

CITY OF ALEXANDRIA, VIRGINIA

# Monthly Financial Report

## August 2014



### Report Summary

Overall, in this early stage of the fiscal year, the City's revenues and expenditures are not noticeably different than this same two-month time period in the recent past.

As of August 31, 2014, actual General Fund Revenues totaled \$22.3 million. This represents 3.5% of revenue budgeted. Revenues collected at this point in time are 0.8% lower than they have been on average for the past four years. Several revenues received in July are counted as revenue for fiscal year 2014. Thus, these two months do not provide enough data to establish any trends either positive or negative. Furthermore, substantive revenue sources including personal property taxes and real estate taxes do not occur until October and November, respectively.

As of August 31, 2014, General Fund expenditures totaled \$90.9 million, or 14.3% of budgeted expenditures. Total expenditures *before* transfers are 0.3% lower than they have been on average for the past four years. At the beginning of the fiscal year, there is not yet enough data to show whether there are meaningful variances in specific expenditures (unrelated to the timing of payments). As the fiscal year progresses and more data becomes available, this report will examine these variances in more detail should they arise.

During the month of September, the Governor announced another round of reductions in State aid to localities. As reported at the September 23, 2014 City Council meeting, this latest reduction is expected to reduce City revenues in FY 2015 by approximately \$648,000. In addition, the State's FY 2015 budget adopted in June included no increase to HB 599 funding for local public safety and criminal justice. The City's budget had included an anticipated \$215,000 increase. The combined total impact of these State revenue shortfalls is \$863,000 to date. Staff will carefully monitor revenues throughout the course of the fiscal year and provide regular updates.

The economic indicators detailed this month are the Alexandria Residential Property Median Sales Value and Residential Property Sales Volume. These indicators suggest a housing market that was mostly flat in July but took a slight downward turn in August. Staff will continue to monitor these indicators to determine whether this is a trend that could impact real estate assessments and revenues in FY 2015 and FY 2016. Additional economic, revenue, and expenditure charts are also available on the City of Alexandria website at: [alexandriava.gov/FinancialReports](http://alexandriava.gov/FinancialReports).

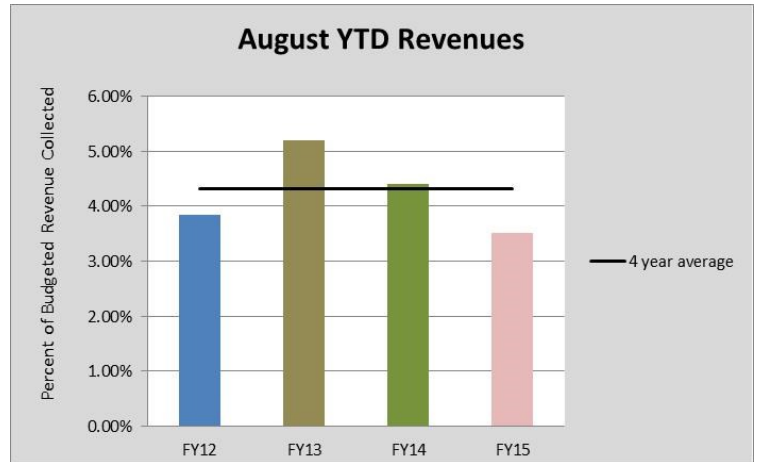
Attached are General Fund revenue and expenditure tables produced by the Finance Department.

