles, Alexandria is the 7th largest city in the Commonwealth of Virginia and one of the most densely populated cities in the Commonwealth.

The City is governed under the City Manager-Council 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, 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 the accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board. The more significant of the government's accounting policies are described below.

A. Financial Reporting Entity

In June 1999, GASB issued Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.* This statement, known as the "Reporting Model" statement, affects the way the City prepares and presents financial information. State and local governments traditionally have used a financial reporting model substantially different from the one used to prepare private-sector financial reports.

GASB Statement No. 34 establishes new requirements and a new reporting model for the annual financial reports of state and local governments. The Statement was developed to make annual reports easier to understand and more useful to the people who use governmental financial information to make decisions.

Management's Discussion and Analysis – GASB Statement No. 34 requires that financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "management's discussion and analysis" (MD&A). This analysis is similar to analysis the private sector provides in their annual reports.

Government-wide financial statements – The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities (such as cash and accounts payable) but also capital assets and long-term liabilities (such as buildings and infrastructure, including bridges and roads, and general obligation debt). Accrual accounting also reports all of the revenues and cost of providing services each year, not just those received or paid in the current year or soon thereafter.

Exhibit XII
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Schedule of Net Assets – The Schedule of Net Assets is designed to display the financial position of the primary government (government and business-type activities) and its directly presented component units. Governments will report all capital assets, including infrastructure, in the government-wide Schedule of Net Assets and will report depreciation expense – the cost of "using up" capital assets – in the Schedule of Activities. The net assets of a government will be broken down into three categories – 1) invested in capital assets, net of related debt; 2) restricted; and 3) unrestricted.

Schedule of Program Activities – The new government-wide statement of activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

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 one way or another in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. Under the new reporting model, governments will continue to provide budgetary comparison information in their annual reports. An important change, however, is a requirement to add the government's original budget to the current comparison of final budget and actual results.

As required by the accounting principles generally accepted in the United States, these financial statements present the primary government and its component units, entities for which the government is considered to be 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 City has no component units that meet the requirements for blending. 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 discretely presented component unit has a June 30 fiscal year-end.

Component Units:

City of Alexandria School Board

Since Fiscal Year 1995, the School Board has been elected. The School Board is substantially reliant upon the City because City Council approves the School Board's total annual budget appropriation, levies taxes, and issues debt on behalf of the School Board. The legal liability for the general obligation debt remains with the City. The City's primary transaction with the School Board is the City's annual General Fund transfer, which was $92.4 million for FY 2000.

The Auditor of Public Accounts 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.

Exhibit XII
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

City of Alexandria Library System

City Council appoints the Library Board and approves the budget. The City is responsible for issuing debt, and acquiring and maintaining all capital items on behalf of the Library. The legal liability for the general obligation debt remains with the City. The City's primary transaction with the Library is the City's annual subsidy, which was $3.8 million for FY 2000.

Alexandria Transit Company

The City Council, acting as sole shareholder, elects members of the Alexandria Transit Company's board of directors. City Council approves bus routes, fares, and budgets. The City funds deficits and may issue debt on behalf of the Alexandria Transit Company. The City's primary transactions with the Alexandria Transit Company are the City's annual subsidy, which was $3.0 million and a capital contribution, which was of $1.7 million in FY 2000.

Complete financial statements for the School Board and Library component units may be obtained at the entity's administrative offices. The Alexandria Transit Company does not issue separate financial statements.

City of Alexandria School Board
2000 North Beauregard Street
Alexandria, Virginia 22311

City of Alexandria Library System
5005 Duke Street
Alexandria, Virginia 22304-2903

Excluded from Entity:

City Council is not financially accountable for the Alexandria Hospital, the Deferred Compensation Plan, Alexandria Economic Development Partnership, Alexandria Industrial Development Authority, Alexandria Redevelopment and Housing Authority, Alexandria Sanitation Authority, or Sheltered Homes of Alexandria. Accordingly, these entities are excluded from the City of Alexandria's financial statements.

B. Government-wide and Fund Accounting

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. While the previous reporting model emphasized fund types (the total of all funds of a particular type), in the new reporting model the focus is on either the City as a whole or major individual funds (within the fund financial statements). Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business type. In the government-wide Statement of Net Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. The City generally first uses restricted assets 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.) which 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

Exhibit XII
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

safety, public works, health and welfare, etc.) or a business-type activity. The City does not allocate indirect expenses. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The governmental funds major fund statements in the fund financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented which briefly explains the adjustment necessary to reconcile funds based on financial statements with the governmental column of the government-wide presentation.

The City's fiduciary funds (which have been redefined and narrowed in scope) are presented in the fund financial statements by type (pension, private purpose and agency). Since by definition 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 address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

The focus of the revised model is on the City as a whole and the fund financial statements, including the major individual funds of the governmental and business-type categories, as well as the fiduciary funds, (by category) and the component units. Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information.

In the fund financial statements, financial transactions and accounts of the City are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, 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.

1. Governmental Funds

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

a. General Fund

The General Fund 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 transferred to other funds and component units, principally to finance the operations of the City of Alexandria School Board.

b. Special Revenue Fund

The Special Revenue Fund accounts for revenue derived from specific sources (other than major capital projects) that are restricted by legal and regulatory provisions to finance specific activities. The Special Revenue Fund is considered a major fund for reporting purposes.

Exhibit XII
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Capital Projects Fund

The Capital Project Fund accounts for all financial resources used for the acquisition or construction of major capital facilities not being financed by proprietary or nonexpendable trust funds. The capital projects fund is considered a major fund for government-wide reporting purposes.

2. Proprietary Funds

Proprietary Funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the government's business activities are accounted for through proprietary funds. 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. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20, the City has elected to follow GASB statements issued after November 30, 1989, rather than the Financial Accounting Standards Board, in accounting for proprietary funds.

a. Enterprise Fund or Business Funds

The Enterprise Fund accounts for operations that are financed in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City's Enterprise Fund accounts for the operations of the City's recycling program.

b. 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. The City established the Equipment Replacement Reserve Account, an 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. The excess revenue 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 or as an agent for individuals, private organizations, and other governments. The Fiduciary Funds of the City are the John D. Collins Private Purpose Trust Fund, Pension Trust Funds, the Mental Health Client Account, the Human Services Special Welfare Account, the Human Services Dedicated Account, and the Industrial Development Authority Agency Funds. For accounting measurement purposes, the Private Purpose Trust Fund and the Pension Trust Funds 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 Pension Trust Funds account for the assets of the City's pension plans. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation. Fiduciary funds are not included in the government-wide statements.

Exhibit XII
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 liability are included in the government-wide statements. Operating statements of these 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 statements of net assets and statements of activities, all proprietary funds, and private purpose trust fund 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 balance sheet or on the statement of fiduciary net assets. Proprietary fund equity is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The fund financial statements of the General, Special Revenue, Capital Projects, and agency funds are maintained and reported on the modified accrual basis of accounting. 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 forty-five days of 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 are recorded as revenue when related eligible expenditures are incurred. Expenditures, other than accrued interest on long-term debt, are recorded when the fund liability is incurred.

The statements of net assets, statements of activities, financial statements of the Proprietary Funds and Fiduciary Funds (except for agency 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.

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 School Board appropriation is determined by the City Council and controlled in total by the primary government. On June 22, 1999, the City Council approved the original adopted budget and on June 27, 2000 approved the revised budget reflected in the financial statements. The School Board only legally adopts a budget for the School Operating Fund. 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 approved by City Council.

Exhibit XII
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The budgets are integrated into the accounting system, and the budgetary data, as presented in the financial statements for all funds with annual budgets, compare the expenditures with the amended budgets. All budgets are presented on the modified accrual basis of accounting. Accordingly, the Budgetary Comparison Schedule for the General and Special Revenue Funds presents actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally adopted budgets as amended. Unexpended appropriations on annual budgets lapse at the end of each fiscal year.

Encumbrances

Encumbrance accounting, the recording of purchase orders, contracts, and other monetary commitments in order to reserve an applicable portion of an appropriation, is used as an extension of formal budgetary control in the General and Capital Projects Funds. Encumbrances outstanding at year-end are reported as reservations of fund balance and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent fiscal year. These encumbrances are subject to reappropriation by Council ordinance in the succeeding fiscal year.

E. Equity in Pooled Cash and Investments

Cash resources of the individual funds, including imprested cash of $17,290 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 (School Board, Library, and Alexandria Transit Company), are combined to form a pool of cash and investments to maximize interest earnings. Investments in the pool consist of repurchase agreements and obligations of the Federal Government 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 bank notes 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, the Private Purpose Trust Fund, and Alexandria Transit Company, 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; no investments are valued at cost. All investments in external investment pools are reported at fair value.

Exhibit XII
(Continued)

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 at June 30, 2000, is composed of the following:

GENERAL FUND:	
Taxes Receivable	$ 25,568,594
Accounts Receivable	25,752
Notes Receivable	9,000
	$ 25,603,346
SPECIAL REVENUE FUND:	
Notes Receivable	$ 1,846,980

The Enterprise Fund's and the component units' accounts receivable are 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 expenditures under the consumption method, resulting in prepaid expenditures. Prepaid expenditures in reimbursable grants are offset by deferred revenues until expenditures are recognized.

Inventories in the Enterprise Fund are costed by methods that approximate average cost or market value, whichever is lower. These inventories consist primarily of operating materials held for consumption.

Component Units

Inventory for the School Board is comprised of food and commodities on hand pertaining to the National School Lunch program. The costs are recorded as an expenditure under the consumption method.

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.

Exhibit XII
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. 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 is met. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively to 1980. Interest incurred during construction will be capitalized beginning in FY 2000 on a government-wide basis. Interest attributable to capitalized assets as of June 30, 2000 was immaterial. Depreciation is recorded on general fixed assets on a government-wide basis. Capital outlays of the Proprietary Funds are recorded as fixed assets and depreciated over their estimated useful lives on a straight-line basis on both the funds basis and the government-wide basis. All fixed assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated fixed assets are valued at their estimated fair market value on the date donated. Of the $81.4 million in retroactive infrastructure capitalized at June 30, 2000, $6.6 million was valued using actual historical cost records, $47.9 million was estimated using current replacement cost for a similar asset and deflating this cost through the use of price indices to the acquisition year, and $26.9 million of donated assets was estimated using fair market value on the date donated. The City does not capitalize historical treasures or works of art. The City maintains many items and buildings of historical significance. The City does not require that the proceeds from the sale of historical treasures or works of art be used to acquire other items for the collection.

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenditures 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.

I. Compensated Absences

The City accrues compensated absences (annual and sick leave benefits) when vested. The current portions of the governmental funds' 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.

The component unit School Board accrues compensated absences (annual and sick leave benefits) when vested. The current portion of the compensated absences is recorded in the School Board Governmental Funds as accrued liabilities. The current and noncurrent portions are recorded in the School Board component unit government-wide financial statements.

Exhibit XII
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Fund Balance

As of the end of FY 2000, the City enacted new plans that entail no longer using a reimbursement approach to a majority of its regular planned debt financing. Under the reimbursement approach, the City issued bonds at the end of FY 2000 primarily to reimburse itself for authorized capital expenditures incurred prior to and for a period after the bond sale. A portion of the bond sale was for planned future capital expenditures during FY 2001. On June 27, 2000, the City issued $55 million in general obligation debt for which the proceeds were not received until July 14, 2000. The Component Unit School net deficit, in the amount of $3.5 million, at June 30, 2000, reflects expenditures incurred in advance of the receipt of the bond proceeds for the June 2000 bond issue. These expenditures have been incurred in accordance with Bond Ordinances approved by City Council on June 22, 1999, authorizing the sale of up to $60 million in General Obligation Bonds and declaring the City's official intent to reimburse itself for project expenditures. Because fund balances in governmental entities are designed to reflect only available financial resources, this School Board deficit is normal when capital expenditures are incurred in advance of a bond issue. The School Board net deficit was eliminated when the City reimbursed itself from bond proceeds in July 2000.

Reservations of Fund Balance

Except for those required to comply with accounting standards, all reservations and designations of General Fund balance reflect City Council action in the context of adoption of the City's budget.

Inventory of Supplies - These monies have been reserved for reported inventories in the general fund to comply with accounting standards.

Encumbrances - These monies have been reserved for goods and services encumbered, or ordered, before the end of the fiscal year, for which delivery of goods and services had not been made prior to the close of the fiscal year.

Approved Capital Projects - These monies are reserved for Capital Projects that City Council has already approved.

Designations

General Fund designations at June 30, 2000 consisted of the following:

Subsequent Fiscal Year's Operating Budget	$ 2,921,512
Subsequent Fiscal Years' Capital Program	
2001 – 2006	11,200,000
2002 – 2007	6,251,193
Self-Insurance	5,000,000
Compensated Absences	7,208,635
Ongoing Projects	914,662
Total Designations	$ 33,496,002

Exhibit XII
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Year's Budget - On June 17, 2000, City Council approved the Fiscal Year 2001 Appropriations Ordinance, which appropriated $2.9 million of General Fund Balance to meet anticipated expenditures.

Subsequent Years' Capital Expenditures - These monies ($11.2 million for 2001 and $6.2 million for 2002) have been designated in the Approved Fiscal Year 2001 Budget (Annual Capital Improvement Program Funding Plan), or designated subsequent thereto, to fund that portion of the capital improvement program in FY 2001 and beyond.

Self - Insurance - These monies ($5.0 million) have been designated for reserves for the City's self-insurance fund.

Compensated Absences - These monies ($7.2 million) are designated to ensure the General Fund maintains a designated balance sufficient to help fund a portion of compensated absences of the primary government and school component unit. This is calculated at 50 percent of the long-term liability in accordance with the FY 2001 budget approved by City Council in May 2000.

Ongoing Projects – These monies ($0.9 million) have been set aside for projects approved in FY 2000 but not completed as of the end of the fiscal year.

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 fiscal year 2000, the Council approved a reappropriation of prior fiscal year encumbrances as well as various other supplemental appropriations. The City Manager has authority to transfer appropriations within each department. In fiscal year 2000, a number of intradepartmental transfers were made.

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 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.

Exhibit XII
(Continued)

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

A. Deposits

Primary Government

At June 30, 2000, the carrying value of the City's deposits was ($278,852) and the bank balance was $3,658,541. 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 and thus are not categorized below.

Component Units

The carrying value of deposits for the School Board was ($2,840,424) and the bank balance was $325,680 The negative balance represents checks issued out of authorized appropriations but outstanding at June 30, 2000. The entire bank balance was covered by federal depository insurance or collateralized in accordance with the Virginia Security for Public Deposits Act as defined in the above paragraph.

At June 30, 2000, the carrying value of deposits and bank balance for the Library was $151,617. Only $67,413 of the bank balance was covered by federal depository insurance or collateralized in accordance with the Virginia Security for Public Deposits Act as defined above. The remaining balance, $84,204, was categorized as uninsured and uncollateralized in category three of credit risk.

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, and the State Treasurer's 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 obligations of the United States and agencies thereof. During the fiscal year, the City had investments in repurchase agreements, commercial paper, and obligations of the United States and agencies thereof.

Exhibit XII
(Continued)

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

As permitted by State statues, the City made an investment during Fiscal Year 2000 in a Federal Home Loan Bank (FHLB) government-sponsored corporation floating rate bond. The FHLB bond was purchased in June 2000, totaled $5 million, and pays interest at a rate that is adjusted weekly to the three-month Treasury bill rate plus 50 basis points. Because the interest rates on this bond are derived from another product, in this case, the weekly Treasury bill rate, this bond is considered a derivative.

The City's investments during fiscal year 2000 were placed by a designated portfolio manager, Fiduciary Trust. The City has a contract with Fiduciary Trust which requires that, at the time funds are invested, collateral for repurchase agreements be held in the City's name by a custodial agent (Bank of New York) for the term of the agreement and investments in obligations of the United States or its agencies be held by the Federal Reserve in a pledge account in the City's name.

The City and its discretely presented component units maintain nine pension plans. Assets of the pension plans are invested by the pension carriers in accordance with provisions of the Code of the Commonwealth of Virginia.

The City's investments are categorized below to give an indication of the level of credit risk assumed by the entity at June 30, 2000. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent, but not in the City's name.

Exhibit XII
(Continued)

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

Primary Government

Type of Investment	Category 1	Category 2	Category 3	Fair Value
Investments Controlled by City				
Repurchase Agreement	$ 9,369,626	$ ---	$ ---	$ 9,369,626
Commercial Paper	26,060,328	---	---	26,060,328
Obligations of U.S. Government and Agencies	51,607,913	---	---	51,607,913
Total Investments Controlled by City	$ 87,037,867	$ ---	$ ---	$ 87,037,867
Pension Plan Investments				
Obligations of U.S. Government and Agencies	$ ---	$ ---	$ 5,585,513	$ 5,585,513
Guaranteed Investment Account*	---	---	---	95,535,994
Mutual Funds*	---	---	---	42,154,047
Stocks	---	---	61,729,023	61,729,023
Misc. Short-Term Investment	---	---	1,887,208	1,887,208
Total Pension Plan Investments				$ 206,891,785
Component Unit Education Fund	---	---	---	$ 99,432
Total Investments				$ 294,029,084

* No risk categories have been specified for mutual funds and guaranteed investment accounts.

Exhibit XII
(Continued)

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

Component Units

At June 30, 2000, investment balances for component units were as follows:

School Board

Type of Investment	Category 1	Category 2	Category 3	Fair Value
Investments Controlled by City				
Repurchase Agreement	$ 2,335,530	$ ---	$ ---	$ 2,335,530
Commercial Paper	6,496,192	---	---	6,496,192
Obligations of U.S. Government and Agencies	12,864,108	---	---	12,864,108
Total Investments Controlled by City	$ 21,695,830	$ ---	$ ---	$ 21,695,830
Pension Plan Investments				
Guaranteed Investment Account*	$ ---	$ ---	$ ---	$ 48,380,180
Total Pension Plan Investments				$ 48,380,180
Total Investments				$ 70,076,010

* No risk categories have been specified for guaranteed investment accounts.

Other Component Units

Type of Investment	Category 1	Category 2	Category 3	Fair Value
Investments Controlled by City				
Repurchase Agreement	$ 268,261	$ ---	$ ---	$ 268,261
Commercial paper	746,146	---	---	746,146
Obligations of U.S. Government and Agencies	1,477,564	---	---	1,477,564
Total Investments Controlled by City	$ 2,491,971	$ ---	$ ---	$ 2,491,971
Investments Controlled by Library				
Obligations of the U.S. Government	$ 657,731	$ ---	$ ---	$ 657,731
Corporate Obligations	307,168	---	---	307,168
Stocks	---	---	574,263	574,263
Miscellaneous Short-Term Investments	---	---	43,215	43,215
Total Investments Controlled by Library	$ 964,899	$ ---	$ 617,478	$ 1,582,377
Total Investments				$ 4,074,348

Exhibit XII
(Continued)

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

Reconciliation of total deposits and investments to the government-wide financial statements at June 30, 2000:

Primary Government

	Governmental Activities	Fiduciary Responsibilities	Total
Cash on Hand and in Banks	$ (278,852)	$ ---	$ (278,852)
Cash and Investments	86,467,372	570,495	87,037,867
Cash and Investments with Fiscal Agents	1,294,820	206,891,785	208,186,605
Cash and Investments in Custody of Others	161,355	31,889	193,244
Total	$ 87,644,695	$207,494,169	$ 295,138,864

Component Unit (Schools)

Cash on Hand and in Banks	$ (2,840,424)	$ ---	$ (2,840,424)
Cash and Investments	21,695,830	---	21,695,830
Cash and Investments with Fiscal Agents	---	48,380,180	48,380,180
Cash and Investments in Custody of Others	---	325,680	325,680
Total	$ 18,855,406	$ 48,705,860	$ 67,561,266

Others

Cash on Hand and in Banks	$ 151,617	$ ---	$ 151,617
Cash and Investments	2,491,971	---	2,491,971
Cash and Investments with Fiscal Agents	1,582,377	---	1,582,377
Total	$ 4,225,965	$ ---	$ 4,225,965
Total Cash and Investments			$ 366,926,095

Financial statements for the schools fiduciary assets are available from the School Board.

Exhibit XII
(Continued)

NOTE 4. RECEIVABLES

Receivables at June 30, 2000 consist of the following:

Primary Government

	Governmental Activities				
	General	Special Revenue	Capital Projects	Business-type Activities	Total
Receivables					
Interest	$ 390,213	$ ---	$ ---	$ ---	$ 390,213
Taxes	152,387,662	---	---	---	152,387,662
Accounts	7,794,131	212,307	54,639,520	269,107	62,915,065
Intergovernmental	16,641,979	6,856,389	316,852	---	23,815,220
Notes	9,000	3,302,922	---	---	3,311,922
Gross Receivables	$ 177,222,985	$ 10,371,618	$54,956,372	$ 269,107	$ 242,820,082
Less: Allowances for Uncollectibles	25,603,346	1,846,980	---	---	27,450,326
Net Receivables	$ 151,619,639	$ 8,524,638	$54,956,372	$ 269,107	$ 215,369,756

The taxes receivable account represents the current and past four years of uncollected tax levies for personal property taxes and the current and past nineteen years for uncollected tax levies on real property. The allowance for estimated uncollectible taxes receivable is 16.9 percent of the total taxes receivable at June 30, 2000 and is based on historical collection rates.

