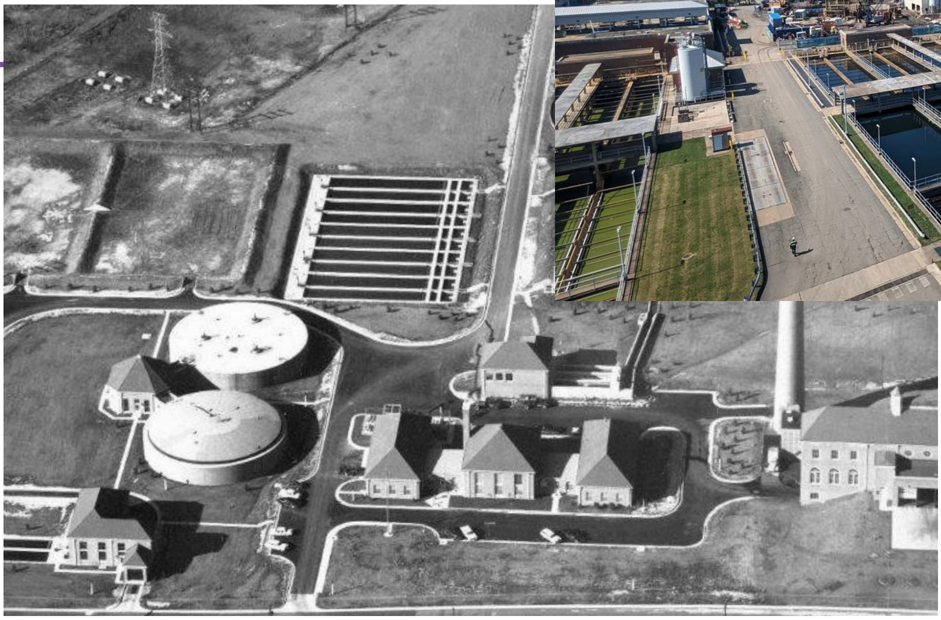
Fiscal Years Ended June 30, 2024 & 2023 | Alexandria, VA

ANNUAL COMPREHENSIVE FINANCIAL REPORT



AlexRenew

ALEXRENEW

ALEXANDRIA, VA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEARS ENDED JUNE 30, 2024 and 2023

Prepared by the Finance Department

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ALEXRENEW
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2024 and 2023

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Introduction

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AlexRenew
1800 Limerick Street
Alexandria, VA 22314
alexrenew.com

AlexRenew Transmittal Letter

November 19, 2024

To the AlexRenew Board of Directors, our customers, and interested parties:

The Annual Comprehensive Financial Report (ACFR) for AlexRenew for the fiscal year ended June 30, 2024, is submitted herein. This report has been prepared in accordance with generally accepted accounting principles (GAAP) as recommended by the Governmental Accounting Standards Board (GASB) and audited by a firm of independent certified public accountants.

This report presents the financial position of AlexRenew; demonstrates compliance with applicable finance-related legal and contractual provisions; and reflects the principle of full disclosure, allowing readers to gain maximum understanding of AlexRenew's financial position. The accuracy of the data represented, as well as the completeness and fairness of the presentation, including all disclosures, is the responsibility of AlexRenew. To the best of our knowledge and belief, this report is accurate in all material respects and presents fairly the financial position and results of operations of AlexRenew.

Yount, Hyde & Barbour, P.C., an independent registered public accounting firm has audited AlexRenew's financial statements for the year ended June 30, 2024. The independent auditor's report is presented in the financial section of the ACFR.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a general overview and analysis of the accompanying financial statements. This letter of transmittal is prepared to complement the MD&A and should be read in conjunction with it.

PROFILE OF ALEXRENEW

The City of Alexandria, Virginia Sanitation Authority, doing business as (d/b/a) AlexRenew, is a wastewater treatment authority serving over 300,000 people in Alexandria, VA and parts of Fairfax County. AlexRenew was established in 1952 as an independent political subdivision of the Commonwealth of Virginia under the Virginia Water and Waste Authorities Act.

Each year, AlexRenew processes and cleans approximately 13 billion gallons of wastewater received from area homes, schools, and businesses. AlexRenew's team of over 100 wastewater professionals is dedicated to providing essential wastewater services for Alexandria — protecting its citizens, delivering healthier waterways, and building a lasting legacy of environmental stewardship in the region.

AlexRenew owns approximately $1.4 billion in total assets, including five pumping stations, two service chambers, four intercepting sewers, four combined sewer outfalls, and a Water Resource Recovery Facility (WRRF) located adjacent to Alexandria's Old Town historic district.

AlexRenew is governed by a five-member citizen Board of Directors that appoints the General Manager and Chief Executive Officer, who is responsible for the daily management of the organization.

LOCAL ECONOMY

As an inner suburb to Washington, DC, Alexandria continues to see a small but steady annual increase in its population, strong demand for housing, and a number of ongoing major development and redevelopment projects. The City's unemployment rate was 2.7% as of July 2024.

The largest sectors of employment by total wages in Alexandria continue to be professional, scientific, and technical services, as well as public administration. The U.S. Patent and Trademark Office, National Science Foundation, and a number of non-profits and associations maintain headquarters in Alexandria. The historic Old Town district is home to many small businesses and a vibrant waterfront. Construction on the first building for the Virgina Tech Innovation Campus is nearly complete. The Innovation District Pumping Station, which will be used to serve the campus, was conveyed to AlexRenew for ownership and operation in September 2023.

Alexandria real estate values increased for a fourteenth consecutive year with the overall value of Alexandria's taxable property increasing 3.3% from 2022 to 2023. Year-over-year, average residential values increased 3.0% while commercial property values increased 4.0%. The increase in the overall tax base was attributable to both appreciation of existing properties as well as new development. In 2024, 50% of single-family homes had value increases. Approximately 74% of condominiums increased in value while multifamily properties saw a 2.3% decrease in value on average. The hospitality industry is making a recovery, as hotels increased in value by 4.3% on average. Other commercial property types experiencing value increases included shopping centers.

MAJOR INITIATIVES

Construction continued in FY2024 on RiverRenew, AlexRenew's multi-year program, which began in 2018 to prevent millions of gallons of sewage mixed with rainwater (combined sewage) from polluting the Potomac River and its tributaries each year. In March 2024, legislation to extend the statutory deadline to complete the project by one year to July 1, 2026 was signed into law in Virginia. AlexRenew has invested over $440 million in RiverRenew, which has employed more than 200 Virginia firms, and is over 65 percent complete. In March 2024, AlexRenew completed the 2.2-mile-long, 12-foot-wide tunnel using a state-of-the-art tunnel boring machine. The tunnel connects the existing combined sewer outfalls to AlexRenew's wastewater treatment plant. Crews continue to make progress on a six (6) foot-wide sewer interceptor; 12-story-deep, 65-foot-wide pumping station; and massive shafts that when complete will function as a system to capture combined sewer overflows.

RiverRenew is funded by a combination of grants, low-interest loans, and contributions from AlexRenew and Fairfax County. During FY2024, AlexRenew drew $101.1 million from these loans and grants to reimburse for construction expenses incurred on RiverRenew.

In June 2024, AlexRenew issued its first Green bonds and received $50 million in bond and premium proceeds. The bonds were rated AAA by S&P at issuance. Funding from the bonds will support three projects in AlexRenew's capital portfolio; including upgrades to its biosolids treatment systems, wastewater screening and pumping facilities, and its filtration processes.

LONG-TERM FINANCIAL PLANNING

For more than a decade, AlexRenew has employed rate modeling to analyze, evaluate, and implement an annual and long-term fee structure to support the financial obligations of the organization. The rate model incorporates historical financial results along with the projected needs of the organization based on the annual operating budget, expected contributions from Fairfax County, and the annual update to the ten-year Capital Improvement Program (CIP) budgeted projections. The CIP is a key element in planning for and managing for future regulatory compliance through large-scale capital investment. AlexRenew's long-term financial planning process ensures adherence to AlexRenew's indenture and financial policies, while appropriately considering future needs of the Alexandria community in setting rates and managing fiscal position.

INTERNAL CONTROL STRUCTURE AND BUDGETARY CONTROLS

The AlexRenew Board approves an annual operating and capital budget each June for the fiscal year period July 1 of the current year through June 30 of the following year. AlexRenew's annual operating and capital budget is a modified accrual basis document with revenues established based upon available resources. AlexRenew bills customers monthly for wastewater treatment based on water consumption at rates approved by the Board. Additionally, it receives monthly contributions from Fairfax County for operating and capital costs based on the service agreement between the County and AlexRenew.

AlexRenew's management establishes and maintains an internal accounting control structure that ensures the utility's assets are safeguarded against loss, theft, or misuse, and maintains accurate and reliable financial records for the preparation of financial statements and representations made by AlexRenew. AlexRenew's internal accounting control structure provides reasonable, but not absolute, assurance that objectives are met. The concept of reasonable assurance recognizes that the cost of internal controls should not exceed the benefits derived from the controls. The evaluation of costs and benefits rests with AlexRenew.

FINANCIAL DISCUSSION: Financial Condition and Overview

AlexRenew's financial condition remained strong at year-end. AlexRenew achieved all legal requirements, as prescribed by the master trust indenture and service agreements and exceeded its policy targets while maintaining strong liquidity and a responsible unrestricted net position. AlexRenew's Board-adopted financial policies include requirements to maintain debt service coverage of at least 1.50x on senior parity debt and at least 120 days of the current year's budgeted amount for operating and maintenance expenses in reserves. At fiscal year-end, debt service coverage was in excess of 2.1x and 427 days cash on hand sufficient to meet policy targets and maintain liquidity as construction spending for RiverRenew continues.

AlexRenew maintained appropriate fiscal and business discipline as it implemented the FY2024 operating and maintenance budget, resulting in a moderate operating budget excess and the strengthening of the organization's overall financial position. Capital spend increased year-over-year to almost $19 million, as construction continued on active capital projects including RiverRenew. In addition to RiverRenew, capital projects funded in FY2024 included design and procurement for upgrades to AlexRenew's preliminary, primary, and solids processes and ongoing upgrades to information systems and infrastructure to improve the organization's cybersecurity.

AlexRenew has two primary sources of revenue – wastewater treatment charges assessed to City customers and contributions from Fairfax County based on service agreements. AlexRenew's Board approved and implemented its third two-year rate increase at the beginning of FY2023 to primarily support spending associated with RiverRenew and additional operating costs and capital expenses. AlexRenew continues to maintain a $60 million line of credit with a commercial bank to provide interim financing for RiverRenew construction as needed. As of June 30, 2024, there was only $0.1 million drawn from this line of credit.

Looking forward, AlexRenew will continue to emphasize best practices and fiscal discipline to ensure its financial resiliency and sustain its fiscal strength as it navigates the next few years of major construction.

FINANCIAL DISCUSSION: Investment Policy

AlexRenew manages the investment of its cash and other financial instruments in strict accordance with the Code of Virginia, other applicable laws and regulations, and the Board-adopted investment policy. AlexRenew focuses on maintaining capital preservation and liquidity while achieving a market return on financial resources.

FINANCIAL DISCUSSION: Capital Assets

AlexRenew's capital assets are currently valued at $1.2 billion. This is reflective of a significant capital program in recent years that will continue as the RiverRenew program is implemented, which includes a meaningful capital investment. In building and managing the long-term capital improvement plan, AlexRenew will be particularly conscious of the implications for its customers and its overall financial stability.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to AlexRenew for its Annual Comprehensive Financial Report (ACFR) for the fiscal period ended June 30, 2023. This was the seventeenth year that AlexRenew has received this prestigious award. The GFOA awards a Certificate of Achievement to financial reports that clearly convey the financial position and results of operations of the governmental entity. The report must be easy to read, thorough, and efficiently organized, in addition to satisfying GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program requirements and standards.

The independent auditors have rendered their unmodified opinion on AlexRenew's financial statements for the fiscal year ended June 30, 2024. The independent auditors' report is presented as the first component of the financial section of this report. Management's Discussion and Analysis (MD&A) follows the independent auditors' report and provides a general overview and analysis of the accompanying financial statements.

Thank you to the AlexRenew staff, in particular, its finance team, and the professionals at MSL, P.A., an independent accounting and consulting firm that contributed to preparation of this report, whose hard work and dedication has made possible the preparation of this ACFR. Thank you to the AlexRenew Board of Directors as well, for their vision, leadership, and passion for the mission, and the important work done by every employee at AlexRenew.

Regards,

Justin Carl, PE	Caitlin Feehan, PE	Lake Akinkugbe
AlexRenew General Manager and CEO	AlexRenew Chief Administrative Officer	AlexRenew Director of Finance

ALEXRENEW

DIRECTORY OF PRINCIPAL OFFICIALS

June 30, 2024

BOARD OF DIRECTORS

John Hill - Chair
James Beall - Vice Chair
Adriana Caldarelli - Secretary/Treasurer
Rebecca Hammer
Mark Jinks

Shahram Mohsenin, Fairfax County Representative

CHIEF EXECUTIVE OFFICER (CEO)

Justin Carl, P.E.

CHIEF ADMINISTRATIVE OFFICER (CAO)

Caitlin Feehan

DIRECTOR OF FINANCE

Lake Akinkugbe

INDEPENDENT AUDITORS

Yount, Hyde & Barbour, P.C.

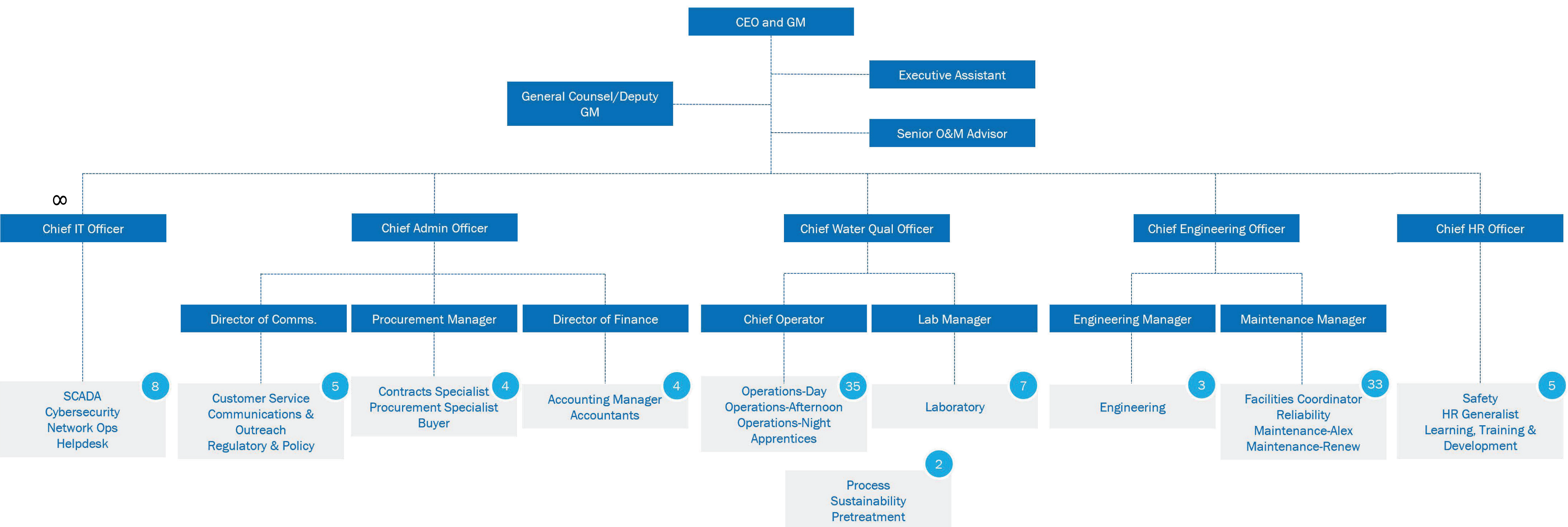
ALEXRENEW

BOARD OF DIRECTORS

June 30, 2024

Pictured from top left to right: Chair John Hill, Vice Chair James Beall
Bottom row from left to right: Secretary/Treasurer Adriana Caldarelli, Mr. Mark Jinks, and Ms. Rebecca Hammer

AlexRenew Organizational Chart



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Alexandria Renew Enterprises
Virginia

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO

Financial Section

yhb CPAs & Consultants
800.464.1976
YHBcpa.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
AlexRenew
Alexandria, Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the fiduciary activity of AlexRenew, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise AlexRenew's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the fiduciary activity of AlexRenew, as of June 30, 2024 and 2023, and the respective changes in its financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), *Specifications for Audits of Authorities, Boards and Commissions* issued by the Auditor of Public Accounts of the Commonwealth of Virginia, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of AlexRenew and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about AlexRenew's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of AlexRenew 's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about AlexRenew's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory and Statistical Sections, as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2024 on our consideration of AlexRenew's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering AlexRenew's internal control over financial reporting and compliance.

