

CITY OF ALEXANDRIA, VIRGINIA

# Monthly Financial Report

## September 2014



### Report Summary

At the end of the first quarter of FY 2015, year-to-date General Fund revenues and expenditures were similar to the four-year average of percent of budget collected and spent.

As of September 30, 2014, actual General Fund revenues totaled \$56.1 million or 8.8% of budgeted revenues, which is 1% less than the four-year average. Through the first quarter of the fiscal year the City's revenue categories remain fairly flat. Vehicle and Business Personal Property taxes were due in early October. The Monthly Financial Report presented to City Council in December will provide the first insight into property tax collections for FY 2015.

As of September 30, 2014, General Fund expenditures totaled \$139.7 million, or 21.9% of budgeted expenditures. Compared to the 4-year average at this point in the year, the City spent only 0.4% more of its budget in FY 2015 than in the past. Non-personnel expenditures, were slightly higher than they have been in the past, but this was offset by lower personnel expenditures.

Earlier this month, the Governor announced that total Commonwealth General Fund revenue collections increased by 5.3% in September, with individual income taxes, sales taxes, and corporate income taxes accounting for an increase of \$81.3 million compared to September 2013. Fiscal year-to-date revenue collections increased by 6.7% or \$250.3 million in September, ahead of the annual estimate of 2.9% growth. It is too early to determine if an increase in state sales tax revenues will correlate to an increase in City sales tax revenues. Furthermore, an increase in state revenues does not necessarily mean restoration of funds to localities (the August Monthly Financial Report detailed how State aid to the City has been reduced by \$863,000). Staff will continue to monitor state revenues throughout the course of the fiscal year and provide regular updates.

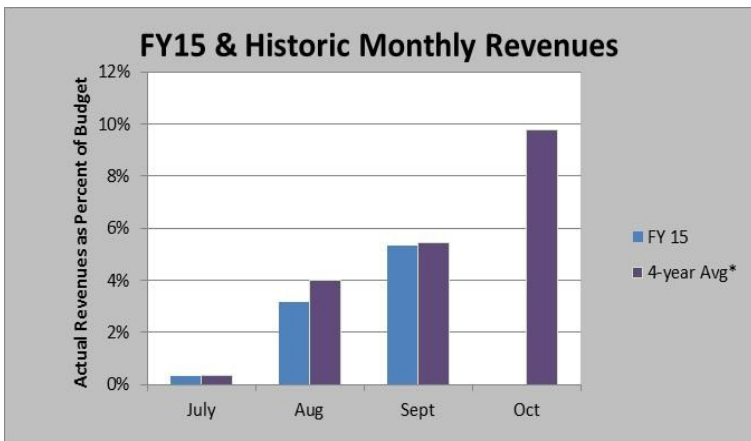
The economic indicator detailed this month is the City's transient lodging tax receipts. According to Smith Travel Research, via ACVA, when comparing year to date occupancy and daily room rates through September, Alexandria's occupancy rate increased from 71.6% to 76.0%, while the average daily room rate increased from \$129 to \$138 or 7 percent. This trend bodes well for travel and tourism revenue for the City moving forward and suggests that the low room rates characteristic of last year are not a concern at this point in time. 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.

