DATE: FEBRUARY 23, 2006
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
FROM: JAMES K. HARTMANN, CITY MANAGER
SUBJECT: MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING JANUARY 31, 2006


DISCUSSION: This report provides Fiscal Year (FY) 2006 financial information on revenues and expenditures of the General Fund for the period ended January 2006. This report presents revenues and expenditures for the same period in FY 2005 for comparative purposes (Attachments 1 and 2) and also provides charts of selected economic indicators (Attachment 3). The economic indicators show an increasing regional inflation rate (+3.7% year-to-year), a slowing in home sales (-13%), higher average home sale prices (+22%) for 2005, and continued low unemployment rate (2.4%). This report includes the budget projections presented to Council on February 14 as part of the Manager's Proposed FY 2007 Proposed Operating Budget with all identified net additional revenues programmed as part of the FY 2007 Proposed Operating Budget and FY 2007 Proposed Capital Improvement Program.
<table>
<thead>
<tr>
<th>Tax Category</th>
<th>FY 2006 BUDGET REVISED</th>
<th>FY 2006 BUDGET PROJECTIONS</th>
<th>BUDGET VERSUS PROJECTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Property¹</td>
<td>$ 251.1</td>
<td>$ 257.5</td>
<td>$ 6.4</td>
</tr>
<tr>
<td>Personal Property-local share</td>
<td>32.0</td>
<td>31.6</td>
<td>(0.4)</td>
</tr>
<tr>
<td>Sales Tax</td>
<td>24.4</td>
<td>25.1</td>
<td>0.7</td>
</tr>
<tr>
<td>Consumer Utility Tax</td>
<td>18.6</td>
<td>18.0</td>
<td>(0.6)</td>
</tr>
<tr>
<td>Business License Tax</td>
<td>26.9</td>
<td>28.4</td>
<td>1.5</td>
</tr>
<tr>
<td>Transient Lodging Tax</td>
<td>7.7</td>
<td>7.7</td>
<td>-</td>
</tr>
<tr>
<td>Restaurant Meals Tax</td>
<td>10.1</td>
<td>10.1</td>
<td>-</td>
</tr>
<tr>
<td>Tobacco</td>
<td>3.1</td>
<td>2.9</td>
<td>(0.2)</td>
</tr>
<tr>
<td>Recordation Taxes</td>
<td>6.1</td>
<td>6.3</td>
<td>0.2</td>
</tr>
<tr>
<td>Other Local Taxes (including cell phone and admissions tax)</td>
<td>6.8</td>
<td>7.4</td>
<td>0.6</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>47.7</td>
<td>48.8</td>
<td>1.1</td>
</tr>
<tr>
<td>Fines and Forfeitures</td>
<td>3.9</td>
<td>3.8</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Licenses and Permits</td>
<td>3.4</td>
<td>4.7</td>
<td>1.3</td>
</tr>
<tr>
<td>Charges for City Services</td>
<td>9.3</td>
<td>9.6</td>
<td>0.3</td>
</tr>
<tr>
<td>Use of Money and Property</td>
<td>6.1</td>
<td>7.3</td>
<td>1.2</td>
</tr>
<tr>
<td>Net Additional Revenues</td>
<td></td>
<td></td>
<td>$12.0²</td>
</tr>
</tbody>
</table>

1 At the proposed rate of 84.7¢ per thousand.
2 Revenues entirely programmed or designated as part of FY 2007 budget process.

See p 5-76 in the FY 2007 Proposed Operating Budget for details.

**REVENUES (Attachment 1):** As of January 31, 2006, actual FY 2006 General Fund revenues totaled $246.7 million, an increase of $22.9 million above this time last year. This is primarily due to the budgeted increase in real estate tax revenue. Unless otherwise noted, revenues reflect normal trends and represent no cause for concern.