Yount, Hyde & Barbour, P.C.

Winchester, Virginia
November 19, 2024

MANAGEMENT’S DISCUSSION AND ANALYSIS

AlexRenew presents the following review of its financial activities for the fiscal years ended June 30, 2024 (FY24) and 2023 (FY23). Readers of these financial statements are encouraged to consider this information together with the accompanying financial statement notes to obtain a comprehensive view of the Authority's financial position and operating results for FY24.

AlexRenew's overall financial condition, as well as operating and capital plans to meet water quality requirements remained strong and stable during FY24. AlexRenew met or performed better than the standards established by its financial policies, maintaining a debt service coverage ratio of 2.1 and unrestricted cash of 427 days of operating expenses.

Throughout FY24, revenues from billed water consumption and resulting flows to AlexRenew's wastewater treatment plant exceeded the original budgetary estimate by approximately 5.0% or $2.7 million. This includes a $1.5 million in commercial customer billing refunds that dates back to 2013, which was recorded as a nonoperating expense in the statements of revenues, expenses and change in net position. Flows from Fairfax County to AlexRenew's wastewater treatment plant were lower than originally budgeted, resulting in a decrease of $0.8 million or 6.2% in actual operating revenues from Fairfax County. This decrease was offset by earned interest income which exceeded budgetary estimates by about $1.9 million. Operating expenses were almost flat to budget. Lower capital execution and spending resulted in $2.6 million less in debt service expenses. The net positive budget variances resulted in no use of cash reserves for capital expenses and the addition of $11.0 million to cash reserves, which will be used toward future capital spending.

AlexRenew received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting, which is the highest form of recognition for excellence in state and local government financial reporting. This is the 17th time AlexRenew has received this award.

Summary of Organization and Business

The City of Alexandria, Virginia, Sanitation Authority does business as AlexRenew. Throughout this document, the term "Authority" will be used in reference to the AlexRenew.

The Authority is a public body organized and created under the Virginia Water and Waste Authorities Act of the Code of Virginia of 1950, as amended. The Authority was created by the City Council of the City of Alexandria (City Council) in 1952 to construct, operate and maintain a sewage disposal system to provide wastewater treatment services to the public.

Five citizen members appointed by City Council to four-year staggered terms govern the Authority as its Board of Directors (Board).

In 1953, the Authority and neighboring Fairfax County (County) executed a service agreement by which the Authority would build a sewage treatment plant in which the County would purchase a reserved treatment capacity (Service Agreement). The Service Agreement further provides that the County will share in the cost of capital improvements to the sewage treatment system based on its reserved capacity and will also share in annual operating and maintenance expenses in proportion to the County's actual use as measured by the volume of sewage it contributes to the sewage treatment system. The Service Agreement was last amended and restated in October 1998. The major provisions relating to the County's reserved capacity (60%), payment of capital and upgrade costs, and calculation of its share of the payment of operating costs remained unchanged, though the County and the Authority have negotiated more recent agreements pertaining to the cost share of certain capital projects such as the RiverRenew program.

Summary of Organization and Business (Continued)
The Authority receives no financial support from the City of Alexandria (City) and has no taxing power. The revenues of the Authority are derived from wastewater treatment charges based on metered water consumption and meter size for Alexandria users, and payments from the County for its proportional share of operating expenses, replacement and renewal expense, and capital costs.

Audit Assurance
The unmodified (clean) opinion of our independent external auditors, Yount, Hyde & Barbour, P.C., is included in this report.

The financial section presents Management's Discussion and Analysis of the Authority's financial condition and activities for FY24. This financial section information should be read in conjunction with the financial statements.

Financial Highlights

The following are key financial highlights for FY24:

- The Authority treated 13.6 billion gallons of wastewater during FY24, a 4.0% increase compared to the prior FY23. At an average of 35 million gallons per day (MGD) in FY24, the 54 MGD design capacity at the facility remains sufficient.

- The County contributed 5.6 billion gallons of wastewater flow to the Authority in FY24, which accounted for approximately 41.0% of the wastewater treated at the Authority's facilities. This is slightly higher than the 40.7% in the prior FY23 and is within the County's allocation per the Service Agreement.

- The Authority's number of accounts in FY24 is at 26,885, slightly higher than prior FY23 at 26,710.

- Billed water consumption and flows to the facility remained strong and revenues exceeded the original budgetary estimate by approximately 8%.

- Wastewater treatment fee revenues are derived from two primary charges: a base charge and a volumetric charge. The base charge is a fixed rate that varies by customer served and the volumetric charge is a usage charge based on metered water sales. The volumetric charge approved by the Board for FY24 was $9.76 per 1,000 gallons of water and represents a 5.4% increase as compared with the prior FY23. The base charge approved by the Board for FY24 was $13.85 per month for residential customers and varies based on meter size for commercial customers, again representing a 5.4% increase as compared to the prior FY23.

- Wastewater treatment charge revenues of $57.8 million were 5.5% higher in FY24 compared to the prior FY23. This increase is the result of the rate increase described in the paragraph above and strong usage and billed flows.

- Total operating expenses for FY24, excluding depreciation and amortization, increased 5.7% compared to FY23.

- The FY24 operating budget included continued workforce investments and enhancements to employee benefits as AlexRenew continues to work to retain top talent in a competitive labor market.

- Senior debt service coverage, on an accrual basis, was 2.1x for FY24. This exceeded the 1.1x minimum required by the Authority's Master Indenture of Trust (Indenture) and 1.5x minimum established by the Board's Financial Policies. The Authority continue to fund it capital projects in FY24 primarily with the Water Infrastructure Finance and Innovation Act (WIFIA) loan program and a grant through American Rescue Plan Act (ARPA).

Financial Highlights (Continued)

- The Authority issued Green bonds rated AAA by S&P and received $50 million in bond and premium proceeds in June 2024 to fund three of its capital projects in FY2025 and beyond. These projects are will upgrade the Authority's biosolids treatment systems, wastewater screening and pumping facilities, and its filtration processes.

- Total assets and deferred outflows of resources for FY24 were $1,355.2 million. Total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources (Net Position) in the amount of $921.5 million for FY24. Of the total Net Position, $57.8 million were unrestricted and available to support operations for FY24. The increase in total assets is a result of the multiple improvement, replacement and construction projects ongoing for plant infrastructure and equipment.

- Capital assets net of depreciation and amortization increased $119.4 million in FY24. The increase is primarily due to increased capital expenditures associated with the RiverRenew program and other ongoing capital projects.

- Payments from the County of $12.1 million in FY24 represented the County's share of operating costs based upon their proportional contribution to total plant flow. County payments were $11.1 million in the prior FY23. This payment increase is the result of an increase in the percentage of flow contributed by the County and in the total jointly shared operating expense in FY24.

Required Financial Statements

The Authority's financial statements are prepared using generally accepted accounting principles (GAAP) for governmental units operated as a proprietary fund. As a result, the financial statements of the Authority report financial information using the flow of economic resources measurement focus, which is similar to those used by private sector companies. These statements offer current and long-term financial information about its activities.

The statement of net position includes all of the Authority's assets, deferred outflows of resources, liabilities and deferred inflows of resources, and provides summary information about the nature and amounts of investments in resources (assets) and obligations to Authority creditors (liabilities). The assets and liabilities are presented in a classified format, which lists current and other balances.

The statement of revenue, expenses, and changes in net position measures whether the Authority has successfully recovered its operating and non-operating costs through its wastewater treatment rates and other fees. The Authority's rates are determined via a rate modeling process that incorporates an array of factors focused on the cost of capture, conveyance, treatment, and discharge of wastewater. The rate model is updated and evaluated annually, or as circumstances warrant, to ensure the Authority recovers its full cost of service.

The statement of cash flows provides information about the Authority's cash receipts and cash payments during the fiscal year. The statement reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities, and the total change in cash during the reporting period.

In 2014, the Authority established an Other Post-Employment Benefits (OPEB) Trust Fund to fund its OPEB. It was established within the Virginia Pooled OPEB Trust Fund (Trust Fund), sponsored by the Virginia Municipal League and the Virginia Association of Counties. The Trust Fund is an investment permitted for participating municipal employers to accumulate assets to pay future OPEB benefits to retirees and their beneficiaries. The financial statements include the Statements of Fiduciary Net Position and the statements of changes in fiduciary net position for FY24 and FY23.

The Notes to the financial statements provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The Notes present information about the Authority's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies subsequent events, if any.

Financial Analysis:

The following comparative condensed financial statements and other selected information provide key financial data and indicators for management, evaluation and comparison.

The following table reflects the Authority's net position at June 30, 2024, June 30, 2023 and June 30, 2022:

Condensed Statements of Net Position
(in Millions of Dollars)

	2024	2023	$ Change	% Change	2022
Current unrestricted assets	$ 107.19	$ 77.04	$ 30.15	39.14 %	$ 71.28
Current restricted assets	69.03	15.22	53.81	353.55 %	23.68
Other non-current assets	0.63	0.48	0.15	31.25 %	0.43
Capital assets, net	1,175.73	1,056.38	119.35	11.30 %	949.68
Total Assets	1,352.58	1,149.12	203.46	17.71 %	1,045.07
Deferred Outflows	2.60	2.06	0.54	26.21 %	2.81
Current liabilities	56.17	58.12	(1.95)	(3.36) %	46.58
Long-term liabilities	375.75	256.94	118.81	46.24 %	180.32
Total Liabilities	431.92	315.06	116.86	37.09 %	226.90
Deferred Inflows	1.71	2.58	(0.87)	(33.72) %	7.24
Net Investment in capital assets	809.49	757.96	51.53	6.80 %	748.22
Restricted	54.26	5.70	48.56	851.93 %	15.49
Unrestricted	57.80	69.88	(12.08)	(17.29) %	50.03
Total Net Position	$ 921.55	$ 833.54	$ 88.01	10.56 %	$ 813.74

Financial Analysis (Continued)

The following table reflects the Authority's comparative revenues, expenses, and changes in net position for the fiscal year ending June 30, 2024, June 30, 2023 and June 30, 2022:

Condensed Statements of Revenues, Expenses and Changes in Net Position
(in Millions of Dollars)

	2024	2023	$ Change	% Change	2022
Revenues					
Program revenues:					
Wastewater Treatment Fees & Miscellaneous	$ 57.84	$ 54.86	2.98	5.40 %	$ 50.73
Fairfax County Wastewater Fees	12.08	11.06	1.02	9.20 %	10.92
General revenues:					
Federal grants	0.02	0.06	(0.04)	(66.70) %	0.28
Investment Income (loss)	2.04	0.76	1.28	168.40 %	(0.72)
Total Revenues	71.98	66.74	5.24	7.90 %	61.21
Program expenses					
Depreciation and Amortization expenses	22.97	21.44	1.53	7.10 %	20.57
Other Operating Expenses	35.51	33.56	1.95	5.80 %	27.62
Non-operating Expenses	7.45	4.65	2.80	60.20 %	4.96
Total Expenses	65.93	59.65	6.28	10.50 %	53.15
Changes in Net Position before Capital Contributions	6.05	7.09	(1.04)	(14.70) %	8.06
Capital Contributions	81.96	12.71	69.25	544.80 %	34.30
Changes in Net Position	88.01	19.80	68.21	344.50 %	42.36
Net Position:					
Beginning	833.54	813.74	19.80	2.43 %	771.38
Ending	$ 921.55	$ 833.54	$ 88.01	10.56 %	$ 813.74

Financial Analysis (Continued)

The following table summarizes other selected information of the Authority at June 30, 2024, 2023 and 2022.

Other Selected Information	2024	2023	Difference	% Change	2022
Selected data:					
Employees at year end	122	115	7	6 %	104
Alexandria accounts	26,885	26,710	175	1 %	26,767
Wastewater treated (millions of gallons)	13,617	13,094	523	4 %	13,090
Portion contributed by Fairfax County (millions of gallons)	5,577	5,326	251	5 %	6,204
Percentage contributed by Fairfax County	40.96% %	40.68 %	(40.27) %	(98.99) %	47.39 %
Rates, Residential Customers:					
Charge per 1000 gallons of water consumption	$ 9.76	$ 9.26	$ 0.50	5.4 %	$ 8.69
Base Charge	13.85	13.14	0.71	5.4 %	12.34
Average residential customer bill (based on 4,000 gallon per month water usage):					
Per year	$ 634.68	$ 602.16	$ 32.52	5.4 %	$ 565.20
Per quarter	158.67	150.54	8.13	5.4 %	141.30
Per month	52.89	50.18	2.71	5.4 %	47.10
Rates, Commercial Customers:					
Charge per 1000 gallons of water consumption	$ 9.76	$ 9.26	$ 0.50	5.4 %	$ 8.69
Base Charge					
Water Meter Size					
5/8"	$ 41.55	$ 39.42	2.13	5.4 %	$ 37.02
3/4"	41.55	39.42	2.13	5.4 %	37.02
1"	103.87	98.55	5.32	5.4 %	92.55
1-1/2"	207.74	197.10	10.64	5.4 %	185.10
2"	332.39	315.36	17.03	5.4 %	296.16
3"	623.23	591.30	31.93	5.4 %	555.30
4"	1,038.72	985.50	53.22	5.4 %	925.50
6"	2,077.43	1,971.00	106.43	5.4 %	1,851.00
8"	3,323.89	3,153.60	170.29	5.4 %	2,961.60

General Trends and Significant Events

The Authority's service area within the City can be referred to as mature. The City is over 250 years old and for the most part is built-out. While there is some undeveloped land and a number of areas under redevelopment, these activities are expected to have a limited impact on the Authority's flows and wastewater treatment charge revenue over the intermediate term. This is particularly true given the trend for water conservation and sustainability efforts within the community.

The Authority has continued to progress in implementing the RiverRenew program to remediate the combined sewer system that serves the oldest parts of the City (See Note 12). Work progressed throughout FY24 and included the completion of the 2.2-mile-long, 12-foot-wide tunnel.

The number of City accounts increased by 175 accounts in FY24 when compared to FY23. In the prior fiscal year, the number of accounts decreased by 57. The current number of accounts has been very stable, even though the City's population increased 10% over this same timeframe. This is likely driven by the significant number of Alexandrians who reside in single-metered multi-family housing units.

Financial Condition

The Authority's financial condition remained strong at fiscal year-end with adequate liquid assets and a reasonable level of unrestricted net position. The current financial condition, as well as operating and capital plans to meet future water quality requirements, are well balanced and under control.

Total assets and deferred outflows of resources grew $204.0 million or 17.7% during FY24. Net Position increased by $88.0 million in FY24, with a substantial portion of the change resulting in an increase in capital assets and restricted net position.

Results of Operations

Revenues: The Authority's revenues from operations fall into two main categories: 1) wastewater treatment charges (including base charge and volumetric charge) to customers in the City, which are based on metered water consumption and 2) County operating expense charges for wastewater treatment for its share of operating expenses based upon metered flow to the plant. Operating revenues increased by $4.0 million or 6.1% over last year, the net impact of the rate increase of approximately 5.4% that took effect July 1, 2023 for City customers and the slight increase year-over-year in the Fairfax operating contribution.

Capital contributions: Total capital contributions were $82.0 million in FY24, a $69.3 million increase over the prior FY23. The majority of the increase is due grant proceeds of $62.7 million from ARPA.

The County pays 60% of the cost of joint capital improvements to the water resource recovery facility based upon the Service Agreement with the Authority. The RiverRenew program is subject to a separately negotiated cost share agreement between the County and the Authority, based on the unique service characteristics of the facilities being constructed.

The County's capital contributions are recorded as non-operating revenues in the statements of revenues, expenses and changes in net position. The County's capital contributions increased by approximately $3.3 million year-over-year, primarily because AlexRenew's capital spending was more heavily concentrated in the RiverRenew program, which carries lower cost share percentages than other capital projects.

