

CITY OF ALEXANDRIA, VIRGINIA

# Monthly Financial Report

## April 2015



### Report Summary

Both General Fund revenues and expenditures track similarly to previous months in the 2015 fiscal year. Slow revenue growth due to the regional economic slowdown continues to be a concern that staff carefully monitors. At the end of April, with two remaining months in the 2015 fiscal year, City General Fund revenues are still projected to come in below the amount budgeted. However, the amount of expenditure savings currently projected for year-end is expected to be sufficient to keep expenditures below projected revenues and therefore the City's budget is in balance. Staff will continue to monitor this and adjust expenditures as necessary. In the attached statements of revenues and expenditures, bond refunding proceeds and expenses are included in April, however they have been excluded from the body of the report in the current year and prior years due to amounts and timing varying from year-to-year and therefore distort revenue and expenditure analysis.

As of April 30, 2015, ten months into the fiscal year, General Fund revenues totaled \$432.9 million, or 66.8% of the budgeted revenue which is 2.9% above the four-year average of revenue received. After adjusting to exclude debt proceeds received through the bond refinancing, the City revenues are 2.4% below the four year average. Property taxes have not changed materially since last month. The next significant collections for property tax will occur in June when the first-half real property taxes are due. Revenue projections continue to remain consistent with the previous forecast. Noticeable variances in revenues including Business License, Communication Sales and Use, Real Estate Recordation, Admissions, Other Local Taxes, Revenue from the Fed. Government, Revenue from the Commonwealth, Fines and Forfeitures, License and Permits, Revenue from Use of Money and Property, and Other Revenue are detailed in the Revenue section of the report.

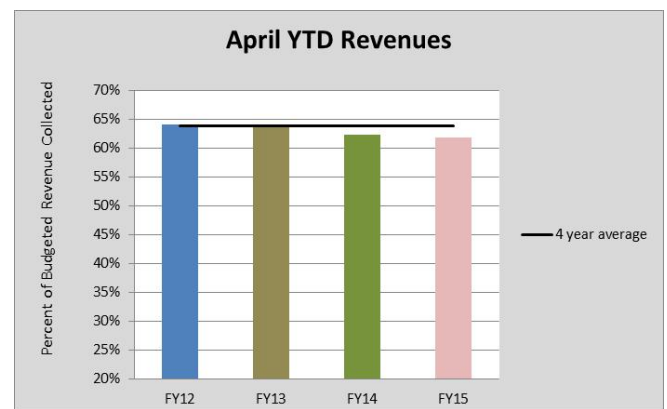
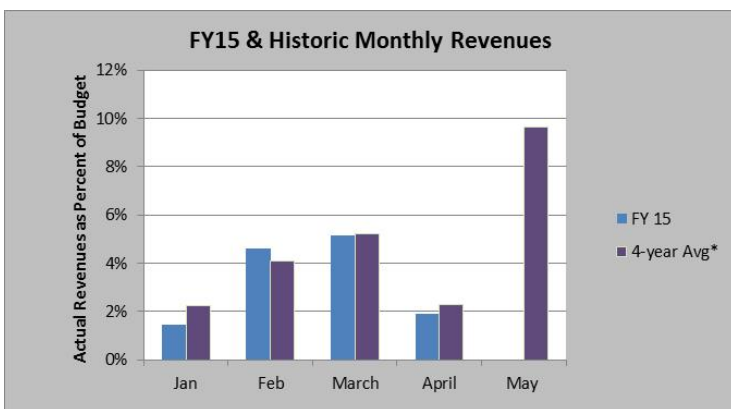
As of April 30, 2015, General Fund expenditures totaled \$495.0 million, or 76.4% of budgeted expenditures. After adjusting for expenditures related to the bond refinancing, the City has spent 2.7% more than the four-year average. Personnel expenditures are 4.4% lower than the four-year average percent of budget spent to date, whereas non-personnel expenditures are 4.4% more than the average. Overall, expenditures are still expected to come in below budget, as well as below the revenue projection.

The economic indicator highlighted in this month's report is the unemployment rate. Additional economic, revenue, and expenditure charts are also available on the City of Alexandria website at: [alexandriava.gov/FinancialReports](http://alexandriava.gov/FinancialReports). Attached are General Fund revenue and expenditure tables produced by the Finance Department.