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

# REVENUES

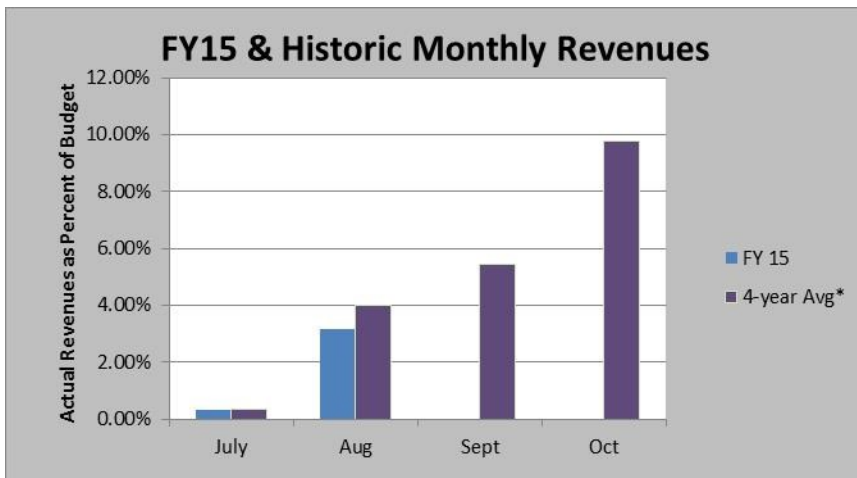


As of August 31, 2014, actual General Fund Revenues totaled \$22.3 million. This represents 3.5% of the amount of revenue budgeted and compares to a four-year average of 4.3% for this same two-month time period. Government accounting principles require that most taxes, including real property, local sales, consumer utility and communications taxes, and intergovernmental revenues received in July and August are counted as revenue for the fiscal year ended June 30, 2014.



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

Two months does not provide enough data for the other revenue sources to establish any trends either positive or negative. In October, the City will receive the majority of the locally-collected personal property taxes. The next significant tax collection occurs in November when the real estate tax bill is due for the second half calendar year 2014 and the first half of fiscal year 2015.



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

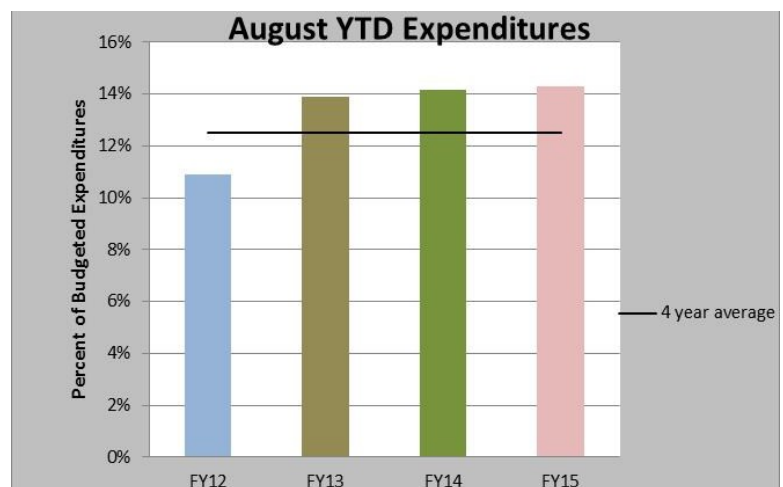
As of August 30th, year-to-date revenues were slightly below the average for the past four fiscal years. For July, the City received a similar percent of budgeted revenues as it has in the past, but in August, the City received 0.8% less in budgeted revenues compared to the 4 year average.



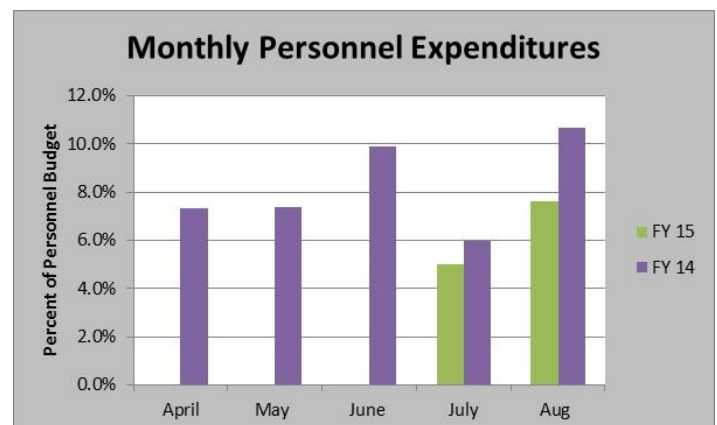
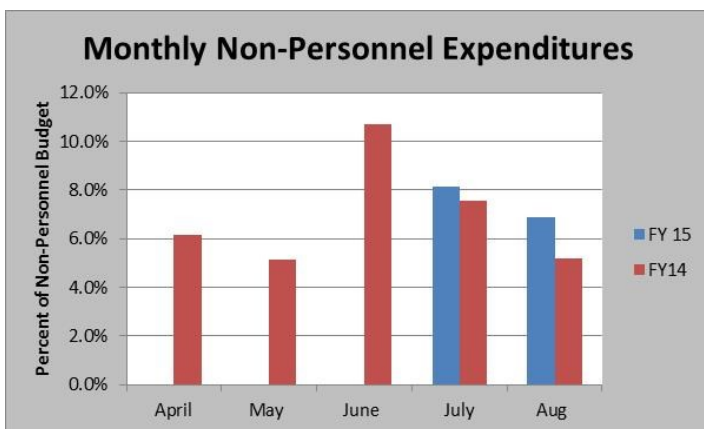
# EXPENDITURES