Results of Operations (Continued)

Expenses:

FY24-FY23 comparison: Total operating expenses for FY24, excluding depreciation and amortization, increased by $1.93 million or 5.7% relative to FY23. Core areas associated with operating the water resource recovery facility increased year-over-year including chemicals, utilities, operations maintenance, sludge disposal, and repairs and replacements expenses.

FY23-FY22 comparison: Total operating expenses for FY23, excluding depreciation and amortization, increased by $5.94 million or 21.5% relative to FY22. Core areas associated with operating the water resource recovery facility increased year-over-year including chemicals, utilities, operations maintenance, sludge disposal, and repairs and replacements expenses.

Capital Assets

The Authority maintains investments in a broad range of capital assets including land, buildings, sanitary sewer intercepting lines and force mains, pumping stations, a water resource recovery facility, four combined sewer outfalls, machinery and equipment, computers and vehicles. The Authority also owns capacity rights at the Arlington County Water Pollution Control Facility (Arlington). Pursuant to a Service Agreement between the City of Alexandria, the Authority and Arlington County, the Authority pays approximately 8% of the cost of capital improvements at the Arlington facility based on its 3 MGD reserved capacity. Additional information on the Authority's capital assets can be found in Notes 1 and 4 of the Notes to financial statements.

The Authority maintains its equipment annually on a prioritized basis through a committed improvements, renewals and replacements fund. The County and the Authority invest a percentage of total facility assets into this fund under the Service Agreement, to support adequate reinvestment and continuing compliance with environmental regulations.

The Authority finances its capital assets through rates and charges, the County capital contributions, interim financing instruments, long term debt and, when available, capital grants.

Debt Administration:

The Authority had $382.9 million in long-term debt outstanding at June 30, 2024, including $13.8 million considered short-term. Principal payments totaled $8.5 million during FY24. During FY21, the Authority received approval to issue the Series 2021 Clean Water Revolving Loan Fund (CWRLF) Bonds in an amount of up to $185 million and the Series 2021 Water Infrastructure Finance and Innovation Act (WIFIA) Bonds in an amount of up to $321 million to provide capital funding for RiverRenew. The Authority has completely drawn down the $185 million from the Series 2021 CWRLF Bonds and started drawdowns on the WIFIA Bonds in FY23. As of June 30, 2024, the Authority has drawn down $80 million on the WIFIA Bonds. No new debt facilities were issued during FY23. The Authority issued $50 million in Graen bonds and premium proceeds in June 2024 to fund three of its capital projects in FY2025 and beyond. These projects are the solids upgrades, preliminary and primary system upgrades and tertiary upgrades.

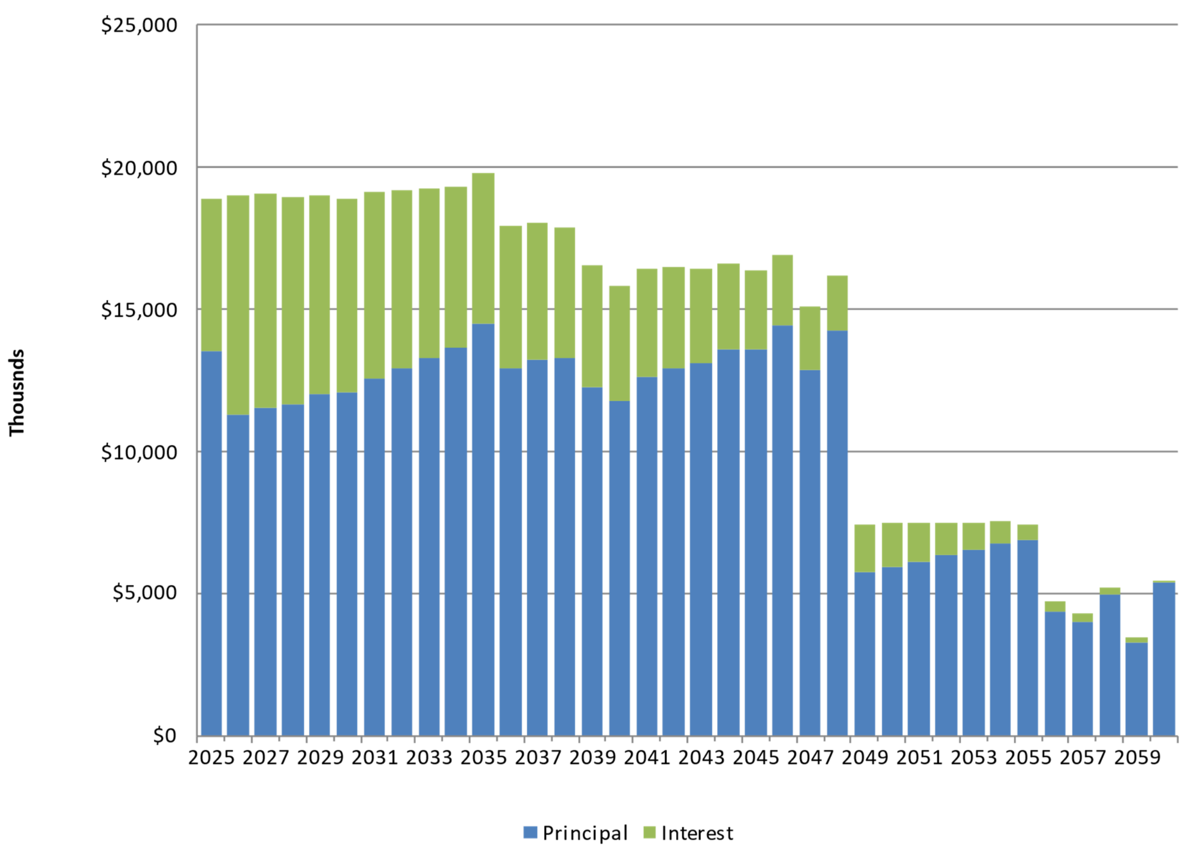
Annual debt service payments increased 31% in FY24 as compared to FY23 primarily due to interest payments on the Series 2021 Bonds and the WIFIA Bonds. The Authority also had $59.9 million available as of fiscal year end to provide interim funding for RiverRenew construction (See Note 5).

Results of Operations (Continued)

The Authority's financial strength, ability to pay current debt service (principal and interest), and future borrowing capacity is demonstrated, in part, by its senior debt service coverage which is currently a strong 2.1x. The Indenture requires the Authority to establish, fix, charge and collect rates, fees and other charges for operating and maintenance so that in each fiscal year net revenues are not less than 1.1x total debt service for the fiscal year. The Board's financial policies require the Authority to maintain a minimum debt service coverage of 1.5x total debt service for the fiscal year.

The graph below presents obligated future principal and interest payments for the Authority's outstanding revenue bonds as of June 30, 2024. This graph includes the debt service associated with draws the Authority had made on the Series 2021 CWRLF Bonds and WIFA Bonds as of the end of FY24 and does not include draws associated with the Line of Credit (See Note 5) or draws the Authority may make in the future under the CWRLF or WIFIA Bonds. The Authority's current revenue bonds mature in 2060 and future debt issued to fund the RiverRenew program or other capital projects is expected to be repaid largely after the decline in existing debt servi ce that occurs after FY25 as shown below.

Annual Debt Service Requirements



Results of Operations (Continued)

The following table calculates the performance relative to the Rate Covenant for FY24, FY23 and FY22.
(in millions)

	2024	2023	% Change	2022
Unrestricted Operating Revenue	$ 69.92	$ 65.92	6.07 %	$ 61.65
Total Operating Expenses				
(Less Depreciation and Replacements)	35.51	33.56	5.81 %	27.62
Net Revenue	$ 34.41	$ 32.36	6.33 %	$ 34.03
Annual Debt Service	$ 16.13	$ 12.31	31.06 %	$ 13.98
Revenue Covenant[1]	2.13	2.63	(18.86) %	2.43

[1] ≥ 1.10x per Indenture and 1.50x per Board Policy

Additional information on the Authority's debt can be found in Note 6 to the Financial Statements.

The Authority bills customers monthly for wastewater treatment based on the class of customer served and the corresponding amount of water consumption metered at the customer's premise at rates approved by its Board.

The Authority's budget includes sources/revenues for new debt issues that for accounting purposes are not shown as revenues but are included on the statement of net position to comply with GAAP. Likewise, capital project spending and debt service principal payments are treated as capital outlays (expenditures) for budget purposes but are included as assets and liabilities in the statement of net position for GAAP compliance purposes. The Authority's budget expense classifications are in several cases different than the financial statement presentation as is the case for personnel services and general and administrative expenses.

Results of Operations (Continued)

Capital spending is budgeted according to whether the project benefits the City only or is shared with Fairfax County. RiverRenew expenses are broken out from the other general capital projects due to the negotiated cost share percentages unique to that program. Certain expenditures for construction have been estimated net of contractual retainage not paid by contract terms until projects are complete. During FY24, the Authority made draws from the Series 2021 Bonds and the WIFIA Bonds, to fund its share of construction costs (net of County share) on capital projects.

Final Comments

FY24 marked another year of strong financial performance by the Authority. Revenues were bolstered by a strong local economy, an increase in percentage of Fairfax County flows, and the rate increases adopted over the past several years to fund RiverRenew construction. The Authority has continued to identify efficient funding sources, including state and federal grants, to help offset these costs, and used significant grant funding in FY24 towards construction expenses, allowing for debt issuance to occur more slowly and sparingly as construction continues. The Authority was in compliance with all of its financial policies and targets and affirmed its ability to meet its capital spending requirements while maintaining strong liquidity and financial flexibility. Operating expenditures increased by 5.7%, year-over-year primarily due to inflation and supply chain challenges. Debt service coverage was a strong 2.1x indicating that revenue growth is keeping pace with debt service expense, even as issuance of debt increases while the Authority implements RiverRenew and other needed initiatives to meet its mission.

Contacting the Authority's Financial Management

This financial report is designed to provide citizens, customers, and other interested parties with a general overview of the Authority's financial position and to demonstrate the Authority's accountability for the funds it receives. If you have any questions about this report or need additional financial information, please contact AlexRenew, 1800 Limerick St. Alexandria, Virginia 22314, call 703-721-3500, or visit us on the web at www.alexrenew.com.

ALEXRENEW
STATEMENTS OF NET POSITION
June 30, 2024 and 2023

	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents (Note 2):		
Unrestricted	$ 68,458,135	$ 44,362,343
Restricted	57,301,827	5,805,047
Accounts receivable, net (Note 3)	6,680,426	6,240,615
Due from other governments (Note 3)	20,626,818	3,456,230
Prepaid expenses	649,156	1,219,693
Inventory	303,255	319,180
Investments (Note 2):		
Unrestricted	10,469,679	21,450,219
Restricted	11,726,109	9,406,574
Total current assets	176,215,405	92,259,901
Non-current assets		
Other post employment benefits (Note 8)	630,910	470,825
Capital assets, net of depreciation and amortization (Note 4)	1,175,732,399	1,056,382,243
Total non-current assets	1,176,363,309	1,056,853,068
DEFERRED OUTFLOWS OF RESOURCES		
Pension related deferred outflows (Note 7)	1,845,409	1,222,941
Other post employment benefits related deferred outflows (Note 8)	26,166	59,114
Deferred charge on refunding	732,528	780,563
Total deferred outflows of resources	2,604,103	2,062,618
Total assets and deferred outflows of resources	$ 1,355,182,817	$ 1,151,175,587
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
Current liabilities		
Accounts payable and accrued expenses (Note 3)	$ 25,702,856	$ 16,617,908
Due to City of Alexandria	887,124	763,915
Accrued paid time off	931,724	771,242
Line of credit (Note 5)	75,000	21,874,852
Current maturities of long-term debt (Note 6)	13,812,360	8,583,453
Payable from restricted assets		
Accounts payable and accrued expenses (Note 3)	13,117,601	6,240,627
Accrued interest payable	1,641,601	3,270,182
Total current liabilities	56,168,266	58,122,179
Long-term liabilities		
Accrued paid time off, less current portion	310,574	257,081
Net pension liability (Note 7)	6,280,413	4,530,655
Long-term debt (Note 6)	369,157,827	252,151,691
Total long-term liabilities	375,748,814	256,939,427
Total liabilities	431,917,080	315,061,606
DEFERRED INFLOWS OF RESOURCES		
Pension related deferred inflows (Note 7)	916,395	1,670,498
Other post employment benefits related deferred inflows (Note 8)	797,402	904,718
Total deferred inflows of resources	1,713,797	2,575,216
Total liabilities and deferred inflows of resources	$ 433,630,877	$ 317,636,822
NET POSITION		
Net investment in capital assets	809,487,998	757,956,972
Restricted:		
Operating	2,618,972	507,516
Parity debt service	4,954,221	1,236,280
Improvement, renewal & replacement	3,989,574	3,957,016
Capital projects	42,705,966	-
Unrestricted	57,795,209	69,880,981
Total net position	921,551,940	833,538,765
Total liabilities, deferred inflows of resources, and net position	$ 1,355,182,817	$ 1,151,175,587

ALEXRENEW
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For The Years Ended June 30, 2024 and 2023

	2024	2023
OPERATING REVENUES		
Wastewater treatment fees	$ 57,840,256	$ 54,844,244
Fairfax County wastewater fees	12,079,279	11,062,569
Miscellaneous	7,567	24,014
Total operating revenues	69,927,102	65,930,827
OPERATING EXPENSES		
Personnel services	15,746,110	14,210,244
Utilities	4,285,323	3,942,929
Chemicals	3,821,102	2,785,388
Operations maintenance	984,466	1,655,108
Arlington sewage disposal	1,610,517	2,429,481
Sludge disposal	1,427,313	1,144,760
Depreciation and amortization (Note 4)	22,973,393	21,441,879
Repairs and replacements, sewage disposal systems	1,582,540	770,830
General, administrative, customer service, and other	6,045,797	6,636,799
Total operating expenses	58,476,561	55,017,418
Operating income	11,450,541	10,913,409
NONOPERATING REVENUES (EXPENSES)		
Investment income (loss)	2,039,936	757,913
Other grants	25,967	60,515
Customer refunds	(1,491,213)	-
Interest on debt	(5,857,608)	(4,647,932)
Loss on disposed capital assets	(114,841)	-
Total non-operating revenues (expenses)	(5,397,759)	(3,829,504)
Change in net position before capital contributions	6,052,782	7,083,905
CAPITAL CONTRIBUTIONS	81,960,393	12,712,874
Change in net position	88,013,175	19,796,779
NET POSITION, BEGINNING	833,538,765	813,741,986
NET POSITION, ENDING	$ 921,551,940	$ 833,538,765

The Notes to Financial Statements are
an integral part of these statements.

ALEXRENEW

STATEMENTS OF CASH FLOWS

For The Years Ended June 30, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$ 57,519,154	$ 54,632,869
Cash received from Fairfax County for operations	12,163,884	11,827,697
Cash received from other sources	7,567	24,014
Payments to suppliers for goods and services	(20,821,613)	(17,869,436)
Payments to employees for services	(15,339,654)	(14,548,847)
Net cash provided by operations	33,529,338	34,066,297
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition/construction of capital assets	(126,365,910)	(127,572,140)
Capital contributions from Fairfax County	15,190,362	9,346,235
Proceeds from grants	49,540,805	60,515
Net proceeds from debt issuance	130,930,181	81,729,016
Proceeds from line of credit	-	8,000,000
Payments on line of credit	(21,799,852)	-
Principal payments on debt	(8,558,120)	(9,275,934)
Interest paid on borrowing	(7,575,172)	(3,030,164)
Net cash provided by (used in) capital and related financing activities	31,362,294	(40,742,472)
CASH FLOWS FROM INVESTING ACTIVITES		
Proceeds from sales and maturities of investments	8,661,004	2,985,403
Purchase of investments	-	(6,332,705)
Interest received on investments	2,039,936	662,306
Net cash provided by (used in) investing activities	10,700,940	(2,684,996)
Net increase (decrease) in cash and cash equivalents	75,592,572	(9,361,171)
CASH AND CASH EQUIVALENTS		
Beginning	50,167,390	59,528,561
Ending	$ 125,759,962	$ 50,167,390
RECONCILIATION TO STATEMENT OF NET POSITION		
Cash and cash equivalents - unrestricted	$ 68,458,135	$ 44,362,343
Cash and cash equivalents - restricted	57,301,827	5,805,047
Total cash and cash equivalents	$ 125,759,962	$ 50,167,390

The Notes to Financial Statements are an integral part of these statements.