Long-term assets on a government-wide basis include taxes receivable of $11.9 million that are not available to pay for current period expenditures and are therefore are offset by the deferred revenue for the governmental funds. Tax revenue reported on a government-wide basis included $5.9 million of revenue that does not provide current financial resources, and therefore, is not reported in the governmental funds.

Component Units

Receivables at June 30, 2000 consist of following:

	School Board	Library	Alexandria Transit Co.	Total
Receivables				
Interest	$ ---	$ 6,150	$ ---	$ 6,150
Accounts	---	---	49,170	49,170
Other	42,056	---	---	42,056
Intergovernmental	2,463,017	---	13,049	2,476,066
Total Receivables	$2,505,073	$ 6,150	$ 62,219	$ 2,573,442

All of the Component Units' receivables are considered to be collectible.

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 Director of Real Estate Assessments of the City of Alexandria. Public utility property is assessed by the Commonwealth. Neither the City nor the Commonwealth of Virginia 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 Director of Real Estate Assessments, by authority of City ordinance, prorates billings for property incomplete 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, 2000 includes amounts not yet received from the January 1, 2000 levy (due June 15 and November 15, 2000), less an allowance for uncollectibles. The installment due on November 15, 2000 is included as deferred revenue since these taxes are restricted for use until FY 2001. Liens are placed on the property on the date real estate taxes are 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 $1.11 per $100 of assessed value during 2000 and 1999.

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 situs in the City. Personal property taxes for the calendar year are due on October 5. Personal property taxes do not create a lien on property; however, City vehicle decals, which are required by law for all vehicles garaged in the City, may not be issued to any individual having outstanding personal property taxes. The taxes receivable balance at June 30, 2000 includes amounts not yet billed or received from the January 1, 2000 levy (due October 5, 2000). These taxes are included as deferred revenue since these taxes are restricted for use until FY 2001. The tax rates during 1999 and 2000 were $4.75 for motor vehicles and tangible 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 received 27.5 percent of most taxpayers' payments in FY 2000 for the State's share of the local personal property tax payment with the remained collected by the City.

B. Notes Receivable

The gross amount of notes receivable consisted of the following at June 30, 2000:

General Fund	$ 9,000
Special Revenue Fund	3,302,922
Less Allowance for Uncollectible Accounts	(1,855,980)
Net	$1,455,942
Amounts due within one year	$ 99,572
Amounts due in more than one year	$1,356,370

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, 2000:

Governmental Activities

	Restated Balance June 30, 1999	Increases	Decreases	Balance June 30, 2000
Capital Assets Not Being Depreciated:				
Land and Land Improvements	$ 35,491,184	$ 4,152,414	$ ---	$ 39,643,598
Construction in Progress	36,280,704	17,718,442	34,320,415	19,678,731
Total Capital Assets Not Being Depreciated	$ 71,771,888	$ 21,870,856	$ 34,320,415	$ 59,322,329
Other Capital Assets:				
Buildings	$ 127,140,544	$ 31,153,653	$ ---	$ 158,294,197
Infrastructure	76,640,554	4,738,342	---	81,378,896
Furniture and Other Equipment	30,960,662	3,307,753	3,800,283	30,468,132
Total Other Capital Assets	$ 234,741,760	$ 39,199,748	$ 3,800,283	$ 270,141,225
Less Accumulated Depreciation for:				
Buildings	$ 39,593,142	$ 3,048,892	$ ---	$ 42,642,034
Infrastructure	28,864,421	3,160,389	---	32,024,810
Furniture and Other Equipment	21,025,678	3,058,973	3,388,898	20,695,753
Total Accumulated Depreciation	$ 89,483,241	$ 9,268,254	$ 3,388,898	$ 95,362,597
Other Capital Assets, Net	$ 145,258,519	$ 29,931,494	$ 411,385	$ 174,778,628
TOTALS	$ 217,030,407	$ 51,802,350	$ 34,731,800	$ 234,100,957

The City acquires and maintains all capital assets for the Library. Accordingly, Library capital assets are included in the governmental activities totals.

Government activities capital assets net of accumulated depreciation at June 30, 2000 are comprised of the following:

General Capital Assets, Net	$ 225,443,344
Internal Service Fund Capital Assets, Net	8,657,613
TOTAL	$ 234,100,957

The gross cost and accumulated depreciation balances at June 30, 1999 were restated to capitalize infrastructure assets and record accumulated depreciation in accordance with the adoption of GASB Statement No. 34. The gross cost balances at June 30, 1999 were also restated to reflect an increase in the City's capitalization threshold from $1,000 to $5,000 and a change in the City's definition of capitalizable improvements for financial statement purposes. Balances as of June 30, 1999 were restated as follows.

Exhibit XII
(Continued)

Note 5. CAPITAL ASSETS (Continued)

	Balance June 30, 1999	Restatement	Restated Balance June 30, 1999
Land and Land Improvements	$ 35,702,178	$ (210,994)	$ 35,491,184
Buildings	127,706,132	(565,588)	127,140,544
Infrastructure	---	76,640,554	76,640,554
Furniture and Other Equipment	47,087,221	(16,126,559)	30,960,662
Construction in Progress	58,495,665	(22,214,961)	36,280,704
Sub-Total	$ 268,991,196	$ 37,522,452	$306,513,648
Accumulated Depreciation	(14,978,633)	(74,504,608)	(89,483,241)
TOTALS	$ 254,012,563	$ (36,982,156)	$217,030,407

Depreciation was charged to governmental functions as follows:

General Government Administration	$ 991,133
Judicial Administration	495,095
Public Safety	1,575,327
Public Works	5,061,209
Health and Welfare	256,190
Parks and Recreation	864,114
Community Development	25,186
Total	$ 9,268,254

Component Unit - School Board

	Restated Balance June 30, 1999	Increases	Decreases	Balance June 30, 2000
Capital Assets Not Being Depreciated				
Land and Land Improvements	$ 3,027,039	$ ---	$ ---	$ 3,027,039
Other Capital Assets				
Buildings	54,486,551	---	---	54,486,551
Furniture and Other Equipment	5,554,225	992,077	---	6,546,302
Construction in Progress	901,375	7,346,219	---	8,247,594
Sub-Total	$ 63,969,190	$ 8,338,296	$ ---	$ 72,307,486
Accumulated Depreciation	(51,404,719)	(1,935,435)	---	(53,340,154)
TOTALS	$ 12,564,471	$ 6,402,861	$ ---	$ 18,967,332

All depreciation was charged to education.

Exhibit XII
(Continued)

Note 5. CAPITAL ASSETS (Continued)

Component unit – School Board – balances, as of June 30, 1999, were restated to reflect the implementation of GASB Statement No. 34 as follows:

	Balance June 30, 1999	Restatement	Restated Balance July 1, 1999
Land and Land Improvements	$ 999,381	$ 2,027,658	$ 3,027,039
Buildings	54,486,551	---	54,486,551
Furniture and Other Equipment	23,552,902	(17,998,677)	5,554,225
Construction in Progress	43,882,301	(42,980,926)	901,375
Sub-Total	$ 122,921,135	$ (58,951,945)	$ 63,969,190
Accumulated Depreciation	(---)	(51,404,719)	(51,404,719)
TOTALS	$ 122,921,135	$ (110,356,664)	$ 12,564,471

Component Unit – Alexandria Transit Company

	Balance June 30, 1999	Increases	Decreases	Balance June 30, 2000
Equipment	$ 9,215,892	$ 1,299,025	$ ---	$ 10,514,917
Building Improvements	741,035	425,151	---	1,166,186
Accumulated Depreciation	(3,294,498)	(712,937)	---	(4,007,435)
TOTALS	$ 6,662,429	$ 1,011,239	$ ---	$ 7,673,668

Primary Government

Construction in progress is composed of the following at June 30, 2000:

	Project Authorization	Expended Through June 30, 2000	Committed
Infrastructure	$ 7,529,319	$ ---	$ 4,121,744
Housing and Community Improvement	1,423,676	---	142,669
Parks and Recreation Facilities	10,538,517	7,883,189	1,347,399
Public Buildings	16,497,619	9,478,899	1,348,448
Public Safety Buildings	4,749,929	2,316,643	2,174,224
TOTALS	$ 40,739,060	$ 19,678,731	$ 9,134,484

In addition to the amount of $9,134,484 shown above as committed, $2,773,905 is encumbered for other non-capitalized projects, bringing total commitments to $11,908,389.

Component Units

	Project Authorization	Expended Through June 30, 2000	Committed
School Board	$ 16,710,380	$ 8,247,594	$ ---

Exhibit XII
(Continued)

Note 5. CAPITAL ASSETS (Continued)

The following is a summary of changes in capital assets for business-type activities for the fiscal year ended June 30, 2000:

	Balance June 30, 1999	Increases	Decreases	Balance June 30, 2000
Business-type activities:				
Buildings and Equipment	$ 992,073	$ ---	$ ---	$ 992,073
Less Accumulated Depreciation for:				
Buildings and Equipment	(764,317)	(56,186)	---	(820,503)
TOTAL	$ 227,756	$ (56,186)	$ ---	$ 171,570

Property, plant, and equipment are stated at cost, less an allowance for accumulated depreciation. Depreciation expense is computed using the straight-line method over the estimated useful lives of the assets as follows:

Buildings	40 years
Equipment	3-20 years
Infrastructure	25 years

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 are summarized as follows:

Primary Government

Capital Outlay	$30,189,913
Infrastructure	4,499,085
Depreciation Expense	(9,268,254)
Capital Outlay not Capitalized	(10,538,662)
Total Adjustment	$14,882,182

Component Unit – School Board

Capital Outlay	$12,814,448
Depreciation Expense	(1,935,435)
Capital Outlay not Capitalized	(2,540,717)
Total Adjustment	$ 8,338,296

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 (except vehicles) and the following liability insurance policies as of June 30, 2000: public entity and public officials excess liability, medical and dental malpractice liability, voting booths, special events, vacant buildings, volunteer liability, non-owned aircraft liability, and commercial crime. In addition, the City maintains excess workers' compensation insurance. The City maintains a blanket surety bond on all City workers who handle funds and excess amounts on key officials. 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 City is self insured for workers' compensation claims up to $300,000, public officers, public entity, physical damage to vehicles, and vehicle general liability under $2 million and over $10 million.

The following Constitutional Officers and City employees are covered by surety bonds issued in the amounts shown below by Aetna Casualty and Surety as of June 30, 2000:

Director of Finance	$ 500,000
Treasury Division Chief	$ 300,000
Revenue Division Chief	$ 150,000
Clerk of the Circuit Court	$ 103,000*
Social Services Division Director	$ 25,000
Sheriff	$ 30,000*
All other City employees	$ 100,000
Alexandria Historic Restoration and Preservation Commissioners	$ 10,000

* Bond provided by Commonwealth of Virginia

Self-Insurance

The non-current portion of unpaid workers' compensation claims amounted to $2.1 million as of June 30, 2000, 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. 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 expense and estimated recoveries. An independent contractor processes public liability claims and the City records a provision and liability in the entity-wide statements and General Fund (current portion only) for an estimate of incurred but not reported claims.

Changes in the non-current portion of estimated claims payable for workers' compensation during the fiscal years ended June 30, 2000 and 1999 were as follows:

	FY 2000	FY 1999
Estimated claims payable at beginning of period	$ 1,484,559	$ 1,794,130
Current fiscal year claims and changes in estimates	1,327,530	425,385
Claim payments	(725,129)	(734,956)
Estimated claims payable at end of period	$ 2,086,960	$ 1,484,559

Exhibit XII
(Continued)

NOTE 6. RISK MANAGEMENT (Continued)

Insurance Reserve

In addition, the City has designated a General Fund balance self-insurance reserve of $5.0 million as of June 30, 2000.

Risk Pools

Primary Government

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. VA Risk is operated by the Division of Risk Management of the Commonwealth's Department of General Services. It 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 investigation and settlement of any claims or suit as deemed expedient. The limits of VA Risk coverage are $1 million per claim. The City's retains the risk for all claims is in excess of $1 million.

Component Units

The School Board carries commercial insurance for all risks of loss, including property insurance, theft, auto liability, physical damage, and general liability insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage. 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 Library carries commercial insurance with the St. Paul Insurance Company. The Library's Crime Bond is with Fidelity and Deposit Company of Maryland for 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 three fiscal years.

On October 1, 1987, the Alexandria Transit Company joined the Virginia Transit Liability Pool. The Virginia Transit Liability Pool is serviced by commercial companies.

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

Commercial General Liability	$10 million
Automobile Liability	$10 million
Uninsured Motorist	$50,000
Automobile Physical Damage	(Actual Value)

In Fiscal Year 2000, the Alexandria Transit Company paid an annual premium of $196,928 (increase associated with increased revenue miles and service) for participation in this pool.

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

Exhibit XII
(Continued)

NOTE 6. RISK MANAGEMENT (Continued)

workers' compensation coverage. VMGSIA is self-sustaining through member premiums and will reinsure for claims in excess of $5 million. Each member's premium is determined through an actuarial analysis based upon the individual district's past experience and number of employees. In Fiscal Year 2000, the Alexandria Transit Company paid an annual premium of $29,961 for participation in this pool.

NOTE 7. OPERATING LEASES

Rental Expenditures

The City and the School Board lease office space and equipment under various long-term operating lease agreements expiring at various dates through Fiscal Year 2005 and beyond. 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
2001	$ 2,313,155	$ 825,123
2002	1,765,197	698,107
2003	1,693,423	719,051
2004	1,641,752	740,622
2005	1,693,356	762,840
Beyond 2005	9,755,718	2,428,566

Total rental expenditures during Fiscal Year 2000 for operating leases were $2,107,264 for the Primary Government, $1,340,993 for the School Board, and $90,501 for the Library.

Rental Revenues

The City also leases various City-owned properties and buildings under noncancellable long-term lease agreements through Fiscal Year 2005 and beyond. 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
2001	$ 415,041
2002	278,985
2003	213,741
2004	148,497
2005	148,497
Beyond 2005	890,982

Exhibit XII
(Continued)

NOTE 8. CAPITAL LEASE

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. In Fiscal Year 1993, the City entered into a long-term lease with the other members to finance the costs of acquisition, renovation, furnishing and equipping of a training facility for the Northern Virginia Criminal Justice Academy. This lease provides for monthly payments in amounts sufficient to meet the annual debt service requirements on the Industrial Development Bonds issued to the Academy by the Industrial Development Authority of Loudoun County, Virginia.

Future minimum lease payments under the capital lease, which will be funded from the General Fund, is as follows:

Primary Government

Fiscal Year	Criminal Justice Academy
2001	$ 157,812
2002	158,349
2003	158,479
2004	158,192
2005	157,353
2006-2008	476,315
	$ 1,266,500
Less: Amount Representing Interest	263,865
Present Value of Future Minimum Lease Payments	$ 1,002,635

NOTE 9. COMMITMENTS AND CONTINGENCIES

A. Washington Metropolitan Area Transit Authority

The City's commitments to the Washington Metropolitan Area Transit Authority (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's commitments in each of these areas are summarized as follows:

1. Capital Contributions - Rail Construction

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 constructing the regional Metrorail transit system. As of May 1, 1987, the City had fulfilled all of its commitments for capital contributions except those commitments pursuant to the fourth Interim Capital Contributions Agreement (ICCA-IV), which was adopted by the Alexandria City Council in 1984, and the fifth Interim Capital Contributions Agreement (ICCA-V), that was adopted by the Council in January 1992. Pursuant to these agreements, the City and other participating jurisdictions pledged their best efforts and faithful cooperation to provide capital contributions to match federal grants funded from the federal authorizations established in Public Law 96-184 (ICCA-IV), and Public Law 101-551

Exhibit XII
(Continued)

NOTE 9. COMMITMENTS AND CONTINGENCIES (Continued)

(for ICCA-V). Both of these agreements include a schedule for capital contributions required of the jurisdictions to match federal appropriations from the respective authorizations.

The final 13.5 miles of construction to complete the 103-mile adopted regional system for Metrorail are anticipated to be funded under P.L. 101-551. In approving ICCA-V, the jurisdictions agreed to provide local matching contributions totaling $780 million over the life of the authorization. The payment schedule that was included in the agreement calls for $21 million in matching funds to be provided by the City of Alexandria between Fiscal Years 1993 and 2002. The City's contribution is anticipated to come from a combination of cash capital, credits available at Northern Virginia Transportation Commission (NVTC) and WMATA, and future state and/or local bonds. WMATA management proposed a "fast track" construction schedule that will complete the final four operating rail segments within the P.L. 101-551 authorization of $2.1 billion combined federal and local funding. If this is achieved, the localities will seek a future authorization only to provide funding for the final allotment of rail cars and the construction of service and inspection yard facilities called for in the 103-mile system. During Fiscal Year 2000, the City's ICCA-V obligation totaled $1,863,463, which was funded with $647,502 of City capital project funds, $856,479 in WMATA credits and the remainder with interest earnings by NVTC.

2. Capital contributions - Bus and Rail Replacement

Each fiscal year, the City is obligated to make payments or have payments made on its behalf for capital purchases for WMATA's bus system and to improve the reliability of rail capital equipment. The funding required for WMATA's annual capital program depends upon the availability of federal grants. During the fiscal year ended June 30, 2000, the total City obligation was $2,373,340 for the WMATA capital replacement/improvement. Of this total, $278,819 was funded with City capital project funds, $863,401 with State aid and State motor fuel sales tax revenues, $360,988 in Commonwealth Transportation Bonds and the remaining $870,132 from WMATA and NVTC credits.

3. Operating subsidies - Bus and Rail Systems

During the fiscal year ended June 30, 2000, obligations for bus and rail subsidies amounted to $14,843,661. The City paid this obligation from the following sources:

City payments	$ 3,605,072
Credits available at WMATA and NVTC	1,032,496
State Aid and State Motor Fuel Sales Tax revenues	10,206,093
TOTAL	$14,843,661

Expected obligations for Fiscal Year 2001 are $15,112,900, of which $2,685,797 is expected to be paid from the City's General Fund.

Exhibit XII
(Continued)

NOTE 9. COMMITMENTS AND CONTINGENCIES (Continued)

4. WMATA Transit Revenue Bonds

WMATA issued almost $1 billion of federally guaranteed transit revenue bonds to fund part of the construction of the rail transit system. Operating revenues have been insufficient to retire this debt. The federal government and WMATA entered into an agreement whereby the federal government agreed to pay two-thirds of the debt service costs for these bonds and to advance part of the remaining one-third during the first three years of the agreement. The agreement requires that WMATA repay the federal advances, with interest, and one-third of the debt service on the bonds. WMATA allocated the cost of the advances and the one-third of the debt service cost among the participating jurisdictions. During FY 2000 the City paid $256,070 for debt service to NVTC for bonds issued in November 1999. The City has not agreed to any payments for the one-third allocation of debt service, but NVTC has paid, from state aid, all such costs allocated to Northern Virginia jurisdictions, of which $1,418,184 was the City's allocation during the fiscal year ended June 30, 2000. However, NVTC has not paid any of the allocations for federal advances. In July of 1985, the Alexandria City Council authorized NVTC to pay $4,263,087 to WMATA, including accrued interest from state aid on deposit to the credit of the City. This was the total amount allocated to the City by WMATA for advances by the federal government, including accrued interest. The City has thus, with such authorization, satisfied all claims due WMATA for transit revenue bonds.

B. Litigation

The City is contingently liable with respect to lawsuits and other claims which arise in the ordinary course of its operations. It is the opinion of City management and the City Attorney that any losses not covered by insurance which may ultimately be incurred as a result of the suits and claims will not be material.

C. Waste-To-Energy Facility

The City has guaranteed annual tonnage of acceptable waste commitment to the Waste-to-Energy Facility, which is owned and operated by a private corporation. The commitment which is joint with Arlington County, is based on a percent of solid waste the City and Arlington County expects to collect together. The facility will charge a fee on each ton based on defined costs. Based on an engineering study, it is expected that the City and Arlington County will be able to meet their minimum requirement for annual tonnage of 225,000 tons per year. For fiscal year 2000, the City and Arlington County collected 227,626 tons that counted toward the minimum annual tonnage requirement. If the City would be required to augment this requirement, the financial effect on the City would be immaterial.

Federal law changes in the Clean Air Act and subsequent regulations required the City and the County to invest in a retrofit for new equipment. This investment was financed by $46.1 million in revenue bonds issued under the Arlington County Industrial Development Authority. Operating costs of the facility and the City's portion of debt service are expected to increase by $1.8 to $2 million per year once the facility is fully upgraded and operational. The upgrade is expected to be completed by December 2000.

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. The FY 2000 payment of $256,070 was made from the proceeds from the City's telecommunications tax received by the General Fund.