**Real Property Taxes:** Second half 2005 real estate taxes were due November 15. As projected in the FY 2007 Proposed Operating Budget, second half real estate billings totaled $136.6 million. With 2006 assessments increasing 20.98 percent, overall FY 2006 real estate tax revenue
collections will exceed budgeted levels. This assessment increase, at the FY 2007 Proposed Operating Budget 84.7c real estate tax rate, would increase expected FY 2006 real estate tax revenues to $257.5 million, or $6.4 million above the Approved FY 2006 Budget. Real estate tax revenues to be paid on June 15 will be based on the 2006 assessments as well as the real estate tax rate to be adopted by City Council on April 24.

**Personal Property Taxes:** Personal property tax bills were due on October 5, 2005. The FY 2006 Approved Budget includes a $32.0 million revenue projection for tax revenue collected directly by the City (including $15.9 million for vehicles, $14.9 million for businesses and $1.2 million for delinquent accounts) and includes an additional $22.4 million of intergovernmental revenue that the City receives from the Commonwealth under the provisions of the Personal Property Tax Relief Act of 1998 (PPTRA). The State’s share of the local personal property tax payment this year is 70 percent of most taxpayers’ payments, which is the same as last year. The total for all budgeted revenues related to personal property tax for FY 2006 is $54.4 million.

Personal Property tax collections-to-date, in the amount of $31.1 million are $1.1 million higher than the same time last year. Current analysis of the personal property tax billing projects that the FY 2006 personal property tax collection (vehicle and business property) will approximate the budget. The total tax on all vehicles in the August 2005 billing, including the portion that the State reimburses the City under the PPTRA, increased by 6.3 percent. The total number of business personal property tax bills issued, the amount of taxes billed and the total of the business personal property assessments were comparable to last year with no significant increase or decrease. Based on collections-to-date, it appears that business and vehicle personal property tax collections will approximate $31.6 million, a decrease of $0.4 million below the Approved FY 2006 Budget.

<table>
<thead>
<tr>
<th>Personal Property Tax (in millions)</th>
<th>Actual-to-Date FY 2005</th>
<th>Budget FY 2006</th>
<th>Actual-to-Date FY 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>City share</td>
<td>$30.0</td>
<td>$32.0</td>
<td>$31.1</td>
</tr>
<tr>
<td>Commonwealth reimbursement</td>
<td>20.4</td>
<td>22.4</td>
<td>21.1</td>
</tr>
<tr>
<td>Total</td>
<td>$50.4</td>
<td>$54.4</td>
<td>$52.2</td>
</tr>
</tbody>
</table>

**Local Sales and Use Taxes:** Businesses remit sales tax to the Commonwealth within 30 days of the end of the month in which sales occurred. The Commonwealth wires the City’s portion of the sales tax approximately one month later. Sales taxes received by the City in January represent revenues collected by merchants in November. The Virginia Department of Taxation is converting to a new accounting system. As a result of this conversion, the Commonwealth’s distribution of sales tax to the City for September through November has been paid based on an estimated 5.5 percent increase over last year’s distribution. The distribution in December contained a positive adjustment for underpayments by the State made in the preceding months,
and City sales tax revenues have now increased 6.2% for the first five months of FY 2006. Based on collections to date, it appears that sales tax collections will approximate $25.1 million, a $0.7 million increase over the Approved FY 2006 Budget.

**Consumer Utility Taxes:** Consumer utility taxes are collected by the utility companies one month after billing and are remitted to the City the following month. Telephone tax revenues continue to decline as consumers switch from land line phones to cell phones and from dial-up connections to broadband for Internet access. Based on these lower collections, it appears that consumer utility taxes will approximate $18.0 million, a decrease of $0.6 million below the Approved FY 2006 Budget.