(Continued)

ALEXRENEW
STATEMENTS OF CASH FLOWS (continued)
For The Years Ended June 30, 2024 and 2023

	2024	2023
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	$ 11,450,541	$ 10,913,409
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	22,973,393	21,441,879
Pension expense, net of of employer contributions	373,187	(254,962)
Changes in assets and liabilities		
(Increase) decrease in:		
Accounts receivable	(439,811)	(118,180)
Due from other governments	84,605	765,128
Prepaid expenses	570,537	(494,838)
Inventory	15,925	(1,641)
(Decrease) increase in:		
Accounts payable and accrued expenses	(1,601,770)	2,110,760
Due to City of Alexandria	123,209	(105,820)
Accrued paid time off	213,975	36,734
Other post employment benefits	(234,453)	(226,172)
Net cash provided by operating activities	$ 33,529,338	$ 34,066,297
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital asset purchases included in accounts payable at year end	$ 34,342,629	$ 18,270,150
Grants included in due from other governments at year end	$ 19,691,269	$ 3,256,624

The Notes to Financial Statements are an integral part of these statements.

ALEXRENEW
STATEMENTS OF FIDUCIARY NET POSITION
Other Post-Employment Benefit Trust Fund
June 30, 2024 and 2023

	2024	2023
ASSETS		
Assets held in trust, at fair value		
Investment in pooled funds	$ 1,213,679	$ 1,110,103
NET POSITION		
Net position restricted for OPEB	$ 1,213,679	$ 1,110,103

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
Other Post-Employment Benefit Trust Fund
For The Fiscal Years Ended June 30, 2024 and 2023

	2024	2023
ADDITIONS		
Contributions from employer	$ 51,723	$ 55,538
Investment Earnings:		
Net increase (decrease) in fair value of investments	105,142	78,706
Less investment costs	(1,566)	(1,595)
Net investment earnings	103,576	77,111
Total additions	155,299	132,649
DEDUCTIONS		
Benefits paid to participants	51,723	55,538
Total deductions	51,723	55,538
Change in net position	103,576	77,111
Total net position - beginning	1,110,103	1,032,992
Total net position - ending	$ 1,213,679	$ 1,110,103

The Notes to Financial Statements are
an integral part of these Statements.

Note 1. Description of Entity and Summary of Significant Accounting Policies

Description of Entity

On March 21, 2023, the Board of Directors approved to register a fictious name of "AlexRenew" under its official trade name of the Alexandria Sanitation Authority (Authority), with the State Corporation Commission (SCC) for the purpose of billing, branding, etc. The fictitious name has no changes to AlexRenew's bylaws.

The Authority is a special governmental unit created by the Alexandria City Council (City Council) in 1952 for the purpose of constructing, operating, and maintaining a wastewater treatment system for the City. The Authority is chartered by the State Corporation Commission and is an independent public body. The Authority is governed by a five-member Board who serve staggered terms and are appointed by the City Council.

Although the Board is appointed by the City Council, the Authority is not a part of the City's reporting entity and is not considered a component unit under Governmental Accounting Standards Board (GASB) Statement No. 61.

No component units are included in the Authority's financial statements.

The following is a summary of the Authority's significant accounting policies:

Basis of Presentation and Accounting

The Authority's financial statements are presented on the accrual basis in accordance with accounting principles generally accepted in the United States of America as applicable to the enterprise fund of governmental units.

The accounting and financial reporting treatment applied to the Authority is determined by its measurement focus. The transactions of the Authority are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the statement of net position. Net position (i.e., total assets plus deferred outflows, net of total liabilities plus deferred inflows) is segregated into net investment in capital assets, restricted, and unrestricted components.

The Authority also has a fiduciary fund for assets held by the Authority in a trustee capacity for its employees. The Authority's Other Post-Employment Benefit (OPEB) trust fund accounts for the receipt and disbursement of assets held in trust for the Authority's OPEB plan.

Revenues and Expenses

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the Authority. Operating revenues primarily consist of charges for services. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from non-exchange transactions or ancillary activities. Contributions from Fairfax County (County) under the Service Agreement discussed in Note 4 are recorded as capital contributions.

Note 1. Description of Entity and Summary of Significant Accounting Policies (Continued)

Revenues and Expenses (Continued)

In accordance with the Service Agreement with the County, the Authority recognizes as revenue the County's proportionate share of current operating expenses.

Cash and Cash Equivalents

The Authority considers all highly liquid investments with maturities of three months or less from date of purchase to be cash equivalents.

Inventory

Inventory, consisting of items held for consumption, are valued at cost using the first-in, first-out method.

Financial Policy

In 2024, the Board revised its financial policy to increase its restricted cash reserves. The Bond Master Trust Indenture requires the Authority keep 60 days of operating expenses in reserve and the Authority has appropriately restricted these amounts. The Authority's internal policy requires its restricted cash reserves to be maintained at 120 days of operating expenses at year-end; however, only the amount required by the Indenture is shown as restricted in the financial statements.

Investments

Investments are stated at fair value, except for investments in the Local Government Investment Pool (LGIP) and State Non-Arbitrage Program (SNAP), which are external SEC Rule 2a7-like investment pools stated at share price. All fair market valuations are based on quoted market prices.

In accordance with the *Code of Virginia* and other applicable laws, including regulations, the Authority's investment policy (Policy) permits investments in U.S. Treasury Securities, U.S. agency securities, municipal obligations, prime quality commercial paper, banker's acceptances with domestic banks, corporate notes, negotiable certificates of deposit of domestic banks, money market funds registered under the Federal Investment Act of 1940, repurchase agreements collateralized by U.S. Treasury and Federal Agency obligations, and the State Treasurer's Local Government Investment Pool (the Virginia LGIP).

Pursuant to Sec. 2.1-234.7 of the *Code of Virginia*, the Treasury Board of the Commonwealth sponsors the LGIP and has delegated certain functions to the State Treasurer. The LGIP reports to the Treasury Board of the Commonwealth at their regularly scheduled monthly meetings. The fair value of the position in LGIP is the same as the value of the pool shares (i.e., the LGIP maintains a stable net asset value of $1 per share).

Note 1. Description of Entity and Summary of Significant Accounting Policies (Continued)

Investments (Continued)

The Policy limits investment maturities to a maximum of five years for any investment, unless the Board approves an exception in writing. The investment policy establishes the maximum percentage of the portfolio permitted in each of the following instruments:

U.S. Treasury Obligations	100%, no limitation
Federal Agency Obligations	100%, 35% issuer limit
Municipal Obligations	10%, 3% issuer limit
Commercial Paper	25%, 3% issuer limit
Bankers' Acceptance	25%, 3% issuer limit
Corporate Notes	10%, 3% issuer limit
Negotiable Certificates of Deposit	10%, 50% issuer limit
Money Market Mutual Funds	100%, 50% issuer limit
Repurchase Agreements	35%, 35% issuer limit
LGIP	100%, no limitation

Accounts Receivable

Operating revenues are generally recognized on the basis of cycle billings rendered monthly. Unbilled revenues for services delivered during the last month of the fiscal year are accrued based on meter readings for June consumption. Receivables are recorded as current assets, net of an allowance for doubtful accounts of $575,439 and $680,000 at June 30, 2024 and 2023, respectively. The allowance is based upon historical collections.

Capital Assets

Purchased or constructed property, plant and equipment with a cost greater than $5,000 and an estimated useful life of 3 years or more is capitalized and recorded at historical cost. Interest related to costs and major improvements, renewals, and replacements is capitalized as a cost of the project. Depreciation is computed on the straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Plant and related infrastructure	67 years
Buildings and improvements	10-30 years
Furniture and equipment	3-15 years
Vehicles	5 years
Computers	3 years

Capital assets also include intangible assets, such as purchased capacity rights for the Arlington sewer treatment plant upgrade and expansion, and I.T. subscription assets. Capacity rights assets are amortized over 40 years and I.T. subscription assets are amortized based on terms stated in the agreement.

Accrued Paid Time-Off Benefit

The Authority's paid time-off benefit (PTO) policy permits employees to accumulate a limited amount of earned but unused PTO benefits, which will be paid to employees upon separation from service. The accrued PTO benefit is included in the statement of net position as a liability.

(Continued)

Note 1. Description of Entity and Summary of Significant Accounting Policies (Continued)

Allocation of Expenses

For purposes of the statement of revenues, expenses, and changes in net position, payroll taxes and fringe benefits were allocated to operations and administration based on direct salaries.

Net Position

Net position is the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets represents capital assets, less accumulated depreciation, less any outstanding debt related to the acquisition, construction, or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Unrestricted net position represents the remaining net position not included in the previous two categories.

When both restricted and unrestricted net position are available for use, it is the Authority's policy to use restricted net position first, then unrestricted as needed.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Measurement

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Authority's Retirement Plan and the additions to/deductions from the Authority's Retirement Plan's net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 1. Description of Entity and Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

Deferred Outflows

In addition to assets, the statements which present financial position, report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority has four items that qualify for reporting in this category. The first item consists of contributions subsequent to the measurement date for pensions; this will be applied to the net pension liability in the next fiscal year. The second item is the net difference between projected and actual earnings on pension plan investments. This difference will be recognized in pension expense over a closed five-year period. The third item is the deferred loss on refunding, which results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The fourth item is for the changes in assumptions related to OPEB. The difference will be recognized in OPEB expense over a closed four-year period.

Deferred Inflows

In addition to liabilities, the statements which present financial position, report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has two types of items that qualify for reporting under this category. This first item represents differences between expected and actual experience in the pension plan. These differences will be recognized in pension expense over a closed five-year period. The second item is the differences between expected and actual experience and the net difference between projected and actual earnings related to OPEB. This difference will be recognized in OPEB expense over a closed four-year period.

Reclassifications

Certain prior year amounts have been reclassified to conform with current year financial reporting and to facilitate comparison of financial data.

Note 2. Deposits and Investments

Deposits

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the Act) Section 2.2-4400 et. seq. of the *Code of Virginia*. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of all excess deposits. Accordingly, all deposits are considered fully collateralized.

Note 2. Deposits and Investments (Continued)

Investments

Statutes authorize the Authority to invest in obligations of the United States or agencies thereof; obligations of the Commonwealth of Virginia or political subdivisions thereof; obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, “prime quality” commercial paper and certain corporate notes, banker’s acceptances, repurchase agreements, the State Treasurer’s LGIP, a 2a-7 like pool, and the Commonwealth of Virginia SNAP, a pooled investment fund. Both the LGIP and SNAP are overseen by the Treasurer of Virginia and the State Treasury Board. The fair value of the Authority’s position in the pools is the same as the value of the pool shares, which are reported at amortized cost.

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. As of June 30, 2024 and 2023, the Authority’s investments in federal agency bonds and notes, U.S. Treasury bonds and notes, Supra-National agency notes, and corporate bonds and notes were valued using a matrix pricing model, Level 2 inputs.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. At June 30, 2024 and 2023, none of the Authority’s investments are exposed to custodial credit risk.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The Authority’s portfolio management approach is active, allowing for periodic restructuring of the investment portfolio to take advantage of current and anticipated interest rate moves. The Authority minimizes its exposure to interest rate risk by having an average investment period of 2.5 years and a limit of less than 5 years.

The Authority’s investments as of June 30, 2024 consisted of the following:

Investment Type	Fair Value	S&P Credit Rating	Weighted Average Maturity *
Federal agency bonds and notes	$ 2,788,609	AA+	0.49
U.S. Treasury bonds and notes	17,514,550	AA+	1.25
Supra-National agency notes	938,530	AAA	2.10
SNAP	50,410,887	AAAm	N/A
LGIP	137,998	AAAm	N/A
Total investments	$ 71,790,574		

**Average maturity in years*

Note 2. Deposits and Investments (Continued)

Interest Rate Risk (Continued)

The Authority's investments as of June 30, 2023 consisted of the following:

Investment Type		Fair Value	S&P Credit Rating	Weighted Average Maturity
Federal agency bonds and notes	$	4,368,025	AA+	0.89
U.S. Treasury bonds and notes		13,789,788	AA+	2.67
Supra-National agency notes		1,811,865	AAA	1.19
Corporate bonds and notes		295,510	AAA	0.60
LGIP		130,658	AAAm	N/A
Total investments	$	20,395,846		

Reconciliation of deposits and investments at June 30, 2024:

Amounts per disclosures:			Amounts per Statement of Net Position:		
Cash and cash equivalents	$	73,223,213	Cash and cash equivalents	$	125,759,962
Long-term certificates of deposit		2,941,963	Investments		22,195,788
Total deposits		76,165,176	Total	$	147,955,750
Total investments		71,790,574			
Total	$	147,955,750			

Restricted Assets

Certain resources of the Authority are classified as restricted assets on the statement of net position. These funds are maintained in separate accounts and their use is limited by applicable bond covenants and agreements.

Note 3. Accounts Receivable, Due to/from Other Governments, and Payables

Receivables, due to/from other governments and payables were composed of the following:

	2024	2023
Accounts receivable:		
Billed customer services	$ 3,421,310	$ 3,834,801
Unbilled customer services	3,712,400	3,050,862
Other	122,155	34,952
Less: Allowance for uncollectible	(575,439)	(680,000)
Total accounts receivable	$ 6,680,426	$ 6,240,615
Due from other governments:		
Grants	$ 19,691,269	$ 3,256,624
County of Fairfax, Virginia	935,549	199,606
Total due from other governments	$ 20,626,818	$ 3,456,230
Accounts payable and accrued expenses:		
Accounts payable – vendors	$ 23,106,935	$ 16,495,553
Retainage payable	13,631,818	5,905,803
*Customer refunds	1,491,213	-
Other	101,320	22,070
Accrued expenses – payroll, payroll taxes, and other	489,171	435,109
Total accounts payable and accrued expenses	$ 38,820,457	$ 22,858,535

*Subsequent to year end, the authority identified that seven of its commercial customers located near the Alexandria-Arlington-Fairfax jurisdictional boundaries have been over charged $1,491,213 dating back to 2013. This amount is recorded as a non-operating expense in the statement of revenues, expenses and changes in net position.

Note 4. Capital Assets

Changes in capital assets for FY24 were as follows:

	6/30/2023	Additions	Reductions	6/30/2024
Capital assets, not being depreciated:				
Land and improvements	$ 40,172,404	$ -	$ -	$ 40,172,404
Construction in progress	401,777,517	123,037,866	-	524,815,383
Total capital assets, not being depreciated	441,949,921	123,037,866	-	564,987,787
Capital assets, being depreciated				
Plant and infrastructure	837,291,990	2,324,235	-	839,616,225
Plant equipment and office equipment	44,777,932	17,076,289	(131,247)	61,722,974
Total capital assets, being depreciated	882,069,922	19,400,524	(131,247)	901,339,199
Less accumulated depreciation for:				
Plant and infrastructure	(269,500,898)	(16,898,174)	-	(286,399,072)
Plant equipment and office equipment	(26,993,029)	(4,715,596)	16,406	(31,692,219)
Total accumulated depreciation	(296,493,927)	(21,613,770)	16,406	(318,091,291)
Total capital assets, being depreciated, net	585,575,995	(2,213,246)	(114,841)	583,247,908
Capital assets, being amortized				
Capacity rights	41,515,762	-	-	41,515,762
I.T. Subscriptions	1,563,629	-	-	1,563,629
Total capital assets, being amortized	43,079,391	-	-	43,079,391
Less accumulated amortization for:				
Capacity rights	(13,936,400)	(1,046,897)	-	(14,983,297)
I.T. Subscriptions	(286,664)	(312,726)	-	(599,390)
Total accumulated amortization	(14,223,064)	(1,359,623)	-	(15,582,687)
Total capital assets, being amortized, net	28,856,327	(1,359,623)	-	27,496,704
Total capital assets, net	$ 1,056,382,243	$ 119,464,997	$ (114,841)	$ 1,175,732,399

I.T. Subscriptions

The Authority implemented GASB Statement Number 96 in fiscal year ending June 30, 2023. This resulted in the Authority recording a I.T. subscription capital asset related to an enterprise license agreement for cloud storage, hosting and virtualization service. The authority paid the full amount during the fiscal year, therefore there is not corresponding I.T. subscription liability.