As of August 31, 2014, General Fund expenditures totaled \$90,963,142, or 14.3% of budgeted expenditures. Compared to the 4-year average of the same two-month time period, the City spent 1.6% more of its budget in FY 2015. However, when compared to expenditures *before* transfers, the City has spent 0.3% less than in the past. Looking at the August YTD expenditure graph, the City spent approximately the same percentage of its budget in August as it did in FY 2014 and FY 2013. The monthly non-personnel graph shows that the City has spent a slightly higher percentage on non-personnel expenditures in the first two months of FY 2015 than it did in the previous year. However, the City's personnel expenditures were under budget by \$0.82 million as of August 31, 2014. At the beginning of the fiscal year, there is not yet enough data to show whether there are meaningful variances in expenditures (unrelated to the timing of payments). In upcoming months, this report will examine any variances in more detail should they arise. Overall, in this early stage of the fiscal year, the City's expenditures are similar to this point in time in the past.

Compared to the past two fiscal years, the City has spent approximately the same percentage of its budget as of August. Percentage of budget expended was lower in FY 2012 due to lower debt service payments.



This chart below to the right compares monthly non-personnel expenditures from FY 2015 to FY 2014. In FY 2015, the City has spent a higher percentage of its non-personnel budget in July and August than compared to FY 2014. However, this slight increase was offset by personnel savings. The chart below on the left shows that the City has spent a lower percentage of its personnel budget in July and August compared to FY 2014.

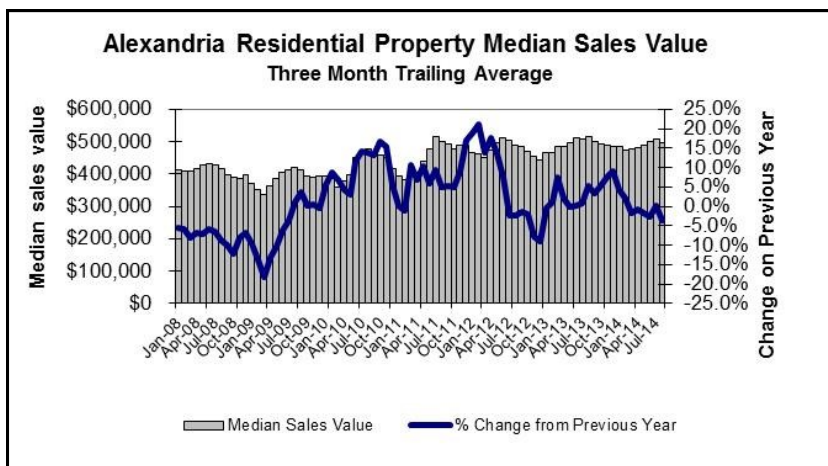




# ECONOMIC INDICATORS

## Alexandria Residential Property Sales Volume and Median Sales Value

The economic indicator charts contain new housing data for the months of July and August. The Alexandria Residential Property Median Sales Value chart shows the change in median sales value in July was approximately the same as in July the previous year, but the median sales value in August was down by 3.6% compared to August last year. The Alexandria Residential Property Sales Volume chart shows that the number of sales transactions since January 2014 have been less than those of the previous year. In July, the dwellings sold were down 0.8% compared to July 2013, and in August the number of dwellings sold was down 2.8% compared to the same month in the previous year. Staff will continue to monitor this data to determine if this is a trend that the City should account for in its revenue projections.