# REVENUES



As of April 30, 2015, ten months into the fiscal year, General Fund revenues totaled \$432.9 million, or 66.8% of the budgeted revenue which is 2.9% above the four-year average of revenue received. The increase in revenue is due to refunding bond proceeds, which are used to purchase the refunded bonds listed on Attachment 2 of the comparative statement of expenditures and transfers by function. The budget for the refunding bond proceeds has not been appropriated and will be appropriated in June. After adjusting for the bond refinancing, the City revenues are 2.4% below the four year average. Property taxes have not changed materially since last month. The next significant collections for property tax will be in June when the first-half real property taxes are due. Revenue projections continue to remain consistent with the previous forecast. Noticeable variances in revenues including Business License, Communication Sales and Use, Real Estate Recordation, Admissions, Other Local Taxes, Revenue from the Fed. Government, Revenue from the Commonwealth, Fines and Forfeitures, License and Permits, Revenue from Use of Money and Property, Other Revenue are detailed in the table below.



\* 4-year average data comes from FY 2011-FY 2014 data.

\* 4-year average data comes from FY 2011-FY 2014 data

NOTE: Revenue charts exclude refunding bond proceeds so that revenues can be compared accurately year to year

## REVENUE VARIANCES IN DETAIL

Variations in FY15 YTD Revenue from the 4-year average	% Increase/(Decrease) of budgeted revenue collected from 4-yr average	Explanation
Business License Tax	4.0%	Business License Tax increased by 4.0% when compared to the four-year average as result of increased collections due to higher gross receipts in groceries stores and IT consultants and thus increased BPOL tax revenue.
Real Estate Recordation	(9.9%)	Real Estate Recordation has decreased by 9.9% when compared to the four-year average. When compared to FY 2014, collections in this category have increased by \$0.6M or 21.8% due the recordation tax collected on the sale of Canal Center.
Admissions Tax	(10.7%)	Admission taxes have decreased by 10.7% when compared to the four-year average. This is due to weak movie ticket sales, which is consistent with the national trends.
Revenue from the Fed. Government	(10.9%)	Although revenues from the federal government have decreased by 10.9% when compared to the four-year average, this is due to the timing of the reimbursements from the Department of Defense for the costs associated with running the 7M bus near the Washington Headquarters facility which covered multiple quarters last year. This reimbursement is expected before the end of the fiscal year.

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# REVENUES



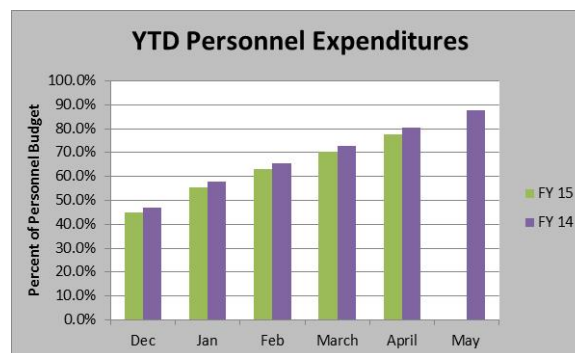
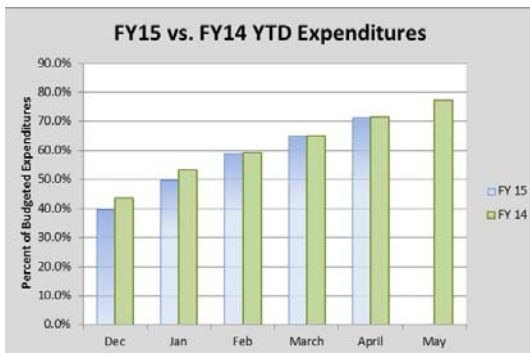
## REVENUE VARIANCES IN DETAIL (CONT.)