Note 4. Capital Assets (Continued)

Changes in capital assets for FY23 were as follows:

	6/30/2022	Additions	Reductions	6/30/2023
Capital assets, not being depreciated:				
Land and improvements	$ 40,172,404	$ -	$ -	$ 40,172,404
Construction in progress	287,343,853	114,433,664	-	401,777,517
Total capital assets, not being depreciated	327,516,257	114,433,664	-	441,949,921
Capital assets, being depreciated				
Plant and infrastructure	833,961,604	3,330,386	-	837,291,990
Plant equipment and office equipment	35,966,310	8,811,622	-	44,777,932
Total capital assets, being depreciated	869,927,914	12,142,008	-	882,069,922
Less accumulated depreciation for:				
Plant and infrastructure	(252,884,251)	(16,616,647)	-	(269,500,898)
Plant equipment and office equipment	(23,498,706)	(3,494,323)	-	(26,993,029)
Total accumulated depreciation	(276,382,957)	(20,110,970)	-	(296,493,927)
Total capital assets, being depreciated, net	593,544,957	(7,968,962)	-	585,575,995
Capital assets, being amortized				
Capacity rights	41,515,762	-	-	41,515,762
I.T. Subscriptions	-	1,563,629	-	1,563,629
Total capital assets, being amortized	41,515,762	1,563,629	-	43,079,391
Less accumulated amortization for:				
Capacity rights	(12,892,155)	(1,044,245)	-	(13,936,400)
I.T. Subscriptions	-	(286,664)	-	(286,664)
Total accumulated amortization	(12,892,155)	(1,330,909)	-	(14,223,064)
Total capital assets, being amortized, net	28,623,607	232,720	-	28,856,327
Total capital assets, net	$ 949,684,821	$ 106,697,422	$ -	$ 1,056,382,243

County of Arlington, Virginia Purchased Capacity Rights

The Authority has entered into a service agreement with the County of Arlington, Virginia (Arlington), in which the Authority purchases capacity rights to use Arlington's wastewater treatment plant. These costs are capitalized as an intangible asset. Arlington holds title to the plant.

Note 4. Capital Assets (Continued)

County of Fairfax, Virginia Capacity Rights

Under the terms of the Service Agreement with the County, the County reimburses the Authority for its share of capital costs related to joint-use facilities, which varies up to 60%. In exchange for these capital contributions as presented on the statement of revenues, expenses, and changes in net position, the Authority is required to recognize and preserve an equivalent share of the capacity rights of the related facilities for the County's use. Currently, the County has a capacity entitlement of 32.4 MGD, which varies up to 60% of the facility's total capacity of 54 MGD. The County is required to share in operation and maintenance costs related to the joint-use facilities.

Note 5. Line of Credit

On February 25, 2020, the Authority entered into a new revolving credit agreement with Bank of America to provide the Authority with a $30 million line of credit, which is used as interim financing for capital projects. The line is secured by a pledge of the Authority's net revenues. The Authority's obligation to repay advances under the line constitutes subordinated debt, pursuant to the Authority's Master Trust Indenture. Under the initial agreement, the variable interest rate on the line of credit was equal to the SIFMA Index plus 58 basis points. On June 29, 2022, the credit agreement was amended and restated to change the variable interest rate to either: 1) 80% of the one-month Term SOFR (no minimum) plus 42 basis points or in the event of a taxable draw, 2) 100% of the one-month Term SOFR plus 53 basis points. The agreement also requires the Authority to pay an unused fee of 0.15% per annum for any day on which less than 50% of the authorized $30 million is outstanding. The rate was 4.68% and 4.66% at June 30, 2024 and 2023, respectively. The initial term of the line of credit was one year, with an expiration date of June 30, 2021. The Authority extended the line of credit to June 30, 2022 and then again to June 30, 2026, with the same terms but for the revised interest rate methodologies and fees described above. The line of credit was increased to $60 million in fiscal year 2023. As of June 30, 2024 and 2023, respectively, the Authority has drawn $75,000 and $21,874,852. As of June 30, 2024 and 2023, respectively, the unused portion of the line credit was $59,925,000 and $38,125,148.

	6/30/2023	Additions	Reductions	6/30/2024
Line of Credit	$ 21,874,852	$ -	$ (21,799,852)	$ 75,000

	6/30/2022	Additions	Reductions	6/30/2023
Line of Credit	$ 13,874,852	$ 8,000,000	$ -	$ 21,874,852

Note 6. Long-Term Debt

On March 15, 1999, the Authority executed a new Master Indenture of Trust for the purpose of issuing sewer revenue bonds from time-to-time. These bonds will provide funds to pay the cost, or any part of the cost, of the Sewage Disposal System additions or improvements or to refund indebtedness and obligations previously incurred for such purposes. The Authority has issued and sold sewer revenue bonds to the Virginia Clean Water Revolving Loan Fund and the Virginia Pooled Financing Program, acting by and through the Virginia Resources Authority (VRA). The Master Indenture of Trust constitutes a contract among the Authority, the Trustee and VRA governing bond issuance.

Sewer bonds and loans consist of the following:

	2024	2023
Sewer revenue bond, Series 2004, $22,000,000; secured equally and ratably with other bond issues by pledge of revenues of the Authority; semi-annual installments of $712,206, including principal and interest beginning March 2006 at 3.10% due through September 2024.	$ 708,663	$ 2,115,429
Sewer revenue bond, Series 2006A, $3,000,000; secured equally and ratably with other bond issues by pledge of revenues of the Authority; semi-annual installments of $100,824, including principal and interest beginning in March 2006 at 3.10% due through September 2024.	100,323	299,473
Sewer revenue bond, Series 2006B, $12,000,000; secured equally and ratably with other bond issues by pledge of revenues of the Authority; semi-annual installments of $375,079 at 3.10% due through March 2027.	2,211,612	2,934,230
Sewer revenue bond, Series 2009, $15,000,000; secured equally and ratably with other bond issues by pledge of revenues of the Authority; semi-annual installments of $502,939, including principal and interest, beginning March 2011 at 3.55% due through September 2030.	4,967,168	5,820,491
Sewer revenue bond, Series 2011, $8,115,767; secured equally and ratably with other bond issues by pledge of revenues of the Authority; semi-annual installments of $260,604, including principal and interest, beginning March 2014 at 2.35% due through September 2033.	4,388,482	4,811,821

(Continued)

Note 6. Long-Term Debt (Continued)

		2024		2023
Sewer revenue bond, Series 2014A, $12,500,000; secured equally and ratably with other bond issues by pledge of revenues of the Authority; semi-annual installments of $389,136, including principal and interest, beginning March 2016 at 2.10% due through September 2035.	$	7,885,220	$	8,518,978
Sewer revenue bond, Series 2014B, $2,500,000; secured equally and ratably with other bond issues by pledge of revenues of the Authority; semi-annual installments of $73,712, including principal and interest, beginning March 2016 at 2.10% due through September 2035.		1,514,940		1,643,031
Sewer revenue bond, Series 2014C, $19,515,000; secured equally and ratably with other bond issues by pledge of revenues of the Authority; semi-annual installments of $399,833 to $3,203,294, including principal and interest, beginning April 2015 at 3.63%, due through April 2039.		18,130,000		18,420,000
Sewer revenue bond, Series 2017A, $23,000,000; secured equally and ratably with other bond issues by pledge of revenues of the Authority; semi-annual installments of $395,774 to $1,468,613, including principal and interest, beginning October 2017 at 3.60%, due through October 2045.		21,820,000		22,425,000
Sewer revenue bond, Series 2019, up to $10,400,000; secured equally and ratably with other bond issues by pledge of revenues of the Authority; semi-annual installments of $79,399 to $1,121,530, including principal and interest, beginning March 2022 at 1.10%, due through March 2040. Balance represents draws to date less principal payments.		6,120,605		4,781,504
Virginia water facilities revolving fund loan Series 2021, up to $185,650,000; secured equally and ratably with other bond issues by pledge of revenues of the Authority; semi-annual installments of $4,568,195, including principal and interest, beginning March 2023 at 1.35%, due through March 2048. Balance represents draws to date less principal payments.		182,453,925		173,935,671

Note 6. Long-Term Debt (Continued)

	2024	2023
Water Infrastructure Finance and Innovation (WIFIA), up to $320,992,641; secured equally and ratably with other bond issues by pledge of revenues of the Authority; semi-annual installments of interest to begin on 10/1/2025 at 1.88% and principal on October 1, 2026, due through October 1, 2059. Balance represents draws to date.	$ 79,883,011	$ 12,602,321
Sewer revenue bond, Series 2024 (Green Bonds), $45,680,000; secured equally and ratably with other bond issues by pledge of revenues of the Authority; semi-annual installments of $1,470,813, including principal and interest, beginning July 2025 at 5.00%, due through July 2054.	45,680,000	-
Plus unamortized premiums and discounts, net	7,106,238	2,427,195
	$ 382,970,187	$ 260,735,144

The annual requirements to amortize bond principal and related interest are as follows:

Fiscal Year	Principal	Interest	Total
2025	$ 13,514,807	$ 5,415,292	$ 18,930,099
2026	11,294,262	7,735,783	19,030,045
2027	11,547,310	7,516,424	19,063,734
2028	11,653,408	7,283,332	18,936,740
2029	11,994,257	7,044,164	19,038,421
2030-2034	64,523,385	31,223,102	95,746,487
2035-2039	66,167,870	24,030,744	90,198,614
2040-2044	63,966,252	17,864,180	81,830,432
2045-2049	60,820,576	11,193,835	72,014,411
2050-2054	31,629,177	5,821,703	37,450,880
2055-2059	23,392,029	1,665,754	25,057,783
2060	5,360,616	64,573	5,425,189
Total	$ 375,863,949	$ 126,858,886	$ 502,722,835

Note 6. Long-Term Debt (Continued)

The change in debt for the years ended June 30, 2024and 2023 are as follows:

	6/30/2023	Additions	Reductions	6/30/2024	Due Within One Year
Sewer revenue bonds	$ 258,307,949	$126,114,120	$ (8,558,120)	$375,863,949	$ 13,514,807
Plus deferred amounts:					
Net premium	2,427,195	4,816,061	(137,018)	7,106,238	297,553
Total	$ 260,735,144	$130,930,181	$ (8,695,138)	$382,970,187	$ 13,812,360

	6/30/2022	Additions	Reductions	6/30/2023	Due Within One Year
Sewer revenue bonds	$ 185,854,867	$81,729,016	$ (9,275,934)	$258,307,949	$ 8,446,435
Plus deferred amounts:					
Net premium	2,564,213	-	(137,018)	2,427,195	137,018
Total	$ 188,419,080	$81,729,016	$ (9,412,952)	$260,735,144	$ 8,583,453

During FY2024 and FY2023, the Authority was in compliance with the covenants associated with the outstanding bond indentures.

Note 7. Defined Benefit Pension Plan

Plan Description

The VRS Authority Retirement Plan is a multi-employer, agent plan. All full-time, salaried, permanent employees of the Authority are automatically covered by a VRS Retirement Plan upon employment. This plan is administered by the VRS along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the *Code of Virginia,* as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. Each of these benefit structures has a different eligibility criteria. The specific information for each plan is as follows:

Note 7. Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

Plan 1 – Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, service credit, and average final compensation at retirement using a formula. Employees are eligible for Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken a refund.

- **Hybrid Opt-In Election –** Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan. Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.
- **Retirement Contributions –** Employees contribute 5.00% of their compensation each month to their member contribution account through a pre-tax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payments.
- **Service Credit –** Service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.
- **Vesting –** Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of the employer's contribution account balance if they leave employment and request a refund. Members are always 100% vested in the contributions that they make.
- **Calculating the Benefit –** The Basic Benefit is calculated based on a formula using the member's average final compensation, a retirement multiplier, and total service credit at retirement. An early retirement reduction factor is applied to the Basic Benefit if the member retires with a reduced retirement benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied.
- **Average Final Compensation –** A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.
- **Service Retirement Multiplier –** The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%.

Note 7. Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

Plan 1 (Continued)

- **Normal Retirement Age –** Age 65.
- **Earliest Unreduced Retirement Eligibility –** Age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit.
- **Earliest Reduced Retirement Eligibility –** Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit.
- **Cost-of-Living Adjustment (COLA) in Retirement –** The Cost-of-Living Adjustment (COLA) matches the first 3.00% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4.00%) up to a maximum COLA of 5.00%.
    - **Eligibility –** For members who retire with an unreduced benefit or with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date. For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.
    - **Exceptions to COLA Effective Dates –** The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:
        - The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013.
        - The member retires on disability.
        - The member retires directly from short-term or long-term disability.
        - The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program.
        - The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit.
- **Disability Coverage –** For members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.70% on all service, regardless of when it was earned, purchased, or granted.
- **Purchase of Prior Service –** Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts towards vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.

Note 7. Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

Plan 2 – Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, service credit, and average final compensation at retirement using a formula. Employees are eligible for Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.

- **Hybrid Opt-In Election** – Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan. Members who were eligible for an ORP and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.
- **Retirement Contributions** – Same as Plan 1.
- **Service Credit** – Same as Plan 1.
- **Vesting** – Same as Plan 1.
- **Calculating the Benefit** – See definition under Plan 1.
- **Average Final Compensation** – A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.
- **Service Retirement Multiplier** – Same as Plan 1 for service earned, purchased, or granted prior to January 1, 2013. The retirement multiplier is 1.65% for service credit earned, purchased, or granted on or after January 1, 2013.
- **Normal Retirement Age** – Normal Social Security retirement age.
- **Earliest Unreduced Retirement Eligibility** – Normal Social Security retirement age with at least five years (60 months) of service credit or when their age and service equal 90.
- **Earliest Reduced Retirement Eligibility** – Age 60 with at least five years (60 months) of service credit.
- **COLA in Retirement** – The COLA matches the first 2.00% increase in the CPI-U and half of any additional increase (up to 2.00%), for a maximum COLA of 3.00%.
    - **Eligibility** – Same as Plan 1.
    - **Exceptions to COLA Effective Dates** – Same as Plan 1.
- **Purchase of Prior Service** – Same as Plan 1.
- **Disability Coverage** – Same as Plan 1 except that the retirement multiplier is 1.65%.

Note 7. Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

Hybrid Retirement Plan – The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. Most members hired on or after January 1, 2014 are in this plan, as well as Plan 1 and Plan 2 members who were eligible and opted into the plan during a special election window. The defined benefit is based on a member's age, service credit, and average final compensation at retirement using a formula. The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions. In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.

- **Eligible Members –** Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes Political Subdivision employees; members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1 through April 30, 2014; the plan's effective date for opt-in members was July 1, 2014.
- **Non-Eligible Members –** Some employees are not eligible to participate in the Hybrid Retirement Plan. They include Political Subdivision employees who are covered by enhanced benefits for hazardous duty employees. Those employees eligible for an ORP must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable), or ORP.
- **Retirement Contributions –** A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan.
- Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.
- **Service Credit –**
    - **Defined Benefit Component:** Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It may also count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.
    - **Defined Contributions Component:** Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.

Note 7. Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

Hybrid Retirement Plan (Continued)

- **Vesting –**
  - **Defined Benefit Component:** Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.
  - **Defined Contribution Component:** Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan. Members are always 100% vested in the contributions that they make. Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service. After two years, a member is 50% vested and may withdraw 50% of employer contributions. After three years, a member is 75% vested and may withdraw 75% of employer contributions. After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. Distribution is not required, except as governed by law.
- **Calculating the Benefit –**
  - **Defined Benefit Component:** See definition under Plan 1.
  - **Defined Contribution Component:** The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.
- **Average Final Compensation –** Same as Plan 2 for the defined benefit component of the plan.
- **Service Retirement Multiplier –** The retirement multiplier for the defined benefit component is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.
- **Normal Retirement Age –**
  - **Defined Benefit Component:** Same as Plan 2.
  - **Defined Contribution Component:** Members are eligible to receive distributions upon leaving employment, subject to restrictions.
- **Earliest Unreduced Retirement Eligibility –**
  - **Defined Benefit Component:** Normal Social Security retirement age and have at least five years (60 months) of service credit or when their age and service equal 90.
  - **Defined Contribution Component:** Members are eligible to receive distributions upon leaving, subject to restrictions.

Note 7. Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

Hybrid Retirement Plan (Continued)

- **Earliest Reduced Retirement Eligibility –**
  - **Defined Benefit Component:** Members may retire with a reduced benefit as early as age 60 with at least five years (60 months) of service credit.
  - **Defined Contribution Component:** Members are eligible to receive distributions upon leaving employment, subject to restrictions.
- **COLA in Retirement –**
  - **Defined Benefit Component:** Same as Plan 2.
  - **Defined Contribution Component:** Not applicable.
  - **Eligibility:** Same as Plan 1 and 2.
  - **Exceptions to COLA Effective Dates:** Same as Plan 1 and 2.
- **Disability Coverage –** Employees of Political Subdivisions (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members. Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.
- **Purchase of Prior Service –**
  - **Defined Benefit Component –** Same as Plan 1, with the following exceptions:
    - Hybrid Retirement Plan members are ineligible for ported service.
  - **Defined Contribution Component –** Not applicable.

