



CITY OF RICHMOND
Office of the City Auditor

DATE: July 31, 2023

TO: Mr. Lincoln Saunders
Chief Administrative Officer

FROM: Louis Lassiter
City Auditor

SUBJECT: APA Comparative Cost Report Analysis FY2022

The City Auditor's Office has completed an analysis of the FY2022 Virginia Auditor of Public Accounts (APA) Comparative Report of Local Government Revenues and Expenditures.

We obtained information from the APA report and performed further analysis to compare the City of Richmond with similar cities in the Commonwealth with populations of approximately 100,000 or more, as well as Arlington County, Virginia. These particular localities were chosen to provide relative benchmarks due to similar services provided by larger more urban localities. This analysis is provided to the Administration and City Council for reference and continued analysis of possible improvement opportunities.

This work provides an objective summary of information from the APA's report. However, as required by Government Auditing Standards (2018 Revision) section 2.02 issued by the U.S. Government Accountability Office, we must communicate that this evaluation does not constitute an audit conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS).

We would like to thank the Finance Department of the City of Richmond for their assistance. Please contact us if you have any questions regarding this analysis.

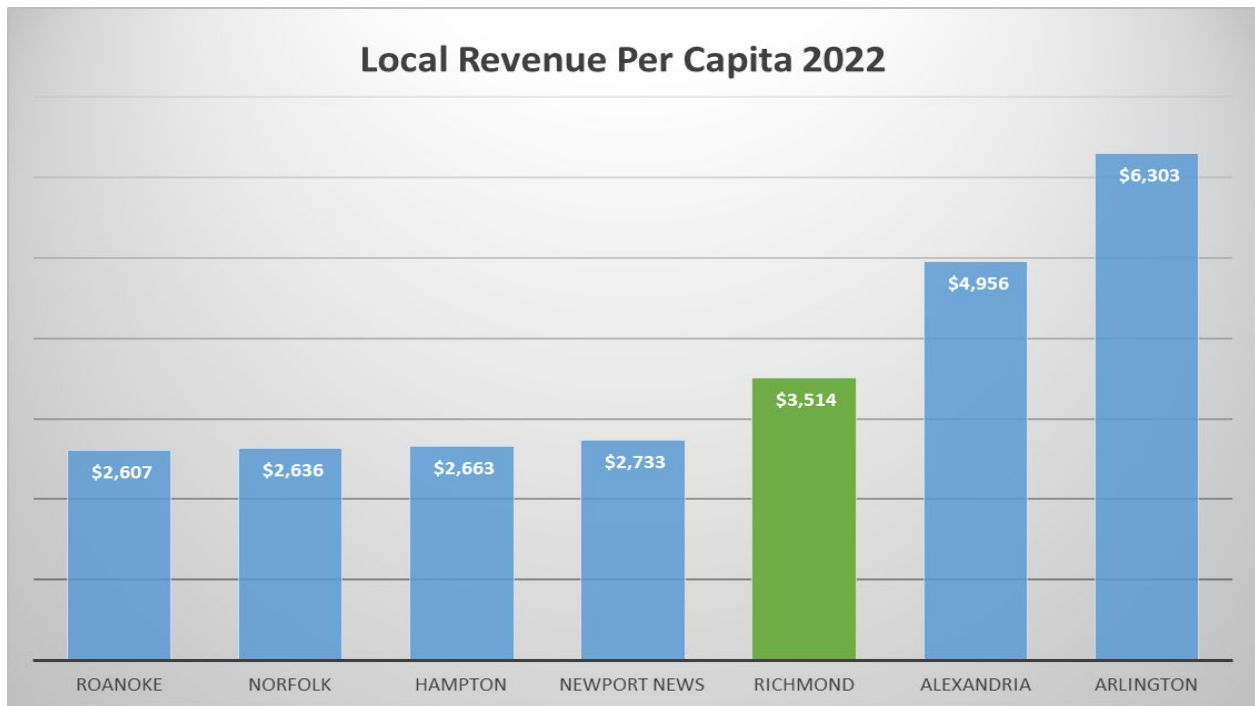
Attachment

cc: The Richmond Audit Committee
The Richmond City Council
Ms. Sabrina Joy-Hogg, DCAO Finance and Administration
Ms. Sheila White, Director of Finance