Variations in FY15 YTD Revenue from the 4-year average	% increase/(decrease) of budgeted revenue collected from 4-yr average	Explanation
Revenue from the Commonwealth	(11.6%)	Revenues from the Commonwealth have decreased by 11.6% when compared to the four-year average, due to the budgeted payment of \$633,000 for the State for Local Aid to State and a \$215,000 reduction in state HB 599 revenue (as previously reported in earlier Monthly Financial Reports in this fiscal year).
Fines and Forfeitures	(11.2%)	Fines and Forfeitures have decreased by 11.2% when compared to the four-year average due to a decrease in parking violation revenue and red light camera revenue due to the delay of installing two new cameras and position vacancies in parking enforcement. The implementation of the online parking app, Pango, may also be contributing to the issuance of parking tickets.
Licenses and Permits	(13.9%)	Licenses and Permits decreased by 13.9% when compared to the four-year average due to the amount budgeted in this category were lower than the actual revenues received which increased the percent of budget collected in FY 2011 and FY 2012. Beginning in FY 2013, the budgeted revenues projections were adjusted to reflect the prior year actual revenue received. When compared to FY 2014, collections in this category have increased by 2.4%.
Transfer from Other Funds	(50.0%)	Transfers from Other Funds are 50.0% lower due to the timing of the reimbursement from special revenue funds to the General Fund for indirect costs and debt service. The transfer is expected to be completed before the end of the fiscal year.

# EXPENDITURES

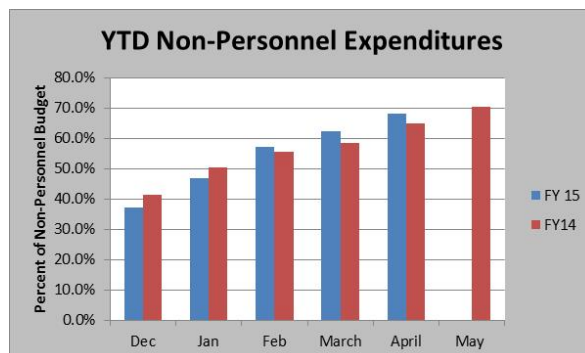


As of April 30, 2015, General Fund expenditures totaled \$495.0 million, or 76.4% of budgeted expenditures. The City spent \$74.1 million dollars over the month of April, but \$33.8 million was spent on refunding bond expenses of which the budget has not yet been appropriated (this is an item in the June supplemental ordinance). As attachment 2 indicates, the City has spent 8.0% more than the four-year average, but this variance is skewed by the size and timing of the accounting for refunding bond expenses. Adjusting for the refunding bond expenses, the City has spent 2.7% more than the four-year average, but 0.4% less of its budgeted expenditures than at this point in FY 2014. Expenditures adjusted for the refunding bond expenses are used in this month's report in order to compare expenditures to past years. Personnel expenditures are 4.4% lower than the four-year average percent of budget spent to date, whereas non-personnel expenditures are 4.4% more than the average. The charts below compare the current fiscal year to last year's percent of budget expended for non-personnel, personnel, and total expenditures. Noticeable variances in expenditures from the four-year average include departments with vacancies, Housing, Cash Capital, and Cash Match for grants. Variances are detailed in the table below. Overall, the City is still on track to keep expenditures within budget for FY 2015, but expenditures continue to be monitored to ensure that the City's expenditures remain lower than revenue collected.



At this point in the fiscal year, the City YTD personnel costs are 2.8% lower than this month last year. These costs have been consistently lower than in FY 2014. Salaries and benefits are 4.4% below the four-year average.

Percent of budget expended is 0.4% lower than in FY 14, excluding Refunding Bond Expenses.



YTD non-personnel expenditures are 3.2% higher than this point in FY14, excluding refunding bond expenditures.

NOTE: Refunding bond expenditures are not included in charts so that expenditures can be compared year to year.

## EXPENDITURE VARIANCES IN DETAIL

Variations in FY15 YTD Expenditures from the 4-year average	% increase/(decrease) of budgeted expenditures from 4-yr avg.	Explanation
Various Departments with Vacancies	Varies	Human Resources , Information Technology Services, Registrar, Alexandria Fire Department's, and Emergency Communications expenditures are lower than the past due to vacancies within these departments.
Cash Match	21.6%	Transfers to Special Revenue Funds are above historical averages due to the new General Fund transfer of transportation funding which occurs at the beginning of the fiscal year for the City's share of regional Northern Virginia Transportation Authority (NVTA) revenues.
General Cash Capital	(22.8%)	The Cash Capital transfer occurred later in the fiscal year because there are still some balances in active projects. A majority (\$18.1M) of Cash Capital was transferred in February.
Housing	10.0%	This increase is due to timing of transfers in previous years made to Housing grants due to the improved accounting processes used for grants.