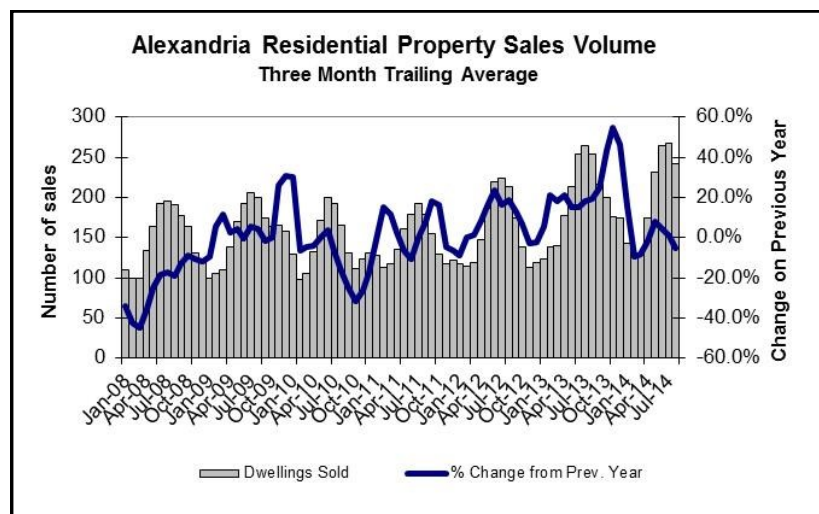


These highlighted charts show that Alexandria's Residential Sales Value and Volume has declined in the past two months and should be monitored.

Sources: Department of Real Estate Assessments through August 2014

This is only a sampling of a few economic indicators that the City of Alexandria tracks. Some more information and detail on indicators, please visit the financial report website at:

<http://www.alexandriava.gov/FinancialReports>



Source: Department of Real Estate Assessments Through August 2014

## CONTINGENT RESERVES

Council set aside \$7,956 in Contingent Reserves for City-wide street light assessment. As of August 20, 2014, it has not been released.

## ATTACHMENT 1



Online Reference 4

**CITY OF ALEXANDRIA, VIRGINIA**  
**COMPARATIVE STATEMENT OF REVENUES**  
**GENERAL FUND**  
**FOR THE PERIODS ENDING AUGUST 31, 2014**