FY2022 ANALYSIS SUMMARY

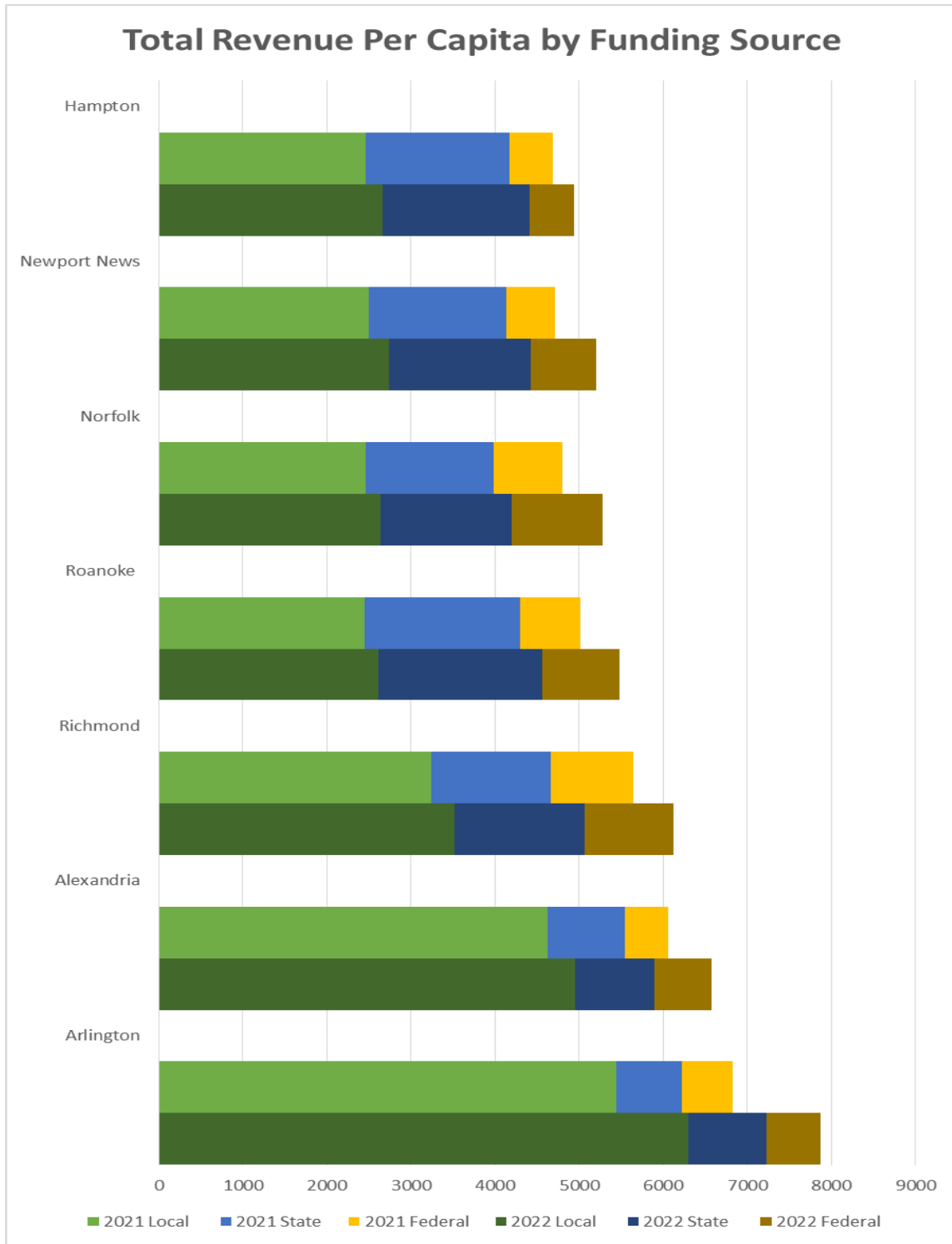
The charts and schedules that follow show a high-level ranking amongst various categories from the FY22 Comparative Cost Report. ¹ **Please note that numbers in the charts and graphs have been rounded to the nearest dollar which can cause minor differences when summed.**