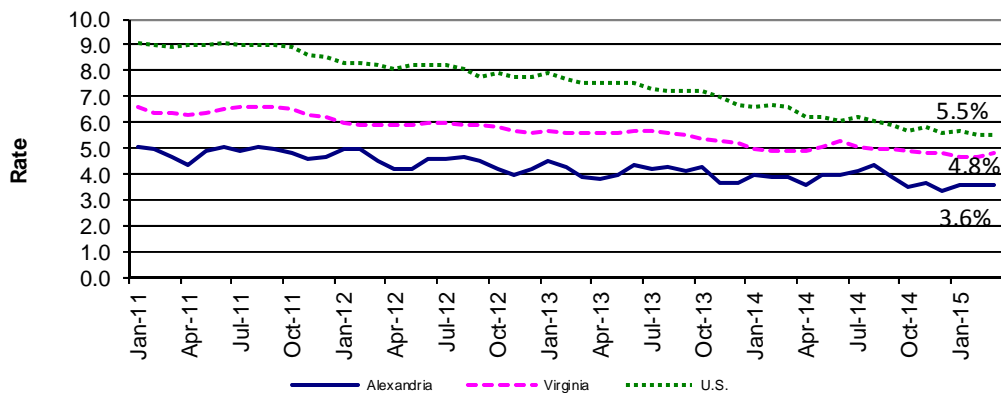
# ECONOMIC INDICATORS



## Unemployment Rate

Alexandria's unemployment rate (not seasonally adjusted) declined year-over-year to 3.6% in March 2015 from 3.9% in March 2014, and the number of employed increased by 1,614 persons over the same period. The State unemployment rate (seasonally adjusted) has remained relatively flat since November 2014 and stands at 4.8% as of March 2015, indicating that job creation is barely keeping up with and perhaps even slightly lagging behind growth in the labor force. The U.S. unemployment rate (seasonally adjusted) declined again in the first quarter of 2015 to 5.5% as of March 2015, a significant year-over-year decrease from the March 2014 rate of 6.6%. This was the second such year-over-year decrease in a row.

Unemployment Rate - U.S., Virginia, and Alexandria



Source: U.S. Department of Labor, Bureau of Labor Statistics  
Through March 2015

*\*Alexandria unemployment is not seasonally-adjusted, while U.S. and Virginia are seasonally adjusted.*