### City of Alexandria Consumer Utility Tax Receipts

<table>
<thead>
<tr>
<th>Utility</th>
<th>FY 2006 Year-to-Date Receipts</th>
<th>FY 2005 Year-to-Date Receipts</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telephone - Tax on Local Services</td>
<td>$3,383,625</td>
<td>$3,599,783</td>
<td>$(216,158)</td>
</tr>
<tr>
<td>Electricity</td>
<td>2,863,119</td>
<td>2,789,660</td>
<td>73,459</td>
</tr>
<tr>
<td>Water</td>
<td>1,003,646</td>
<td>966,085</td>
<td>37,561</td>
</tr>
<tr>
<td>Natural Gas</td>
<td>1,016,280</td>
<td>1,003,235</td>
<td>13,045</td>
</tr>
</tbody>
</table>

**Business License Taxes:** The City’s business license tax is primarily due March 1 of each year. Collections-to-date, in the amount of $2.0 million, represent filings by new businesses and payments on delinquent accounts. No clear patterns of current year collections will be evident until all collections due March 1 are tallied. Based on preliminary collections-to-date of delinquent taxes, staff’s current estimate for business license tax receipts based largely on FY 2005 actual payments is $28.4 million, an increase of $1.5 million over the Approved FY 2006 Budget. Staff will continue to monitor and make recommendations as warranted in the context of budget work sessions.

**Transient Lodging Taxes:** Transient lodging taxes are remitted to the City within 30 days after collection. Therefore, the revenue reflected in this report represents collections by hotels through December 2005. Collections total $3.6 million, which is an increase of $0.3 million over collections in the previous year. The current revenue estimate approximate the budget. Staff will continue to monitor and make recommendations as warranted in the context of budget work sessions.

**Restaurant Meals Tax:** Restaurant meals taxes are remitted to the City within 30 days after collection. Therefore, the revenue reflected in this report represents collections by restaurants through December 2005. Collections total $4.8 million, an increase of $0.3 million over collections in the previous year. The current revenue estimate approximate the budget. Staff will
continue to monitor and make recommendations as warranted in the context of budget work sessions.

**Real Estate Recodation Taxes:** Real estate recodation tax revenues are collected by the Clerk of the Court and remitted to the City the following month. Collections in the amount of $3.3 million are five percent lower than collections this time last year. Based on collections to date, it appears that recodation taxes will approximate $6.3 million, an increase of $0.2 million above the Approved FY 2006 Budget. In accordance with the FY 2006 Approved General Fund budget, $0.9 million of the total recodation taxes will be transferred to the Housing Special Revenue Fund with $0.8 million transferred in January.

**Admissions Tax:** New for FY 2006, the admissions taxes are remitted to the City within one month after collections and appear to confirm that the $1.3 million amount budgeted will be met or exceeded.

**Cell Phone Tax:** New in FY 2006, the effective date for the cell phone tax was September 1, 2005, with collections to date of $0.9 million. Based on current collections, it appears that the $2.2 tax will be collected, and increase of $0.5 million over the original estimate. Additional monthly experience will be needed to confirm this.

**Other Local Taxes:** This category includes bank franchise taxes, telecommunications right-of-way tax, cable TV franchise taxes, daily rental taxes and other miscellaneous taxes.

**Revenues from the Federal Government:** The City’s General Fund revenues from the federal government are primarily for federal prisoner per diem. The City has billed $2.8 million for housing federal prisoners through the period ending January 31, 2006. Payments of $1.7 million have been received as of January 31. The federal government generally pays the City for housing federal prisoners between 45 and 60 days after the end of the billing period. Based on current prisoner and billing levels, staff currently estimates that revenues from the federal government will approximate $5.1 million, an increase of $0.7 million over the Approved FY 2006 Budget.

**Fines and Forfeitures:** Collections through January were 11.7 percent lower than collections last year, primarily for parking fines. Based on collections-to-date and projected collections, staff projects that fines and forfeitures will approximate $3.8 million, a decrease of $0.1 million below the Approved FY 2006 Budget.

**Licenses and Permits:** Year-to-date revenues include increased construction related permits, primarily for multi-family dwellings. Collections-to-date are $2.9 million, or $0.5 million higher than collections at this time last year, primarily for building permits. Based on these collection patterns, licenses and permits revenue are expected to be $4.7 million, an increase of $1.3 million over the Approved FY 2006 Budget.