The chart and table below represent the Local Revenue per Capita for Fiscal Year 2022. As the APA noted, the “report provides a uniform presentation of fiscal information... however, we caution users not to base conclusions solely on this report's data.” Therefore, this information should not be used solely as an indicator of efficiency or performance without further analysis of the scope of services amongst those entities being ranked.



Locality	General Property Taxes	Other Local Taxes	Permits, Privileges, fees, & Regulatory	Fines and Forfeitures	Charges for Service	Revenue From Use of Money and Property	Miscellaneous	Total
Alexandria 2022	\$ 3,491	\$ 916	\$ 99	\$ 17	\$ 301	\$ 13	\$ 118	\$ 4,956
Alexandria 2021	\$ 3,380	\$ 794	\$ 117	\$ 19	\$ 235	\$ 33	\$ 53	\$ 4,631
Arlington 2022	\$ 4,267	\$ 1,175	\$ 43	\$ 24	\$ 504	\$ 109	\$ 181	\$ 6,303
Arlington 2021	\$ 3,957	\$ 910	\$ 30	\$ 23	\$ 399	\$ 30	\$ 89	\$ 5,438
Hampton 2022	\$ 1,438	\$ 643	\$ 15	\$ 7	\$ 457	\$ 20	\$ 83	\$ 2,663
Hampton 2021	\$ 1,358	\$ 591	\$ 15	\$ 7	\$ 387	\$ 27	\$ 80	\$ 2,465
Newport News 2022	\$ 1,643	\$ 606	\$ 19	\$ 6	\$ 252	\$ 54	\$ 154	\$ 2,733
Newport News 2021	\$ 1,545	\$ 551	\$ 15	\$ 7	\$ 266	\$ 51	\$ 60	\$ 2,495
Norfolk 2022	\$ 1,504	\$ 712	\$ 16	\$ 6	\$ 295	\$ 38	\$ 65	\$ 2,636
Norfolk 2021	\$ 1,399	\$ 671	\$ 15	\$ 4	\$ 286	\$ 40	\$ 53	\$ 2,468
Richmond 2022	\$ 1,971	\$ 768	\$ 15	\$ 37	\$ 411	\$ 13	\$ 299	\$ 3,514
Richmond 2021	\$ 1,799	\$ 671	\$ 13	\$ 41	\$ 419	\$ 39	\$ 260	\$ 3,242
Roanoke 2022	\$ 1,342	\$ 862	\$ 19	\$ 8	\$ 353	\$ 5	\$ 19	\$ 2,607
Roanoke 2021	\$ 1,309	\$ 768	\$ 13	\$ 9	\$ 321	\$ 3	\$ 30	\$ 2,453

¹ Figures were used as of June 12, 2023.