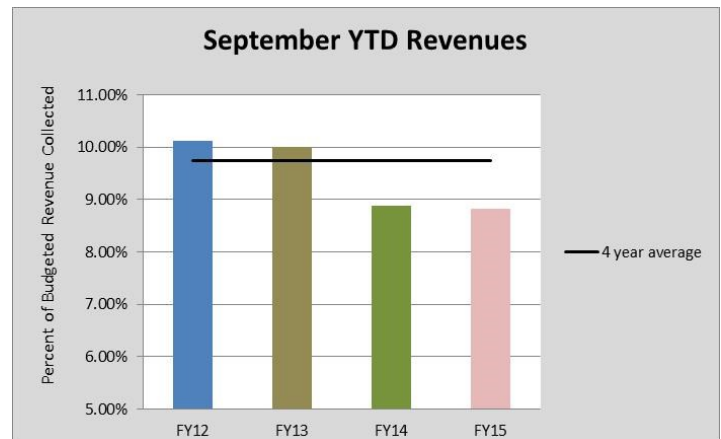
# REVENUES



As of September 30, 2014 actual General Fund revenues totaled \$56.1 million, which is 1% less than the four-year average. Through the first quarter of the fiscal year, the City’s revenue categories remain fairly flat. In particular, revenue sources that are driven by consumer confidence, such as restaurant meals and admission tax, continue to perform at a lower level compared to the four-year average. Vehicle and Business Personal Property taxes were due in early October. The Monthly Financial Report presented to City Council in December will provide the first insight into property tax collections for FY 2015.



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



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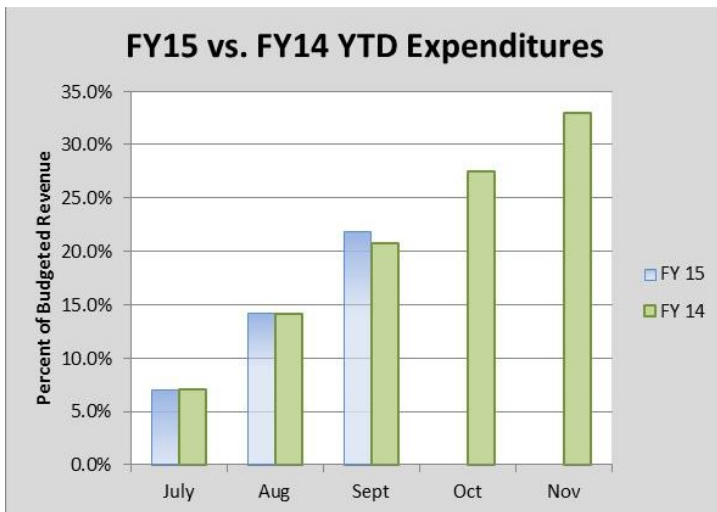
## REVENUE VARIANCES IN DETAIL

Variations in FY15 YTD Revenue from the 4-year average	% increase/(decrease) of budgeted revenue collected from 4-yr average	Explanation
Admissions Tax	(6.1%)	Admission taxes have decreased by 6.1% when compared to the four-year average of percent of budgeted revenue collected. This is due to weak movie ticket sales, which is consistent with the national trends. In July 2014 movie ticket sales were down 38% compared to July 2013. In FY 2014, we budgeted \$1.0 million but only received \$0.945 million. Although, we budgeted \$1.0 million again in FY 2015, staff will closely monitor current year revenues and adjust accordingly when building revenue estimates for the FY 2016 budget.
Consumer Utility Taxes	(7.1%)	Consumer utility tax is significantly lower when compared with the four-year average due to the timing of the August payments, which are posted to October. If August payments are reflected in September as they were in the four year average, the consumer utility tax would reflect an increase of 1.2% over the four-year average.