**Charges for City Services:** Increased collections represent budgeted increases for refuse and sanitary sewer fees.
School: The School Administration has reported $85.3 million in expenses through January 31, 2006. The City’s General Fund share of total School budgeted expenditures is approximately 75.8 percent of the total expenditures. This percentage was applied to total School disbursements to estimate School expenditures-to-date in the amount of $64.7 million (i.e., 75.8 percent of $85.3 million).

Other Education Activities: Expenditures-to-date reflect the first three quarterly contribution payments to the Northern Virginia Community College.

Debt Service: The increase in expenditures represents budgeted payments for general obligation bonds issued in FY 2005.

Non-Departmental: General Fund expenditures in this category reflect the City’s contributions to the public safety pension plan, senior citizens’ rent relief and payment for the City’s liability insurance.

Cash Matches (MH/MR/SA, Human Services, Library and Miscellaneous Grants) and Transfers: To comply with grant awards, the City’s share of funding is transferred from the General Fund to the Special Revenue Fund at the end of the fiscal year. Current transfers include a transfer of $750,000 as part of a $1.5 million affordable housing loan for an apartment acquisition. An additional $780,000 was transferred to the affordable housing fund to fund the Moderate Income Home Ownership Program. This $780,000 is part of the of the $889,815 in recordation taxes Council approved for affordable housing in the FY 2006 Approved Budget.

ATTACHMENTS:
Attachment 1 - Comparative Statement of Revenues
Attachment 2 - Comparative Statement of Expenditures & Transfers by Function
Attachment 3 - Selected Economic Indicators

STAFF:
Mark Jinks, Deputy City Manager
D. A. Neckel, Director of Finance
Laura Triggs, Deputy Director of Finance/Comptroller


CITY OF ALEXANDRIA, VIRGINIA  
COMPARATIVE STATEMENT OF REVENUES  
GENERAL FUND  
FOR THE PERIODS ENDING JANUARY 31, 2006 AND JANUARY 31, 2005