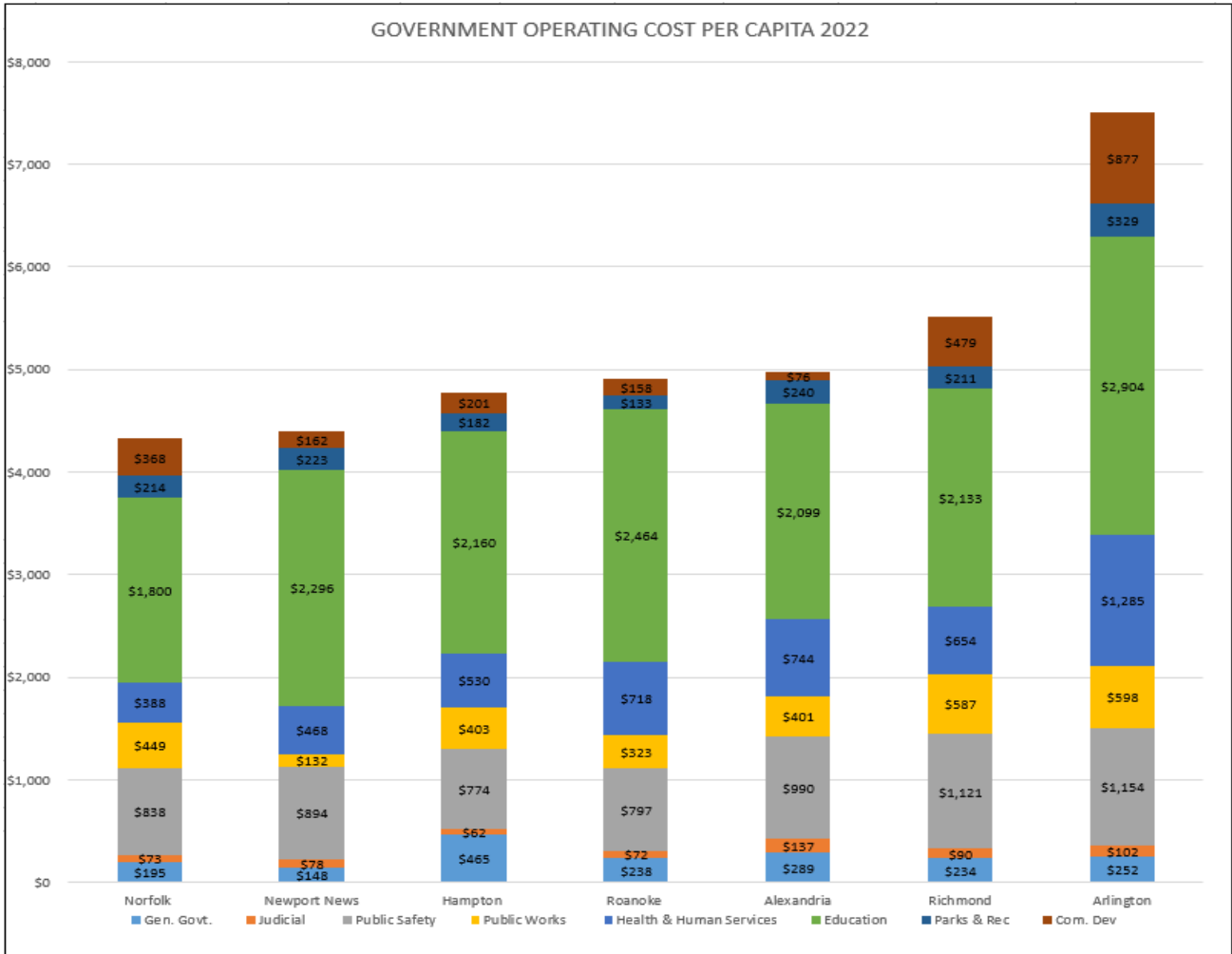


General Government Revenues include:

- *Local – Property Taxes, Other Local Taxes, Permits, Privilege Fees, Regulatory Licenses, Fines and Forfeitures, Charges for Service, and Use of Money and Property Revenue, and Miscellaneous.*
- *State – Payments in Lieu of Taxes, Non-Categorical State Aid, Shared Expenses (Categorical), and Categorical State Aid.*
- *Federal – Payments in Lieu of Taxes, Non-Categorical Federal Aid, and Categorical Federal Aid.*