Exhibit XII
(Continued)

NOTE 10. 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. General obligation bonds outstanding as of June 30, 2000 are composed of the following individual issues:

	Amount Outstanding
$55,000,000 Public Improvement Bonds of 2000 due in annual installments ranging from $600,000 to $2,985,000 through 2020, bearing interest at rates ranging from 4.75 percent to 5.75 percent. The bonds maturing before June 15, 2011 are not subject to redemption before maturity. Beginning June 15, 2010, bonds maturing on or after June 15, 2011 are subject to redemption at the direction of the City, in whole or in part in installments of $5,000, at certain redemption prices that include a redemption premium plus accrued interest	$ 55,000,000
$40,000,000 Public Improvement Bonds of 1999 due in annual installments of $2,000,000 through 2019, bearing interest at rates ranging from 3.5 percent to 5.0 percent. The bonds are not subject to redemption prior to maturity	38,000,000
$22,655,000 Public Improvement and Refunding Bonds ($10,000,000 refunded) of 1994 due in annual installments ranging from $790,000 to $1,940,000 through 2009, bearing interest rates ranging from 4.2 percent to 5.1 percent. The bonds are not subject to redemption prior to maturity	13,130,000
$23,485,000 Public Improvement Refunding Bonds ($20,980,000 refunded) of 1992 due in annual installments ranging from $1,125,000 to $2,570,000 through 2003, bearing interest at rates ranging from 2.75 percent to 5.85 percent. The bonds are not subject to redemption prior to maturity	8,560,000
	$114,690,000

The requirements to amortize all long-term bonds as of June 30, 2000, including interest payments of $53,988,554 are summarized as follows:

Fiscal Year	Serial Bonds
2001	$ 12,382,315
2002	13,027,266
2003	13,470,294
2004	12,376,137
2005	10,875,624
2006-2010	45,337,068
2011-2015	34,817,825
2016-2020	26,392,025
	$168,678,554

Debt service requirements for general obligation bonds are met by the General Fund. The City retains the liability for the portion of general obligation bonds issued to fund capital projects of the School Board.

Issuance of General Obligation Bonds - On June 27, 2000, the City issued $55 million in General Obligation Bonds with an true interest cost of 5.3 percent for the purpose of capital improvements in the City and the

Exhibit XII
(Continued)

NOTE 10. LONG-TERM DEBT (Continued)

School Board. Approximately 60 percent of the proceeds of $55 million were used to reimburse the City's and School Board's General Funds for capital improvements made prior to bond issuance. The remainder will be used to fund projects in the City's approved FY 2001 – 2006 Capital Improvement Program.

Legal Debt Margin - The City has no overlapping debt with other jurisdictions. As of June 30, 2000, the City had a legal debt limit of $1,329,530,800 and a debt margin of $1,214,840,800:

Assessed Value of Real Property, January 1, 2000		$13,295,308,000
Debt Limit: 10 Percent of Assessed Value		$ 1,329,530,800
Amount of Debt Applicable to Debt Limit:		
General Obligation Bonds	$114,690,000	
Total General Obligation Debt		114,690,000
LEGAL DEBT MARGIN		$ 1,214,840,800

Unissued Bonds - Bond authorizations expire three years from the effective date of the respective bond ordinances. Authorization of bonds, bonds issued and expirations during the fiscal year ended June 30, 2000, are summarized below:

	Authorized and Unissued July 1, 1999	Authorized	Issued	Expired	Authorized and Unissued June 30, 2000
General Obligation Bonds	$60,000,000	$15,000,000	$55,000,000	$ -	20,000,000

Changes in Long-Term Liabilities - Changes in the City's total long-term liabilities during the fiscal year ended June 30, 2000 are summarized below. The Net Pension Obligation results from contributions to the City Supplemental Pension Plan and the Public Safety Pension Plan that were less than the required amount. In general the City uses the General Fund to liquidate long-term liabilities.

Primary Government

	Balance July 1, 1999	Additions	Reductions	Balance June 30, 2000	Amounts Due Within One Year
General Obligation Bonds	$ 65,710,000	$55,000,000	$ 6,020,000	$ 114,690,000	$ 6,815,000
Obligations Under Capital Lease	1,116,933	---	114,298	1,002,635	103,641
Workers' Compensation Claims	1,484,559	1,327,530	725,129	2,086,960	732,085
Accrued Compensated Absences	10,229,064	7,753,532	7,227,716	10,754,880	557,891
Net Pension Obligation	1,585,398	805,405	---	2,390,803	---
TOTALS	$ 80,125,954	$64,886,467	$14,087,143	$ 130,925,278	$ 8,208,617

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.

Exhibit XII
(Continued)

NOTE 10. LONG-TERM DEBT (Continued)

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

Balances at June 30, 2000 were:	
Long-term liabilities	$ 130,925,278
Accrued interest	1,146,205
Combined adjustment	$ 132,071,483

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 and liabilities 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	$ 525,816
Workers' compensation	602,401
Pension obligation	805,405
Accrued interest on bonds	83,858
Combined adjustment	$ 2,017,480

Component Unit – School Board

	Balance July 1, 1999	Additions	Reductions	Balance June 30, 2000	Amounts Due Within One Year
Accrued Compensated Absences	$3,408,626	$6,087,932	$ 6,035,635	$ 3,460,923	$ 201,468
TOTALS	$3,408,626	$6,087,932	$ 6,035,635	$ 3,460,923	$ 201,468

NOTE 11. INTERFUND RECEIVABLE/PAYABLE

Component Unit

Interfund receivable/payable:

Receivable Fund	Payable Fund	Amount
Primary Government – General Fund	Component Unit – Library	$ 27,390
Primary Government – Capital Projects Fund	Component Unit - School Capital Project Fund	$ 11,203,444

NOTE 12. GRANTS

The City receives financial assistance from numerous federal, state and local governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any unallowed 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.

Exhibit XII
(Continued)

NOTE 13. INTERGOVERNMENTAL REVENUES

Intergovernmental revenues for the City and its component units totaled $95,670,996 in Fiscal Year 2000. Sources of these revenues were as follows:

GOVERNMENTAL FUNDS	
Federal Government	$ 27,096,727
Commonwealth of Virginia	40,171,623
Total Primary Government	$ 67,268,350
COMPONENT UNITS	
Federal Government:	
School Board	$ 7,108,864
Commonwealth of Virginia:	
School Board	$ 21,007,005
Library	244,011
Alexandria Transit Company	42,766
Total Component Units Commonwealth of Virginia	$ 21,293,782
Total Component Units	$ 28,402,646
TOTAL CITY AND COMPONENT UNITS	
Total Federal Government	$ 34,205,591
Total Commonwealth of Virginia	61,465,405
Total Intergovernmental Revenue	$ 95,670,996

Exhibit XII
(Continued)

NOTE 14. DUE FROM OTHER GOVERNMENTAL UNITS

Due from other governmental units represents accrued revenue at June 30, 2000, consisting of the following:

Primary Government	
State	
General Fund	$ 16,226,853
Special Revenue Fund	2,681,453
Capital Projects Fund	316,852
Total State	$ 19,225,158
Federal	
General Fund	$ 415,126
Special Revenue Fund	4,174,936
Total Federal	$ 4,590,062
Total Primary Government	$ 23,815,220
Component Units	
State	
School Board	$ 1,265,657
Alexandria Transit Company	13,049
Total State	$ 1,278,706
Federal	
School Board	$ 1,197,360
Total Component Units	$ 2,476,066
Total	$ 26,291,286

NOTE 15. JOINT VENTURES

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 $6,585,000 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 Assets. The City does not maintain an equity interest in the Academy's operations.

In addition, the City pays the Northern Virginia Criminal Justice Academy for operating costs based on the pro-rata share of officers trained. In Fiscal Year 2000, the City paid $251,426 for operating costs.

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

Exhibit XII
(Continued)

NOTE 15. JOINT VENTURES (Continued)

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 Fiscal Year 1995. In addition, the City pays part of the Northern Virginia Detention Home's operating costs based on the number of beds utilized by Alexandria residents. These payments totaled $879,656 in Fiscal Year 2000.

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. Peumansend Creek Regional Jail Authority

In 1992, the City entered into an agreement with the Counties of Caroline, Arlington, Prince William, and Loudoun to form an Authority to construct and operate a regional jail in Caroline County. The regional jail, which commenced operations in September 1999, is used primarily to hold prisoners from each member jurisdiction. The Authority is composed of two representatives, the Chief Administrative Officer and the Sheriff, from each participating jurisdiction. The City of Richmond, which was not party to the original agreement, is now a part of the project. The regional jail has the capacity for 336 prisoners. The City is guaranteed a minimum of 50 beds.

The total project cost of $27 million, with 50 percent of the eligible construction cost ($23.8 million) is to be reimbursed by the Commonwealth. The Authority issued $10.22 million in revenue bonds and $12 million of grant anticipation notes in March 1997. The City's total share of the project costs was $18.2 million, including approximately $3.2 million in capital and debt service costs and $15 million in operating costs over the 20-year period of debt (1997-2016). For Fiscal Year 2000, the City paid $401,917 for operating costs and $202,790 for debt service payments. The City does not maintain an equity interest in the jail.

Complete financial statements can be obtained by writing to the Authority at Post Office Box 1460, Bowling Green, Virginia 22427.

D. Washington Metropolitan Area Transit Authority

As disclosed in Note 9, 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.

NOTE 16. RELATED PARTY TRANSACTIONS

Sheltered Homes of Alexandria is a not-for-profit corporation formed to obtain and maintain group homes for mentally and physically disabled or impaired adults. The corporation's trustees also serve on the Alexandria Community Services Board, whose corporate powers are held by the City and whose financial activities are therefore included as part of the primary government. During Fiscal Year 2000 the City made rental payments to Sheltered Homes of Alexandria totaling $348,792.

Exhibit XII
(Continued)

NOTE 17. POST EMPLOYMENT BENEFITS

In 1989 City Council voted to establish three classes of post employment health care benefits to supplement the increasing health care burden for City retirees. The three classes are as follows: (a) City employees who are eligible to retire under the Virginia Retirement System and City Supplemental Pension plans who have attained age 55 with at least 5 years of service; (b) public safety employees who are eligible to retire under the public safety pension plan who have attained age 50 with at least 20 years of service; and (c) public safety employees who are eligible to retire under the public safety retirement income plan who have attained 20 years of service, regardless of age. Each fiscal year the City Council appropriates funds to pay for these health benefits. As of June 30, 2000, 412 retirees were both eligible and received benefits from all three classes of this plan. Eligibility is contingent upon the retiree providing proof of participation and payment to a health insurance plan. The City contributes on a "pay-as-you-go" basis at the rate of $100.00 per month for each retiree, for a total annual contribution of $456,333 for Fiscal Year 2000.

NOTE 18. EMPLOYEE RETIREMENT SYSTEMS

Primary Government

The City participates in six public employee retirement systems (PERS). One of these systems is handled by 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. Of the remaining five, two are single-employer defined benefit plans (City Supplemental and Public Safety Pension), where a stated methodology for determining benefits is provided, and three are single-employer defined contribution plans (Public Safety Retirement, Disability Income, and Sheriff Retirement), where contribution requirements are not actuarially determined. All of these plans are included as part of the City's reporting entity and as such are reflected as Pension Trust Funds.

Exhibit XII
(Continued)

NOTE 18. EMPLOYEE RETIREMENT SYSTEMS (Continued)

	Combining Statement Employee Retirement Funds						
	City Supplemental Retirement	City Supplemental Retirement	Public Safety Pension	Public Safety Retirement Income	Disability Income	Sheriff Retirement Income	Total
ASSETS							
Investments, at Fair Value	$ -	$ -	$ -	$ -	$ -	$ -	$ -
U.S. Government Obligations	-	-	-	-	5,585,513	-	5,585,513
Guaranteed Investment Accounts	22,657,549	22,657,549	41,274,644	27,292,996	-	4,310,805	95,535,994
Mutual funds	-	-	-	39,502,850	-	2,651,197	42,154,047
Stocks	16,714,203	16,714,203	-	39,168,840	3,321,897	2,524,083	61,729,023
Other Investments	-	-	-	-	1,887,208	-	1,887,208
Total Investments	39,371,752	39,371,752	41,274,644	105,964,686	10,794,618	9,486,085	206,891,785
Total Assets	$ 39,371,752	$ 9,371,752	$41,274,644	$105,964,686	$ 10,794,618	$ 9,486,085	$ 206,891,785
NET ASSETS							
Held in Trust for Pension Benefits and Other Purposes	$ 39,371,752	$ 39,371,752	$ 41,274,644	$105,964,686	$10,794,618	$ 9,486,085	$ 206,891,785

Exhibit XII
(Continued)

NOTE 18. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Combining Statement of Operations
Employee Retirement Funds

	City Supplemental Retirement	Public Safety Pension	Public Safety Retirement Income	Disability Income	Sheriff Retirement Income	Total
ADDITIONS						
Contributions:						
Employer	$ 734,056	$ 700,000	$ 4,377,181	$ 644,979	$ 814,699	$ 7,270,915
Plan Members	1,468,112	4,242	144,854	107,505	-	1,724,713
Total Contributions	$ 2,202,168	$ 704,242	$ 4,522,035	$ 752,484	$ 814,699	$ 8,995,628
Investment Income:						
Net Appreciation (depreciation) in Fair Value of Investments	$ 1,384,209	$ -	$ 3,674,680	$ 50,543	$ 313,440	$ 5,422,872
Interest	1,814,941	3,019,223	1,785,698	464,765	240,339	7,324,966
Total Investment Income	$ 3,199,150	$ 3,019,223	$ 5,460,378	$ 515,308	$ 553,779	$ 12,747,838
Less investment expense	195,164	-	-	-	-	195,164
Net Investment Income	$ 3,003,986	$ 3,019,223	$ 5,460,378	$ 515,308	$ 553,779	$ 12,552,674
Total Additions	$ 5,206,154	$ 3,723,465	$ 9,982,413	$ 1,267,792	$ 1,368,478	$ 21,548,302
DEDUCTIONS						
Benefits	$ 237,167	$ 4,677,715	$ -	$ 728,664	$ -	$ 5,643,546
Refunds of Contributions	1,714,530	-	7,229,938	-	343,203	9,287,671
Administrative Expenses	107,437	52,922	94,167	43,683	7,924	306,133
Total Deductions	$ 2,059,134	$ 4,730,637	$ 7,324,105	$ 772,347	$ 351,127	$ 15,237,350
Net Increase (Decrease)	$ 3,147,020	$ (1,007,172)	$ 2,658,308	$ 495,445	$ 1,017,351	$ 6,310,952
Net Assets at Beginning of Year	$ 36,224,732	$ 42,281,816	$ 103,306,378	$ 10,299,173	$ 8,468,734	$ 200,580,833
Net Assets at End of Year	$ 39,371,752	$ 41,274,644	$ 105,964,686	$ 10,794,618	$ 9,486,085	$ 206,891,785

Exhibit XII
(Continued)

NOTE 18. EMPLOYEE RETIREMENT SYSTEMS (Continued)

The actuarial valuations for all the defined benefit pension plans are performed annually with the exception of VRS, which is performed biennially; however, an actuarial update is performed in the interim year. In the current valuation report, VRS used the same assumptions and methods as the prior year report. VRS recommended a decrease in the future contribution rates beginning July 1, 2000. This decrease is due to the fact that rate of return on assets in the prior years was more than expected rate of 8%. The actuarial value used for assets is an adjusted market value. It reflects only a portion of the excess (shortfall) between recent investment returns and the corresponding expected returns based on the 8% investment return assumption. The actuarial value recognizes this excess return (or shortfall) over a five-year period at the rate of 20% per year. This approach helps to avoid year-to-year fluctuations in the contribution rates for the employer. Financial statements and required supplementary information are presented in VRS comprehensive annual financial report, which can be obtained by writing to the Virginia Retirement System, Post Office Box 2500, Richmond, Virginia 23218.

For the City Supplemental Pension Plan, the plan cost increased as a percent of payroll. From FY 1999 to FY 2000, the annual required contribution rate increased from 3.55% to 4.18% of payroll, with net increase of $616,515. This increase in plan cost is mainly due to higher market interest rates that led to a decrease in the market value of the guaranteed investments account assets as of June 30, 2000.

There were no changes in actuarial assumptions, benefit provisions, or funding method for the Public Safety Pension Plan.

Exhibit XII
(Continued)

NOTE 18. EMPLOYEE RETIREMENT SYSTEMS (Continued)

The following schedules reflect a description of the plan provisions and membership information, actuarial assumptions, accounting and funding policies, and contribution requirements. Six-year schedules of funding progress and trend information for defined benefit pension plans are provided in Exhibit IX.

PLAN DESCRIPTION

	1 VRS	2	3	4	5	6
	City	City Supplemental	Public Safety Pension	Public Safety Retirement Income	Disability Income	Sheriff Retirement Income
Administrator	State of Virginia	Cigna	Cigna	Cigna	SunTrust	Cigna
Employees Covered	General body	General body	Public Safety	Public Safety	Public Safety	Sheriff/ERT
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
	Defined Benefit	Defined Benefit	Defined Benefit	Defined Contribution	Defined Contribution	Defined Contribution
Stand Alone Financial Report	Yes	No	No	N/A	N/A	N/A
Actuarial Valuation Date	06/30/1999	06/30/2000	07/01/1999	N/A	N/A	N/A

Exhibit XII
(Continued)

NOTE 18. EMPLOYEE RETIREMENT SYSTEMS (Continued)

MEMBERSHIP AND PLAN PROVISIONS

As of:	6/99 (1) VRS City	6/00 (2) City Supplemental	7/99 (3) Public Safety Pension	6/00 (4) Public Safety Retirement Income	6/00 (5) Disability Income	6/00 (6) Sheriff Retirement Income
Active Participants	1,523	1,761	2	425	425	199
Retirees & Beneficiaries	385	72	192	0	40	0
Terminated Vested & Non-vested	438	385	-	47	N/A	11
Normal Retirement Benefits:						
Age	65 50 (30Yrs)	65 55 (30Yrs)	60 50 (20Yrs)	60	N/A	60
Benefits Vested	5	5	10	5	N/A	5
Disability & Death Benefits	Disability Death	Disability Death	Disability Death	N/A Death	Disability N/A	N/A Death
SIGNIFICANT ACTUARIAL ASSUMPTIONS						
Investment Earnings	8.0%	8.0%	8.0%	N/A	N/A	N/A
Projected Salary Increases Attributable to:						
Inflation	4.0%	4.0%	4.5%	N/A	N/A	N/A
Seniority/Merit	0.25 - 2.15%	2.75%	2.0%	N/A	N/A	N/A
Projected Postretirement Increases	3.5%	None	3.0%	N/A	N/A	N/A
Actuarial Cost Method	Entry Age Normal Cost	Aggregate Actuarial Cost	Projected Unit Credit With Zero Normal Cost	N/A	N/A	N/A
Amortization Method	Level Percentage	Level Percentage	Level dollar	N/A	N/A	N/A
Open/Closed	Closed	N/A	Closed			
Remaining Amortization Period	10	N/A	15	N/A	N/A	N/A
Asset Valuation Method	Modified Market	Market Value	Book Value	N/A	N/A	N/A

Exhibit XII (Continued)

NOTE 18. EMPLOYEE RETIREMENT SYSTEMS (Continued)

FUNDING POLICY AND ANNUAL PENSION COST

As of:	6/00	6/00	6/00	6/00	6/00	6/00
	VRS					
	City	City Supplemental	Public Safety Pension	Public Safety Retirement Income	Disability Income	Sheriff Retirement Income
PERCENTAGE OF COVERED PAYROLL CONTRIBUTED						
Employee %	5.0%	2.0%	8.0%	Voluntary	0.5%	--
Employer %	5.9%	1.0%	$700,000/Yr.	20.0%	3.0%	9.1%
AMOUNT CONTRIBUTED						
Employee	$ 3,237,042 *	$ 1,468,112 *	$ 4,242	$ 144,854	$ 107,505	$ -
Employer	3,807,027	734,056	700,000	4,377,181	644,979	814,699
Total Amount Contributed	$ 7,044,069	$ 2,202,168	$ 704,242	$ 4,522,035	$ 752,484	$ 814,699

* The City assumed the responsibility of payment of employees' share of contributions. Administrative costs of all the pension plans are financed through investment earnings except Public Safety Retirement and Sheriff Retirement plans, where the cost is assumed by the City.

The Contribution requirements for all pension plans (except VRS) are established and may be amended by City Ordinance. VRS requirements are established and may be amended by State Statues.

COVERED PAYROLL						
Dollar Amount	$ 64,525,881	$ 73,405,600	$ 53,025	$ 21,885,905	$21,885,905	$ 8,952,736
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

Investments (other than those issued or guaranteed by the U.S. government) in any one organization that represent 5 percent or more of plan assets.

CIGNA General Account (Long Term)	*	58%	100%	26%	-	51%
CIGNA Stock Index	*	42%	-	37%	-	27%
Fidelity Growth Opportunity	*	-	-	8%	-	7%
Warburg Emerging Growth	*	-	-	17%	-	8%

* Investment information not available on an individual jurisdiction basis.