<table>
<thead>
<tr>
<th></th>
<th>FY2006</th>
<th>FY2006</th>
<th>% OF</th>
<th>FY2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>APPROVED</td>
<td>REVENUES</td>
<td>BUDGET</td>
<td>THROUGH 1/31/06</td>
</tr>
<tr>
<td>General Property Taxes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real Property Taxes</td>
<td>$251,056,796</td>
<td>$124,561,691</td>
<td>49.6%</td>
<td>$111,583,203</td>
</tr>
<tr>
<td>Personal Property Taxes</td>
<td>$32,000,000</td>
<td>$31,137,943</td>
<td>97.3%</td>
<td>$30,005,765</td>
</tr>
<tr>
<td>Penalties and Interest</td>
<td>$1,500,000</td>
<td>$990,370</td>
<td>66.0%</td>
<td>$790,788</td>
</tr>
<tr>
<td>Total General Property Taxes</td>
<td>$284,556,796</td>
<td>$156,690,004</td>
<td></td>
<td>$142,379,756</td>
</tr>
<tr>
<td>Other Local Taxes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Sales and Use Taxes</td>
<td>$24,400,000</td>
<td>$9,956,071</td>
<td>40.8%</td>
<td>$9,379,176</td>
</tr>
<tr>
<td>Consumer Utility Taxes</td>
<td>$18,600,000</td>
<td>$8,266,670</td>
<td>44.4%</td>
<td>$8,358,763</td>
</tr>
<tr>
<td>Business License Taxes</td>
<td>$26,900,000</td>
<td>$2,007,819</td>
<td>7.5%</td>
<td>$2,277,573</td>
</tr>
<tr>
<td>Transient Lodging Taxes</td>
<td>$7,700,000</td>
<td>$3,639,513</td>
<td>47.3%</td>
<td>$3,305,952</td>
</tr>
<tr>
<td>Restaurant Meals Tax</td>
<td>$10,100,000</td>
<td>$4,843,999</td>
<td>48.0%</td>
<td>$4,495,153</td>
</tr>
<tr>
<td>Tobacco Taxes</td>
<td>$3,100,000</td>
<td>$1,489,510</td>
<td>48.0%</td>
<td>$1,199,765</td>
</tr>
<tr>
<td>Motor Vehicle License Tax</td>
<td>$2,400,000</td>
<td>$2,135,047</td>
<td>89.0%</td>
<td>$2,159,987</td>
</tr>
<tr>
<td>Real Estate Recordation</td>
<td>$6,100,000</td>
<td>$3,321,761</td>
<td>54.5%</td>
<td>$3,496,092</td>
</tr>
<tr>
<td>Admissions Tax</td>
<td>$1,300,000</td>
<td>$603,616</td>
<td>46.4%</td>
<td>-</td>
</tr>
<tr>
<td>Cell Phone Tax</td>
<td>$1,700,000</td>
<td>$901,043</td>
<td>53.0%</td>
<td>-</td>
</tr>
<tr>
<td>Other Local Taxes</td>
<td>$3,849,000</td>
<td>$1,182,156</td>
<td>30.7%</td>
<td>$1,241,028</td>
</tr>
<tr>
<td>Total Other Local Taxes</td>
<td>$106,149,000</td>
<td>$38,347,205</td>
<td>36.1%</td>
<td>$35,913,489</td>
</tr>
<tr>
<td>Intergovernmental Revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue from the Federal Government</td>
<td>$4,400,000</td>
<td>$1,714,833</td>
<td>39.0%</td>
<td>$1,446,849</td>
</tr>
<tr>
<td>Personal Property Tax Relief from the Commonwealth</td>
<td>$22,400,000</td>
<td>$21,109,668</td>
<td>94.2%</td>
<td>$20,433,949</td>
</tr>
<tr>
<td>Revenue from the Commonwealth</td>
<td>$20,866,400</td>
<td>$11,068,428</td>
<td>53.0%</td>
<td>$10,321,613</td>
</tr>
<tr>
<td>Total Intergovernmental Revenues</td>
<td>$47,666,400</td>
<td>$33,892,929</td>
<td>71.1%</td>
<td>$32,202,411</td>
</tr>
<tr>
<td>Other Governmental Revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fines and Forfeitures</td>
<td>$3,900,150</td>
<td>$1,989,533</td>
<td>51.0%</td>
<td>$2,253,386</td>
</tr>
<tr>
<td>Licenses and Permits</td>
<td>$3,422,000</td>
<td>$2,872,726</td>
<td>83.9%</td>
<td>$2,377,688</td>
</tr>
<tr>
<td>Charges for City Services</td>
<td>$12,158,717</td>
<td>$7,362,867</td>
<td>60.6%</td>
<td>$5,423,702</td>
</tr>
<tr>
<td>Revenue from Use of Money &amp; Property</td>
<td>$6,206,914</td>
<td>$4,951,765</td>
<td>79.8%</td>
<td>$3,126,452</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>$473,358</td>
<td>$616,474</td>
<td>130.2%</td>
<td>$128,701</td>
</tr>
<tr>
<td>Total Other Governmental Revenues</td>
<td>$26,161,139</td>
<td>$17,793,365</td>
<td>68.0%</td>
<td>$13,309,929</td>
</tr>
<tr>
<td>TOTAL REVENUE</td>
<td>$464,533,335</td>
<td>$246,723,503</td>
<td>53.1%</td>
<td>$223,805,585</td>
</tr>
</tbody>
</table>

Appropriated Fund Balance

General Fund | 11,502,263 | - | 0.0% |
Reappropriation of FY 2005 Encumbrances | 2,087,658 | - | 0.0% |
And Other Supplemental Appropriations | 478,123,256 | $246,723,503 | 51.6% | $223,805,585 |
### CITY OF ALEXANDRIA, VIRGINIA
### COMPARATIVE STATEMENT OF EXPENDITURES & TRANSFERS BY FUNCTION
### GENERAL FUND
### FOR THE PERIODS ENDING JANUARY 31, 2006 AND JANUARY 31, 2005