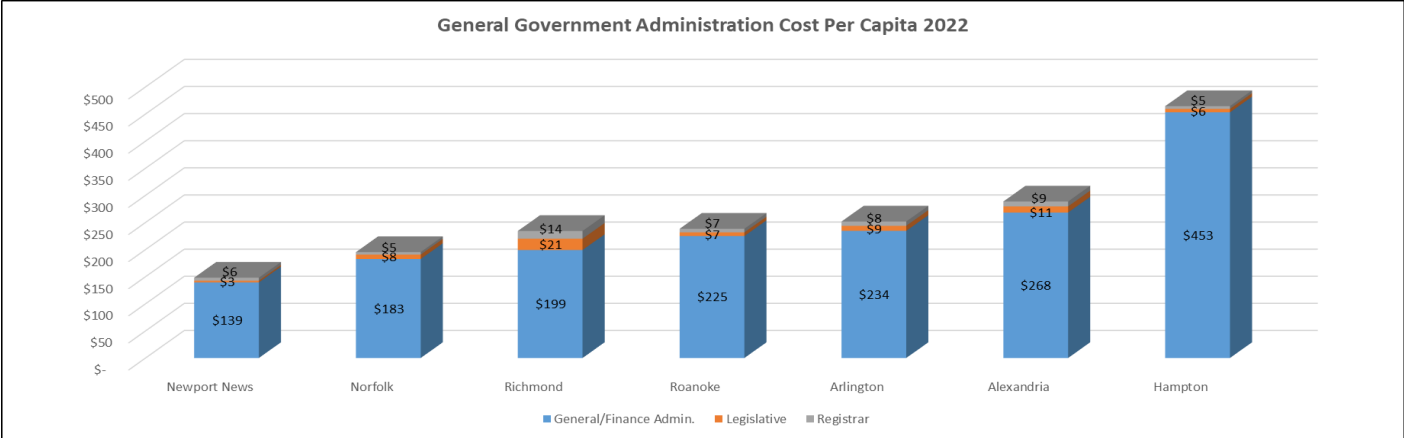
FY2022 Cost Analysis

The first chart below is a roll up for all Government Operations with subsequent charts providing further details for these categories.