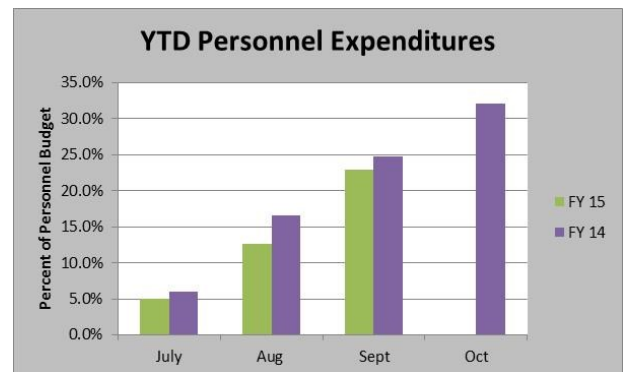
# EXPENDITURES



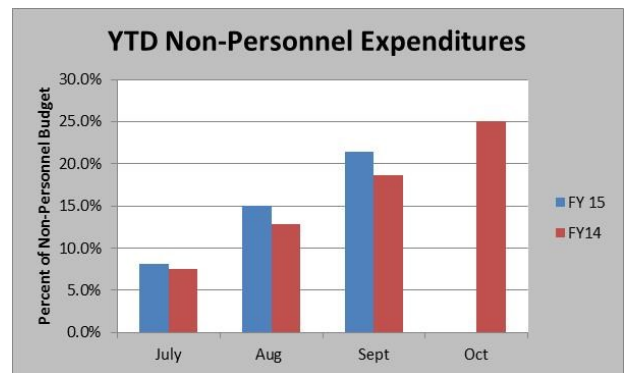
As of September 30, 2014, General Fund expenditures totaled \$139,719,212, or 21.9% of budgeted expenditures. Compared to the historical four-year average for the first quarter of the fiscal year, the City spent only 0.4% more of its budget in FY 2015. The YTD non-personnel graph shows that the City has spent a slightly higher percentage on non-personnel expenditures in the first three months of FY 2015 than it did in the previous year. However, personnel expenditures are below those of last year, as seen by the YTD Personnel expenditure chart. YTD personnel savings total \$3.2 million. The YTD expenditures graph on the left shows that differences in personnel and non-personnel expenditures more or less balance out when looking at total expenditures. Staff have analyzed noticeable variances in expenditures from the four-year average and determined that they are due to timing of payments (and have detailed the most noticeable variance in the table below). Overall, the City's first quarter expenditures continue to track similarly to the past.



Percent of budget expended is in line with spending from last year



Personnel expenditures in the first quarter have been a lower percent of budget than compared to last year



Monthly Non-personnel expenditures continue to be slightly above where they were in the previous fiscal year

## EXPENDITURE VARIANCES IN DETAIL

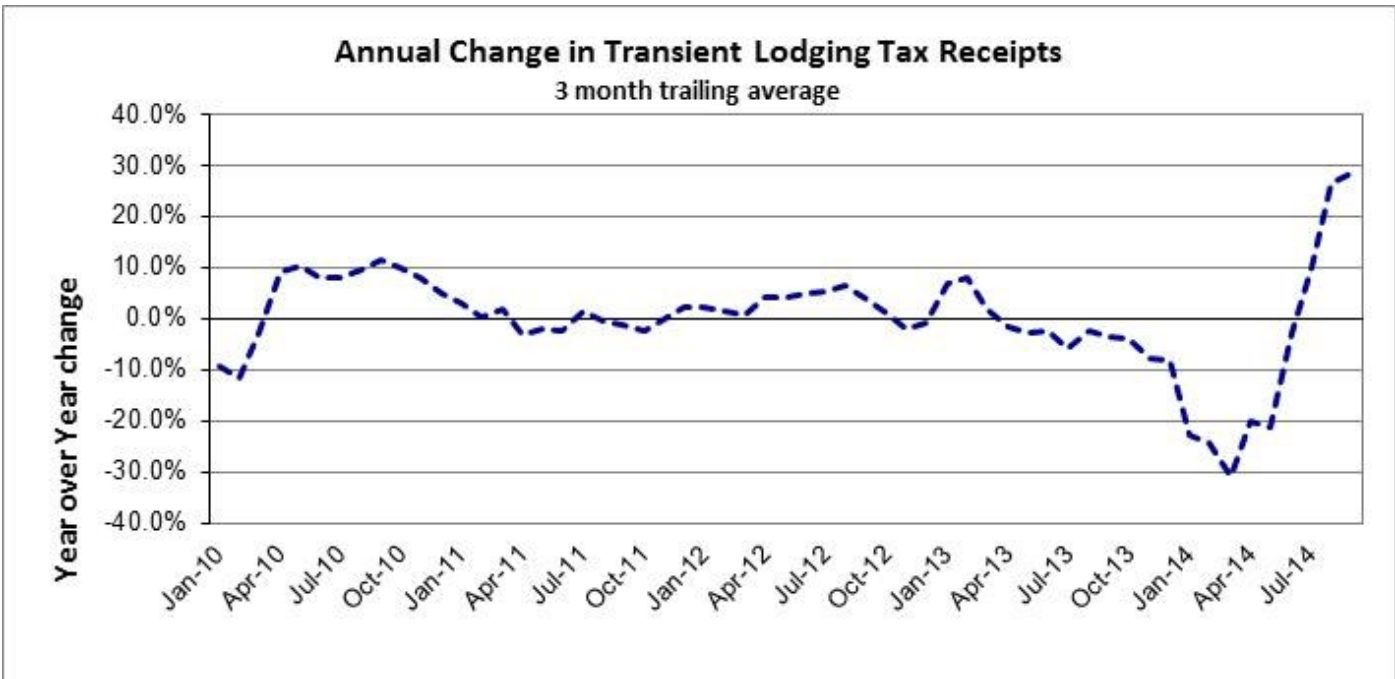
Variations in FY15 YTD Expenditures from the 4-year average	% increase/ (decrease) of budgeted expenditures from 4-yr avg.	Explanation
Health	15.5%	Compared with FY 2014 the Health department has spent 36.15% of their budget, or 2.9% less than in FY 2015. However, the percentage increase of budgeted expenditures from the four year average is showing an increase of 15.5% because in FY 2012 the first quarter invoice submission by the Commonwealth to the City was delayed, thereby causing the percent of the budget expended to be significantly lower than the subsequent years.