<table>
<thead>
<tr>
<th>FUNCTION</th>
<th>FY2006 BUDGET</th>
<th>FY2006 EXPENDITURES THRU 01/31/06</th>
<th>% OF BUDGET</th>
<th>FY2005 EXPENDITURES THRU 01/31/05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislative &amp; Executive</td>
<td>$ 5,545,627</td>
<td>$ 2,828,315</td>
<td>51.0%</td>
<td>$ 3,009,960</td>
</tr>
<tr>
<td>Judicial Administration</td>
<td>$31,929,488</td>
<td>$19,090,262</td>
<td>59.8%</td>
<td>$17,897,833</td>
</tr>
<tr>
<td><strong>Staff Agencies</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information Technology Services</td>
<td>$7,969,866</td>
<td>$3,894,776</td>
<td>48.9%</td>
<td>$3,345,398</td>
</tr>
<tr>
<td>Management &amp; Budget</td>
<td>$1,038,329</td>
<td>$528,407</td>
<td>50.9%</td>
<td>$506,205</td>
</tr>
<tr>
<td>Finance</td>
<td>$8,590,883</td>
<td>$4,303,520</td>
<td>50.1%</td>
<td>$4,377,346</td>
</tr>
<tr>
<td>Real Estate Assessment</td>
<td>$1,208,167</td>
<td>$667,847</td>
<td>52.7%</td>
<td>$587,557</td>
</tr>
<tr>
<td>Personnel</td>
<td>$2,903,163</td>
<td>$1,684,408</td>
<td>58.0%</td>
<td>$1,405,620</td>
</tr>
<tr>
<td>Planning &amp; Zoning</td>
<td>$4,092,808</td>
<td>$2,235,744</td>
<td>54.6%</td>
<td>$2,017,977</td>
</tr>
<tr>
<td>Other Planning Activities</td>
<td>$2,707,936</td>
<td>$2,493,144</td>
<td>92.1%</td>
<td>$2,385,130</td>
</tr>
<tr>
<td>City Attorney</td>
<td>$2,338,305</td>
<td>$1,273,131</td>
<td>54.4%</td>
<td>$834,776</td>
</tr>
<tr>
<td>Registrar</td>
<td>$1,004,622</td>
<td>$567,791</td>
<td>56.5%</td>
<td>$695,894</td>
</tr>
<tr>
<td>General Services</td>
<td>$11,317,209</td>
<td>$6,174,121</td>
<td>54.6%</td>
<td>$5,858,414</td>
</tr>
<tr>
<td><strong>Total Staff Agencies</strong></td>
<td>$43,231,288</td>
<td>$23,822,889</td>
<td>55.1%</td>
<td>$22,014,317</td>
</tr>
<tr>
<td><strong>Operating Agencies</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transportation &amp; Environmental Services</td>
<td>$24,753,919</td>
<td>$13,669,996</td>
<td>55.2%</td>
<td>$13,361,129</td>
</tr>
<tr>
<td>Fire</td>
<td>$32,058,747</td>
<td>$19,372,306</td>
<td>60.4%</td>
<td>$17,949,322</td>
</tr>
<tr>
<td>Police</td>
<td>$44,849,631</td>
<td>$26,287,074</td>
<td>58.6%</td>
<td>$24,438,335</td>
</tr>
<tr>
<td>Transit Subsidies</td>
<td>$6,145,697</td>
<td>$5,057,460</td>
<td>82.3%</td>
<td>$4,167,112</td>
</tr>
<tr>
<td>Housing</td>
<td>$1,233,413</td>
<td>$609,878</td>
<td>49.4%</td>
<td>$508,003</td>
</tr>
<tr>
<td>Mental Health/Mental Retardition/ Substance Abuse</td>
<td>$504,578</td>
<td>$413,555</td>
<td>82.0%</td>
<td>$460,517</td>
</tr>
<tr>
<td>Health</td>
<td>$7,335,275</td>
<td>$4,015,270</td>
<td>54.7%</td>
<td>$3,517,383</td>
</tr>
<tr>
<td>Human Services</td>
<td>$10,396,444</td>
<td>$6,110,196</td>
<td>58.8%</td>
<td>$5,628,713</td>
</tr>
<tr>
<td>Historic Resources</td>
<td>$2,567,757</td>
<td>$1,463,381</td>
<td>57.0%</td>
<td>$1,321,241</td>
</tr>
<tr>
<td>Recreation</td>
<td>$18,412,211</td>
<td>$10,768,804</td>
<td>58.5%</td>
<td>$9,950,702</td>
</tr>
<tr>
<td><strong>Total Operating Agencies</strong></td>
<td>$148,257,672</td>
<td>$87,767,920</td>
<td>59.2%</td>
<td>$81,302,457</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Schools</td>
<td>$138,753,138</td>
<td>$64,695,090</td>
<td>46.6%</td>
<td>$61,447,914</td>
</tr>
<tr>
<td>Other Educational Activities</td>
<td>$12,990</td>
<td>$9,743</td>
<td>75.0%</td>
<td>$9,974</td>
</tr>
<tr>
<td><strong>Total Education</strong></td>
<td>$138,766,128</td>
<td>$64,704,833</td>
<td>46.6%</td>
<td>$61,457,888</td>
</tr>
<tr>
<td><strong>Capital, Debt Service and Miscellaneous</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Service</td>
<td>$27,714,883</td>
<td>$12,648,891</td>
<td>45.6%</td>
<td>$8,147,594</td>
</tr>
<tr>
<td>Non-Departmental</td>
<td>$15,987,448</td>
<td>$5,321,195</td>
<td>33.3%</td>
<td>$5,584,681</td>
</tr>
<tr>
<td>Cash Contingent Reserves</td>
<td>$18,859,735</td>
<td>$18,859,735</td>
<td>100.0%</td>
<td>$21,382,000</td>
</tr>
<tr>
<td><strong>Total Capital, Debt Service and Miscellaneous</strong></td>
<td>$62,825,316</td>
<td>$36,382,321</td>
<td>58.6%</td>
<td>$35,114,275</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td>$430,555,519</td>
<td>$235,044,040</td>
<td>54.6%</td>
<td>$220,796,730</td>
</tr>
<tr>
<td>Cash Match (Mental Health/Mental Retardation/ Substance Abuse, Human Services and Library and Transfers to the Special Revenue Fund)...</td>
<td>$34,787,308</td>
<td>$1,530,000</td>
<td>4.4%</td>
<td>-</td>
</tr>
<tr>
<td>Transfer to Library</td>
<td>$6,438,429</td>
<td>$3,755,750</td>
<td>58.3%</td>
<td>$3,480,011</td>
</tr>
<tr>
<td>Transfer to DASH</td>
<td>$6,342,000</td>
<td>$3,699,500</td>
<td>58.3%</td>
<td>$3,350,361</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES &amp; TRANSFERS</strong></td>
<td>$478,123,256</td>
<td>$244,029,290</td>
<td>51.0%</td>
<td>$227,627,102</td>
</tr>
</tbody>
</table>
## CITY OF ALEXANDRIA
### SELECTED ECONOMIC INDICATORS