	<b>B</b>	<b>C</b>	<b>D=C/B</b>	<b>E</b>	<b>F=D-E</b>
	<b>FY2015</b>	<b>FY2015</b>	<b>%</b>	<b>4 YR AVER %</b>	<b>VARIANCE</b>
	<b>BUDGET</b>	<b>REVENUES</b>	<b>%</b>	<b>OF BUDGETED</b>	<b>FY 2015 TO</b>
		<b>THRU 8/31/14</b>	<b>OF BUDGET</b>	<b>REV COLLECTED</b>	<b>4 YR AVER</b>
<b>General Property Taxes</b>					
Real Property Taxes.....	\$ 369,652,723	\$ -	0.0%	0.2%	-0.2%
Personal Property Taxes.....	41,286,000	2,005,317	4.9%	9.2%	-4.3%
Penalties and Interest.....	2,145,000	58,346	2.7%	4.1%	-1.4%
<b>Total General Property Taxes</b>	<b>\$ 413,083,723</b>	<b>\$ 2,063,663</b>	<b>0.5%</b>	<b>1.2%</b>	<b>-0.7%</b>
<b>Other Local Taxes</b>					
Local Sales and Use Taxes.....	\$ 26,900,000	\$ -	0.0%	0.0%	0.0%
Consumer Utility Taxes.....	12,200,000	-	0.0%	3.1%	-3.1%
Communication Sales and Use Taxes.....	11,200,000	-	0.0%	0.0%	0.0%
Business License Taxes.....	33,000,000	198,625	0.6%	5.6%	-5.0%
Transient Lodging Taxes.....	11,300,000	904,878	8.0%	8.9%	-0.9%
Restaurant Meals Tax.....	17,700,000	859,080	4.9%	7.1%	-2.2%
Tobacco Taxes.....	3,060,000	272,429	8.9%	8.5%	0.4%
Motor Vehicle License Tax.....	3,400,000	360,900	10.6%	11.9%	-1.3%
Real Estate Recordation.....	5,400,000	600,306	11.1%	9.8%	1.3%
Admissions Tax.....	1,000,000	47,349	4.7%	10.6%	-5.9%
Other Local Taxes.....	3,540,000	152	0.0%	1.7%	-1.7%
<b>Total Other Local Taxes</b>	<b>\$ 128,700,000</b>	<b>\$ 3,243,718</b>	<b>2.5%</b>	<b>3.3%</b>	<b>-0.8%</b>
<b>Intergovernmental Revenues</b>					
Revenue from the Fed. Government.....	\$ 9,976,119	\$ 31,468	0.3%	1.4%	-1.1%
Personal Property Tax Relief from the Commonwealth.....	23,578,531	11,789,265	50.0%	50.0%	0.0%
Revenue from the Commonwealth.....	22,803,885	599,158	2.6%	3.0%	-0.4%
<b>Total Intergovernmental Revenues</b>	<b>\$ 56,358,535</b>	<b>\$ 12,419,891</b>	<b>22.0%</b>	<b>23.5%</b>	<b>-1.5%</b>
<b>Other Governmental Revenues And</b>					
Transfers In					
Fines and Forfeitures.....	\$ 5,815,000	\$ 818,997	14.1%	16.0%	-1.9%
Licenses and Permits.....	2,496,775	412,757	16.5%	18.4%	-1.9%
Charges for City Services.....	18,074,326	2,134,220	11.8%	11.7%	0.1%
Revenue from Use of Money & Prop.....	4,850,000	652,226	13.4%	16.9%	-3.5%
Other Revenue.....	1,320,442	201,808	15.3%	29.0%	-13.7%
Transfer from Other Funds.....	3,206,574	-	0.0%	2.0%	-2.0%
<b>Total Other Governmental Revenues</b>	<b>\$ 35,763,117</b>	<b>\$ 4,220,009</b>	<b>11.8%</b>	<b>13.2%</b>	<b>-1.4%</b>
<b>TOTAL REVENUE</b>	<b>\$ 633,905,375</b>	<b>\$ 22,348,283</b>	<b>3.5%</b>	<b>4.3%</b>	<b>-0.8%</b>
<b>Appropriated Fund Balance</b>					
General Fund.....	\$ 2,864,527	\$ -	0.0%	0.0%	0.0%
Appropriated refunding bond proceeds	-	-			
Reappropriation of FY 2015	-	-			
Encumbrances And Other	-	-			
Supplemental Appropriations....	-	-			
<b>TOTAL</b>	<b>\$ 636,769,902</b>	<b>\$ 22,348,283</b>	<b>3.5%</b>	<b>0.0%</b>	<b>3.5%</b>