Employees Covered by Benefit Terms

As of the June 30, 2022 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	108
Inactive members:	
Vested inactive members	20
Non-vested inactive members	77
Inactive members active elsewhere in VRS	15
Total inactive members	112
Active members	102
Total covered employees	322

Note 7. Defined Benefit Pension Plan (Continued)

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to Political Subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

The Authority's contractually required contribution rate for the years ended June 30, 2024 and 2023 was 8.19% of covered employee compensation, respectively. This rate was based on actuarially determined rates from actuarial valuations as of June 30, 2022 and 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Authority were $824,198 and $823,808 for the years ended June 30, 2024 and 2023, respectively.

Net Pension Liability

The Authority's net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2022, rolled forward to the measurement date of June 30, 2023.

Actuarial Assumptions

The total pension liability for General Employees in the Authority's Retirement Plan was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Inflation	2.50%
General Employees - Salary increases, including inflation	3.50 – 5.35%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Mortality rates: General Employees – Update to PUB2010 sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate which was changed on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as, a result of the experience study, are as follows:

General Employees - Others (Non-10 Largest): Updated mortality tables. Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; change final retirement age. Adjusted withdrawal rates to better fit experience.

Note 7. Defined Benefit Pension Plan (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00 %	6.14 %	2.09 %
Fixed Income	15.00 %	2.56 %	0.38 %
Credit Strategies	14.00 %	5.60 %	0.78 %
Real Assets	14.00 %	5.02 %	0.70 %
Private Equity	16.00 %	9.17 %	1.47 %
MAPS – Multi-Asset Public Strategies	4.00 %	4.50 %	0.18 %
PIP – Private Investment Partnership	2.00 %	7.18 %	0.14 %
Cash	1.00 %	1.20 %	0.01 %
Total	100.00 %		5.75 %
		Inflation	2.50 %
		* Expected arithmetic nominal return	8.25 %

* The above allocation provides a one-year return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.14 including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation.

Note 7. Defined Benefit Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions, political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2024, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2022, actuarial valuations, whichever was greater. From July 1, 2022, on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability as of June 30, 2024

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at June 30, 2023	$ 55,896,298	$ 51,365,643	$ 4,530,655
Changes for the year:			
Service cost	608,854	-	608,854
Interest	3,687,628	-	3,687,628
Differences between expected and actual experience	1,757,748	-	1,757,748
Contributions – employer	-	685,493	(685,493)
Contributions – employee	-	429,032	(429,032)
Net investment income	-	3,222,310	(3,222,310)
Benefit payments, including refunds of employee contributions	(3,747,247)	(3,747,247)	-
Administrative expenses	-	(33,648)	33,648
Other changes	-	1,285	(1,285)
Net changes	2,306,983	557,225	1,749,758
Balances at June 30, 2024	$ 58,203,281	$ 51,922,868	$ 6,280,413

Note 7. Defined Benefit Pension Plan (Continued)

Changes in Net Pension Liability as of June 30, 2023

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at June 30, 2022	$ 55,113,648	$ 54,106,714	$ 1,006,934
Changes for the year:			
Service cost	504,939	-	504,939
Interest	3,635,978	-	3,635,978
Differences between expected and actual experience	146,236	-	146,236
Contributions – employer	-	440,335	(440,335)
Contributions – employee	-	363,555	(363,555)
Net investment income	-	(7,277)	7,277
Benefit payments, including refunds of employee contributions	(3,504,503)	(3,504,503)	-
Administrative expenses	-	(34,388)	34,388
Other changes	-	1,207	(1,207)
Net changes	782,650	(2,741,071)	3,523,721
Balances at June 30, 2023	$ 55,896,298	$ 51,365,643	$ 4,530,655

Sensitivity of the Discount Rate

The following presents the net pension liability of the Authority using the discount rate of 6.75%, as well as what the Authority's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Authority's net pension Liability (Asset) at 6/30/2024	$ 12,875,662	$ 6,280,413	$ 872,608
Authority's net pension Liability (Asset) at 6/30/2023	$ 10,817,529	$ 4,530,655	$ (706,010)

Note 7. Defined Benefit Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2024, the Authority recognized pension expense of $1,180,141. At June 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 900,140	$ -
Net difference between projected and actual earnings on pension plan investments	-	916,395
Employer contributions subsequent to the measurement date	945,269	-
Total	$ 1,845,409	$ 916,395

For the year ended June 30, 2023, the Authority recognized pension expense of $482,741. At June 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 115,038	$ -
Change in assumptions	284,095	-
Net difference between projected and actual earnings on pension plan investments	-	1,670,498
Employer contributions subsequent to the measurement date	823,808	-
Total	$ 1,222,941	$ 1,670,498

Note 7. Defined Benefit Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The $945,269 reported as deferred outflows of resources related to pensions resulting from the Authority's contributions after the measurement date will be recognized as a reduction of the Net Pension Liability in the year ending June 30, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Addition/ (Reduction) to Pension Expense
2025	$ 244,602
2026	$ (1,036,268)
2027	$ 744,427
2028	$ 30,984

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2023 Annual Report. A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2023-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

Payables to the Pension Plan

At June 30, 2024 and 2023, approximately $111,000 and $97,000 were payable to the System for the legally required contributions related to the June 2024 and 2023 payroll, respectively.

Note 8. Other Post-Employment Benefits

The Authority provides limited post-retirement benefits, such as health, dental and vision insurance to retirees who have five or more years of service with the Authority through an agent multiple-employer defined benefit plan. The Authority pays 25% of medical insurance costs of retirees with five or more years of service. The remaining amounts of insurance premiums are paid by the retiree. Prior to fiscal 2014, the Authority also provided a post-retirement life insurance benefit to retirees. The Authority has discontinued its post-retirement life insurance coverage for retirees.

The plan does not issue separate financial statements.

As of January 1, 2024, the following employees were covered by the benefit terms:

Inactive members and dependent spouses currently receiving benefits	19
Active members	115
	134

Note 8. Other Post-Employment Benefits (Continued)

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the actuarial valuation, the entry age normal actuarial cost method was used. The valuation results are based on a discount rate of 6.5%, an annual payroll growth rate of 3.0%, and an annual healthcare cost trend rate of 5.4% initially, decreasing annually to a rate of 3.5%. An inflation rate of 2.5% is used in the assumptions. The unfunded liability is amortized over a closed period of 22 years at a level percentage of pay.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made for the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Net OPEB Liability/(Asset)

The components of the net OPEB liability at June 30, 2024 were as follows.

Total OPEB Liability	$ 582,769
Plan fiduciary net position	(1,213,679)
Net OPEB asset	$ (630,910)
Plan fiduciary net position as a Percentage of the total OPEB Asset	208.26%

The components of the net OPEB liability at June 30, 2023 were as follows.

Total OPEB Liability	$ 639,278
Plan fiduciary net position	(1,110,103)
Net OPEB asset	$ (470,825)
Plan fiduciary net position as a Percentage of the total OPEB Asset	173.65%

Note 8. Other Post-Employment Benefits (Continued)

Changes in Net OPEB Liability/(Asset) at June 30, 2024

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) – (b)
Balances at June 30, 2023	$ 639,278	$ 1,110,103	$ (470,825)
Changes for the year:			
Service cost	37,600	-	37,600
Interest	42,342	-	42,342
Effect of economic/demographic gains or losses	(63,457)	-	(63,457)
Effect of assumptions changes or inputs	(21,271)	-	(21,271)
Benefit payments	(51,723)	(51,723)	-
Employer contributions	-	51,723	(51,723)
Net investment income	-	105,142	(105,142)
Administrative expenses	-	(1,566)	1,566
Balances as of June 30, 2024	$ 582,769	$ 1,213,679	$ (630,910)

Changes in Net OPEB Liability/(Asset) at June 30, 2023

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) – (b)
Balances at June 30, 2022	$ 605,956	$ 1,032,992	$ (427,036)
Changes for the year:			
Service cost	27,970	-	27,970
Interest	39,428	-	39,428
Effect of economic/demographic gains or losses	-	-	-
Effect of assumptions changes or inputs	21,462	-	21,462
Benefit payments	(55,538)	(55,538)	-
Employer contributions	-	55,538	(55,538)
Net investment income	-	78,706	(78,706)
Administrative expenses	-	(1,595)	1,595
Balances as of June 30, 2023	$ 639,278	$ 1,110,103	$ (470,825)

Note 8. Other Post-Employment Benefits (Continued)

Sensitivity of the Net OPEB Liability (Asset)

The following presents the Net OPEB Liability of the Authority, calculated using the discount rate of 6.50%, as well as what the Authority's Net OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.50%) or 1 percentage point higher (7.50%) than the current rate.

	1.00% Decrease (5.50%)	Current Discount Rate (6.50%)	1.00% Increase (7.50%)
June 30, 2024	$ (589,430)	$ (630,910)	$ (667,434)
June 30, 2023	$ (423,817)	$ (470,825)	$ (512,523)

The following presents the Net OPEB Liability of the Authority, calculated using the current healthcare cost trend rates, as well as what the Authority's Net OPEB Liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current rate.

	1.00% Decrease	Current Trend	1.00% Increase
June 30, 2024	$ (679,376)	$ (630,910)	$ (573,736)
June 30, 2023	$ (530,964)	$ (470,825)	$ (400,216)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2024 and 2023, the Authority recognized OPEB Expense of ($182,730) and ($170,634), respectively. As of June 30, 2024, the Authority reported Deferred Inflows of Resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 554,607
Changes in assumptions	26,166	239,710
Net difference between projected and actual earnings	-	3,085
Total	$ 26,166	$ 797,402

Note 8. Other Post-Employment Benefits (Continued)

As of June 30, 2023, the Authority reported Deferred Inflows of Resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 636,305
Changes in assumptions	35,993	268,413
Net difference between projected and actual earnings	23,121	-
Total	$ 59,114	$ 904,718

Amounts currently reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows.

Year Ending June 30	Addition/ (Reduction) to OPEB Expense
2025	$ (199,749)
2026	$ (120,393)
2027	$ (144,514)
2028	$ (108,931)
2029	$ (80,145)
Thereafter	$ (117,504)

OPEB Trust

During 2014, the Authority established a trust fund to fund the cost of OPEB. The trust fund was established by the Authority with the Virginia Pooled OPEB Trust Fund (Trust), sponsored by the Virginia Municipal League and the Virginia Association of Counties, and overseen by a Board of Trustees. The Trust is established as an investment vehicle for participating employers to accumulate assets to fund OPEB Plan assets for purposes of GASB Statement No. 75 that are segregated and restricted in a trust, in which (a) contributions to the plan are irrevocable, (b) assets are dedicated to providing benefits to retirees and their beneficiaries, and (c) assets are legally protected from creditors of the employer or plan administrator, for the payment of benefits in accordance with terms of the plan.

Note 8. Other Post-Employment Benefits (Continued)

Trust Fund Investments

Investment decisions for the fund's assets are made by the Board of Trustees of the OPEB Trust. The Board of Trustees established investment objectives, risk tolerance, and asset allocation policies in light of the investment policy, market and economic conditions, and generally prevailing prudent investment practices. The Board of Trustees also monitors the investments to ensure adherence to the adopted policies and guidelines. In addition, the Trustees review, monitor, and evaluate the performance of the investments and its investment advisors in light of available investment opportunities, market conditions, and publicly available indices for the generally accepted evaluation and measurement of such performance.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
US Core Fixed Income	20%	2.21%
US Large Caps	21%	5.38%
US Small Caps	10%	6.94%
Foreign Developed Equity	13%	6.92%
Emerging Markets Equity	5%	9.59%
Private Real Estate Property	15%	5.14%
Private Equity	10%	10.46%
Hedge FOF Strategic	6%	2.69%
Long-Term Expected Rate of Return		6.50%

Concentrations – There are no investments in any one organization that represents 5% or more of the OPEB Trust's fiduciary net position.

Rate of Return – For the years ended June 30, 2024 and 2023, the annual money-weighted rate of return on investments, net of investment expense, was 9.48% and 7.63, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

Additional investment information for the Trust can be obtained by writing to VML/VACo Finance Program, 8 East Canal Street, Richmond, Virginia 23219.

Note 9. Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There have been no significant reductions in insurance coverage from the prior year. Settled claims have not exceeded insurance coverage in the past three years.

Note 10. Commitments and Contingencies

From time to time, the Authority is involved in various legal actions arising in the normal course of business. In the opinion of management, such matters will not have a material effect upon the financial position of the Authority.

Note 11. New Accounting Standards

The GASB has issued the following Statements which are not yet effective.

GASB Statement No. 101, *Compensated Absences,* This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. The statement will become effective for the fiscal year ending June 30, 2025.

Note 11. New Accounting Standards (Continued)

GASB 102 – Certain Risk Disclosures, This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. This standard will be effective for fiscal year ending June 30, 2025

GASB 103 – Financial Reporting Model Improvements, This standard will be effective for fiscal year end June 30, 2026. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This Statement continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as RSI. This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. This Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. In addition to the subtotals currently required in a proprietary fund statement of revenues, expenses, and changes in fund net position, this Statement requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses. This Statement requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. If the readability of those statements would be reduced, combining statements of major component units should be presented after the fund financial statements. This Statement requires governments to present budgetary comparison information using a single method of communication—RSI. Governments also are required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in notes to RSI. This standard will be effective for fiscal year ending June 30, 2026.

Management has not yet evaluated the effects, if any, of adopting these standards.

Note 12. RiverRenew Program

Construction continued in FY24 on RiverRenew, AlexRenew's multi-year construction program to address combined sewer pollution from four outfalls in the parts of Alexandria. The program began in 2018 and is under a legislative mandate to be completed. In FY2024 the deadline from the legislative mandate was extended to July 1, 2026. The RiverRenew team met a major milestone during FY2024 including the completion of the Waterfront Tunnel in March 2024.

Funding for RiverRenew comes from a combination of grants, low-interest loans, and contributions from AlexRenew and Fairfax County. AlexRenew is utilizing grants to offset a portion of the debt assumed through the Virginia Clean Water Revolving Loan Fund (VCWRLF) and Water Infrastructure Finance and Innovation Act (WIFIA) loan programs. The debt is being repaid through annual rate increases, including those implemented in previous fiscal years and anticipated for the upcoming fiscal years.

Note 13. Subsequent Event

On August 7, 2024, the Authority issued the Series 2024B Sewer Revenue Refunding Bond with a principal amount of $15,740,000. The proceeds will be used to refund the Series 2014C Bonds. The bonds were issued with an interest rate of 5.125%. The final bond of the series matures on October 1, 2038.