# ECONOMIC INDICATORS



## Transient Lodging Tax Receipts

The City of Alexandria’s hotel industry has seen noticeable improvement in the last few months. Looking at the Annual Change in Transient Lodging Tax Receipts chart, the change has continued to improve since April, and as of September was close to 28.4% higher than it was at the same time in the previous year. Both occupancy and daily rates affect these receipts, and both have increased regionally. In Northern Virginia, occupancy rates increased from 0.9% to 38.2% (depending on category of hotel) from September 2013, and the daily rate increased by 10.4%. The national outlook for the hotel industry also looks favorable. According to Smith Travel Research, national occupancy rates in September were up 3.9% to 65.7% occupancy and the average daily rate rose 9.5% compared to September 2013. The trend in these receipts bodes well for travel and tourism revenue for the City moving forward and suggests that the low room rates characteristic of last year are not a concern at this point in time.



Source: Finance Department

Through September 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>

## CONTINGENT RESERVES

Council set aside \$7,956 in Contingent Reserves for City-wide street light assessment. As of September 30, 2014, it has not been released.



CITY OF ALEXANDRIA, VIRGINIA  
 COMPARATIVE STATEMENT OF REVENUES  
 GENERAL FUND  
 FOR THE PERIODS ENDING SEPTEMBER 30, 2014