Exhibit XII (Continued)

NOTE 18. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Calculation of Net Pension Obligation

	City Supplemental	Public Safety Pension
ARC	$ 3,015,048	$ 752,554
Interest on NPO	103,163	23,668
ARC Adjustment	(150,956)	(35,904)
Annual Pension Cost	$ 2,967,255	$ 740,318
Actual Deposit	(2,202,168)	(700,000)
Change in NPO	$ 765,087	$ 40,318
NPO Beginning of Year	1,289,549	295,849
NPO End of Year (6/30/00)	$ 2,054,636	$ 336,167

THREE YEAR TREND INFORMATION

	Actuarial Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
City Supplemental	06/30/1998	$ 2,348,852	83.96%	$ 979,389
	06/30/1999	2,364,659	86.88%	1,289,549
	06/30/2000	2,967,255	74.22%	2,054,636
Public Safety Pension	06/30/1998	$ 851,189	82.24%	$ 151,189
	06/30/1999	844,660	82.87%	295,849
	06/30/2000	740,318	94.05%	336,167
Virginia Retirement System	06/30/1998	$ 6,567,620	100.00%	$ -
	06/30/1999	6,901,658	100.00%	-
	06/30/2000	7,044,069	100.00%	-

Exhibit XII
(Continued)

NOTE 18. EMPLOYEE RETIREMENT SYSTEMS (Continued)

DESCRIPTION OF BENEFITS:

(1) Employees are eligible for an unreduced retirement benefit at age 65 with 5 years of service and at age 50 with 30 years of service. Employees who retire with a reduced benefit at age 55 with at least 5 years of credited service are entitled to an annual retirement benefit payable monthly for life in an amount equal to 1.7 percent of their average final salary (AFS) for each year of credited service. An optional reduced retirement benefit is available as early as age 50 with 10 years of credited service. 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 Statues.

(2) City employees who retire at or after age 65 or after age 55 with 30 years credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to .80 percent of effective compensation multiplied by service on and after January 1, 1988, and 1.625 percent of effective compensation not to exceed $100 plus .25 percent of such compensation over $100 times years service provided subsequent to August 1, 1970, and prior to January 1, 1988, and 1.625 percent of past service compensation not to exceed $100, plus .25 percent of such compensation over $100 times years service provided subsequent to August 1, 1960, and prior to August 1, 1970. The pension benefit is reduced by 6 2/3 percent for each year up to five years and 3 1/3 percent for each year between five and ten years preceding normal retirement date. Benefit provisions are established and may be amended by City Ordinance.

(3) Employees who retire on or after age 60 are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2 percent of final average earnings multiplied by years of credited service, up to a maximum of 30 years. The plan also provides 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 provides early retirement on or after age 50 with 10 years of service with actuarially reduced benefit. Benefit provisions are established and may be amended by City Ordinance.

(4) The employees are entitled to contributions made on their behalf after 100 percent vesting. Employee contribution is voluntary and they are allowed to withdraw from their gross voluntary dollars after two years of participation in the plan. They may also cancel their voluntary portion of account. However, if they cancel they will receive a full refund of all voluntary contributions and interest earned to that point and would subsequently be suspended from making any further voluntary contributions for a period of twenty-four months. Benefit provisions are established and may be amended by City Ordinance.

(5) This plan is part of the Public Safety Retirement Income Plan. The benefits for service-connected total and permanent disability are 70 percent of final average earnings, 66 2/3 percent for non-service connected total and permanent disability and service-connected partial disability, and 50 percent for non-service connected partial disability. Disability benefits are limited by the assets of the trust fund. If the plan administrator, after consultation with the plan's actuary, foresees the plan becoming insolvent, the administrator may reduce all participants' benefits on a pro rata basis as of the first day of any month after giving each participant receiving benefits under the plan adequate written notice. Benefit provisions are established and may be amended by City Ordinance.

(6) This plan provides for benefits to be distributed in the case of termination, retirement, death, or disability to deputy sheriffs and emergency rescue technicians. Distribution options include cash distribution, annuities, or a combination of the two. Benefit provisions are established and may be amended by City Ordinance.

Exhibit XII
(Continued)

NOTE 18. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Component Unit School Board

The Alexandria School Board participates in three public employee retirement systems (PERS). Two of these systems are handled by Virginia Retirement System (VRS), a cost-sharing multi-employer plan and an agent multi-employer plan which are administered by the Commonwealth of Virginia and are, therefore, not reflected as a School Board Pension Trust Fund. The third plan (School Supplemental) is a single-employer defined benefit plan, where a stated methodology for determining pension benefits is provided. This plan is part of the School Board Pension Trust Fund.

All full-time professional employees of the School Board participate in the cost sharing multi-employer plan. The Virginia Retirement system provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The VRS issues a publicly available financial report that includes financial statements and required supplementary information. That report my be obtained by writing to the Virginia Retirement System, P.O. Box 2500, Richmond, Virginia 23218.

Plan members are required by State statute to contribute 5 percent of their covered payroll. However, School Board has elected to assume this responsibility for the employees' share for both VRS plans. The School Board contributed at an actuarially determined rate of 9.04 percent of the annual covered payroll for the fiscal year 2000. The employer contribution rates for the fiscal years 1999 and 1998 were 8.49 percent and 7.28 percent, respectively. The contribution requirements of the plan members and School Board are established and may be amended by State statues. The total payments by the School Board and plan members to VRS for this plan for the fiscal years ending June 30, 2000, 1999 and 1998 were $9,331,275, $8,499,888, and $7,507,647 respectively, equal to the required contributions for each fiscal year.

There were no changes in actuarial assumptions, benefits provisions, or funding methods for the VRS Non-Professional Employees Plan.

In the School Supplemental Pension Plan, the actuarial funding method was changed to a Flexible Pension Investment contract. Due to this change, total normal cost decreased as a percentage of payroll from 1.85% to 1.67% with a net decrease in cost of $128,449. This decrease resulted from change in funding method to include assets and liabilities for retired participants in cost calculations.

The following schedules reflect a description of the plan provisions and membership information, actuarial assumptions, accounting and funding policies, and contribution requirements. The actuarial valuations for all the defined benefit plans are performed annually with the exception of VRS, which is performed biennially; however, an actuarial update is performed in the interim year. Six-year schedules of funding progress and trend information for defined benefit pension plans are provided in Exhibit XV.

The financial statements for the School fiduciary assets are available from the School Board.

Exhibit XII
(Continued)

NOTE 18. EMPLOYEE RETIREMENT SYSTEMS (Continued)

PLAN DESCRIPTION

	1 VRS	2
	School Maint/Prof.	**School Supplemental**
Administrator	State of Virginia	Principal Financial Group
Employees Covered	General Body	General Body
Authority	State Statute	City Ordinance
Plan Type	Agent Multi-Employer	Single-Employer
	Defined Benefit	Defined Benefit
Stand Alone Financial Report	Yes	No
Actuarial Valuation Date	6/30/99	9/01/99

Exhibit XII
(Continued)

NOTE 18. EMPLOYEE RETIREMENT SYSTEMS (Continued)

MEMBERSHIP AND PLAN PROVISIONS

As of:	6/99	9/99
	(1) VRS	
	School Maintenance	(2) School Supplemental
Active Participants	267	1,650
Retirees & Beneficiaries	152	626
Terminated Vested & Non-Vested	64	853
Normal Retirement Benefits:		
Age	65 50 (30Yrs)	65 55 (30Yrs)
Benefits Vested	5	5
Disability & Death Benefits	Disability Death	Disability Death
SIGNIFICANT ACTUARIAL ASSUMPTIONS		
Investment Earnings	8.0%	7.0%
Projected Salary Increases Attributable to:		
Inflation	4.0%	3.0%
Seniority/Merit	.25% - 2.15%	2.38% - 5.60%
Projected Postretirement Increases	3.5%	None
Actuarial Cost Method	Entry Age Normal Cost	Aggregate Actuarial Cost
Amortization Method	Level Percentage	Level Percentage
Open/closed	Open	Open
Remaining Amortization Period	10	16
Asset Valuation method	Modified Market	Contractual Value

Exhibit XII
(Continued)

NOTE 18. EMPLOYEE RETIREMENT SYSTEMS (Continued)

FUNDING POLICY AND ANNUAL PENSION COST

As of:	6/00	6/00
	VRS	
	School Maintenance	School Supplemental
PERCENTAGE OF COVERED PAYROLL CONTRIBUTED		
Employee %	5.00%	1.00%
Employer %	2.91%	1.25%
AMOUNT CONTRIBUTED		
Employee	$ 287,103	$ 746,702
Employer	167,173	933,378
Total Amount Contributed	$ 454,276	$ 1,680,080

School Board has assumed responsibility of employee's share of the contributions for VRS and Supplemental pension plans. Administrative costs of all the pension plans are financed through the investment earnings.

COVERED PAYROLL		
Dollar Amount:	$5,733,768	$74,670,201
LEGALLY REQUIRED RESERVES	None	None
LONG TERM CONTRIBUTION CONTRACTS	None	None

INVESTMENT CONCENTRATIONS
Investments (other than those issued or guaranteed by the U.S. government) in any one organization that represent 5 percent or more of plan assets.

Principal Financial Group		
Long Term Guaranteed Investment Account	*	100%

*Investment information not available on an individual jurisdiction basis.

Exhibit XII
(Continued)

NOTE 18. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Calculation of Net Pension Obligation (Asset)

	School Supplemental
ARC	$ 1,119,502
Interest on NPO	(237,419)
ARC Adjustment	359,039
Annual Pension Cost	$ 1,241,122
Actual Deposit	(1,680,080)
Change in NPO	$ (438,958)
NPO Beginning of Year	(3,391,701)
NPO End of Year (6/30/00)	$ (3,830,659)

THREE YEAR TREND INFORMATION

	Actuarial Date	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation (Asset)
School Supplemental	09/01/1997	$ 1,320,060	117.80%	$ (3,022,606)
	09/01/1998	1,502,456	105.80%	(3,391,701)
	09/01/1999	1,241,122	135.40%	(3,830,659)
Virginia Retirement System	06/30/1998	$ 513,313	100.00%	$ ---
	06/30/1999	436,404	100.00%	---
	06/30/2000	454,276	100.00%	---

The School Supplemental pension plan uses aggregate actuarial cost method which does not identify or separately amortize unfunded actuarial liabilities.

DESCRIPTION OF BENEFITS:

VRS

Employees are eligible for an unreduced retirement benefit at age 65 with 5 years of service and at age 50 with 30 years of service. Employees who retire with a reduced benefit at age 55 with at least 5 years of credited service are entitled to an annual retirement benefit payable monthly for life in an amount equal to 1.7 percent of their average final salary (AFS) for each year of credited service. An optional reduced retirement benefit is available as early as age 50 with 10 years of credited service. 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 Statues.

Exhibit XII
(Continued)

NOTE 18. EMPLOYEE RETIREMENT SYSTEMS (Continued)

SCHOOL SUPPLEMENTAL

School Board employees who retire at or after age 65 or after age 55 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 .25 percent of the amount by which effective compensation exceeds $100 multiplied by credited future service before September 1, 1984, and 1.625 percent of past service compensation not in excess of $100 plus .25 percent of past service compensation in excess of $100 times credited past service.

NOTE 19. ACCOUNTING CHANGES AND RESTATEMENTS

During fiscal year 2000 the City adopted GASB Statement 34, *Basic Financial Statements, - and Management's Discussion and Analysis –for State and Local Government Accounting an Financial Reporting for Non Exchange Transactions*. This statement was not required to be implemented until Fiscal Year 2002. The City also raised the capitalization threshold for fixed assets from $1,000 to $5,000.

The gross cost and accumulated depreciation balances at June 30, 1999 were restated to capitalize infrastructure assets and record accumulated depreciation in accordance with the adoption of GASB Statement No. 34. The gross cost balances at June 30, 1999 were also restated to reflect an increase in the City's capitalization threshold from $1,000 to $5,000 and a change in the City's definition of capitalizable improvements for financial statement purposes.

The following table shows beginning net assets restated for the effects of implementation of GASB Statement No. 34 and change in accounting policy.

Fund Balance at June 30, 1999 – Primary Government	$ 80,798,987
GASB No. 34 and Accounting Policy Adjustments	
Long-term Assets	6,029,181
Long-term Liabilities	(80,125,954)
Net Capital Assets (restated)	160,369,373
Infrastructure, net	47,776,135
Accrued Interest	(1,062,349)
Internal Service Assets	18,762,777
Restated Net Assets as of July 1, 1999	$ 232,548,150

REQUIRED SUPPLEMENTARY INFORMATION (unaudited)

In accordance with the Governmental Accounting Standards Board Statements No. 25, No. 27 and No. 34, the following information is a required part of the general purpose financial statements.

CITY OF ALEXANDRIA, VIRGINIA
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2000
(Unaudited - See Accompanying Notes to Financial Statements)

EXHIBIT XIII

	Original Budget	Budget as Amended	Actual	Variance from Amended Favorable (Unfavorable)
Revenues:				
General Property Taxes	$ 174,270,000	$ 174,270,000	$ 183,296,264	$ 9,026,264
Other Local Taxes	68,715,000	68,971,070	75,040,938	6,069,868
Permits, Fees, and Licenses	2,615,000	2,615,000	4,380,592	1,765,592
Fines and Forfeitures	4,310,000	4,310,000	4,237,420	(72,580)
Use of Money and Property	6,752,000	6,752,000	7,078,467	326,467
Charges for Services	8,511,000	8,511,000	8,684,519	173,519
Intergovernmental Revenues	22,147,000	22,147,000	25,606,354	3,459,354
Miscellaneous	499,000	699,000	705,468	6,468
Total Revenues	$ 287,819,000	$ 288,275,070	$ 309,030,022	$ 20,754,952
Expenditures:				
City Council	$ 419,087	$ 419,087	$ 418,918	$ 169
City Manager	817,062	817,062	804,572	12,490
Legislative Director	169,122	169,122	168,343	779
Citizens Assistance	538,714	564,452	503,714	60,738
Human Relations	1,291,459	1,291,459	1,255,051	36,408
18th Circuit Court	846,692	853,659	779,351	74,308
18th General District Court	106,925	106,925	62,421	44,504
Juvenile And Domestic Relations Court	29,888	29,888	20,304	9,584
Commonwealth's Attorney	1,652,987	1,829,505	1,795,478	34,027
Sheriff	15,121,277	15,300,474	15,242,433	58,041
Clerk of Courts	1,243,920	1,406,999	1,170,850	236,149
Other Correctional Activities	2,780,655	2,804,655	2,804,576	79
Court Services	505,668	531,550	413,651	117,899
Financial and Information Services	12,797,751	13,525,181	12,871,386	653,795
City Clerk and Clerk of Council	288,382	293,738	291,469	2,269
Personnel	1,740,035	1,757,721	1,673,939	83,782
Planning and Zoning	3,396,570	3,415,070	3,364,510	50,560
City Attorney	1,214,814	1,178,755	1,173,435	5,320
Registrar	550,335	685,278	636,312	48,966
General Services	8,156,641	8,660,267	8,401,643	258,624
Transportation and Environmental Services	13,415,329	15,340,570	14,143,453	1,197,117
Transit Subsidies	2,049,125	2,049,125	2,027,547	21,578
Fire	21,752,074	22,116,350	22,017,657	98,693
Police	30,481,642	30,935,492	30,613,559	321,933
Office of Housing	859,281	1,053,019	811,792	241,227
Mental Health/Mental Retardation and Substance Abuse	399,554	488,883	469,040	19,843
Health	5,589,479	5,599,018	5,590,490	8,528
Human Services	4,497,361	4,800,627	4,641,423	159,204
Human Services Contributions	781,200	856,268	855,254	1,014
Office of Historic Alexandria	1,860,189	1,985,753	1,929,740	56,013
Recreation and Cultural Activities	12,023,653	12,129,266	12,049,676	79,590
Other Educational Activities	13,120	13,120	13,120	-
Miscellaneous	15,503,411	15,953,393	14,945,816	1,007,577
Total Expenditures	$ 162,893,402	$ 168,961,731	$ 163,960,923	$ 5,000,808
Other Financing Uses:				
Operating Transfers Out	$ 26,094,698	$ 40,579,080	$ 40,287,613	$ 291,467
Transfers Out - Component Units	99,240,098	99,322,177	99,232,856	89,321
Total Other Financing Uses	$ 125,334,796	$ 139,901,257	$ 139,520,469	$ 380,788
Total Expenditures and Other Financing Uses	$ 288,228,198	$ 308,862,988	$ 303,481,392	$ 5,381,596
Revenue Over/(Under) Expenditures and Other Financing Uses	$ (409,198)	$ (20,587,918)	$ 5,548,630	$ 26,136,548
Fund Balances at Beginning of Year	52,226,469	52,226,469	52,226,469	-
Increase/(Decrease) in Reserve for Inventory	-	-	223,432	223,432
FUND BALANCES AT END OF YEAR	$ 51,817,271	$ 31,638,551	$ 57,998,531	$ 26,359,980

CITY OF ALEXANDRIA, VIRGINIA
Budgetary Comparison Schedule
Special Revenue Fund
For the Year Ended June 30, 2000
(Unaudited - See Accompanying Notes to Financial Statements)

EXHIBIT XIV

	Original Budget	Budget as Amended	Actual	Variance from Amended Favorable (Unfavorable)
Revenues:				
Use of Money and Property	$ -	$ 201,820	$ 296,729	$ (94,909)
Charges for Services	6,847,156	7,281,580	5,745,857	1,535,723
Intergovernmental Revenues	34,247,826	38,978,116	40,003,466	(1,025,350)
Miscellaneous	568,615	3,180,799	1,533,392	1,647,407
Total Revenues	$ 41,663,597	$ 49,642,315	$ 47,579,444	$ 2,062,871
Other Financing Sources:				
Proceeds from Sale of Surplus Property	$ -	$ -	$ 12,441	$ (12,441)
Operating Transfers In	18,743,635	18,717,357	18,124,291	593,066
Total Other Financing Sources	$ 18,743,635	$ 18,717,357	$ 18,136,732	$ 580,625
Total Revenues and Other Financing Sources	$ 60,407,232	$ 68,359,672	$ 65,716,176	$ 2,643,496
Expenditures:				
Human Relations	$ 352,125	$ 369,507	$ 322,062	$ 47,445
Citizens Assistance	5,000	12,719	12,533	186
Commonwealth's Attorney	294,912	265,688	264,595	1,093
Sheriff	293,591	515,756	339,052	176,704
Clerk of Courts	-	25,774	-	25,774
Law Library	119,150	119,150	114,683	4,467
Other Correctional and Judicial Activities	332,450	332,450	332,450	-
Court Services	193,501	321,935	232,416	89,519
Personnel	6,000	6,000	4,075	1,925
Transportation and Environmental Services	4,522,276	5,102,127	4,997,038	105,089
Fire	250,800	471,998	428,784	43,214
Police	241,480	1,288,005	915,995	372,010
Office of Housing	1,641,297	4,128,589	4,090,948	37,641
Mental Health/Mental Retardation and Substance Abuse	21,188,698	20,751,918	18,302,441	2,449,477
Health	293,338	356,168	204,698	151,470
Human Services	30,316,642	33,275,143	31,570,142	1,705,001
Office of Historic Alexandria	206,138	318,889	307,727	11,162
Recreation and Cultural Activities	149,834	327,355	184,247	143,108
Library	-	1,000	217	783
Miscellaneous	-	2,000	1,884	116
Total Expenditures	$ 60,407,232	$ 67,992,171	$ 62,625,987	$ 5,366,184
Other Financing Uses:				
Operating Transfers Out	$ -	$ 367,501	$ 1,612,055	$ (1,244,554)
Total Other Financing Uses	$ -	$ 367,501	$ 1,612,055	$ (1,244,554)
Total Expenditures and Other Financing Uses	$ 60,407,232	$ 68,359,672	$ 64,238,042	$ 4,121,630
Excess of Revenues and Other Financing Sources Over/ (Under) Expenditures and Other Financing Uses	$ -	$ -	$ 1,478,134	$ 1,478,134
Fund Balances at Beginning of Year	$ -	$ -	$ 10,301,600	$ 10,301,600
FUND BALANCES AT END OF YEAR	$ -	$ -	$ 11,779,734	$ 11,779,734

CITY OF ALEXANDRIA, VIRGINIA
Public Employee Retirement Systems - Primary Government
Required Supplementary Information
(Unaudited)
(See Accompanying Independent Auditors' Report)

Exhibit XV

SCHEDULE OF FUNDING PROGRESS (Unaudited)

	Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratio (1/2)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll ((2-1)/5)
Public Safety	06/30/1995	$ 45,179,915	$ 51,209,364	$ 6,029,449	88.23%	$ 350,813	1,718.71%
Pension	06/30/1996	44,721,282	50,821,144	6,099,862	88.00%	311,662	1,957.20%
	06/30/1997	43,976,577	50,938,165	6,961,588	86.33%	222,444	3,129.59%
	06/30/1998	43,107,239	49,769,673	6,662,434	86.61%	168,775	3,947.52%
	06/30/1999	42,281,816	47,790,867	5,509,051	88.47%	117,278	4,697.43%
	06/30/2000 *	41,274,644	46,492,656	5,218,012	88.78%	53,025	9,840.66%
Virginia	06/30/1996	$ 109,509,563	$ 117,312,587	$ 7,803,024	93.35%	$ 55,987,983	13.94%
Retirement	06/30/1998	152,771,352	148,095,241	(4,676,111)	103.16%	62,977,479	-7.43%
System	06/30/1999 **	177,646,968	161,557,398	(16,089,570)	109.96%	62,796,400	-25.62%

* Estimated

** Only three years of information was available. This schedule will be expanded when information becomes available.

A schedule of Funding Progress for City Supplemental pension plan is not required because it uses the aggregate actuarial cost method, where actuarial accrued liabilities are not identified or separately amortized. They are amortized through normal cost

Six-year historical information of City's defined benefit pension plans is presented to help users assess each plan's funding status on a going concern basis, assess progress made in accumulating assets to pay benefits when due, and make comparisons with other public employee retirement systems.