<table>
<thead>
<tr>
<th></th>
<th>Current Year</th>
<th>Prior Year</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consumer Price Index (CPI-U)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>for the Washington-Baltimore, DC-MD-VA-WV Area</td>
<td>125.4</td>
<td>120.9</td>
<td>+3.7%</td>
</tr>
<tr>
<td>(As of November 30, 2005)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Source: Published bi-monthly</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>by United States Department of</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor, Bureau of Labor Statistics)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Unemployment Rates</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alexandria</td>
<td>2.4%</td>
<td>2.6%</td>
<td>-8%</td>
</tr>
<tr>
<td>Virginia</td>
<td>3.0%</td>
<td>3.4%</td>
<td>-12%</td>
</tr>
<tr>
<td>(As of December 31, 2005)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Source: United States Department</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>of Labor, Bureau of Labor Statistics, as adjusted)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>United States</strong></td>
<td>4.7%</td>
<td>5.2%</td>
<td>-10%</td>
</tr>
<tr>
<td>(As of January 31, 2006)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Source: United States Department</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>of Labor, Bureau of Labor Statistics)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Interest Rates</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(As of January 31, 2006)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prime Rate</td>
<td>7.25%</td>
<td>5.25%</td>
<td>+38%</td>
</tr>
<tr>
<td>Federal Fund Rate</td>
<td>4.36%</td>
<td>2.33%</td>
<td>+87%</td>
</tr>
<tr>
<td>(Source: SunTrust Economic Monitor)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>New Business Licenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(During January)</td>
<td>99</td>
<td>79</td>
<td>+25%</td>
</tr>
<tr>
<td>(Source: Finance Department, Business Tax Branch)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Office Vacancy Rates</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(As of September 30, 2005)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alexandria</td>
<td>6.7%</td>
<td>9.3%</td>
<td>-28%</td>
</tr>
<tr>
<td>Northern Virginia</td>
<td>11.9%</td>
<td>13.4%</td>
<td>-11%</td>
</tr>
<tr>
<td>Washington DC Metro Area</td>
<td>9.5%</td>
<td>10.9%</td>
<td>-13%</td>
</tr>
<tr>
<td>(Source: Grubb &amp; Ellis)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>New Commercial Construction</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(As of December 31, 2005)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of New Building Permits</td>
<td>5</td>
<td>3</td>
<td>+67%</td>
</tr>
<tr>
<td>Value of New Building Permits</td>
<td>$7.6 million</td>
<td>$9.1 million</td>
<td>-16%</td>
</tr>
<tr>
<td>(Source: Fire Department Code Enforcement Bureau)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Residential Real Estate Indicators</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(for the year ended December 31, 2005)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential Dwelling Units Sold</td>
<td>3,377</td>
<td>3,877</td>
<td>-13%</td>
</tr>
<tr>
<td>Average Residential Sales Price</td>
<td>$483,381</td>
<td>$395,759</td>
<td>+22%</td>
</tr>
<tr>
<td>(Source: Department of Real Estate Assessments)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
City of Alexandria
Selected Economic Indicators