	B	C	D=C/B	E	F=D-E
	FY2015	FY 2015		4 YR AVER %	VARIANCE
	AMENDED	REVENUES	%	OF REVENUES	FY 2015 TO
	BUDGET	THRU 9/30/2014	OF BUDGET	RECEIVED	4 YR AVER
<b>General Property Taxes</b>					
Real Property Taxes.....	\$ 369,652,723	\$ 674,742	0.0%	0.5%	-0.5%
Personal Property Taxes.....	41,286,000	19,989,950	48.4%	52.6%	-4.2%
Penalties and Interest.....	2,145,000	131,496	6.1%	7.6%	-1.5%
Total General Property Taxes	<u>\$ 413,083,723</u>	<u>\$ 20,796,188</u>	<u>5.0%</u>	<u>5.7%</u>	<u>-0.7%</u>
<b>Other Local Taxes</b>					
Local Sales and Use Taxes.....	\$ 26,900,000	\$ 2,137,250	7.9%	8.1%	-0.2%
Consumer Utility Taxes.....	12,200,000	1,051,597	8.6%	15.7%	-7.1%
Communication Sales and Use Taxes.....	11,200,000	903,430	8.1%	8.4%	-0.3%
Business License Taxes.....	33,000,000	204,427	0.6%	1.2%	-0.6%
Transient Lodging Taxes.....	11,300,000	1,836,200	16.2%	15.4%	0.8%
Restaurant Meals Tax.....	17,700,000	2,046,919	11.6%	14.7%	-3.1%
Tobacco Taxes.....	3,060,000	529,770	17.3%	17.1%	0.2%
Motor Vehicle License Tax.....	3,400,000	1,438,013	42.3%	43.2%	-0.9%
Real Estate Recordation.....	5,400,000	1,008,448	18.7%	17.4%	1.3%
Admissions Tax.....	1,000,000	132,563	13.3%	19.4%	-6.1%
Other Local Taxes.....	3,540,000	78,482	2.2%	2.9%	-0.7%
Total Other Local Taxes	<u>\$ 128,700,000</u>	<u>\$ 11,367,099</u>	<u>8.8%</u>	<u>10.1%</u>	<u>-1.3%</u>
<b>Intergovernmental Revenues</b>					
Revenue from the Fed. Government.....	\$ 9,976,119	\$ 1,088,185	10.9%	4.1%	6.8%
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	4,670,884	20.5%	22.2%	-1.7%
Total Intergovernmental Revenues	<u>\$ 56,358,535</u>	<u>\$ 17,548,334</u>	<u>31.1%</u>	<u>31.3%</u>	<u>-0.2%</u>
<b>Other Governmental Revenues And</b>					
Transfers In					
Fines and Forfeitures.....	\$ 5,815,000	\$ 1,030,141	17.7%	23.7%	-6.0%
Licenses and Permits.....	2,496,775	683,382	27.4%	30.6%	-3.2%
Charges for City Services.....	18,074,326	3,342,053	18.5%	18.1%	0.4%
Revenue from Use of Money & Prop.....	4,850,000	1,091,841	22.5%	24.9%	-2.4%
Other Revenue.....	1,320,442	296,565	22.5%	43.2%	-20.7%
Transfer from Other Funds.....	3,206,574	-	0.0%	0.0%	0.0%
Total Other Governmental Revenues	<u>\$ 35,763,117</u>	<u>\$ 6,443,982</u>	<u>18.0%</u>	<u>20.2%</u>	<u>-2.2%</u>
<b>TOTAL REVENUE</b>	<b>\$ 633,905,375</b>	<b>\$ 56,155,603</b>	<b>8.9%</b>	<b>9.8%</b>	<b>-0.9%</b>
<b>Appropriated Fund Balance</b>					
General Fund.....	\$ 3,014,527	\$ -	0.0%	0.0%	0.0%
Appropriated refunding bond proceeds	-	-			
Reappropriation of FY 2015	-	-			
Encumbrances And Other	-	-			
Supplemental Appropriations....	-	-			
<b>TOTAL</b>	<b>\$ 636,919,902</b>	<b>\$ 56,155,603</b>	<b>8.8%</b>	<b>9.8%</b>	<b>-1.0%</b>

# ATTACHMENT 2



25% of Fiscal Year Completed  
24.52% of Payrolls Processed

Online Reference 3

**COMPARATIVE STATEMENT OF EXPENDITURES & TRANSFERS BY FUNCTION  
GENERAL FUND  
FOR THE PERIODS ENDING SEPTEMBER 30, 2014**