Analysis of dollar amounts of plan net assets, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading. Expressing plan net assets as a percentage of the actuarial accrued liability provides one indication of each plan's funding status on a going concern basis. Analysis of this percentage over time indicates whether the plan is financially stronger or weaker. Generally, the greater this percentage, the stronger the plan. Trends in the unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the plan's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller the percentage, the stronger the plan.

SCHEDULES OF EMPLOYER CONTRIBUTIONS (Unaudited)

	City Supplemental			Public Safety Pension		
	Actuarial Date	Annual Required Contribution	Percentage Contributed	Actuarial Date	Annual Required Contribution	Percentage Contributed
For Defined Benefit Pension Plans	01/01/1995	$ 1,817,015	101.09%	06/30/1995	$ 700,000	100.00%
	01/01/1996	1,936,689	84.80%	06/30/1996	700,000	100.00%
	01/01/1997	2,689,680	64.42%	06/30/1997	700,000	100.00%
	06/30/1998 **	2,368,469	83.27%	06/30/1998	851,189	82.24%
	06/30/1999	2,398,533	85.66%	06/30/1999	850,227	82.33%
	06/30/2000	3,015,048	73.04%	06/30/2000	752,554	93.02%
Virginia Retirement System	06/30/1995	$ 4,659,164	100.00%			
	06/30/1996	4,981,774	100.00%			
	06/30/1997	5,602,011	100.00%			
	06/30/1998	6,567,620	100.00%			
	06/30/1999	6,901,658	100.00%			
	06/30/2000	7,044,069	100.00%			

** The valuation period was changed from calendar to fiscal year.

CITY OF ALEXANDRIA, VIRGINIA
Public Employee Retirement Systems - Component Unit - School Board
Required Supplementary Information
(Unaudited)
(See Accompanying Independent Auditors' Report)

Exhibit XVI

SCHEDULE OF FUNDING PROGRESS

	Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratio (1/2)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll ((2-1)/5)
Virginia Retirement System	06/30/1996	$ 17,513,182	$ 16,599,988	$ (913,194)	105.50%	$ 5,094,566	-17.92%
	06/30/1998	23,436,499	19,873,126	(3,563,373)	117.93%	5,672,545	-62.82%
	06/30/1999 *	26,623,123	20,461,377	(6,161,746)	130.11%	5,667,657	-108.72%

* Only three years of information was available. This schedule will be expanded when information becomes available.

A schedule of Funding Progress for School Supplemental pension plan is not required because it uses the aggregate actuarial cost method, where actuarial accrued liabilities are not identified or separately amortized. They are amortized through normal cost

Analysis of dollar amounts of plan net assets, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading. Expressing plan net assets as a percentage of the actuarial accrued liability provides one indication of each plan's funding status on a going concern basis. Analysis of this percentage over time indicates whether the plan is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan. Trends in the unfunded actuarial accrued liability and annual covered payroll are both affected by inflation.

Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the plan's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller the percentage, the stronger the plan.

SCHEDULE OF EMPLOYER CONTRIBUTIONS (Unaudited)

	Actuarial Date	Annual Required Contribution	Percentage Contributed
School Supplemental	09/01/1994	$ 1,101,093	120.0%
	09/01/1995	1,099,915	115.9%
	09/01/1996	1,153,911	137.1%
	09/01/1997	1,320,060	117.8%
	09/01/1998	1,256,942	126.6%
	09/01/1999	1,119,502	150.1%
Virginia Retirement System	06/30/1995	$ 422,396	100.0%
	06/30/1996	393,134	100.0%
	06/30/1997	464,164	100.0%
	06/30/1998	513,313	100.0%
	06/30/1999	436,404	100.0%
	06/30/2000	454,276	100.0%

OTHER SUPPLEMENTARY INFORMATION

CITY OF ALEXANDRIA, VIRGINIA
Combining Statement of Fiduciary Net Assets
As of June 30, 2000

	Employee Retirement Funds					
	City Supplemental Retirement	Public Safety Pension	Public Safety Retirement Income	Disability Income	Sheriff Retirement Income	Total
ASSETS						
Cash and Short-term Investments	$ -	$ -	$ -	$ -	$ -	$ -
Investments, at Fair Value						
U.S. Government Obligations	-	-	-	5,585,513	-	5,585,513
Guaranteed Investment Accounts	22,657,549	41,274,644	27,292,996	-	4,310,805	95,535,994
Repurchase Agreement	-	-	-	-	-	-
Mutual funds	-	-	39,502,850	-	2,651,197	42,154,047
Commercial Paper	-	-	-	-	-	-
Stocks	16,714,203	-	39,168,840	3,321,897	2,524,083	61,729,023
Other Investments	-	-	-	1,887,208	-	1,887,208
Total Investments	$ 39,371,752	$ 41,274,644	$ 105,964,686	$ 10,794,618	$ 9,486,085	$ 206,891,785
Total Assets	$ 39,371,752	$ 41,274,644	$ 105,964,686	$ 10,794,618	$ 9,486,085	$ 206,891,785
NET ASSETS						
Held in Trust for Pension Benefits and Other Purposes	$ 39,371,752	$ 41,274,644	$ 105,964,686	$ 10,794,618	$ 9,486,085	$ 206,891,785

CITY OF ALEXANDRIA, VIRGINIA
Combining Statement of Fiduciary Net Assets
As of June 30, 2000

Schedule 1

Agency Funds				
Mental Health Client Account	Human Services Special Welfare Account	Human Services Dedicated Fund	Industrial Development Authority	Total
	$ 26,682	$ 5,207	$ -	$ 31,889
-	-	-	334,689	334,689
				-
-	-	-	60,765	60,765
				-
-	-	-	169,013	169,013
-	-	-	-	-
-	-	-	-	-
$ -	$ -	$ -	$ 564,467	$ 564,467
$ -	$ 26,682	$ 5,207	$ 564,467	$ 596,356
$ -	$ 26,682	$ 5,207	$ 564,467	$ 596,356

City of Alexandria, Virginia
Statement of Changes in Fiduciary Net Assets
As of June 30, 2000

	Employee Retirement Funds					
	City Supplemental Retirement	Public Safety Pension	Public Safety Retirement Income	Disability Income	Sheriff Retirement Income	Total
ADDITIONS						
Contributions:						
Employer	$ 734,056	$ 700,000	$ 4,377,181	$ 644,979	$ 814,699	$ 7,270,915
Plan Members	1,468,112	4,242	144,854	107,505	-	1,724,713
Total Contributions	$ 2,202,168	$ 704,242	$ 4,522,035	$ 752,484	$ 814,699	$ 8,995,628
Investment Income:						
Net Appreciation (depreciation) in Fair Value of Investments	$ 1,384,209	$ -	$ 3,674,680	$ 50,543	$ 313,440	$ 5,422,872
Interest	1,814,941	3,019,223	1,785,698	464,765	240,339	7,324,966
Total Investment Income	$ 3,199,150	$ 3,019,223	$ 5,460,378	$ 515,308	$ 553,779	$ 12,747,838
Less investment expense	195,164	-	-	-	-	195,164
Net Investment Income	$ 3,003,986	$ 3,019,223	$ 5,460,378	$ 515,308	$ 553,779	$ 12,552,674
Total Additions	$ 5,206,154	$ 3,723,465	$ 9,982,413	$ 1,267,792	$ 1,368,478	$ 21,548,302
DEDUCTIONS						
Benefits	$ 237,167	$ 4,677,715	$ -	$ 728,664	$ -	$ 5,643,546
Refunds of Contributions	1,714,530	-	7,229,938	-	343,203	9,287,671
Administrative Expenses	107,437	52,922	94,167	43,683	7,924	306,133
Total Deductions	$ 2,059,134	$ 4,730,637	$ 7,324,105	$ 772,347	$ 351,127	$ 15,237,350
Net Increase	$ 3,147,020	$ (1,007,172)	$ 2,658,308	$ 495,445	$ 1,017,351	$ 6,310,952
Net Assets at Beginning of Year	36,224,732	42,281,816	103,306,378	10,299,173	8,468,734	200,580,833
Net Assets at End of Year	$ 39,371,752	$ 41,274,644	$ 105,964,686	$ 10,794,618	$ 9,486,085	$ 206,891,785

City of Alexandria, Virginia
Statement of Changes in Fiduciary Net Assets
As of June 30, 2000

Schedule 2

Agency Funds				
Mental Health Client Account	Human Services Special Welfare Account	Human Services Dedicated Fund	Industrial Development Authority	Total
$ -	$ 90,997	$ 85	$ 255,275	$ 346,357
-	-	-	-	-
$ -	$ 90,997	$ 85	$ 255,275	346,357
$ -	$ -	$ -	$ -	$ -
-	-	-	-	-
$ -	$ -	$ -	$ -	$ -
$ -	$ -	$ -	$ -	$ -
$ -	$ 90,997	$ 85	$ 255,275	$ 346,357
-	71,632	150	50,000	121,782
-	-	-	-	-
-	-	-	-	-
$ -	$ 71,632	$ 150	$ 50,000	$ 121,782
$ -	$ 19,365	$ (65)	$ 205,275	$ 224,575
-	7,317	5,272	359,192	371,781
$ -	$ 26,682	$ 5,207	$ 564,467	$ 596,356

CITY OF ALEXANDRIA, VIRGINIA
Statement of Cash Flows - Component Unit - Alexandria Transit Company
For the Year Ended June 30, 2000

Schedule 3

Cash Flows from Operating Activities:		
Cash Received From Customers	$	1,610,283
Cash Payments to Suppliers for Goods and Services		(1,446,401)
Cash Payments to Employees for Services		(3,419,963)
Net Cash Used for Operating Activities	$	(3,256,081)
Cash Flows from Noncapital Financing Activities:		
Transfers-In from Primary Government	$	2,976,940
Cash Received from Nonoperating Grant		42,766
Net Cash Provided by Noncapital and Related Financing Activities	$	3,019,706
Cash Flows from Capital and Related Financing Activities:		
Acquisition of Capital Assets	$	(28,654)
Net Cash Used for Capital and Related Financing Activities	$	(28,654)
Net(Decrease) in Cash and Cash Equivalents	$	(265,029)
Cash and Cash Equivalents at Beginning of Year		2,756,999
Cash and Cash Equivalents at End of Year	**$**	**2,491,970**

Reconciliation of Operating Loss to Cash Used for Operating Activities:		
Operating Loss	$	(4,073,051)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:		
Depreciation Expense	$	712,937
Changes in Assets and Liabilities:		
Decrease (Increase) in Accounts Receivable		55,835
(Increase) in Inventory of Supplies		(6,434)
Decrease (Increase) in Prepaid Expenses		3,107
Increase (Decrease) in Accounts Payable		10,195
Increase in Accrued Liabilities		34,653
Increase in Other Liabilities		6,677
Total Adjustments	$	816,970
Net Cash Used for Operating Activities	**$**	**(3,256,081)**

Noncash Capital and Related Financing Activities:

During Fiscal Year 2000, the City transferred capital assets totaling $1,684,018 to Alexandria Transit.

CITY OF ALEXANDRIA, VIRGINIA
Combining Statement of Changes in Assets and Liabilities - Agency Funds
For the Fiscal Year Ended June 30, 2000

Schedule 4

	Balance July 1, 1999	Additions	Deductions	Balance June 30, 2000
MENTAL HEALTH CLIENT ACCOUNT				
Assets:				
Equity in Pooled Cash and Investments	$ 862	$ -	$ 862	$ -
Liabilities:				
Other Liabilities	$ 862	$ -	$ 862	$ -
Total Liabilities	$ 862	$ -	$ 862	$ -
HUMAN SERVICES SPECIAL WELFARE ACCO				
Assets:				
Cash and Investments with Fiscal Agent	$ 7,317	$ 90,997	$ 71,632	$ 26,682
Liabilities:				
Other Liabilities	$ 7,317	$ 90,997	$ 71,632	$ 26,682
Total Liabilities	$ 7,317	$ 90,997	$ 71,632	$ 26,682
HUMAN SERVICES DEDICATED ACCOUNT				
Assets:				
Cash and Investments with Fiscal Agent	$ 5,272	$ 85	$ 150	$ 5,207
Liabilities:				
Other Liabilities	$ 5,272	$ 85	$ 150	$ 5,207
Total Liabilities	$ 5,272	$ 85	$ 150	$ 5,207
INDUSTRIAL DEVELOPMENT AUTHORITY				
Assets:				
Equity in Pooled Cash and Investments	$ 359,192	$ 255,275	$ 50,000	$ 564,467
Liabilities:				
Other Liabilities	$ 359,192	$ 255,275	$ 50,000	$ 564,467
Total Liabilities	$ 359,192	$ 255,275	$ 50,000	$ 564,467
TOTAL ALL AGENCY FUNDS				
Assets:				
Equity in Pooled Cash and Investments	$ 360,054	$ 255,275	$ 50,862	$ 564,467
Cash and Investments with Fiscal Agent	12,589	91,082	71,782	31,889
Total Assets	$ 372,643	$ 346,357	$ 122,644	$ 596,356
Liabilities:				
Other Liabilities	$ 372,643	$ 346,357	$ 122,644	$ 596,356
Total Liabilities	$ 372,643	$ 346,357	$ 122,644	$ 596,356

CITY OF ALEXANDRIA, VIRGINIA
Schedule of Capital Assets
By Function and Activity
June 30, 2000

Schedule 5

Function and Activity	Land	Building	Machinery and Equipment	Infrastructure	Total
General Government Administration					
Legislative	$ -	$ -	$ 57,094	$ -	$ 57,094
Commissioner of Revenue	-	-	170,792	-	170,792
Treasurer	-	-	170,492	-	170,492
Data Processing	-	-	614,616	-	614,616
Automotive/Motor Pool	183,447	6,419,563	120,626	-	6,723,636
Central Purchasing/Store	-	-	132,730	-	132,730
Print Shop	-	-	347,408	-	347,408
Other General and Financial Administration	10,555,679	29,532,490	1,614,513	-	41,702,682
Board of Elections	-	-	198,143	-	198,143
Total General Government Administration	**$ 10,739,126**	**$ 35,952,053**	**$ 3,426,414**	**$ -**	**$ 50,117,593**
Judicial Administration					
Clerk of the Circuit Court	$ -	$ -	$ 209,429	$	$ 209,429
Sheriff - Courts	-	-	95,614	-	95,614
Other Courts	238,500	14,170,780	235,312	-	14,644,592
Commonwealth's Attorney	-	-	35,271	-	35,271
Total Judicial Administration	**$ 238,500**	**$ 14,170,780**	**$ 575,626**	**$ -**	**$ 14,984,906**
Public Safety					
Other Law Enforcement and Traffic Control	$ 241,667	$ 1,669,441	$ 5,307,145	$ -	$ 7,218,253
Fire Rescue Services	245,854	1,823,197	6,475,410	-	8,544,461
Sheriff - Correction and Detention	1,067,000	-	631,594	-	1,698,594
Other Protection	143,000	176,029	21,461	-	340,490
Total Public Safety	**$ 1,697,521**	**$ 3,668,667**	**$ 12,435,610**	**$ -**	**$ 17,801,798**
Public Works					
Maintenance of Highways, Streets Bridges and Sidewalks	$ 4,372,310	$ -	$ 8,365,727	$ 81,378,896	$ 94,116,933
Sanitation and Waste Removal	-	-	400,869	-	400,869
Maintenance of General Buildings and Grounds	-	36,185,997	154,389	-	36,340,386
Total Public Works	**$ 4,372,310**	**$ 36,185,997**	**$ 8,920,985**	**$ 81,378,896**	**$ 130,858,188**
Health and Welfare					
Health	$ 47,000	$ 767,856	$ 182,207	$ -	$ 997,063
Mental Health and Mental Retardation	29,440	1,449,370	534,601	-	2,013,411
Other Welfare/Social Services	-	8,081,525	1,128,955	-	9,210,480
Total Health and Welfare	**$ 76,440**	**$ 10,298,751**	**$ 1,845,763**	**$ -**	**$ 12,220,954**
Parks - Recreation and Culture					
Parks and Recreation	$ 15,437,555	$ 30,361,574	$ 2,853,942	$ -	$ 48,653,071
Cultural Enrichment	844,062	4,474,703	-	-	5,318,765
Library	6,135,584	17,028,511	319,653	-	23,483,748
Total Parks - Recreation and Culture	**$ 22,417,201**	**$ 51,864,788**	**$ 3,173,595**	**$ -**	**$ 77,455,584**
Community Development					
Planning and Zoning	$ 102,500	$ 6,153,161	$ 76,827	$ -	$ 6,332,488
Environmental Management	-	-	13,312	-	13,312
Total Community Development	**$ 102,500**	**$ 6,153,161**	**$ 90,139**	**$ -**	**$ 6,345,800**
Total Allocation to Function	**$ 39,643,598**	**$ 158,294,197**	**$ 30,468,132**	**$ 81,378,896**	**$ 309,784,823**
Less Accumutlated Depreciation	$ -	$ (42,642,034)	$ (20,695,753)	$ (32,024,810)	$ (95,362,597)
Total	**$ 39,643,598**	**$ 115,652,163**	**$ 9,772,379**	**$ 49,354,086**	**$ 214,422,226**
Construction in Progress					19,678,731
Total Capital Assets					**$ 234,100,957**

Capital Assets includes fixed assets for the governmental activities

CITY OF ALEXANDRIA, VIRGINIA
Schedule of Changes in Capital Assets - Governmental Activities
By Function and Activity

Schedule 6

Function and Activity	Fixed Assets (Restated) 6/30/99	Additions and Transfers	Deductions and Transfers	Fixed Assets 6/30/00
General Government Administration				
Legislative	$ 57,094	$ -	$ -	$ 57,094
Revenue Administration	170,792	-	-	170,792
Treasurer	137,580	32,912	-	170,492
Data Processing	1,298,776	-	684,160	614,616
Automotive/Motor Pool	6,692,224	31,412	-	6,723,636
Central Purchasing/Store	132,730	-	-	132,730
Print Shop	347,408	-	-	347,408
Other General and Financial Administration	41,665,203	65,445	27,966	41,702,682
Board of Elections	185,833	12,310	-	198,143
Total General Government Administration	**$ 50,687,640**	**$ 142,079**	**$ 712,126**	**$ 50,117,593**
Judicial Administration				
Clerk of the Circuit Court	$ 204,150	$ 5,279	$ -	$ 209,429
Sheriff - Courts	95,614	-	-	95,614
Other Courts	14,639,159	5,433	-	14,644,592
Commonwealth's Attorney	33,100	11,405	9,234	35,271
Total Judicial Administration	**$ 14,972,023**	**$ 22,117**	**$ 9,234**	**$ 14,984,906**
Public Safety				
Other Law Enforcement and Traffic Control	$ 7,688,560	$ 264,808	$ 735,115	$ 7,218,253
Fire Rescue Services	8,499,242	396,865	351,646	8,544,461
Sheriff - Correction and Detention	1,542,313	156,281	-	1,698,594
Other Protection	330,096	10,394	-	340,490
Total Public Safety	**$ 18,060,211**	**$ 828,348**	**$ 1,086,761**	**$ 17,801,798**
Public Works				
Maintenance of Highways, Streets Bridges and Sidewalks	$ 13,121,175	$ 1,316,134	$ 1,699,272	$ 12,738,037
Sanitation and Waste Removal	310,635	90,234	-	400,869
Infrastructure	76,640,554	4,738,342	-	81,378,896
Maintenance of General Buildings and Grounds	32,438,475	3,901,911	-	36,340,386
Total Public Works	**$ 122,510,839**	**$ 10,046,621**	**$ 1,699,272**	**$ 130,858,188**
Health and Welfare				
Health	$ 998,183	$ -	$ 1,120	$ 997,063
Mental Health and Mental Retardation	1,544,856	606,002	137,447	2,013,411
Other Welfare/Social Services	9,234,242	-	23,762	9,210,480
Total Health and Welfare	**$ 11,777,281**	**$ 606,002**	**$ 162,329**	**$ 12,220,954**
Parks - Recreation and Culture				
Parks and Recreation	$ 36,480,784	$ 12,259,274	$ 86,987	$ 48,653,071
Cultural Enrichment	5,303,777	14,988	-	5,318,765
Library	4,125,966	19,401,356	43,574	23,483,748
Total Parks - Recreation and Culture	**$ 45,910,527**	**$ 31,675,618**	**$ 130,561**	**$ 77,455,584**
Community Development				
Planning and Zoning	$ 6,301,111	$ 31,377	$ -	$ 6,332,488
Environmental Management	13,312	-	-	13,312
Total Community Development	**$ 6,314,423**	**$ 31,377**	**$ -**	**$ 6,345,800**
Total Capital Assets				
Allocation to Function	**$ 270,232,944**	**$ 43,352,162**	**$ 3,800,283**	**$ 309,784,823**
Construction in Progress	$ 36,280,704	$ 17,718,442	$ 34,320,415	$ 19,678,731
Total	**$ 306,513,648**	**$ 61,070,604**	**$ 38,120,698**	**$ 329,463,554**
Less Depreciation	$ (89,483,241)	$ (9,268,254)	$ (3,388,898)	$ (95,362,597)
Net Capital Assets	**$ 217,030,407**	**$ 51,802,350**	**$ 34,731,800**	**$ 234,100,957**