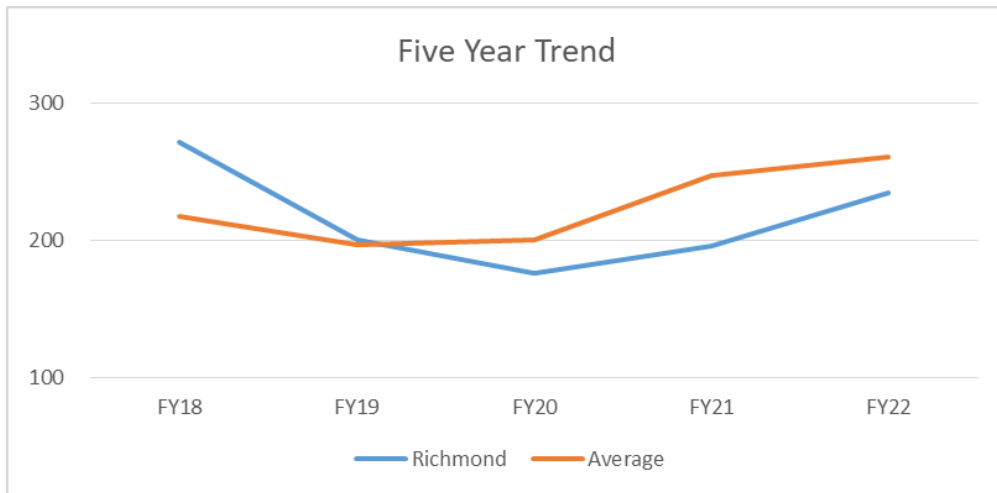
Locality	Gen. Govt.	Judicial	Public Safety	Public Works	Health & Human Services	Education	Parks & Rec	Com. Dev.	Total
Norfolk 2021	\$ 227	\$ 70	\$ 774	\$ 385	\$ 357	\$ 1,603	\$ 177	\$ 370	\$ 3,964
Norfolk 2022	\$ 195	\$ 73	\$ 838	\$ 449	\$ 388	\$ 1,800	\$ 214	\$ 368	\$ 4,327
Hampton 2021	\$ 388	\$ 62	\$ 657	\$ 404	\$ 520	\$ 1,883	\$ 171	\$ 158	\$ 4,242
Hampton 2022	\$ 465	\$ 62	\$ 774	\$ 403	\$ 530	\$ 2,160	\$ 182	\$ 201	\$ 4,776
Newport News 2021	\$ 163	\$ 68	\$ 860	\$ 213	\$ 491	\$ 1,935	\$ 193	\$ 100	\$ 4,023
Newport News 2022	\$ 148	\$ 78	\$ 894	\$ 132	\$ 468	\$ 2,296	\$ 223	\$ 162	\$ 4,400
Roanoke 2021	\$ 249	\$ 69	\$ 700	\$ 341	\$ 664	\$ 2,062	\$ 124	\$ 167	\$ 4,375
Roanoke 2022	\$ 238	\$ 72	\$ 797	\$ 323	\$ 718	\$ 2,464	\$ 133	\$ 158	\$ 4,904
Alexandria 2021	\$ 290	\$ 132	\$ 979	\$ 276	\$ 790	\$ 1,959	\$ 219	\$ 213	\$ 4,857
Alexandria 2022	\$ 289	\$ 137	\$ 990	\$ 401	\$ 744	\$ 2,099	\$ 240	\$ 76	\$ 4,975
Richmond 2021	\$ 196	\$ 83	\$ 1,211	\$ 575	\$ 700	\$ 1,805	\$ 169	\$ 477	\$ 5,216
Richmond 2022	\$ 234	\$ 90	\$ 1,121	\$ 587	\$ 654	\$ 2,133	\$ 211	\$ 479	\$ 5,509
Arlington 2021	\$ 218	\$ 85	\$ 1,034	\$ 444	\$ 834	\$ 2,409	\$ 256	\$ 260	\$ 5,539
Arlington 2022	\$ 252	\$ 102	\$ 1,154	\$ 598	\$ 1,285	\$ 2,904	\$ 329	\$ 877	\$ 7,501