FUNCTION	B	C	D=C/B	E	F=D-E
	FY2015 AMENDED BUDGET	FY2015 EXPENDITURES THRU 09/30/2014	% OF BUDGET EXPENDED	4 YR AVER % OF BUDGET EXPENDED	VARIANCE FY 2015 TO 4 YR AVER
Legislative & Executive.....	\$ 8,146,465	\$ 1,833,735	22.5%	23.5%	-1.0%
Judicial Administration.....	\$ 41,870,331	\$ 10,081,110	24.1%	25.3%	-1.2%
<b>Staff Agencies</b>					
Information Technology Services.....	\$ 10,411,287	\$ 2,403,511	23.1%	27.6%	-4.5%
Management & Budget.....	1,259,906	280,572	22.3%	20.5%	1.8%
Finance.....	13,435,340	2,833,018	21.1%	21.0%	0.1%
Human Resources.....	3,873,374	748,847	19.3%	23.6%	-4.3%
Planning & Zoning.....	5,317,991	1,213,105	22.8%	25.3%	-2.5%
Economic Development Activities.....	5,156,855	1,361,092	26.4%	24.7%	1.7%
City Attorney.....	2,750,066	641,757	23.3%	21.4%	1.9%
Registrar.....	1,271,261	252,487	19.9%	26.2%	-6.4%
General Services.....	13,683,472	2,961,334	21.6%	22.1%	-0.5%
Total Staff Agencies	\$ 57,159,552	\$ 12,695,723	22.2%	23.4%	-1.2%
<b>Operating Agencies</b>					
Transportation & Environmental Services.....	\$ 28,054,036	\$ 6,736,216	24.0%	27.4%	-3.4%
Fire.....	43,830,786	10,318,703	23.5%	27.8%	-4.3%
Police.....	55,286,068	14,153,667	25.6%	27.5%	-1.9%
Emergency Communications.....	7,161,972	1,824,927	25.5%	23.3%	2.2%
Code.....	120,000	23,694	19.7%	24.0%	-4.3%
Transit Subsidies.....	7,839,378	1,662,246	21.2%	27.0%	-5.8%
Housing.....	1,808,108	438,281	24.2%	20.7%	3.5%
Community and Human Services.....	13,736,910	3,060,817	22.3%	28.2%	-5.9%
Health.....	7,914,782	3,088,197	39.0%	23.5%	15.5%
Historic Resources.....	2,825,716	731,735	25.9%	25.2%	0.7%
Recreation.....	20,765,170	5,713,272	27.5%	26.6%	0.9%
Total Operating Agencies	\$ 189,342,926	\$ 47,751,755	25.2%	27.2%	-2.0%
<b>Education</b>					
Schools.....	\$ 191,811,472	\$ 27,565,953	14.4%	14.7%	-0.3%
Other Educational Activities.....	11,877	2,969	25.0%	25.0%	0.0%
Total Education	\$ 191,823,349	\$ 27,568,922	14.4%	14.7%	-0.3%
<b>Capital, Debt Service and Miscellaneous</b>					
Debt Service.....	\$ 62,664,899	\$ 20,165,348	32.2%	27.8%	4.4%
Non-Departmental.....	8,340,280	3,876,141	46.5%	37.5%	9.0%
General Cash Capital.....	18,058,794	-	0.0%	100.0%	-100.0%
Contingent Reserves.....	7,956	-	0.0%	0.0%	0.0%
Total Capital, Debt Service and Miscellaneous	\$ 89,071,929	\$ 24,041,489	27.0%	32.9%	-5.9%
<b>TOTAL EXPENDITURES</b>	<b>\$ 577,414,553</b>	<b>\$123,972,734</b>	<b>21.5%</b>	<b>23.1%</b>	<b>-1.6%</b>
<b>Cash Match (Transportation/DCHS/ and Transfers to the Special Revenue /Capital I</b>					
Transfer to Library.....	\$ 40,731,189	\$ 11,052,940	27.1%	0.1%	27.0%
Transfer to NVTA.....	6,607,160	1,651,790	25.0%	20.7%	4.3%
Transfer to NVTA.....	12,167,000	3,041,750	25.0%	25.0%	0.0%
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<b>\$ 636,919,902</b>	<b>\$139,719,214</b>	<b>21.9%</b>	<b>21.5%</b>	<b>0.4%</b>
<b>Total Expenditures by Category</b>					
Salaries and Benefits.....	\$ 207,764,510	\$ 47,699,305	23.0%	25.1%	-2.1%
Non Personnel (includes all school funds) .....	429,155,392	92,019,907	21.4%	19.7%	1.7%
<b>Total Expenditures</b>	<b>\$ 636,919,902</b>	<b>\$139,719,212</b>	<b>21.9%</b>	<b>21.5%</b>	<b>0.4%</b>