Unemployment Rates - US, Virginia and Alexandria


Selected Interest Rates

Source: Suntrust Economic Monitor
City of Alexandria
Selected Economic Indicators

Selected Residential Real Estate Indicators

![Graph showing number of dwellings sold and average residential sales price over time.]

- ○ - Number of Dwellings Sold
- ▲ - Average Residential Sales Price

Alexandria New Commercial Construction
Number of Permits and
Value of New Construction Permits

![Graph showing number of permits issued and value of new construction permits over time.]

- □ - Number of Permits Issued
- ■ - Value of New Permits
City of Alexandria
Selected Economic Indicators

Office Vacancy Rates

Percentage

Quarter

Northern Virginia
Washington DC Metropolitan
Alexandria

Twelve Month Annualized Percentage Change in Consumer Price Index
Washington/Baltimore

Jan-04 Mar-04 May-04 Jul-04 Sep-04 Nov-04 Jan-05 Mar-05 May-05 Jul-05 Sep-05 Nov-05

0.0% 0.5% 1.0% 1.5% 2.0% 2.5% 3.0% 3.5% 4.0% 4.5% 5.0%

Source: United States Department of Labor, Bureau of Labor Statistics

New Business Licenses Issued in Alexandria

Number Issued During the Month


120 100 80 60 40 20 0