REQUIRED SUPPLEMENTARY INFORMATION

ALEXRENEW

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	Plan Year Ended June 30,				
Total Pension Liability	2023	2022	2021	2020	2019*
Service cost	$ 608,854	$ 504,939	$ 617,494	$ 615,974	$ 604,713
Interest on total pension liability	3,687,628	3,635,978	3,399,852	3,412,612	3,395,405
Difference between expected and actual experience	1,757,748	146,236	289,659	(990,689)	(471,796)
Change in assumptions	-	-	2,178,055	-	1,368,221
Benefit payments, including refunds of employee contributions	(3,747,247)	(3,504,503)	(3,479,188)	(2,974,673)	(2,715,552)
Net change in total pension liability	2,306,983	782,650	3,005,872	63,224	2,180,991
Total pension liability - beginning	55,896,298	55,113,648	52,107,776	52,044,552	49,863,561
Total pension liability - ending	58,203,281	55,896,298	55,113,648	52,107,776	52,044,552
Plan Fiduciary Net Position					
Contributions - employer	685,493	440,335	440,276	554,765	518,600
Contributions - employee	429,032	363,555	391,153	432,353	361,031
Net investment income (loss)	3,222,310	(7,277)	11,968,102	871,091	2,926,176
Benefit payments, including refunds of employee contributions	(3,747,247)	(3,504,503)	(3,479,188)	(2,974,673)	(2,715,552)
Administrative expenses	(33,648)	(34,388)	(31,556)	(30,738)	(30,275)
Other	1,285	1,207	1,110	(1,011)	(1,835)
Net change in plan fiduciary net position	557,225	(2,741,071)	9,289,897	(1,148,213)	1,058,145
Plan fiduciary net position - beginning	51,365,643	54,106,714	44,816,817	45,965,030	44,906,885
Plan fiduciary net position - ending	51,922,868	51,365,643	54,106,714	44,816,817	45,965,030
Net pension liability - ending	$ 6,280,413	$ 4,530,655	$ 1,006,934	$ 7,290,959	$ 6,079,522
Plan fiduciary net position as a percentage of total pension liability	89%	92%	98%	86%	88%
Covered payroll	$ 10,063,463	$ 8,426,734	$ 8,691,744	$ 8,641,869	$ 8,504,134
Net pension liability as a percentage of covered payroll	62%	54%	12%	84%	71%

Total Pension Liability	2018	2017	2016	2015	2014
Service cost	$ 592,542	$ 643,808	$ 682,527	$ 771,341	$ 757,878
Interest on total pension liability	3,340,976	3,299,804	3,236,592	3,206,163	3,092,779
Difference between expected and actual experience	(414,228)	(207,089)	(598,619)	(1,127,638)	-
Change in assumptions	-	(485,329)	-	-	-
Benefit payments, including refunds of employee contributions	(2,767,926)	(2,558,116)	(2,276,811)	(2,553,525)	(1,908,245)
Net change in total pension liability	751,364	693,078	1,043,689	296,341	1,942,412
Total pension liability - beginning	49,112,197	48,419,119	47,375,430	47,079,089	45,136,677
Total pension liability - ending	49,863,561	49,112,197	48,419,119	47,375,430	47,079,089
Plan Fiduciary Net Position					
Contributions - employer	711,111	697,581	893,151	915,790	852,928
Contributions - employee	460,389	428,499	397,795	413,212	583,295
Net investment income (loss)	3,175,320	4,804,505	681,557	1,789,373	5,462,840
Benefit payments, including refunds of employee contributions	(2,767,926)	(2,558,116)	(2,276,811)	(2,553,525)	(1,908,245)
Administrative expenses	(28,184)	(28,599)	(25,420)	(25,361)	(29,559)
Other	(2,787)	(4,237)	(294)	(375)	288
Net change in plan fiduciary net position	1,547,923	3,339,633	(330,022)	539,114	4,961,547
Plan fiduciary net position - beginning	43,358,962	40,019,329	40,349,351	39,810,237	34,848,690
Plan fiduciary net position - ending	44,906,885	43,358,962	40,019,329	40,349,351	39,810,237
Net pension liability - ending	$ 4,956,676	$ 5,753,235	$ 8,399,790	$ 7,026,079	$ 7,268,852
Plan fiduciary net position as a percentage of total pension liability	90%	88%	83%	85%	85%
Covered payroll	$ 9,260,472	$ 8,185,472	$ 7,802,611	$ 7,746,889	$ 8,434,533
Net pension liability as a percentage of covered payroll	54%	70%	108%	91%	86%

*The Authority changed their fiscal year end in 2019, therefore only 9 months of contributions are included.

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year - e.g., plan year 2014 was presented in the entity's fiscal year 2015 financial report.

ALEXRENEW

REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Entity Year Ended	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2024	$ 824,198	$ 824,198	-	$ 11,553,183	7.13%
6/30/2023	872,808	872,808	-	10,063,463	8.67%
6/30/2022	542,682	542,682	-	8,426,734	6.44%
6/30/2021	515,855	515,855	-	8,691,744	5.93%
6/30/2020	629,286	629,286	-	8,641,869	7.28%
6/30/2019*	429,141	429,141	-	5,956,482	7.20%
9/30/2018	723,851	723,851	-	8,455,472	8.56%
9/30/2017	740,517	740,517	-	8,273,941	8.95%
9/30/2016	844,141	844,141	-	8,216,533	10.27%
9/30/2015	858,355	956,177	(97,822)	7,746,889	12.34%

*The Authority changed their fiscal year end in 2019, therefore only 9 months of contributions are included.

ALEXRENEW

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OBEB LIABILITY AND RELATED RATIOS

Total OPEB Liability	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Service cost	$ 37,600	$ 27,970	$ 41,500	$ 34,988	$ 41,295
Interest on total OPEB liability	42,342	39,428	80,274	76,907	88,689
Effect of Economic/Demographic Gains or Losses	(63,457)	-	(489,333)	-	(238,874)
Effect of Assumptions Changes or Inputs	(21,271)	21,462	(191,150)	-	(226,833)
Benefit payments	(51,723)	(55,538)	(56,733)	(76,165)	(79,996)
Net change in total OPEB liability	(56,509)	33,322	(615,442)	35,730	(415,719)
Total OPEB liability - beginning	639,278	605,956	1,221,398	1,185,668	1,601,387
Total OPEB liability - ending	582,769	639,278	605,956	1,221,398	1,185,668
Plan Fiduciary Net Position					
Contributions - employer	51,723	55,538	56,733	76,165	79,996
Net investment income (loss)	105,142	78,706	(105,094)	263,714	26,068
Benefit payments, including refunds of employee contributions	(51,723)	(55,538)	(56,733)	(76,165)	(79,996)
Administrative expenses	(1,566)	(1,595)	(1,724)	(1,494)	(1,448)
Net change in plan fiduciary net position	103,576	77,111	(106,818)	262,220	24,620
Plan fiduciary net position - beginning	1,110,103	1,032,992	1,139,810	877,590	852,970
Plan fiduciary net position - ending	1,213,679	1,110,103	1,032,992	1,139,810	877,590
Net OPEB liability (asset) - ending	$ (630,910)	$ (470,825)	$ (427,036)	$ 81,588	$ 308,078
Plan fiduciary net position as a percentage of total OPEB liability	208%	174%	170%	93%	74%
Covered payroll	$ 11,691,697	$ 10,101,141	$ 8,671,723	$ 9,799,917	$ 9,157,997
Net OPEB liability (asset) as a percentage of covered payroll	-5%	-5%	-5%	1%	3%

Total OPEB Liability	6/30/2019	9/30/2018	9/30/2017
Service cost	$ 29,417	$ 36,657	$ 53,055
Interest on total OPEB liability	78,720	102,653	129,354
Effect of Economic/Demographic Gains or Losses	-	(455,903)	-
Effect of Assumptions Changes or Inputs	51,628	-	-
Benefit payments	(81,481)	(90,513)	(92,542)
Net change in total OPEB liability	78,284	(407,106)	89,867
Total OPEB liability - beginning	1,523,103	1,930,209	1,840,342
Total OPEB liability - ending	1,601,387	1,523,103	1,930,209
Plan Fiduciary Net Position			
Contributions - employer	81,481	90,513	156,091
Net investment income (loss)	8,884	74,315	80,776
Benefit payments, including refunds of employee contributions	(81,481)	(90,513)	(123,090)
Administrative expenses	(1,541)	(2,279)	(2,059)
Net change in plan fiduciary net position	7,343	72,036	111,718
Plan fiduciary net position - beginning	845,627	773,591	661,873
Plan fiduciary net position - ending	852,970	845,627	773,591
Net OPEB liability (asset) - ending	$ 748,417	$ 677,476	$ 1,156,618
Plan fiduciary net position as a percentage of total OPEB liability	53%	56%	40%
Covered payroll	$ 6,524,150	$ 9,055,713	$ 8,480,330
Net OPEB liability (asset) as a percentage of covered payroll	11%	7%	14%

This schedule is intended to show information for 10 years. Additional years will be included as they become available.

ALEXRENEW

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS - OPEB TRUST

Annual money-weighted rate of return, net of investment expense:

6/30/2024	9.48%
6/30/2023	7.63%
6/30/2022	-9.23%
6/30/2021	30.08%
6/30/2020	3.06%
6/30/2019	1.40%
9/30/2018	9.62%
9/30/2017	12.37%

This schedule is intended to show information for 10 years. Additional years will be included as they become available.

ALEXRENEW

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OPEB CONTRIBUTIONS

Entity Year Ended	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2024	$ -	$ 51,723	(51,723)	$ 11,691,697	0.44%
6/30/2023	-	55,538	(55,538)	10,101,141	0.55%
6/30/2022	53,996	56,733	(2,737)	8,671,723	0.65%
6/30/2021	52,424	76,165	(23,741)	9,799,917	0.78%
6/30/2020	87,452	79,996	7,456	9,157,997	0.87%
6/30/2019	61,997	81,481	(19,484)	6,524,150	1.25%
9/30/2018	80,163	90,513	(10,350)	9,055,713	1.00%
9/30/2017	125,355	125,542	(187)	8,480,330	1.48%
9/30/2016	121,704	122,528	(824)	8,480,330	1.44%

This schedule is intended to show information for 10 years. Additional years will be included as they become available.

Note 1. Changes of Benefit Terms

There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Note 2. Changes of Assumptions (Pension)

The following changes in actuarial assumptions were made effective June 30, 2021 based on the most recent experience study of the System for the four-year period ending June 30, 2020:

All Others (Non 10 Largest) – Non-Hazardous Duty:

Mortality Rates	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Note 3. Changes of Assumptions (OPEB)

The following changes in actuarial assumptions were made effective January 1, 2024:

- The healthcare trend assumptions were updated
- The withdrawal, retirement, and mortality assumptions were changed to be consistent with those used in the June 30, 2021 actuarial valuation of the Virginia Retirement System

- Age-related claims costs assumptions were updated
- The healthcare trend assumptions were updated
- The retiree election assumption was decreased from 60% to 40%

Statistical Section

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Financial Trends

Financial trend information is intended to assist users in understanding how the Authority's net position has changed over time. The tables below disclose comparative financial data.

TABLE 1

Condensed Schedules of Net Position
Last Ten Fiscal Years

	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
Assets										
Current Assets	$ 176,215,405	$ 92,259,901	$ 94,961,993	$ 80,308,872	$ 86,706,586	$ 75,272,570	$ 77,481,606	$ 71,992,329	$ 58,517,536	$ 74,456,170
Non-current Assets	1,176,363,309	1,056,853,068	950,111,857	859,431,502	803,159,845	759,842,445	753,725,875	747,728,427	751,420,427	716,656,368
Deferred Outflows	2,604,103	2,062,618	2,812,957	3,083,994	2,478,029	1,623,327	1,924,167	3,009,750	2,193,183	2,332,861
Total Assets and Deferred Outflows	$ 1,355,182,817	$ 1,151,175,587	$ 1,047,886,807	$ 942,824,368	$ 892,344,460	$ 836,738,342	$ 833,131,648	$ 822,730,506	$ 812,131,146	$ 793,445,399
Liabilities										
Current Liabilities	$ 56,168,266	$ 58,122,179	$ 46,584,796	$ 59,757,917	$ 40,073,665	$ 20,797,672	$ 19,854,654	$ 18,400,831	$ 34,860,034	$ 41,395,712
Long-term Liabilities	375,748,814	256,939,427	180,321,438	110,228,829	98,965,456	106,654,528	112,799,800	127,027,777	111,329,090	121,578,497
Deferred Inflows	1,713,797	2,575,216	7,238,587	1,462,499	1,509,645	1,209,421	1,828,634	881,910	1,862,505	2,432,782
Total Liabilities and Deferred Inflows	$ 433,630,877	$ 317,636,822	$ 234,144,821	$ 171,449,245	$ 140,548,766	$ 128,661,621	$ 134,483,088	$ 146,310,518	$ 148,051,629	$ 165,406,991
Net Position										
Net Investment in Capital Assets	$ 809,487,998	$ 757,956,972	$ 748,219,486	$ 720,251,070	$ 696,448,748	$ 649,676,473	$ 638,348,836	$ 622,454,674	$ 630,741,541	$ 586,995,330
Restricted Net Position	54,268,733	5,700,812	15,485,546	27,458,588	25,615,612	26,355,198	21,357,370	29,705,073	13,652,933	11,629,933
Unrestricted Net Position	57,795,209	69,880,981	50,036,954	23,665,465	29,731,334	32,045,050	38,942,354	24,260,241	19,685,043	29,413,145
Total Net Position	$ 921,551,940	$ 833,538,765	$ 813,741,986	$ 771,375,123	$ 751,795,694	$ 708,076,721	$ 698,648,560	$ 676,419,988	$ 664,079,517	$ 628,038,408
Total Liabilities, Deferred Inflows and Net Position	$ 1,355,182,817	$ 1,151,175,587	$ 1,047,886,807	$ 942,824,368	$ 892,344,460	$ 836,738,342	$ 833,131,648	$ 822,730,506	$ 812,131,146	$ 793,445,399

Source: Alexandria Renew Enterprises

Notes: statement No. 68 was adopted in fiscal year 2015.

Financial Trends, continued

TABLE 2

Condensed Schedules of Revenues, Expenses and Changes in Net Position
Last Ten Fiscal Years

	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019(2)	9/30/2018	9/30/2017(1)	9/30/2016	9/30/2015
Operating Revenues										
Waste Water Treatment										
Service Charges	$ 69,919,535	$ 65,906,813	$ 61,607,739	$ 56,476,273	$ 54,508,401	$ 36,227,274	$ 49,974,184	$ 48,971,156	$ 47,139,072	$ 47,773,073
Other	7,567	24,014	42,397	35,838	39,459	23,423	16,630	127,186	81,727	26,008
Total Operating Revenues	$ 69,927,102	$ 65,930,827	$ 61,650,136	$ 56,512,111	$ 54,547,860	$ 36,250,697	$ 49,990,814	$ 49,098,342	$ 47,220,799	$ 47,799,081
Non-operating Revenues										
Investment Income (loss)	$ 2,039,936	$ 757,913	$ (723,051)	$ 131,110	$ 1,327,691	$ 1,235,709	$ 300,954	$ 296,581	$ 453,508	$ 483,340
Federal grants	25,967	60,515	280,617	329,269	-	-	-	-	-	-
Capital Contribution	81,960,393	12,712,874	34,300,630	21,196,644	39,576,761	7,848,140	18,636,519	9,119,146	26,671,809	38,870,682
Total Non-operating Revenues	$ 84,026,296	$ 13,531,302	$ 33,858,196	$ 21,657,023	$ 40,904,452	$ 9,083,849	$ 18,937,473	$ 9,415,727	$ 27,125,317	$ 39,354,022
Total Revenues	$ 153,953,398	$ 79,462,129	$ 95,508,332	$ 78,169,134	$ 95,452,312	$ 45,334,546	$ 68,928,287	$ 58,514,069	$ 74,346,116	$ 87,153,103
Operating Expenses										
Personnel Services	$ 15,746,110	$ 14,210,244	$ 12,022,176	$ 12,808,339	$ 12,934,864	$ 7,584,511	$ 10,599,487	$ 11,607,302	$ 10,885,117	$ 11,915,152
Utilities	4,285,323	3,942,929	3,092,003	3,658,871	3,452,848	2,682,315	3,415,322	2,775,506	2,621,156	2,937,466
General and Administration	6,045,797	6,639,220	5,141,279	4,683,009	4,668,318	2,767,358	3,954,272	4,416,947	4,803,327	5,023,878
Other	9,425,938	8,783,146	7,348,159	5,691,117	5,820,485	4,184,151	5,489,505	3,868,705	4,459,109	5,245,885
Total Operating Expenses	$ 35,503,168	$ 33,575,539	$ 27,603,617	$ 26,841,336	$ 26,876,515	$ 17,218,335	$ 23,458,586	$ 22,668,460	$ 22,768,709	$ 25,122,381
Non-operating Expenses										
Depreciation/Amortization	$ 22,973,393	$ 21,441,879	$ 20,571,731	$ 20,660,590	$ 19,981,614	$ 14,909,317	$ 19,468,132	$ 18,608,157	$ 11,737,374	$ 10,238,996
Interest/Other Expenses	7,463,662	4,647,932	4,966,121	11,087,779	4,875,210	3,778,733	4,566,892	4,896,981	3,798,924	3,896,859
Total Non-operating Expenses	$ 30,437,055	$ 26,089,811	$ 25,537,852	$ 31,748,369	$ 24,856,824	$ 18,688,050	$ 24,035,024	$ 23,505,138	$ 15,536,298	$ 14,135,855
Total Expenses	$ 65,940,223	$ 59,665,350	$ 53,141,469	$ 58,589,705	$ 51,733,339	$ 35,906,385	$ 47,493,610	$ 46,173,598	$ 38,305,007	$ 39,258,236
Change in Net Position	$ 88,013,175	$ 19,796,779	$ 42,366,863	$ 19,579,429	$ 43,718,973	$ 9,428,161	$ 21,434,677	$ 12,340,471	$ 36,041,109	$ 47,894,867
Total Net Position, Beginning of Year	$ 833,538,765	$ 813,741,986	$ 771,375,123	$ 751,795,694	$ 708,076,721	$ 698,648,560	$ 677,213,883	$ 664,079,517	$ 628,038,408	$ 580,143,541
Total Net Position, End of Year	$ 921,551,940	$ 833,538,765	$ 813,741,986	$ 771,375,123	$ 751,795,694	$ 708,076,721	$ 698,648,560	$ 676,419,988	$ 664,079,517	$ 628,038,408

Source: Alexandria Renew Enterprises

Notes: (1)These totals are as previously reported. Prior period adjustments were required in 2017 which modified these amounts.
(2)The Authority changed their fiscal year end in 2019, therefore, only 9 months of revenues and expenses are included.