FY2022 ANALYSIS BY FUNCTIONAL AREAS

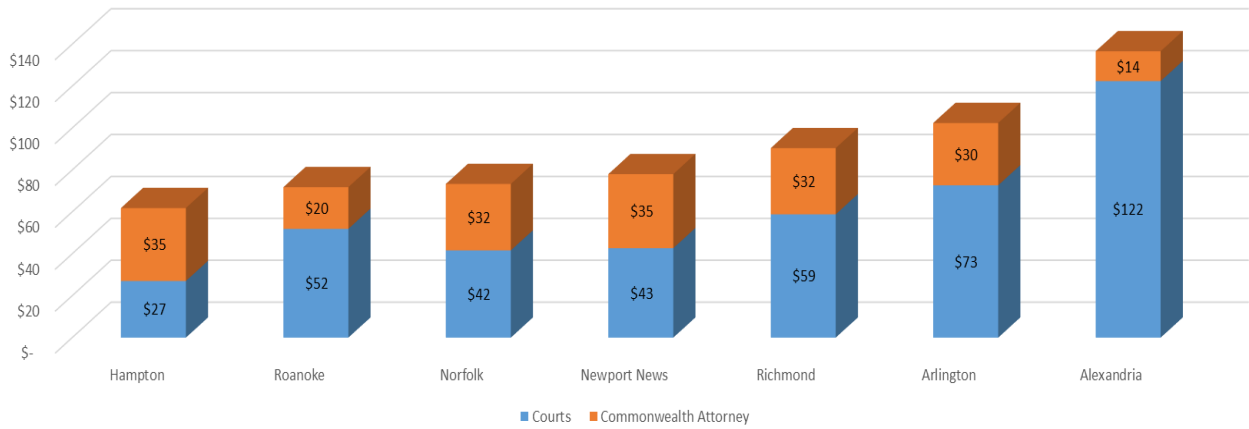


Locality	General/Finance Admin.	Legislative	Registrar	Total
Newport News	\$ 139	\$ 3	\$ 6	\$ 148
Norfolk	\$ 183	\$ 8	\$ 5	\$ 195
Richmond	\$ 199	\$ 21	\$ 14	\$ 234
Roanoke	\$ 225	\$ 7	\$ 7	\$ 238
Arlington	\$ 234	\$ 9	\$ 8	\$ 252
Alexandria	\$ 268	\$ 11	\$ 9	\$ 289
Hampton	\$ 453	\$ 6	\$ 5	\$ 465

Richmond had the 3rd lowest costs and was below the average of \$260.