Capital assets includes fixed assets for the governmental activities

CITY OF ALEXANDRIA, VIRGINIA
Schedule of Capital Assets by Sources
June 30, 2000

Schedule 7

Land and Land Improvements	$	39,643,598
Buildings		158,294,197
Furniture and Other Equipment		30,468,132
Construction in Progress		19,678,731
Infrastructure		81,378,896
Total General Fixed Assets	$	329,463,554
Less Accumulated Depreciation	$	95,362,597
Net Capital Assets	$	234,100,957

Investments in General Fixed Assets		
General Fund	$	93,394,655
Special Revenue Fund		3,960,178
Capital Projects Fund		182,491,102
Donations		26,954,615
Internal Service Fund		22,663,004
Total Investments in General Fixed Assets	$	329,463,554
Less Accumulated Depreciation	$	95,362,597
Net Capital Assets	$	234,100,957

CITY OF ALEXANDRIA, VIRGINIA
Statement of the Director of Finance's Accountability
As of June 30, 2000

Schedule 8

Assets Held by the Director of Finance:				
Cash on Hand	$ 17,290			
Cash in Banks:				
Checking:				
SunTrust Bank Concentration and Controlled Disbursements:				
Primary Government	(596,142)			
Component Unit - School Board	(2,840,424)			
Savings:				
SunTrust Bank Deposit	300,000			
Total Cash on Hand and In Banks		$ (3,119,276)		
Investments:				
SunTrust - Repurchase Agreements:				
Primary Government	$ 9,369,626			
Component Unit - School Board	2,335,530			
Component Unit - Others	268,261			
SunTrust - Commercial Paper:				
Primary Government	26,060,328			
Component Unit - School Board	6,496,192			
Component Unit - Others	746,146			
Obligations of U.S. Government and Its Agencies:				
Primary Government	51,607,913			
Component Unit - School Board	12,864,108			
Component Unit - Others	1,477,564			
Total Investments		$ 111,225,668		
Total Cash and Investments			$ 108,106,392	
Cash With Fiscal Agents:				
Primary Government:				
SunTrust - Human Services, Welfare Account	$ 26,682			
SunTrust - Human Services, Dedicated Account	5,207			
Chase Manhattan - City Debt Service	61,923			
Component Unit - School Board:				
SunTrust - Student Activities Fund	325,680			
Total Cash With Fiscal Agents		$ 419,492		
Investments With Fiscal Agents:				
Primary Government:				
SunTrust - Education Trust	$ 99,432			
SunTrust - Disability Retirement	10,794,618			
Connecticut General Life Insurance Co. - Uniformed Personnel Retirement and City Supplemental	196,097,167			
Component Unit - School Board:				
The Principal Financial Group - Supplemental Retirement	48,380,180			
Total Investments With Fiscal Agents		$ 255,371,397		
Total Cash and Investments With Fiscal Agents			$ 255,790,889	
TOTAL ASSETS				$ 363,897,281
Liabilities of the Director of Finance:				
Balance of Primary Government Funds			$ 293,844,044	
Balance of Component Unit - School Board			67,561,266	
Balance of Component Unit - Alexandria Transit Company			2,491,971	
TOTAL LIABILITIES				$ 363,897,281

Reconciliation	
Total Assets Held by the Director of Finance	$ 363,897,281
Cash and Investments Held in Escrow Account for Developer	1,294,820
Total Cash and Investments per Schedule 10	365,192,101
Cash and Investments Held by Library	1,733,994
Total Cash and Investments	$ 366,926,095

CITY OF ALEXANDRIA, VIRGINIA
Statement of the Director of Finance's Accountability to the Commonwealth
For the Fiscal Year Ended June 30, 2000

Schedule 9

	Balance July 1, 1999	Collections	Remittances	Balance June 30, 2000
Other Collections:				
Share of fees of sheriff and deputies	$ 124	$ 242,683	$ 242,611	$ 196
Commonwealth Attorney Excess Collection Fees	-	8,779	8,779	-
Total	**$ 124**	**$ 251,462**	**$ 251,390**	**$ 196**

CITY OF ALEXANDRIA
VIRGINIA

CITY OF ALEXANDRIA, VIRGINIA
Statement of the Director of Finance's Accountability to the City
For the Fiscal Year Ended June 30, 2000

	Primary Government					
	Governmental Fund Types			Proprietary Fund Types		Fiduciary Fund Types
	General	Special Revenue	Capital Projects	Enterprise	Internal Service	Private Purpose Pension Trust and Agency
Equity in Pooled Cash & Investments, and Cash & Investme With Fiscal Agents June 30, 1999	$ 53,028,674	$ 6,797,129	$ 21,610,731	$ 849,042	$ 10,185,129	$ 200,960,085
Receipts (Net)						
General Property Taxes	$ 183,464,551	$ -	$ -	$ -	$ -	$ -
Other Local Taxes	74,607,937	-	-	-	-	-
Permits, Fees and Licenses	4,380,592	-	-	-	-	-
Fines and Forfeitures	4,237,420	-	-	-	-	-
Use of Money and Property	7,147,378	296,729	229,694	-	-	12,552,674
Charges for Services	8,684,519	5,848,218	5,425	709,005	2,678,787	-
Intergovernmental Revenues	25,609,912	40,100,087	1,658,500	-	-	-
Miscellaneous	705,468	1,533,362	4,975,575	-	-	-
Proceeds from Sale of Property	-	12,441	15,000	-	-	-
Contributions	-	-	-	-	-	9,341,985
Total Receipts	$ 308,837,777	$ 47,790,837	$ 6,884,194	$ 709,005	$ 2,678,787	$ 21,894,659
Total Receipts and Balance	$ 361,866,451	$ 54,587,966	$ 28,494,925	$ 1,558,047	$ 12,863,916	$ 222,854,744
Disbursements (Net):						
Warrants Issued	$ 155,570,229	$ 62,248,827	$ 30,749,852	$ 601,286	$ 3,097,160	$ 15,360,575
Retirement of Indebtedness	6,134,298	-	-	-	-	-
Interest and Other Debt Costs	2,861,267	-	-	-	-	-
Total Disbursements	$ 164,565,794	$ 62,248,827	$ 30,749,852	$ 601,286	$ 3,097,160	$ 15,360,575
Interfund Transfers:						
Transfers In - Primary Government	$ -	$ 18,124,291	$ 12,177,523	$ 300,000	$ 94,410	$ -
Transfers Out - Primary Government	(40,315,003)	(1,612,055)	-	-	-	-
Transfers Out - Component Units	(95,419,429)	-	-	-	-	-
Transfers Out - Component Unit - Library	(3,813,427)	-	-	-	-	-
Equity in Pooled Cash & Investments, and Cash & Investments with Fiscal Agents June 30, 2000	**$ 57,752,798**	**$ 8,851,375**	**$ 9,922,596**	**$ 1,256,761**	**$ 9,861,166**	**$ 207,494,169**

CITY OF ALEXANDRIA, VIRGINIA
Statement of the Director of Finance's Accountability to the City
For the Fiscal Year Ended June 30, 2000

Schedule 10

Component Units			
School Board	Library	Alexandria Transit Company	Total (Memorandum Only)
$ 62,621,669	$ 52,044	$ 2,756,999	$ 358,861,502
$ -	$ -	$ -	$ 183,464,551
-	-	-	74,607,937
-	-	-	4,380,592
-	-	-	4,237,420
3,112,956	-	-	23,339,451
3,061,331	-	1,610,283	22,597,568
27,946,094	-	42,766	95,357,359
811,910	-	-	8,026,315
-	-	-	27,441
1,680,080	-	-	11,022,065
$ 36,612,371	$ -	$ 1,653,049	$ 427,060,679
$ 99,234,040	$ 52,044	$ 4,410,048	$ 785,922,181
$ 135,318,707	$ 3,892,861	$ 4,895,018	$ 411,761,905
-	-	-	6,134,298
-	-	-	2,861,267
$ 135,318,707	$ 3,892,861	$ 4,895,018	$ 420,757,470
$ 103,645,933	$ 3,840,817	$ 2,976,940	$ 141,159,914
-	-	-	(41,899,668)
-	-	-	(95,419,429)
-	-	-	(3,813,427)
$ 67,561,266	$ -	$ 2,491,970	$ 365,192,101

CITY OF ALEXANDRIA
VIRGINIA

STATISTICAL SECTION

CITY OF ALEXANDRIA, VIRGINIA
General Governmental Expendititures by Function
Last Ten Fiscal Years

TABLE I

Fiscal Year	General Government	Judicial Administration	Public Safety	Public Works	Health and Welfare	Parks Recreation & Culture	Community Development	Education	Capital Projects	Debt Service	Transit Subsidies	Total
1991	$ 17,337,139	$ 6,657,551	$ 50,143,884	$ 21,279,061	$ 34,889,456	$ 11,941,641	$ 6,130,970	$ 79,756,881	$ 13,257,492	$ 17,434,602	$ 2,615,400	$ 261,444,077
1992	19,030,485	7,637,784	51,867,539	20,478,994	36,444,753	12,810,209	6,103,373	83,028,600	11,545,259	15,631,069	2,886,170	267,464,235
1993	20,526,295	7,793,401	51,118,778	20,603,919	39,154,503	12,960,682	5,602,574	84,635,709	10,480,583	15,013,892	3,513,777	271,404,113
1994	18,961,931	8,119,098	53,104,029	22,094,868	44,000,562	12,822,185	5,708,894	85,632,221	15,971,143	11,611,763	2,809,939	280,836,633
1995	20,059,127	8,633,141	54,605,853	21,686,397	47,110,961	13,143,050	6,296,470	88,224,325	14,962,695	12,310,320	3,727,824	290,760,163
1996	22,849,352	9,756,306	56,665,904	23,403,958	48,619,467	14,074,527	6,794,157	93,792,597	20,715,242	10,934,791	5,296,325	312,902,626
1997	22,649,041	10,151,461	59,353,935	23,461,350	53,631,151	13,772,882	7,218,123	102,462,593	18,944,011	9,996,413	4,607,952	326,248,912
1998	23,511,187	11,265,740	63,447,360	24,205,854	56,682,171	14,303,767	9,488,803	108,897,023	29,939,839	9,511,626	3,352,370	354,805,740
1999	24,449,390	11,675,184	64,995,148	24,374,398	60,466,818	14,921,155	8,436,783	114,123,738	42,985,188	11,695,250	2,613,857	380,736,909
2000	27,270,855	11,548,768	66,460,705	27,434,919	61,993,092	15,854,569	9,259,067	132,553,056	30,189,913	8,995,565	2,027,547	393,588,056

Includes expenditures for the General Fund, Special Revenue Fund and Capital Projects Fund of the Primary Government and expenditures for the School Board and Library Component Units.

CITY OF ALEXANDRIA, VIRGINIA
General Governemental Revenues and Other Financing Sources
Last Ten Fiscal Years

TABLE II

Fiscal Year	General Property Taxes	Other Local Taxes	Permits Fees & Licenses	Fines & Forfeitures	Use of Money & Property	Charges for Services	Intergovern-mental Revenues	Sale of Surplus Property	Miscellaneous & Non-Revenue Receipts	Total
1991	$ 147,177,029	$ 47,619,111	$ 1,105,867	$ 1,807,657	$ 8,288,153	$ 9,476,312	$ 51,942,124	$ 339,196	$ 4,386,516	$ 272,141,965
1992	151,846,062	48,916,306	1,110,887	1,832,126	6,528,017	10,587,854	52,952,747	346,607	1,825,965	275,946,571
1993	146,220,594	50,715,400	1,301,480	3,373,892	6,091,354	12,626,031	51,690,555	0	3,751,485	275,770,791
1994	149,469,407	54,129,241	1,741,711	3,944,289	5,818,863	13,713,094	54,807,261	380,878	4,175,396	288,180,140
1995	147,179,136 *	59,837,887 *	1,780,013	3,889,875	8,696,630	13,616,085 *	58,936,080	224,300	3,301,774	297,461,780
1996	150,796,382	57,367,755	1,999,200	3,649,423	9,009,110	14,855,462	64,996,772	46,047	3,151,484	305,871,635
1997	155,719,408	58,025,734	2,671,637	3,851,770	7,817,213	15,996,530	70,462,302	138,412	4,787,200	319,470,206
1998	163,481,396	63,160,242	3,189,511	4,237,384	8,027,212	15,934,922	71,871,924	1,482,702	4,397,332	335,782,625
1999	174,452,574	68,947,100	3,330,371	4,740,675	8,376,313	16,274,627	73,940,451	169,180	6,287,525	356,518,816
2000	183,296,264	75,040,938	4,380,592	4,237,420	7,631,426	16,335,524	95,628,230	27,441	8,076,198	394,654,033

Includes revenues, proceeds from sale of surplus property and proceeds from capital leases for the General, Special Revenue and Capital Projects Funds of the Primary Government and the School Board and Library Component Units.

* Revenues include additional accruals as a result of the implementation of Governmental Accounting Standards Board (GASB) Statement No. 22 during Fiscal Year 1995. These additional accruals are comprised of $11,612 in General Property Taxes (Penalties and Interest), $3,356,909 in other Local Taxes and $40,312 in Charges for Services.

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

TABLE III

Fiscal Year	General Property Taxes			Other Local Taxes											
	Real Estate	Personal	Penalties and Interest	Local Sales	Utility	Business License	Cable TV Franchise License	Motor Vehicle License	Bank Franchise	Tobacco	Recordation	Transient Lodging	Restaurant Food	Other	Total
1991	$ 117,727,892	$ 27,735,539	$ 1,713,598	$ 12,755,829	$ 11,792,914	$ 11,679,433	$ 394,479	$ 1,942,591	$ 578,413	$ 1,155,943	$ 855,769	$ 2,469,879	$ 3,975,293	$ 18,568	$ 194,796,140
1992	122,067,101	27,846,656	1,932,305	12,753,711	12,592,984	11,804,762	425,409	1,950,773	401,862	1,155,689	790,259	2,842,366	4,171,872	26,619	200,762,368
1993	116,259,446	27,907,087	2,054,061	13,209,472	12,835,378	12,118,296	462,500	1,951,107	427,863	1,421,275	966,698	2,973,228	4,290,626	58,957	196,935,994
1994	118,624,267 **	28,639,107	2,206,033	13,923,374	13,404,274	12,352,130	442,968	1,962,824	569,764	1,425,200	1,200,164	3,132,148	5,704,652	11,743	203,598,648
1995	114,249,561	30,920,789	2,008,786 *	16,751,141 *	14,738,248 *	14,118,651 *	483,174	2,000,917	627,938	1,414,079	875,202	2,766,156	6,011,871	50,510 *	207,017,023
1996	114,489,608	34,017,236	2,289,538	14,631,265	14,026,826	14,070,809	494,074	1,974,082	828,981	1,641,880	851,022	3,007,115	5,797,139	44,562	208,164,137
1997	116,260,580	37,159,733	2,299,095	15,543,633	13,875,737	14,093,577	491,671	1,147,403	811,909	1,769,440	1,026,652	3,325,672	5,897,370	42,670	213,745,142
1998	124,085,617	36,959,003	2,436,776	16,840,794	14,306,024	15,750,740	619,112	2,031,038	880,989	1,702,955	1,311,463	3,478,983	6,194,813	43,331	226,641,638
1999	131,094,190	41,093,457	2,264,927	18,552,625	14,426,824	16,707,988	791,691	2,040,226	1,110,481	1,649,055	2,022,539	4,129,594	7,057,069	459,008 ***	243,399,674
2000	142,401,311	38,435,852	2,459,101	19,802,533	15,034,992	19,022,675	836,041	2,173,654	991,609	1,647,047	1,710,477	5,228,467	7,911,895	681,548 ***	258,337,202

* Revenues include additional accruals as a result of the implementation of Governmental Accounting Standards Board (GASB) Statement No. 22 during Fiscal Year 1995. These additional accruals are comprised of $11,612 in Penalties and Interest; $1,334,532 in Local Sales Taxes; $1,223,950 in Consumer Utility Taxes and $23,327 in Emergency-911 tax (Combined in the Utility category); $766,348 in Business License Taxes; and $8,752 in Other Local Taxes.

** This amount includes the receipt of real estate taxes from railroad tax settlements.

*** Other Revenues include $655,212 in Fiscal Year 2000 and $422,874 in Fiscal Year 1999 for Telecommunication Tax.

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

TABLE IV

Calendar Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections and Adjustments	Total Tax Collections and Adjustments	Total Collections as Percent of Current Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as Percent of Current Levy
1990	116,689,772	$ 114,670,677	98.27	$ 337,941	$ 115,008,618	98.56	$ 3,897,301	3.33
1991	126,764,307	120,062,658	94.71	2,640,790	122,703,448	96.80	6,066,183	4.79
1992	117,446,840	113,374,714	96.53	2,533,184	115,907,898	98.69	7,300,184	6.22
1993	116,783,957	114,453,443	98.00	4,623,451	119,076,894	101.96	2,695,005	2.31
1994	116,123,123	112,288,685	96.70	6,297,109	118,585,794	102.12	2,215,618	1.91
1995	116,010,479	113,117,609	97.51	2,291,608	115,409,217	99.46	4,046,956	3.49
1996	117,048,707	114,138,753	97.51	2,151,712	116,290,465	99.35	4,081,238	3.49
1997	119,250,138	116,723,834	97.88	2,086,986	118,810,820	99.63	4,234,760	3.55
1998	128,737,116	126,262,191	98.17	3,061,208	129,323,399	100.50	3,450,061	2.68
1999	135,147,210	133,102,406	98.49	2,322,594	135,400,000	101.73	3,270,759	2.42

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

TABLE V

Calendar Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections and Adjustments	Total Tax Collections and Adjustments	Total Collections as Percent of Current Levy	Outstanding Delinquent Taxes*	Outstanding Delinquent Taxes as Percent of Current Levy
1989	$ 24,750,949	$ 22,971,198	92.81	$ 843,093	$ 23,814,291	96.22	$ 5,446,283	22.00
1990	30,295,136	27,519,974	90.84	1,047,690	28,567,664	94.30	6,943,922	22.92
1991	32,396,182	27,758,549	85.68	2,271,700	30,030,249	92.70	8,321,333	25.69
1992	32,293,317	27,680,662	85.72	1,219,780	28,900,442	89.49	10,594,523	32.81
1993	33,515,189	28,223,436	84.21	1,013,530	29,236,966	87.23	12,356,308	36.87
1994	37,649,972	30,634,086	81.37	1,559,914	32,194,000	85.51	14,530,938	38.59
1995	42,737,731	33,773,610	79.03	3,835,485	37,609,095	88.00	18,393,641	43.04
1996	46,981,439	36,482,056	77.61	4,595,984	41,058,040	87.39	22,153,260	47.15
1997	53,130,876	36,972,491	69.59	16,209,512 *	53,182,003	100.10	18,820,013	35.42
1998	52,119,625	39,528,946	75.84	4,218,925	43,747,871	83.94	14,601,085	28.01
1999	52,177,876	41,507,247	79.60	1,776,937	43,284,184	82.97	13,521,482	25.90

*Delinquent personal property taxes are charged off by authority of existing ordinance.

The City of Alexandria aggressively levies a personal property tax even where individuals and businesses have failed to file. For example, if a business is licensed in the City and fails to file a business personal property tax return, that business is automatically billed on the basis of an assumed $75,000 in personal property. If a business filed a personal property tax return last year and fails to file a return this year, that business is automatically billed 115 percent of last year's tax levy. If an individual registered his or her automobile last year and fails to register this year, he or she is billed based on last year's registration. If an individual registers his or her vehicle with the department of motor vehicles and fails to register with the City, he or she is automatically billed based on the DMV description of the vehicle. In most cases these personal property tax bills are ultimately reduced or relieved; as of June 30, 2000, approximately 90% of the outstanding tax bills from business were not based on actual filings. Because the validity of these billings cannot be known at the time personal propert taxes are levied, they are included in the total tax levy and artificially reduce the City's collection rate.

*In FY 1998 additional adjustments, in the amount of $14,785,478, were made to reflect the deletion of certain statutorily assessed non-filer accounts for tax years 1993-1997. The criteria for deletion of these accounts was that they were statutorily assessed for more than three years, no decal has been purchased for more than three years, and there is no move-out or disposal date on the account.