Revenue Capacity Information

Revenue capacity information is provided to assist users in understanding the factors affecting the Authority's ability to generate sources of revenue. The Authority strives to cover operating and capital costs with user fees. User fees are set by the Board and are based upon the recommendation of a third-party rates analysis designed to recover the Authority's cost of service and capital cost. Rates modeling and analysis is conducted at least annually, and more frequently as required, to set new rates and charges or affirm the efficacious nature of existing rates. Rate modeling and analysis was completed in 2015 to establish new base charges effective on October 1, 2016 and October 1, 2017. These rates were in place through FP19, at which point AlexRenew began implementing gradual, annual rate adjustments, based on Board planning and guidance and on updated rates modeling that included the RiverRenew program and other projected capital needs at the facility. Rate adjustments were adopted by the Board to become effective July 1, 2019, July 1, 2020, July 1, 2021, July 1, 2022, July 1, 2023 and July 1, 2024. User fees are comprised of two components including a wastewater treatment charge and a fixed base charge.

The wastewater treatment charge is assessed to all customers based upon metered per gallon water usage, except that residential customers are assessed based upon a winter quarter average usage (per 1,000 gallons units). A residential customer, therefore, is billed at the greater of its winter quarter per gallon average usage or 4,000 gallons per month. Commercial customers are billed based on the actual amount of per gallon water usage. The base charge was assessed for the first time beginning on October 1, 2010, and is assessed as a fixed fee per month according to water meter size. The following table represents comparative user rate charges.

TABLE 3 **Historical User Charges (in dollars)**

Fiscal Year	Wastewater Treatment Usage Charge*
2024	$ 9.76
2023	9.26
2022	8.69
2021	8.13
2020	7.63
2019	6.77
2018	6.77
2017	6.77
2016	6.77
2015	6.64

	FY 2024 Monthly	FY 2023 Monthly
Base Charge		
Residential Customers	$ 13.85	$ 13.14

	Water Meter Size	FY2024	FY2023
Commercial Customers	5/8”	$ 41.55	$ 39.42
	3/4“	41.55	39.42
	1”	103.87	98.55
	1-1/2”	207.74	197.10
	2”	332.39	315.36
	3”	623.23	591.30
	4”	1,038.72	985.50
	6”	2,077.43	1,970.00
	8”	3,323.89	3,153.60

* Based on 1,000 gallons of consumption

Source: AlexRenew

TABLE 4

Ten Principal Customers by Year
Shown as Percentage of Revenue

Name	Type	2024	2023	2022	2021	2020	2019	2018	2017	2016
4921 SEMINARY RD (VA) OWNER LLC	Apartments	1.35%	1.31%	1.45%	--	--	--	--	--	--
LYNBROOK APARTMENTS MARK CTR LLC	Apartments	0.69%	0.67%	--	--	--	--	--	--	--
SOUTHERN TOWERS	Apartments	--	--	--	1.26%	1.19%	1.38%	1.02%	1.06%	0.92%
BROOKDALE APTS MARK CTR	Apartments	--	--	0.92%	0.80%	0.94%	1.09%	--	--	--
FOXCHASE	Apartments	0.53%	0.52%	0.60%	0.54%	0.57%	0.64%	--	--	--
STONERIDGE APTS MARK CTR	Apartments	0.50%	0.51%	0.55%	0.49%	0.53%	0.60%	--	--	--
PARKFAIRFAX	Condos	0.48%	0.53%	0.50%	0.48%	0.48%	0.51%	--	--	--
ARHA	Public	0.45%	0.46%	0.47%	0.44%	0.39%	0.44%	--	--	--
140 S VAN DORN ST	Apartments	0.42%	0.49%	0.48%	0.43%	0.46%	0.53%	--	--	--
WATERGATE AT LANDMARK	Condos	0.48%	0.36%	0.42%	0.41%	0.49%	0.47%	0.38%	0.44%	0.49%
UDR NEWPORT VILLAGE LLC	Condos	--	0.40%	--	0.34%	--	--	--	--	--
FPACP4 BLVE 2801 LLC	Apartments	--	--	0.37%	--	--	--	--	--	--
ERP	Apartments	0.33%	0.32%	0.40%	0.37%	0.37%	--	--	--	--
CITY OF ALEXANDRIA	Public	0.39%	--	--	--	--	--	--	--	--
	MG Usage	$ 765,662	730,371	806,333	792,082	740,307	684,798	396,772	394,269	397,833
	Other Customer Usage	12,851,783	12,363,624	12,284,368	13,474,228	12,221,683	10,796,005	12,452,798	11,374,736	11,936,490
	Total Usage	13,617,445	13,093,995	13,090,701	14,266,310	12,961,990	11,480,803	12,849,570	11,769,005	12,334,323

Source: AlexRenew

Debt Capacity Information

Debt capacity information is intended to assist users in understanding the Authority's debt burden and the ability to issue new debt. The ultimate guarantors of the Authority's debt are its customers.

TABLE 5

ALEXANDRIA RENEW ENTERPRISES

Outstanding Debt Per Customer
June 30, 2024

Fiscal Year	Outstanding Debt	# of Customers	Outstanding Debt per Customer
2024	$ 382,970,187	26,885	$ 14,245
2023	260,735,144	26,710	9,762
2022	188,419,080	26,767	7,039
2021	143,800,792	26,589	5,408
2020	111,372,579	26,671	4,176
2019	111,138,673	26,594	4,179
2018	116,385,765	26,681	4,362
2017	126,330,515	26,611	4,747
2016	121,783,683	26,440	4,606
2015	130,813,869	26,333	4,968

Source: AlexRenew

TABLE 6

Pledged Revenue Coverage*

	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Pledged revenue	$ 69,927,102	$ 65,930,827	$ 61,650,136	$ 56,512,111	$ 54,547,860
Operating expenses	(35,503,168)	(33,575,539)	(27,603,617)	(26,841,336)	(26,876,515)
Net revenues	34,423,934	32,355,288	34,046,519	29,670,775	27,671,345
Principal and Interest Requirements	16,133,292	12,306,098	13,976,806	14,049,147	14,015,828
Debt coverage	2.13	2.63	2.44	2.11	1.97
	6/30/2019	**9/30/2018**	**9/30/2017**	**9/30/2016**	**9/30/2015**
Pledged revenue	$ 36,250,697	$ 49,990,814	$ 49,098,342	$ 47,220,799	$ 47,799,081
Operating expenses	(17,218,335)	(23,458,587)	(22,570,403)	(22,697,959)	(25,104,967)
Net revenues	19,032,362	26,532,227	26,527,939	24,522,840	22,694,114
Principal and Interest Requirements	7,996,654	13,913,446	13,437,632	13,122,172	12,062,715
Debt coverage	2.38	1.91	1.97	1.87	1.88

*AlexRenew's Master Indenture of Trust requires 1.1x coverage and its board adopted Financial Policy requires 1.5x coverage
Source: Alexandria Renew Enterprises

Demographic and Economic Information

Demographic and economic information is intended to assist users in understanding the socio-economic environment in which the Authority operates.

TABLE 7

Demographic Statistics
June 30, 2024

Population

Calendar Year	Population	Calendar Year	Population
2011	140,100	2018	159,571
2012	140,800	2019	160,530
2013	142,000	2020	165,748
2014	144,000	2021	160,146
2015	147,650	2022	160,505
2016	150,500	2023	159,428
2017	156,100	2024	159,467

Source: Alexandria Department of Planning and Zonning, "General Population Characteristics"

TABLE 8

Population Indicators
June 30, 2024

Fiscal Year	Personal Income ($1000)	Per Capita Income
2024	16,367,274	$ 110,294
2023	16,811,683	100,017
2022	16,407,945	93,835
2021	16,429,218	91,990
2020	14,127,927	88,008
2019	13,455,505	87,319
2018	12,935,231	84,079
2017	12,692,748	82,683
2016	12,556,000	81,734
2015	12,183,000	79,480

The BEA has revised these numbers.
Source: Federal Reserve Economic Data (FRED)

Demographic and Economic Information, continued

TABLE 9

City of Alexandria Principal Employers
Current Year (as of June 30, 2024 and Nine Years Ago)

Current Year	Employees[1]	Percentage of Total City Employment[2]	Nine Years Ago	Employees[1]	Percentage of Total City Employment[2]
LARGEST PUBLIC EMPLOYERS			**LARGEST PUBLIC EMPLOYERS**		
U.S Department of Defense	1,000 & over	3.82%	U.S Department of Defense	1,000 & over	8.38%
United States Patent and Trademark Office	1,000 & over	3.36%	U.S. Patent and Trademark Office	1,000 & over	7.10%
City of Alexandria	1,000 & over	0.78%	City of Alexandria	1,000 & over	2.30%
Alexandria City Public Schools	1,000 & over	0.70%	Alexandria Public Schools	1,000 & over	1.90%
National Science Foundation	1,000 & over	0.64%	WMATA	500-999	1.30%
WMATA	1,000 & over	0.46%	Northern Virginia Community College	500-999	0.70%
USDA Food and Nutrition Service	500-999	0.24%	U.S. Postal Service	500-999	0.60%
		10.00%			22.28%
LARGEST PRIVATE EMPLOYERS			**LARGEST PRIVATE EMPLOYERS**		
INOVA Health System	1,000 & over	3.93%	INOVA Alexandria Hospital	1,000 & over	1.80%
Institute for Defense Analyses	500 - 999	1.50%	American Building Maintenance Com	1,000 & over	1.20%
Woodbine Health Center	250-499	0.98%	Institute for Defense Analyses	500-999	0.80%
Society for Human Resource Management	250 - 499	0.97%	United Postal Service (UPS)	500-999	0.70%
Oblon	250 - 499	0.89%	Center for Naval Analyses	500-999	0.60%
Kearney & Company	250 - 499	0.88%	Military Professional Resources	500-999	0.50%
Systems Planning & Analysis	250 - 499	0.87%	Grant Thornton LLP	500-999	0.50%
		10.02%			6.10%

Source: Virginia Employment Commission
(1) Employment ranges are given to ensure confidentiality.
(2) Percentages are based on the midpoint of employment range.

TABLE 10

City of Alexandria Unemployment Rate
Last Ten Years

2024	2.7%
2023	2.1%
2022	2.4%
2021	3.8%
2020	8.3%
2019	1.9%
2018	2.1%
2017	2.9%
2016	2.9%
2015	3.5%

Source: U.S.Bureau of Labor Statistics.

Operating Information

Operating information is intended to provide information about the Authority's operations.

TABLE 11

Number of FTEs Employees by Activity
Fiscal Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017
Process								
Chief, Deputy GM, Chief Oper, Process Analyst, O&M Specialist	3	2	4	6	5	6	2	6
Administrative/Executive Assistant	1	0	1	1	1	1	1	1
Interceptors/Pump Stations/Chem Feed	7	5	6	8	8	8	8	9
Operating Shift D	0	0	0	0	0	5	5	6
Operating Shift B/BluRenew	11	8	4	6	6	4	5	6
Maintenance Manager, Supervisor & Facilities	4	4	2	2	2	2	2	1
Thickening/Dewater/Prepast/Digestion	6	5	6	8	8	8	8	9
BRB's/Blowers/UV	6	5	6	6	5	6	6	6
Operating Shift C/BioRenew	11	9	7	6	6	5	5	5
Operating Shift A/Erenew	12	11	7	6	6	5	6	6
Reliability, Analyst, Planners/Schedulers	3	3	3	2	3	3	3	3
Apprentices	5	11	13	12	15	10	3	10
Engineering								
Chief/Director/ Manager Engr Planning	2	2	1	1	1	1	1	1
Engineering	4	5	3	4	6	7	2	5
Program Manager	0	0	0	0	0	0	0	1
Strategy & Policy								
Director	0	1	1	0	1	1	0	0
Quality Assurance	1	1	1	1	1	1	1	1
Laboratory	7	7	6	5	5	5	4	4
Sustainability/Regulatory	2	2	2	1	2	1	1	0
Administrative Assistant	0	1	1	0	0	0	0	0
Finance								
Chief Financial Officer	0	0	1	1	0	0	1	1
Controller/Director Finance/Acctg Manager	2	2	1	1	2	2	2	1
Senior Accountant/Staff Accountant/Acctg Clerk	3	3	3	3	3	3	2	3
Administrative/Executive Assistant	1	1	1	1	1	1	1	1
Purchasing Manager, Buyer, Contracts, InvControl	4	3	3	2	3	3	2	2
Customer Service	1	1	1	1	1	1	1	1
Human Resources								
Human Resources	5	5	3	2	2	2	1	2
Safety & Security	1	1	1	1	1	0	1	0
Information Systems								
Information Systems, SCADA	9	8	8	6	3	4	3	3
Administration								
Administration	4	3	2	4	3	2	2	2
Communications & RiverRenew	7	6	6	2	4	5	4	4
	122	115	104	99	104	102	83	100

Operating Information

TABLE 12

Number of Customers and Millions of Gallons (MGD) Consumption

Fiscal Year	Customer Accounts	Total MG Treated	Fairfax MG Treated
6/30/2024	26,885	13,614	5,577
6/30/2023	26,710	13,094	5,326
6/30/2022	26,767	13,090	6,204
6/30/2021	26,589	14,266	6,535
6/30/2020	26,671	12,962	6,008
6/30/2019	26,594	11,481	5,820
9/30/2018	26,681	12,850	6,671
9/30/2017	26,611	11,769	5,941
9/30/2016	26,440	12,334	5,960
9/30/2015	26,333	12,035	6,112

Source: AlexRenew

Note: The amount of wastewater treated includes flow generated by the City customers and portions of the County which is outside of the City. The amount of wastewater that flows outside the County is metered and included in Table 12 above.

TABLE 13

ALEXRENEW

Wastewater Treatment Capacity and Infrastructure Assets Owned
For the Fiscal Year Ending June 30, 2024

Wastewater treatment capacity:

	Design Capacity	54 MGD (million gallons per day)
Asset:		Capacity:
Four Mile Run Pump Station	Pump Station	Firm pumping capacity 9.4 MGD
Slater's Lane Pump Station	Pump Station	Firm pumping capacity .75 MGD
Potomac Yard Pump Station	Pump Station	Firm pumping capacity 9.5 MGD
Mark Center	Pump Station	Firm pumping capacity 1.6 MGD
Innovation District Pump Station	Pump Station	Firm pumping capacity 1.1 MGD
Bush Hill Service Chamber	Lift Station	Firm pumping capacity .18 MGD
Jefferson at Carlyle Mills Service Chamber	Lift Station	Firm pumping capacity .525 MGD
Holmes Run Trunk Sewer	Gravity Sewer	Design Capacity varies from 71.5 MGD at Hooff's Run to 18.9 MGD at the City Limits
Commonwealth Interceptor	Gravity Sewer & Force Main	Design Capacity varies from 97.0 MGD at the WRRF to 13 MGD at the Potomac Yards Pump Station force main discharge.
Potomac Yard Trunk Sewer	Gravity Sewer	Design Capacity varies from 17 MGD at the WRRF to 13 MGD at the Potomac Yards Pump Station force main discharge
Potomac Interceptor	Gravity Sewer	Design Capacity varies from 18.7 MGD at the WRRF to 11.0 MGD at Pendleton St.

Alexandria City owns the collection system; AlexRenew owns the intercepting sewer system, the pump stations and the treatment facility.

Source: AlexRenew

AlexRenew

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alexrenew.com