CITY OF ALEXANDRIA, VIRGINIA

COMPARATIVE STATEMENT OF REVENUES  
GENERAL FUND  
FOR THE PERIODS ENDING APRIL 30, 2015

	A	B	C	D=C/B	E	F=D-E
	FY 2015	FY 2015	FY 2015		4 YR AVER %	F=D-E
	AMENDED	PROJECTED	REVENUES	%	OF REVENUES	FY 2015 TO
	BUDGET	REVENUES	THRU4/30/15	OF BUDGET	RECEIVED	4 YR AVER
<b>General Property Taxes</b>						
Real Property Taxes.....	\$ 369,652,723	\$ 369,643,171	\$ 184,482,341	49.9%	50.3%	-0.4%
Personal Property Taxes.....	41,286,000	43,500,000	43,504,897	105.4%	105.0%	0.4%
Penalties and Interest.....	2,145,000	2,145,000	1,392,414	64.9%	76.1%	-11.2%
Total General Property Taxes	\$ 413,083,723	\$ 415,288,171	\$ 229,379,652	55.5%	55.9%	-0.4%
<b>Other Local Taxes</b>						
Local Sales and Use Taxes.....	\$ 26,900,000	\$ 25,300,000	\$ 16,589,100	61.7%	64.9%	-3.2%
Consumer Utility Taxes.....	12,200,000	12,200,000	8,738,654	71.6%	71.8%	-0.2%
Communication Sales and Use Taxes.....	11,200,000	11,000,000	7,216,050	64.4%	63.7%	0.7%
Business License Taxes.....	33,000,000	33,000,000	32,164,168	97.5%	93.5%	4.0%
Transient Lodging Taxes.....	11,300,000	11,300,000	7,553,098	66.8%	64.2%	2.6%
Restaurant Meals Tax.....	17,700,000	17,400,000	12,267,661	69.3%	71.4%	-2.1%
Tobacco Taxes.....	3,060,000	3,060,000	2,249,153	73.5%	70.2%	3.3%
Motor Vehicle License Tax.....	3,400,000	3,400,000	3,324,244	97.8%	99.1%	-1.3%
Real Estate Recordation.....	5,400,000	5,000,000	3,706,276	68.6%	78.5%	-9.9%
Admissions Tax.....	1,000,000	850,000	608,783	60.9%	71.6%	-10.7%
Other Local Taxes.....	3,640,000	3,884,800	281,941	7.7%	20.6%	-12.9%
Total Other Local Taxes	\$ 128,800,000	\$ 126,394,800	\$ 94,699,128	73.5%	74.1%	-0.6%
<b>Intergovernmental Revenues</b>						
Revenue from the Fed. Government.....	\$ 9,976,119	\$ 9,976,119	\$ 5,807,170	58.2%	69.1%	-10.9%
Personal Property Tax Relief from the Commonwealth.....	23,578,531	23,578,531	23,106,960	98.0%	98.0%	0.0%
Revenue from the Commonwealth.....	23,256,845	22,408,381	16,064,070	69.1%	80.7%	-11.6%
Total Intergovernmental Revenues	\$ 56,811,495	\$ 55,963,031	\$ 44,978,200	79.2%	86.2%	-7.0%
<b>Other Governmental Revenues And Transfers In</b>						
Fines and Forfeitures.....	\$ 5,815,000	\$ 5,815,000	\$ 4,039,324	69.5%	80.7%	-11.2%
Licenses and Permits.....	2,496,775	2,496,775	2,002,682	80.2%	94.1%	-13.9%
Charges for City Services.....	18,074,326	18,074,326	13,347,772	73.8%	74.9%	-1.1%
Revenue from Use of Money & Prop.....	4,850,000	4,850,000	3,675,159	75.8%	89.3%	-13.5%
Other Revenue.....	6,539,942	6,450,442	6,758,933	103.3%	158.8%	-55.5%
Transfer from Other Funds.....	3,206,574	3,206,574	-	0.0%	50.0%	-50.0%
Total Other Governmental Revenues	\$ 40,982,617	\$ 40,893,117	\$ 29,823,870	72.8%	79.8%	-7.0%
<b>TOTAL REVENUE</b>	\$ 639,677,835	\$ 638,539,119	\$ 398,880,850	62.4%	63.9%	-1.5%
<b>Appropriated Fund Balance</b>						
General Fund.....	3,351,470	3,351,470	-	-	-	0.0%
Appropriated refunding bond proceeds	-	-	33,995,000	-	-	-
Reappropriation of FY 2015	-	-	-	-	-	-
Encumbrances And Other	-	-	-	-	-	-
Supplemental Appropriations....	5,241,325	6,380,041	-	-	-	-
<b>TOTAL</b>	\$ 648,270,630	\$ 648,270,630	\$ 432,875,850	66.8%	63.9%	2.9%