CITY OF ALEXANDRIA, VIRGINIA
Assessed and Estimated Actual Value of Taxable Property
Last Ten Calendar Years

TABLE VI

Tax Year	Real Property		Personal Property		Total		Ratio of Total
	Assessed Value ($000)	Estimated Actual Value ($000)	Assessed Value ($000)	Estimated Actual Value ($000)	Assessed Value ($000)	Estimated Actual Value ($000)	Assessed to Total Estimated Actual Value
1991	$12,141,932	$12,141,932	$731,518	$731,518	$12,873,450	$12,873,450	100%
1992	11,243,911	11,243,911	752,647	752,647	11,996,558	11,996,558	100
1993	11,026,978	11,026,978	763,252	763,252	11,790,230	11,790,230	100
1994	10,818,324	10,818,324	794,045	794,045	11,612,369	11,612,369	100
1995	19,837,314	19,837,314	880,238	880,238	11,717,552	11,717,552	100
1996	10,942,274	10,942,274	992,840	992,840	11,935,114	11,935,114	100
1997	11,170,803	11,170,803	1,106,514	1,106,514	12,277,316	12,277,316	100
1998	11,605,290	11,605,290	1,156,066	1,156,066	12,761,356	12,761,356	100
1999	12,187,520	12,187,520	1,206,755	1,206,755	13,394,275	13,394,275	100
2000	13,295,308	13,295,308	1,260,473	1,260,473	14,555,781	14,555,781	100

CITY OF ALEXANDRIA, VIRGINIA
General Property Tax Rates per $100 of Assessed Value
Last Ten Calendar Years

TABLE VII

	Real Property	Personal Property	
Tax Year	Real Estate	Motor Vehicles And Tangibles	Machine Tools
1991	$1.04	$4.75	$4.50
1992	1.04	4.75	4.50
1993	1.07	4.75	4.50
1994	1.07	4.75	4.50
1995	1.07	4.75	4.50
1996	1.07	4.75	4.50
1997	1.07	4.75	4.50
1998	1.11	4.75	4.50
1999	1.11	4.75	4.50
2000	1.11	4.75	4.50

The City is autonomous from any city, town or other political subdivision of the Commonwealth of Virginia, and there is no overlapping taxing power with other political subdivisions.

CITY OF ALEXANDRIA, VIRGINIA
2000 Tax Rates for Major Revenue Sources

TABLE VIII

Real Estate Tax	$1.11 per $100 assessed value
Personal Property Tax	$4.50 per $100 assessed value (machinery and tools)
	$4.75 per $100 assessed value (tangible personal property)
	$3.55 per $100 assessed value (handicap vehicles)
Utility Tax (for residential users)	15% for water
	16% for gas ($2.40 maximum)
	16% for electricity ($2.40 maximum)
	25% for telephone (on local service only)
Utility Tax (for commercial users)	15% of the first $150 of monthly bill for water
	8.5% of monthly utility bill for gas
	4.5% of monthly utility bill for gas (interruptible)
	8.5% of monthly utility bill for electricity
	25% of the first $150 of local service charges for telephone
Business and Professional Licenses	
Alcoholic Beverages	$5 - $1,500
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
Restaurants	$0.20 per $100 gross receipts
Contractors	$0.16 per $100 gross receipts
Wholesale Merchants	$0.05 per $100 total purchases
Public Utilities	
Telephone Co.	$1.03 per $100 gross receipts
Telegraph Co.	$2.00 per $100 gross receipts
Water, heat, electric and gas companies	$0.50 per $100 gross receipts
E-911 Tax	$0.50 per line per month
Public Rights-of-Way Use Fee	$0.57 per line per month
Local Sales Tax	1% added to the rate of the state retail tax imposed
Daily Rental Tax	1% on the gross proceeds
Cigarette Tax	$0.30 on each package of twenty cigarettes
Transient Lodging Tax	5.5% of total amount paid for room rental plus
	$1 per night lodging fee
Restaurant Meal Tax	3% on all food and drink
Recordation Tax	
Deed of Bargain and Sale	
Grantor	$0.50 per $1,000 of sales price
Grantee	$0.50 per $1,000 of sales price
Deed of Trust	$0.50 per $1,000 of value

SOURCE: Department of Finance, Revenue Administration

CITY OF ALEXANDRIA, VIRGINIA
Computation of Legal Debt Margin
as of June 30, 2000

TABLE IX

Assessed Value of Real Property, January 1, 2000		$ 13,295,308,000
Debt Limit: 10 Percent of Assessed Value		$ 1,329,530,800
Amount of Debt Applicable to Debt Limit:		
General Obligation Bonds	$114,690,000	
Total General Obligation Debt		114,690,000
LEGAL DEBT MARGIN		$ 1,214,840,800

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 first reading of an ordinance authorizing the issuance of the bonds, followed by a notice of public hearing at a subsequent meeting and the final passage on second reading following the public hearing.

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 per cent 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 X

Year	Population (2)	Assessed Value ($000)	Outstanding Debt	Outstanding Debt as a Percentage of Assessed Value	Outstanding Debt Per Capita	Debt Per Capita as a Percentage of Per Capita Income (3)
1991	113,000	$ 12,873,450	$ 71,970,000	0.559 %	$ 637	2.04
1992	115,000	11,996,558	64,550,000	0.538	561	1.77
1993	116,000	11,790,230	54,875,000	0.465	473	1.46
1994	116,400	11,612,369	60,380,000	0.520	519	1.58
1995	117,000	11,717,552	52,255,000	0.446	447	1.31
1996	117,300	11,935,114	44,725,000	0.375	381	1.08
1997	117,600	12,277,316	37,610,000	0.306	320	0.82
1998	119,500	12,761,356	30,585,000	0.240	256	0.60
1999	121,700	13,394,275	65,710,000	0.491	540	1.24
2000	123,200	14,555,781	114,690,000	0.788	931	2.01

(1) Net General Debt includes general obligation bonds and term notes.
(2) SOURCE: Alexandria Department of Planning and Zoning
(3) Per capita income represents data that is generally two years old and are based on original per capita data published by the federal Department of Commerce.

CITY OF ALEXANDRIA, VIRGINIA
Overlapping Debt & Debt History
June 30, 2000

TABLE XI

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 and 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.

CITY OF ALEXANDRIA, VIRGINIA
Ratio of Annual Debt Service Expenditures for Net General Debt(1) to Total General Expenditures
Last Ten Fiscal Years

TABLE XII

Year	Principal	Interest and Other Costs	Total Debt Service	General Expenditures (2)	Ratio of Debt Service to General Governmental Expenditures
1991	$ 10,325,000	$ 5,648,600	$ 15,973,600	$ 261,444,099	6.11%
1992	9,925,000	4,248,013	14,173,013	267,381,588	5.30
1993	9,675,000	3,965,181	13,640,181	271,404,113	5.03
1994	7,160,000	3,123,070	10,283,070	280,836,633	3.66
1995	8,125,000	2,925,739	11,050,739	290,760,163	3.80
1996	7,530,000	11,935,114	10,112,095	312,902,626	3.23
1997	7,115,000	2,174,745	9,289,745	326,248,912	2.85
1998	7,025,000	1,802,610	8,827,610	354,805,740	2.49
1999	4,875,000	1,475,549	6,350,549	380,736,909	1.67
2000	6,020,000	2,846,071	8,866,071	393,588,056	2.25

(1) Net General Debt includes general obligation bonds and term notes.
(2) Includes expenditures for School Board and Library component units

CITY OF ALEXANDRIA, VIRGINIA
Demographic Statistics
June 30, 2000

TABLE XIII

Population

Calendar Year	Population	Calendar Year	Population
1950	61,787	1980	103,217
1960	91,023	1990	111,183
1970	110,938	2000 Estimate	123,200

SOURCE: U.S. Bureau of Census, "General Population Characteristics"

POPULATION INDICATORS
PER CAPITA INCOME*

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Alexandria	$29,181	$31,034	$31,789	$33,024	$34,862	$36,108	$38,822	$39,706	$41,982	$43,930	$46,290
Arlington	$28,437	$30,409	$31,789	$32,828	$34,792	$36,226	$37,671	$39,606	$41,549	$44,127	$46,667
Fairfax (includes Fairfax City and Falls Church)	$27,594	$29,474	$31,244	$32,397	$33,611	$35,250	$36,689	$38,055	$39,531	$41,910	$44,303
Washington PMSA	$23,915	$25,580	$26,809	$27,586	$28,693	$29,863	$30,965	$31,789	$32,896	$34,318	$36,043

***These numbers have been revised by the BEA.**

SOURCE: U.S. Bureau of Economic Analysis

MEDIAN HOUSEHOLD EFFECTIVE BUYING INCOME
WASHINGTON, D.C. METROPOLITAN AREA

	2000
Washington Region	$54,149
Fairfax County (Va.)	71,788
Arlington County (Va.)	53,293
Alexandria (Va.)	49,100
Montgomery County (Md.)	61,127
Prince George's County (Md.)	47,234

SOURCE: Survey of Buying Power, Sales and Marketing Management Magazine

CITY OF ALEXANDRIA, VIRGINIA
Property Value, Construction and Bank Deposits
Last Ten Calendar Years
(in thousands)

TABLE XIV

	Commercial Construction(1)		Residential Construction(1)			Property Value(3)		
Tax Year	of Units	Value ($000)	Number of Units	Value ($000)	Number Bank Deposits(2)	Commercial	Residential	Total
1991	4	$30,223	184	$19,255	$1,551,605	$6,563,270	$5,578,662	$12,141,932
1992	8	12,840	110	22,994	1,583,215	5,841,899	5,402,012	11,243,911
1993	5	8,488	232	26,916	1,630,814	5,561,158	5,465,820	11,026,978
1994	12	6,207	244	27,629	1,512,697	5,355,318	5,462,996	10,818,314
1995	13	14,254	360	38,432	1,593,160	5,260,736	5,576,578	10,837,314
1996	22	41,355	658	39,611	1,683,956	5,284,168	5,658,106	10,942,274
1997	23	59,865	388	48,401	1,733,243	5,428,427	5,742,376	11,170,803
1998	24	62,707	1,839	142,081	1,965,394	5,722,494	5,882,796	11,605,290
1999	23	43,773	1,300	94,153	1,551,353	6,018,465	6,169,055	12,187,520
2000	6	24,886	1,546	732,099	1,612,925	6,578,366	6,716,942	13,295,308

SOURCE: (1) City of Alexandria Fire Department, Code Enforcement Bureau, as reported by applicants
(2) Department of Finance, Revenue Division
(3) Department of Real Estate Assessments, as adjusted

CITY OF ALEXANDRIA, VIRGINIA
Principal Taxpayers
June 30, 2000

TABLE XV

Private Property

Owner's Name	Property	2000 Assessed Value	Percentage of Total Assessed Valuation
1. Carlyle Development	Vacant Land/Office Building	$137,324,900	1.03%
2. Aimco Foxchase LP	Foxchase Apartments	118,000,000	0.89
3. Potomac Yard Retail, Inc.	Potomac Yard Retail Center	106,000,000	0.79
4. Winkler, Harold, et. al	Southern Towers Apartments	105,177,600	0.79
5. Landmark Mall, LLC.	Landmark Mall	96,671,600	0.73
6. SAP II-III/Stellar Housing Partnership	Oakwood Apartments	93,377,000	0.70
7. Commonwealth Atlanta Land, Inc.	Vacant Land/Warehouses	79,784,300	0.60
8. Hoffman Buildings LP	Office Building	64,000,000	0.48
9. Laszlo N. Tauber & Associates LP	Office Building	63,657,000	0.48
10. Avalon Properties, Inc.	Avalon Apartments	59,499,000	0.45

Public Service Companies

Owner's Name	2000 Assessed Value	Percentage of Total Assessed Valuation
1.Potomac Electric Power Company	$233,991,894	1.76%
2.Virginia Electric Power Company	117,605,560	0.89
3.Bell Atlantic Virginia, Inc.	90,908,350	0.68
4.Norfolk Southern Railway Company	52,758,463	0.40
5.Richmond, Fredericksburg & Potomac Railway Co.	42,307,569	0.32
6.Virginia American Water Company	31,953,350	0.24
7.Washington Gas Light Company	28,198,090	0.21
8.Jones Telecommunications of Virginia, Inc.	21,638,134	0.16
9.Washington DC SMSA Limited Partnership	6,987,033	0.05
10. American Telephone & Telegraph Co. of Virginia, Inc.	3,124,476	0.02

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

TABLE XVI

Fiscal Year	Total Enrollment[1]	Number Receiving Free or Reduced Meals	Number in English as Second Language	Number Receiving Special Education	Number in Elementary School Gifted and Talented Programs[2]	Number in Middle (6-8) School Gifted and Talented Programs
1996	10,043	5,051	1,213	1,800	604	527
1997	10,156	5,189	1,288	1,850	552	515
1998	10,488	5,556	1,187	1,794	617	475
1999	10,788	5,537	1,395	1,841	678	474
2000	11,245	5,763	1,611	1,918	773	823

[1] As of September 30

SOURCE: City of Alexandria Public School System

CITY OF ALEXANDRIA, VIRGINIA
General Fund
City Departments' Expenditures Detail by Function
For the Fiscal Year Ended June 30, 2000

TABLE XVII

	General Government	Judicial Administration	Public Safety	Public Works	Health and Welfare	Parks Recreation & Culture	Community Development	Education	Transit Subsidies	Debt Service	Total
Expenditures:											
City Council	$ 418,918	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 418,918
City Manager	804,572	-	-	-	-	-	-	-	-	-	804,572
Legislative Director	168,343	-	-	-	-	-	-	-	-	-	168,343
Citizens Assistance	-	-	503,714	-	-	-	-	-	-	-	503,714
Human Relations	1,255,051	-	-	-	-	-	-	-	-	-	1,255,051
18th Circuit Court	-	779,351	-	-	-	-	-	-	-	-	779,351
18th General District Court	-	62,421	-	-	-	-	-	-	-	-	62,421
Juvenile and Domestic Relations Cour	-	20,304	-	-	-	-	-	-	-	-	20,304
Commonwealth's Attorney	-	1,795,478	-	-	-	-	-	-	-	-	1,795,478
Sheriff	-	3,687,487	11,554,946	-	-	-	-	-	-	-	15,242,433
Clerk of Courts	-	1,170,850	-	-	-	-	-	-	-	-	1,170,850
Other Correctional Activities	-	2,675,082	-	-	-	-	-	-	-	129,494	2,804,576
Court Services	-	413,651	-	-	-	-	-	-	-	-	413,651
Financial and Information Services	12,871,386	-	-	-	-	-	-	-	-	-	12,871,386
City Clerk and Clerk of Council	291,469	-	-	-	-	-	-	-	-	-	291,469
Personnel	1,673,939	-	-	-	-	-	-	-	-	-	1,673,939
Planning and Zoning	-	-	-	-	-	-	3,364,510	-	-	-	3,364,510
City Attorney	1,173,435	-	-	-	-	-	-	-	-	-	1,173,435
Registrar	636,312	-	-	-	-	-	-	-	-	-	636,312
General Services	2,411,512	-	-	5,990,131	-	-	-	-	-	-	8,401,643
Transportation and Environmental Services	-	-	-	13,736,379	-	-	407,074	-	-	-	14,143,453
Transit Subsidies	-	-	-	-	-	-	-	-	2,027,547	-	2,027,547
Fire	-	-	22,017,657	-	-	-	-	-	-	-	22,017,657
Police	-	-	30,613,559	-	-	-	-	-	-	-	30,613,559
Office of Housing	-	-	-	-	-	-	811,792	-	-	-	811,792
Mental Health/Mental Retardation and Substance Abuse	-	-	-	-	469,040	-	-	-	-	-	469,040
Health	-	-	-	-	5,568,522	-	21,968	-	-	-	5,590,490
Human Services	-	-	-	-	4,641,423	-	-	-	-	-	4,641,423
Human Services Contributions	-	-	-	-	855,254	-	-	-	-	-	855,254
Office of Historic Alexandria	-	-	-	-	-	1,929,740	-	-	-	-	1,929,740
Recreation and Cultural Activities	-	-	-	2,900,869	-	9,148,807	-	-	-	-	12,049,676
Other Educational Activities	-	-	-	-	-	-	-	13,120	-	-	13,120
Miscellaneous	5,257,881	-	86,998	-	707,193	-	27,673	-	-	8,866,071	14,945,816
Total Expenditures	$ 26,962,818	$ 10,604,624	$ 64,776,874	$ 22,627,379	$ 12,241,432	$ 11,078,547	$ 4,633,017	$ 13,120	$ 2,027,547	$ 8,995,565	$ 163,960,923

CITY OF ALEXANDRIA, VIRGINIA
General Fund
Revenues, Expenditures, Encumbrances, Transfers and Changes in Undesignated Fund Balance
For the Fiscal Year Ended June 30, 2000

TABLE XVIII

	Revenues/ Expenditures	Encumbrances	Transfers Out and Other Financing Uses	Total
Revenues:				
General Property Taxes	$ 183,296,264	$ -	$ -	$ 183,296,264
Other Local Taxes	75,040,938	-	-	75,040,938
Permits, Fees and Licenses	4,380,592	-	-	4,380,592
Fines and Forfeitures	4,237,420	-	-	4,237,420
Use of Money and Property	7,078,467	-	-	7,078,467
Charges for Services	8,684,519	-	-	8,684,519
Intergovernmental Revenues	25,606,354	-	-	25,606,354
Miscellaneous	705,468	-	-	705,468
Total Revenues	$ 309,030,022	$ -	$ -	$ 309,030,022
Primary Government Expenditures:				
City Council	$ 418,918	$ -	$ -	$ 418,918
City Manager	804,572	9,716	-	814,288
Legislative Director	168,343	-	-	168,343
Citizens Assistance	503,714	25,738	-	529,452
Human Relations	1,255,051	-	-	1,255,051
18th Circuit Court	779,351	3,507	-	782,858
18th General District Court	62,421	10,500	-	72,921
Juvenile and Domestic Relations Courts	20,304	9,541	-	29,845
Commonwealth's Attorney	1,795,478	18,346	-	1,813,824
Sheriff	15,242,433	35,964	-	15,278,397
Clerk of Courts	1,170,850	143,488	-	1,314,338
Law Library	-	-	47,406	47,406
Other Correctional Activities	2,804,576	-	-	2,804,576
Court Services	413,651	11,743	425	425,819
Financial and Information Services	12,871,386	604,252	-	13,475,638
City Clerk and Clerk of Council	291,469	2,200	-	293,669
Personnel	1,673,939	68,498	-	1,742,437
Planning and Zoning	3,364,510	36,898	-	3,401,408
City Attorney	1,173,435	5,240	-	1,178,675
Registrar	636,312	48,962	-	685,274
General Services	8,401,643	242,154	-	8,643,797
Transportation and Environmental Services	14,143,453	785,667	360,643	15,289,763
Transit Subsidies	2,027,547	-	-	2,027,547
Fire	22,017,657	96,588	-	22,114,245
Police	30,613,559	255,452	156,399	31,025,410
Office of Housing	811,792	1,439	155,688	968,919
Mental Health/Mental Retardation/Substance Abuse	469,040	-	7,759,547	8,228,587
Health	5,590,490	3,667	136,707	5,730,864
Human Services	4,641,423	207,647	9,774,511	14,623,581
Human Services Contributions	855,254	350	-	855,604
Office of Historic Alexandria	1,929,740	30,403	-	1,960,143
Recreation and Cultural Activities	12,049,676	68,198	2,852	12,120,726
Other Educational Activities	13,120	-	-	13,120
Miscellaneous	14,945,816	480,941	30,113	15,456,870
Capital Projects	-	-	21,863,322	21,863,322
Total Primary Government Expenditures, Encumbrances and Transfers Out	$ 163,960,923	$ 3,207,099	$ 40,287,613	$ 207,455,635
Transfers Out to Component Units:				
Library	$ -	$ -	$ 3,813,427	$ 3,813,427
Schools	-	-	92,442,489	92,442,489
Transit Subsidies (Alexandria Transit Company)	-	-	2,976,940	2,976,940
Total Transfers Out to Component Units	$ -	$ -	$ 99,232,856	$ 99,232,856
Total Expenditures, Encumbrances, Transfers Out - Primary Government and Component Units	$ 163,960,923	$ 3,207,099	$ 139,520,469	$ 306,688,491
Expenditures, Encumbrances, Transfers Out & Other Financing Uses in Excess of Revenues				$ 2,341,531
FY 1999 Encumbrances Paid in FY 2000				4,500,090
Other Changes in Reserved Fund Balance				
Undesignated Fund Balance at Beginning of Year				19,630,955
(Increases) Decreases in Designated Fund Balance:		FY 1999	FY 2000	
Subsequent Year's Budget		$ 409,198	$ 2,921,512	(2,512,314)
Compensated Absences		6,818,845	7,208,635	(389,790)
Subsequent Year's Capital Expenditures		14,512,259	17,451,193	(2,938,934)
Self-insurance		5,000,000	5,000,000	-
Career Ladders		289,763	-	289,763
Incomplete Projects		-	914,662	(914,662)
Undesignated Fund Balance at End of Year				$ 20,006,639

CITY OF ALEXANDRIA, VIRGINIA
Miscellaneous Statistical Data
As of June 30, 2000

TABLE XIX

Date of Incorporation	1779
Date of City Charter	1922
Form of Government	Council-Manager
Number of Full-Time City Positions (Other than Schools)	2,173
Number of Full-Time Equivalent School Positions	2,008

Land Area

15.75 Square Miles

Elevation

30 Feet Above Sea Level

Climate

Average January Temperature 34.6°
Average July Temperature 80°

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.