## ATTACHMENT 2



.1667 of Fiscal Year Completed  
13.02% of Payrolls Processed

Online Reference 3

COMPARATIVE STATEMENT OF EXPENDITURES & TRANSFERS BY FUNCTION  
GENERAL FUND  
FOR THE PERIODS ENDING AUGUST 31, 2014

FUNCTION	B	C	D=C/B	E	F=D-E
	FY2015	FY2015	%	4 YR AVER %	VARIANCE
	BUDGET	EXPENDITURES	OF BUDGET	OF BUDGET	FY 2015 TO
		THRU 08/31/14	EXPENDED	EXPENDED	4 YR AVER
Legislative & Executive.....	\$ 8,146,465	\$ 1,033,314	12.7%	15.8%	-3.1%
Judicial Administration.....	\$ 41,870,331	\$ 6,098,612	14.6%	17.5%	-3.0%
<b>Staff Agencies</b>					
Information Technology Services.....	\$ 10,411,287	\$ 1,068,637	10.3%	20.5%	-10.2%
Management & Budget.....	1,259,906	157,167	12.5%	13.5%	-1.1%
Finance.....	13,435,340	1,683,264	12.5%	14.0%	-1.5%
Human Resources.....	3,873,374	348,329	9.0%	23.6%	-14.6%
Planning & Zoning.....	5,317,991	677,378	12.7%	25.3%	-12.6%
Economic Development Activities.....	5,156,855	1,284,415	24.9%	24.7%	0.2%
City Attorney.....	2,750,066	335,363	12.2%	21.4%	-9.2%
Registrar.....	1,271,261	156,192	12.3%	26.2%	-14.0%
General Services.....	13,683,472	1,913,502	14.0%	22.1%	-8.1%
<b>Total Staff Agencies</b>	<b>\$ 57,159,552</b>	<b>\$ 7,624,247</b>	<b>13.3%</b>	<b>16.4%</b>	<b>-3.1%</b>
<b>Operating Agencies</b>					
Transportation & Environmental Services.....	\$ 28,054,036	\$ 4,258,546	15.2%	18.5%	-3.3%
Fire.....	43,830,786	5,961,046	13.6%	20.2%	-6.6%
Police.....	55,286,068	8,474,808	15.3%	19.9%	-4.6%
Emergency Communications.....	7,161,972	1,047,447	14.6%	16.4%	-1.7%
Code.....	120,000	14,356	12.0%	18.1%	-6.1%
Transit Subsidies.....	7,839,378	1,621,839	20.7%	19.3%	1.4%
Housing.....	1,808,108	262,592	14.5%	14.0%	0.5%
Community and Human Services.....	13,736,910	2,018,307	14.7%	20.3%	-5.6%
Health.....	7,914,782	1,731,233	21.9%	17.8%	4.1%
Historic Resources.....	2,825,716	399,511	14.1%	16.3%	-2.2%
Recreation.....	20,765,170	3,516,892	16.9%	18.7%	-1.8%
<b>Total Operating Agencies</b>	<b>\$ 189,342,926</b>	<b>\$ 29,306,577</b>	<b>15.5%</b>	<b>18.9%</b>	<b>-3.4%</b>
<b>Education</b>					
Schools.....	\$ 191,811,472	\$ 10,364,418	5.4%	6.5%	-1.1%
Other Educational Activities.....	11,877	2,969	25.0%	25.0%	0.0%
<b>Total Education</b>	<b>\$ 191,823,349</b>	<b>\$ 10,367,388</b>	<b>5.4%</b>	<b>6.5%</b>	<b>-1.1%</b>
<b>Capital, Debt Service and Miscellaneous</b>					
Debt Service.....	\$ 62,664,899	\$ 20,165,348	32.2%	27.7%	4.5%
Non-Departmental.....	8,340,280	2,185,064	26.2%	22.5%	3.7%
General Cash Capital.....	18,058,794	-	0.0%	66.7%	-66.7%
Contingent Reserves.....	7,956	-	0.0%	0.0%	0.0%
<b>Total Capital, Debt Service and Miscellaneous</b>	<b>\$ 89,071,929</b>	<b>\$ 22,350,412</b>	<b>25.1%</b>	<b>27.1%</b>	<b>-2.0%</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 577,414,553</b>	<b>\$ 76,780,549</b>	<b>13.3%</b>	<b>13.6%</b>	<b>-0.3%</b>
<b>Cash Match (Transportation/DCHS/</b>					
<b>and Transfers to the Special Revenue /Capital Pro</b>	<b>\$ 40,581,189</b>	<b>\$ 11,052,940</b>	<b>27.2%</b>	<b>14.0%</b>	<b>13.2%</b>
Transfer to Library.....	6,607,160	1,101,414	16.7%	16.7%	0.0%
Transfer to NVTA.....	12,167,000	2,028,239	16.7%	16.7%	0.0%
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<b>\$ 636,769,902</b>	<b>\$ 90,963,142</b>	<b>14.3%</b>	<b>12.7%</b>	<b>1.6%</b>
<b>Total Expenditures by Category</b>					
Salaries and Benefits.....	\$ 207,744,557	\$ 26,224,268	12.6%	16.7%	-4.1%
Non Personnel (includes all school funds) .....	430,097,100	64,738,874	15.1%	10.8%	4.3%
<b>Total Expenditures</b>	<b>\$ 636,769,902</b>	<b>\$ 90,963,142</b>	<b>14.3%</b>	<b>12.7%</b>	<b>1.6%</b>