# ATTACHMENT 2

83.3% of Fiscal Year Completed  
81.99% of Payrolls Processed

Online Reference 3



**COMPARATIVE STATEMENT OF EXPENDITURES & TRANSFERS BY FUNCTION  
GENERAL FUND  
FOR THE PERIODS ENDING APRIL 30, 2015**

FUNCTION	B	C	D=C/B	E	F=D-E
	FY2015	FY2015	%	4 YR AVER %	VARIANCE
	EXPENDITURES	OF BUDGET		OF BUDGET	FY 2015 TO
	THRU 4/30/15	EXPENDED		EXPENDED	4 YR AVER
	BUDGET				
Legislative & Executive.....	\$ 8,275,152	\$ 5,855,672	70.8%	75.6%	-4.8%
Judicial Administration.....	\$ 42,006,493	\$ 33,364,465	79.4%	82.6%	-3.2%
<b>Staff Agencies</b>					
Information Technology Services.....	\$ 11,016,776	\$ 6,935,922	63.0%	74.4%	-11.4%
Management & Budget.....	1,317,834	970,591	73.7%	73.6%	0.1%
Finance.....	14,388,306	9,279,829	64.5%	70.1%	-5.6%
Human Resources.....	3,892,714	2,362,512	60.7%	78.1%	-17.4%
Planning & Zoning.....	5,331,265	4,126,992	77.4%	81.9%	-4.5%
Economic Development Activities.....	5,177,816	5,199,873	100.4%	91.9%	8.5%
City Attorney.....	2,767,025	2,286,677	82.6%	75.6%	7.0%
Registrar.....	1,271,261	884,503	69.6%	79.9%	-10.3%
General Services.....	13,812,302	11,051,929	80.0%	80.3%	-0.3%
Total Staff Agencies	\$ 58,975,296	\$ 43,098,828	73.1%	77.2%	-4.1%
<b>Operating Agencies</b>					
Transportation & Environmental Services.....	\$ 28,988,649	\$ 21,585,780	74.5%	78.5%	-4.0%
Fire.....	44,301,513	35,790,360	80.8%	84.4%	-3.6%
Police.....	55,854,036	44,048,005	78.9%	82.0%	-3.1%
Emergency Communications.....	7,225,189	5,436,030	75.2%	81.8%	-6.6%
Code.....	141,475	79,844	56.4%	72.4%	-16.0%
Transit Subsidies.....	7,893,940	6,786,815	86.0%	88.5%	-2.5%
Housing.....	1,808,108	1,393,091	77.0%	66.0%	11.0%
Community and Human Services.....	14,271,853	11,349,147	79.5%	83.1%	-3.6%
Health.....	8,478,702	7,555,379	89.1%	85.1%	4.0%
Historic Resources.....	2,856,516	2,247,340	78.7%	81.5%	-2.8%
Recreation.....	21,180,469	16,486,718	77.8%	79.3%	-1.5%
Total Operating Agencies	\$ 193,000,451	\$ 152,758,509	79.1%	82.3%	-3.2%
<b>Education</b>					
Schools.....	\$ 191,811,472	\$ 137,208,495	71.5%	71.6%	-0.1%
Other Educational Activities.....	11,877	11,877	100.0%	100.0%	0.0%
Total Education	\$ 191,823,349	\$ 137,220,372	71.5%	71.6%	-0.1%
<b>Capital, Debt Service and Miscellaneous</b>					
Debt Service.....	\$ 62,664,899	\$ 34,434,336	54.9%	51.5%	3.4%
Expenses on Refunding Bonds.....		33,858,404			0.0%
Non-Departmental.....	8,771,947	6,510,753	74.2%	67.0%	7.2%
General Cash Capital.....	23,378,294	18,058,794	77.2%	100.0%	-22.8%
Contingent Reserves.....	7,956	-			0.0%
Total Capital, Debt Service and Miscellaneous	\$ 94,823,096	\$ 92,862,287	97.9%	56.1%	41.8%
<b>TOTAL EXPENDITURES</b>	<b>\$ 588,903,837</b>	<b>\$ 465,160,133</b>	<b>79.0%</b>	<b>73.1%</b>	<b>5.9%</b>
<b>Cash Match (Transportation/DCHS/</b>					
<b>and Transfers to the Special Revenue /Capital I</b>	<b>\$ 40,592,632</b>	<b>\$ 14,228,155</b>	<b>35.1%</b>	<b>13.5%</b>	<b>21.6%</b>
Transfer to Library.....	6,607,160	5,503,764	83.3%	83.3%	0.0%
Transfer to NVTA.....	12,167,000	10,135,111	83.3%		83.3%
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<b>\$ 648,270,629</b>	<b>\$ 495,027,163</b>	<b>76.4%</b>	<b>68.4%</b>	<b>8.0%</b>
<b>Total Expenditures by Category</b>					
Salaries and Benefits.....	\$ 207,756,236	\$ 161,010,050	77.5%	81.9%	-4.4%
Non Personnel (includes all school funds) .....	440,514,394	334,017,111	75.8%	63.7%	12.1%
<b>Total Expenditures</b>	<b>\$ 648,270,630</b>	<b>\$ 495,027,161</b>	<b>76.4%</b>	<b>68.4%</b>	<b>8.0%</b>