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

2000 Resident Population	123,200
Number of Households - 2000 Estimate	59,900
Household Size (1990 U.S. Census)	2.04 Persons Per Unit
1990 Population by Race:	
White	64.3%
Black	21.5%
Native American	0.3%
Asian and Pacific Islanders	4.1%
Hispanic	9.7%
Other	0.1%
1990 Population by Age:	
(1-19)	18,829
(20-34)	41,004
(35-64)	39,961
(65 +)	11,389
Registered Voters June 2000	68,336
Temporary Assistance to Needy Families (Cases) - Monthly Average, 2000	650
Food Stamps (Cases) - Monthly Average, 2000	1,387
Medicaid (Cases) - Monthly Average, 2000	4,102

Economy

Employed Residents, June 2000	79,931
Unemployed Residents, June 2000	1,415
Unemployed Rate, June 2000	1.8%
Persons Employed at Job Sites in Alexandria, Quarterly Average, December, 1999 per Virginia Employment Commission	90,093
Washington MSA Inflation Rate, based on Consumer Price Index, for FY 2000	3.0%

CITY OF ALEXANDRIA, VIRGINIA

Miscellaneous Statistical Data

As of June 30, 2000

TABLE XIX

(Continued)

Housing	2000	1999
Total Housing Units	64,849	64,030
Type of Single-Family Housing		
Detached	9,062	9,032
Semi-Detached	4,986	4,789
Rowhouse	5,629	5,186
Condo Townhouse	920	920
Total Single-Family	20,597	19,954
Condominium Units	14,232	14,056
Rental Apartments	30,020	30,020
Public and Publicly Assisted Units	1,150	1,150
Average Assessed Value of Single Family Homes	$257,265	$241,753
Average Assessed Value of Condominiums	$102,229	$ 97,888
Average Market Rents		
Efficiency	$ 738	$ 650
1 Bedroom Apartment	$ 878	$ 773
2 Bedroom Apartment	$ 1,070	$ 976
3 Bedroom Apartment	$ 1,176	$ 987

Communications

Television:
All major networks plus Jones Cablevision
Local Newspapers:
Alexandria Gazette Packet (weekly)
Alexandria Journal (daily)
Regional Newspapers:
Washington Post
Washington Times
Radio:
50 major and minor radio stations in metropolitan area

Miles of Streets, Sidewalks and Alleys

Streets:	
Paved - Lane Miles	506.0
Unpaved	0.17
Sidewalks	319.0
Alleys, Paved	20.46

Utilities

Telephone	Verizon
Electric	Dominion Virginia Power
Gas	Washington Gas
Water	Virginia - American Water Company
Sewer	Alexandria Sanitation Authority

Public Recreation

Acreage	944.2
Facilities:	
Playground Areas	45
Swimming Pools	7
Gymnasiums	16
Basketball Courts (outdoor)	31
Tennis Courts	35
Playing Fields	65

Medical Facilities

	Beds
Hospitals:	
INOVA Alexandria Hospital	319
Nursing Homes:	
Goodwin House	80

Medical Facilities (Continued)

	Beds
Hermitage Nursing Center	93
Woodbine Rehabilitation & Healthcare Center	307
Washington House	239
Integrated Health Services of Northern Virginia	111

Libraries

	Number
Central Library	1
Full service branches	2
(Above provide 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	12
Middle	2
Ninth Grade Center	1
High School	1
Secondary Training Educational Program	1
Parochial and Private Schools	11

Higher Education:
Located within the City are the Alexandria campus of Northern Virginia-Community College and the Episcopal Theological Seminary. Nearby institutions include George Mason, George Washington, American, Catholic, Georgetown, and Howard Universities.

Financial Institutions

Commercial Banks	11
Credit Unions	6

Hotels and Motels

	Rooms
Alexandria Travelodge (Old Town)	40
Holiday Inn-Eisenhower Metro	197
Holiday Inn of Old Town	227
Holiday Inn Hotel & Suites	178
Best Western Old Colony Inn	151
Hilton Hotel at Mark Center	495
Ramada Inn - Kenmore	192
Ramada Hotel Old Town	253
Days Inn	200
Morrison House	45
Comfort Inn Landmark	150
Towne Motel	27
Alexandria Courtyard By Marriot	176
Bragg Towers	98
Executive Club Suites	78
Alexandria Suites Hotel	184
Sheraton Suites Old Town Alexandria	247
Embassy Suites Alexandria	268
Washington Suites Alexandria	225
Extended Stay America	104
Homestead Village	130
Execustay by Marriott	21
Hilton Old Town	241
Total	3,928

CITY OF ALEXANDRIA, VIRGINIA
Five Year Summary of General Fund Revenues and Expenditures

Table XX

	1996 (restated)	1997	1998	1999	2000
Revenues:					
General Property Taxes	$ 150,796,382	$ 155,719,408	$ 163,481,396	$ 174,452,574	$ 183,296,264
Other Local Taxes	57,367,755	58,025,734	63,160,242	68,947,100	75,040,938
Permits, Fees, and Licenses	1,999,200	2,671,637	3,189,511	3,330,371	4,380,592
Fines and Forfeitures	3,649,423	3,851,770	4,237,384	4,740,675	4,237,420
Use of Money and Property	8,359,764	6,939,937	7,476,395	7,852,531	7,078,467
Charges for Services	8,002,117	8,460,184	8,312,984	8,602,357	8,684,519
Intergovernmental Revenues	13,781,015	13,872,777	14,467,426	14,175,904	25,606,354
Miscellaneous	490,355	404,520	435,238	701,804	705,468
Total Revenues	$ 244,446,011	$ 249,945,967	$ 264,760,576	$ 282,803,316	$ 309,030,022
Other Financing Sources:					
Proceeds from Capital Lease	$ -	$ 21,458	$ 23,992	$ -	$ -
Total Other Financing Sources	$ -	$ 21,458	$ 23,992	$ -	$ -
Total Revenues and Other Financing Sources	$ 244,446,011	$ 249,967,425	$ 264,784,568	$ 282,803,316	$ 309,030,022
Expenditures:					
Current:					
General Government	$ 22,688,097	$ 22,428,847	$ 23,240,974	$ 24,156,017	$ 26,962,818
Judicial Administration	9,288,049	9,456,628	10,224,495	10,929,840	10,604,624
Public Safety	55,758,737	57,775,883	61,867,825	63,691,872	64,776,874
Public Works	19,348,760	19,343,126	20,009,677	20,037,788	22,627,379
Health and Welfare	11,225,147	12,226,489	12,123,755	12,071,463	12,241,432
Parks, Recreation and Culture	10,170,503	9,638,308	10,243,646	10,442,357	11,078,547
Community Development	3,267,557	3,628,980	3,880,492	4,214,297	4,633,017
Education	13,701	13,578	13,476	13,064	13,120
Transit Subsidies	5,296,325	4,607,952	3,352,370	2,613,857	2,027,547
Debt Service:					
Principal Retired	7,721,315	7,191,277	7,101,879	8,438,268	6,134,298
Interest and Fiscal Charges	3,200,921	2,787,201	2,409,747	1,577,606	2,861,267
Total Expenditures	$ 147,979,112	$ 149,098,269	$ 154,468,336	$ 158,186,429	$ 163,960,923
Other Financing Uses:					
Operating Transfers Out	$ 23,395,118	$ 18,840,243	$ 20,304,675	$ 28,306,506	$ 40,287,613
Transfers Out - Component Units	79,639,407	85,195,911	91,996,620	95,133,228	99,232,856
Total Other Financing Uses	$ 103,034,525	$ 104,036,154	$ 112,301,295	$ 123,439,734	$ 139,520,469
Total Expenditures and Other Financing Uses	$ 251,013,637	$ 253,134,423	$ 266,769,631	$ 281,626,163	$ 303,481,392
Revenues and Other Financing Sources Over/ (Under) Expenditures and Other Financing Uses	$ (6,567,626)	$ (3,166,998)	$ (1,985,063)	$ 1,177,153	$ 5,548,630
Fund Balances at Beginning of Year	62,978,191	56,241,970	53,179,808	51,039,266	52,226,469
Increase/(Decrease) in Reserve For Inventory	(168,595)	104,836	(155,479)	10,050	223,432
FUND BALANCES AT END OF YEAR	**$ 56,241,970**	**$ 53,179,808**	**$ 51,039,266**	**$ 52,226,469**	**$ 57,998,531**

SINGLE

AUDIT

2001 M Street, N.W.
Washington, D.C. 20036

Independent Auditors' Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

We have audited the accompanying basic financial statements of the City of Alexandria, Virginia (the City) as of and for the year ended June 30, 2000, and have issued our report thereon dated November 6, 2000. As described in Note 1 to the basic financial statements, the City adopted Governmental Accounting Standards Board Statement No. 34 *"Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments,"* effective July 1, 1999. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Specifications for Audits of Counties, Cities and Towns, issued by the Auditor of Public Accounts of the Commonwealth of Virginia.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The Auditor of Public Accounts of the Commonwealth of Virginia requires us to test the City's compliance with certain matters specified in the Code of Virginia including: budget and appropriation laws; cash and investment laws; conflicts of interest; debt provisions; procurement laws; local retirement systems; unclaimed property; and State Agency requirements for education, Comprehensive Services Act for at-risk youth and families, highway maintenance, social services, and personal property tax relief. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards* or the Specifications for Audits of Counties, Cities and Towns.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving internal control over financial reporting, which we have reported to City management, in a separate letter dated November 6, 2000.

This report is intended solely for the information and use of management, the Mayor, members of City Council, state and federal regulatory agencies, and the Auditor of Public Accounts of the Commonwealth of Virginia and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

November 6, 2000

KPMG LLP. KPMG LLP, a U.S. limited liability partnership, is

2001 M Street, N.W.
Washington, D.C. 20036

Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133

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

Compliance

We have audited the compliance of the City of Alexandria, Virginia (the City) with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2000. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2000.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

KPMG LLP KPMG LLP, a U.S. limited liability partnership, is a member of KPMG International, a Swiss association.

Schedule of Expenditures of Federal Awards

We have audited the accompanying basic financial statements of the City of Alexandria, Virginia (the City) as of and for the year ended June 30, 2000, and have issued our report thereon dated November 6, 2000. As described in Note 1 to the basic financial statements, the City adopted Governmental Accounting Standards Board Statement No. 34 *"Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments,"* effective July 1, 1999. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, the Mayor, members of City Council, state and federal regulatory agencies, and the Auditor of Public Accounts of the Commonwealth of Virginia and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

November 6, 2000

CITY OF ALEXANDRIA, VIRGINIA
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2000

Federal Grantor/Recipient State Agency/Program Title	Federal Catalog Number	Expenditures
U.S. DEPARTMENT OF AGRICULTURE		
Pass Through Payments:		
Department of Agriculture and Consumer Services		
Commodity Food Distribution	10.550	$ 7,022
Ending Balance		(4,366)
Commodity Food Distribution	10.555	161,832
Ending Balance		(45,351)
Department of Education		
Breakfast Program	10.553	349,824
Lunch Program	10.555	1,558,097
Child Care	10.561	1,220,604
Summer Food Program	10.559	123,527
Department of Forestry		
Cooperative Forestry Assistance	10.664	5,249
TOTAL U.S. DEPARTMENT OF AGRICULTURE		$ 3,376,438
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Direct Payments:		
Administration for Children, Youth and Families		
Head Start	93.600	$ 1,076,614
Total Direct Payments		$ 1,076,614
Pass Through Payments:		
Department of Health:		
Rape Crisis Treatment and Prevention Grant	93.991	$ 91,400
Department of Mental Health and Mental Retardation		
Block Grant for Community Mental Health Services	93.958	683,257
Comprehensive Services to Children and Adolescents with Severe Emotional Disturbances	93.104	616,804
Acquired Immunodeficiency Syndrome (AIDS) Activity	93.118	55,391
Projects for Assisstance in Transition from Homelessness	93.150	25,731
Centers for Disease Control and Prevention	93.283	42,908
Child Care Block Grant	93.575	2,454,839
Prevention and Treatment of Substance Abuse	93.959	1,076,474
Department for the Aging		
Title IIIB - Supportive Services and Senior Programs	93.044	145,593
Special Programs for the Aging Title III - Disease Prevention	93.043	2,072
Special Programs for the Aging Title IIIG - Prevention of Abuse	93.041	1,286
Title IIID - In Home Services For Frail Individuals	93.046	464
Special Programs for the Aging Title IIIC - Nutritional Services	93.045	140,614
Department of Social Services		
Family Preservation and Support Services	93.556	51,663
Temporary Assistance for Needy Families	93.558	1,219,765
Low Income Energy Assistance	93.568	11,008
Social Services Block Grant	93.667	1,656,711
Refugee Resettlement	93.566	130,485
Child Care Mandatory and Matching Funds	93.596	2,436,174
Foster Care Title IV - E	93.658	1,571,658
Adoption Assistance	93.659	226,101
Independent Living	93.674	10,000
State Childrens Insurance Program	93.767	22,786
Medical Assistance Program	93.778	669,529
Domestic Violence Program	93.051	107,423
Total Pass Through Payments		$ 13,450,136
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		$ 14,526,750

(Continued)

CITY OF ALEXANDRIA, VIRGINIA
Schedule of Expenditures of Federal Awards, Continued
Year Ended June 30, 2000

Federal Grantor/Recipient State Agency/Program Title	Federal Catalog Number	Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Direct Payments:		
Community Development Block Grant Program/Entitlement Grants	14.218	$ 2,629,776
Total Direct Payments		$ 2,629,776
Pass Through Payments:		
Regional and Community Development and Planning	14.235	$ 49,162
Emergency Shelter Grants for the Homeless	14.231	4,990
Affordable Housing/Home Investment Partnership	14.239	879,615
Total Pass Through Payments		$ 933,767
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		$ 3,563,543
U.S. DEPARTMENT OF JUSTICE		
Office of Community Oriented Policing Services		
COPS Grants	16.710	$ 344,492
Total Direct Payments		$ 344,492
Pass Through Payments:		
Department of Criminal Justice Services		
Asset Forfeiture Report	16.000	$ 76,810
Police Vest Partnership Program	16.607	6,000
Juvenile Accountability Incentive Block Grant	16.523	36,978
Juvenile Justice and Delinquency Prevention	16.540	35,698
Title V - Delinquency Prevention Program	16.548	45,729
Violence Against Women Formula Grants	16.588	274,702
State and Local Narcotics Assistance	16.579	112,751
Law Enforcement Block Grant	16.592	104,413
Total Pass Through Payments		$ 693,081
TOTAL U.S. DEPARTMENT OF JUSTICE		$ 1,037,573
U.S. DEPARTMENT OF LABOR		
Pass Through Payments:		
Economic Dislocation and Worker Adjustment Assistance Act		
Virginia Employment Commission	17.246	$ 350,390
Employment Services and Job Training	17.249	88,291
Welfare to Work	17.253	39,377
Governor's Employment and Training Council		
Adult and Youth Employment Program Title 2A, 2C	17.250	198,249
Summer Youth Employment Program Title 2B	17.250	114,124
Department for the Aging		
Senior Community Service Employment Program	17.235	29,470
TOTAL U.S. DEPARTMENT OF LABOR		$ 819,901

(Continued)

CITY OF ALEXANDRIA, VIRGINIA
Schedule of Expenditures of Federal Awards, Continued
Year Ended June 30, 2000

Federal Grantor/Recipient State Agency/Program Title	Federal Catalog Number	Expenditures
U.S. DEPARTMENT OF TRANSPORTATION		
Direct Payments:		
Ferderal Transit and Operating Assistance	20.507	$ 454,826
Total Direct Payments		$ 454,826
Pass Through Payments:		
Department of Transportation		
National Recreational Trails Funding Program	20.219	$ 22,298
Sobriety Checkpoints	20.600	11,647
Total Pass Through Payments		$ 33,945
TOTAL U.S. DEPARTMENT OF TRANSPORTATION		$ 488,771
U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION		
Direct Payments:		
Title 7, New Charges, Age Discrimination Employment Act	30.002	$ 18,476
TOTAL U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION		$ 18,476
U.S. NATIONAL FOUNDATION ON THE ARTS AND HUMANITIES		
Pass Through Payments:		
Commission for the Arts		
Promotion of the Arts-State Program	45.007	$ 5,000
TOTAL U.S. NATIONAL FOUNDATION ON THE ARTS AND HUMANITIES		$ 5,000
U.S. INSTITUTE OF MUSEUM SERVICES		
Direct Payments:		
Museum Conservation	45.301	$ 62,563
TOTAL U.S. INSTITUTE OF MUSEUM SERVICES		$ 62,563
U.S. ENVIRONMENTAL PROTECTION AGENCY		
Pass Through Payments:		
State Air Pollution Control Board		
Air Pollution Control Program Grants	66.001	$ 88,900
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY		$ 88,900

(Continued)

CITY OF ALEXANDRIA, VIRGINIA
Schedule of Expenditures of Federal Awards, Continued
Year Ended June 30, 2000

Federal Grantor/Recipient State Agency/Program Title	Federal Catalog Number	Expenditures
U.S. DEPARTMENT OF EDUCATION		
Pass Through Payments:		
Department of Education		
Chapter I		
Financial Assistance to Meet Special Education Needs of Disadvantaged Children-Programs Operated By Local Education Agencies	84.010	$ 1,025,198
Title VI-B		
Education of Handicapped Children	84.027	1,391,498
Handicapped Preschool Incentive Program	84.137	90,111
Emergency Immigration Assistance	84.162	169,814
Adult Education	84.002	99,702
Special Education Block Grant	84.151	100,262
Title II EESA	84.164	52,816
Drug-Free Schools	84.186	167,592
Vocational Education		
Vocational Education Management System	84.048	180,980
Department of Mental Health and Mental Retardation		
Early Intervention - Part H	84.181	99,031
Class Size Reduction	84.340	237,761
TOTAL U.S. DEPARTMENT OF EDUCATION		$ 3,614,765
U.S DEPARTMENT OF FEDERAL EMERGENCY MANAGEMENT ASSISTANCE		
Pass Through Payments:		
Department of Emergency Services		
Emergency Management Assistance	83.503	$ 45,854
Disaster Assistance	83.516	270,668
TOTAL U.S. DEPARTMENT OF FEDERAL EMERGENCY MANAGEMENT ASSISTANCE		$ 316,522
OTHER FEDERAL AID		
High Intensity Drug Trafficking Area	98.473	$ 130,300
Nursing Home Screening	93.000	2,446
Statewide Fraud Program	93.000	23,501
TOTAL OTHER FEDERAL		$ 156,247
TOTAL FEDERAL AWARDS		$ 28,075,449

See Accompanying Notes to Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards includes all federal grant activity of the City of Alexandria, Virginia and its component units during fiscal year 2000. The City's reporting entity is defined in Note 1 of the City's Basic Financial Statements. Federal awards are received directly, as well as passed through other governmental agencies.

This schedule has been prepared on the modified accrual basis of accounting. Expenditures are recorded when the liability is incurred.

RECONCILIATION OF NOTES TO FINANCIAL STATEMENTS TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The City receives and expends federal revenues that are non-grant related and therefore not reportable under the Schedule of Expenditures of Federal Awards. A reconciliation of the Schedule of Expenditures of Federal Awards to Note 13 in the Notes to the Financial Statements, Intergovernmental Revenues, is provided below.

Total Federal Expenditures per Schedule	$ 28,075,449
Non-Reportable Federal Revenue	6,249,279
Commodities Distribution	(119,137)
Total Federal Revenue per Note 13	$ 34,205,591

FEDERAL COGNIZANT AGENCY

The Federal Cognizant Agency for the City of Alexandria, Virginia is the United States Department of Health and Human Services.

FOOD STAMPS NON-CASH EXPENDITURES

The City has $3,911,796 of non-cash expenditures for food stamps issued.

SUBGRANTEES

The City provided the following amounts to subrecipients during FY 2000:

Program Title	CFDA	Amount
Headstart	93.600	$ 1,076,614
CDBG	14.218	381,574

CITY OF ALEXANDRIA, VIRGINIA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2000

Summary of Auditors' Results:

Financial Statements

The type of report issued on the financial statements: Unqualified

Internal control over financial reporting

- Material weaknesses identified: None reported
- Reportable conditions identified that are not considered to be material weaknesses: None

Noncompliance material to the financial statements noted: None

Federal Awards

Internal control over major programs

- Material weaknesses identified: None reported
- Reportable conditions identified that are not considered to be material weaknesses: None

The type of report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133: No

Major programs:

- Temporary Assistance for Needy Families (CFDA 93.558)
- Title IV-E Foster Care (CFDA 93.658)
- Social Services Block Grant (CFDA 93.667)
- Child Care Cluster (CFDA 93.575 and 93.596)

Dollar threshold used to distinguish between Type A and Type B programs: $959,617

Auditee qualified as a low-risk auditee under section 530 of OMB Circular A-133: Yes

Findings relating to the Financial Statement Reported in Accordance with Government Auditing Standards:

None

Findings and Questioned Costs relating to Federal Awards:

None

CITY OF ALEXANDRIA, VIRGINIA
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2000

No findings reported in the prior year.

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

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