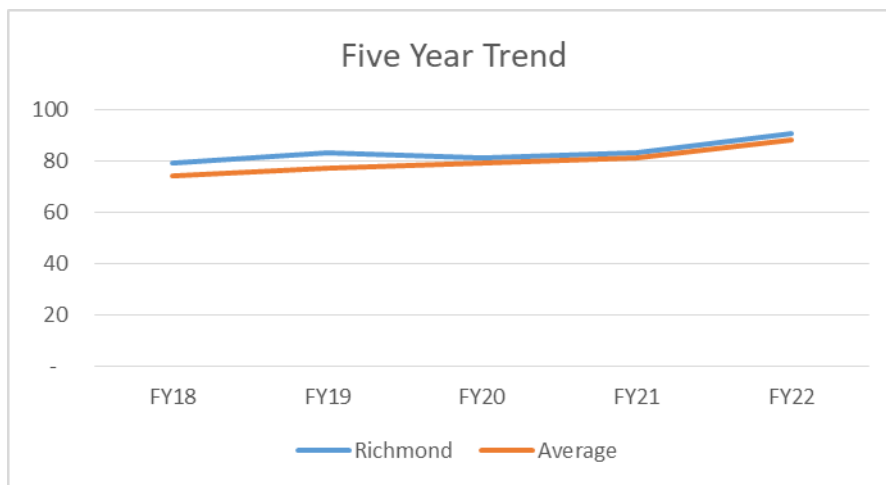


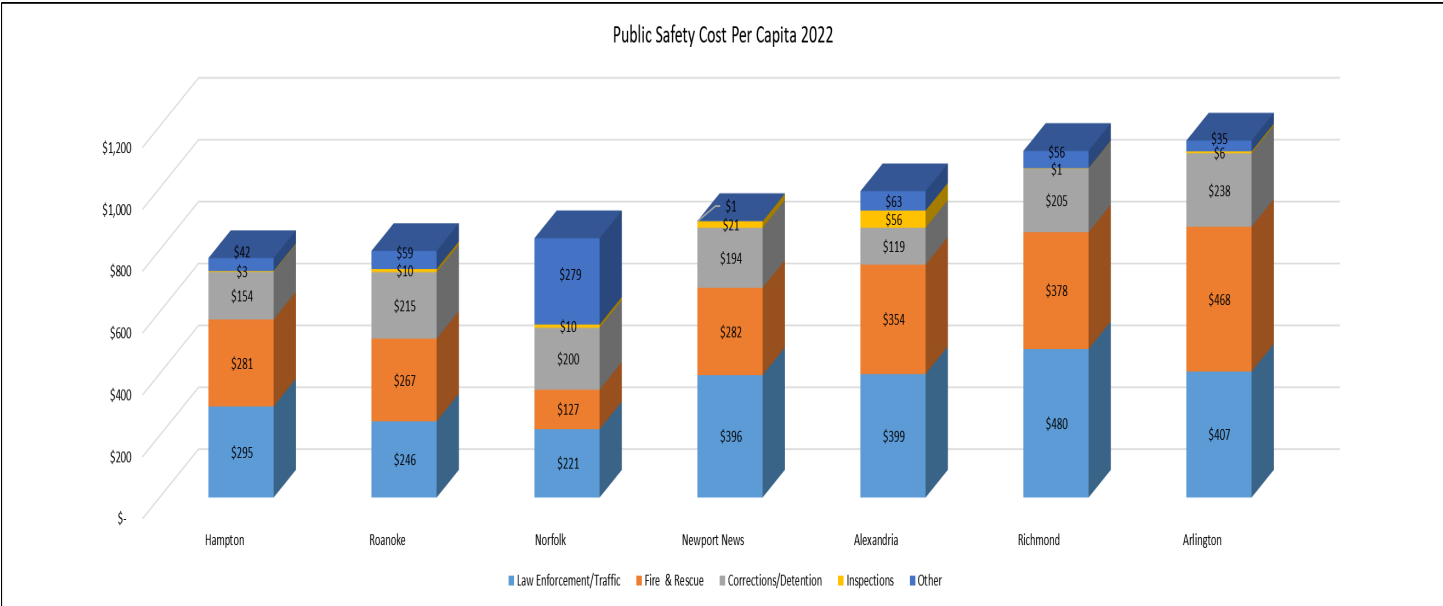
Judicial Administration Cost Per Capita 2022



Locality	Courts	Commonwealth Attorney	Total
Hampton	\$ 27	\$ 35	\$ 62
Roanoke	\$ 52	\$ 20	\$ 72
Norfolk	\$ 42	\$ 32	\$ 73
Newport News	\$ 43	\$ 35	\$ 78
Richmond	\$ 59	\$ 32	\$ 90
Arlington	\$ 73	\$ 30	\$ 102
Alexandria	\$ 122	\$ 14	\$ 137

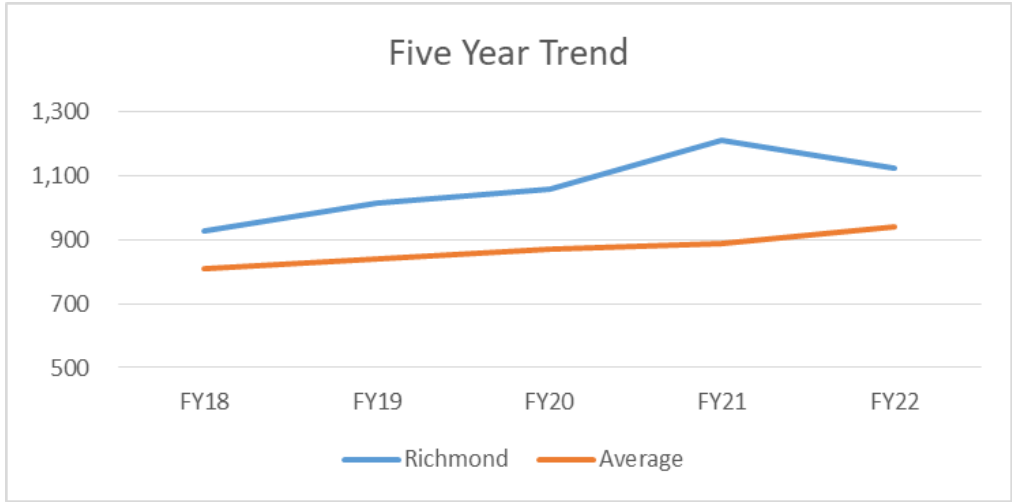
Richmond had the 3rd highest costs of the seven and just above the average of \$88.

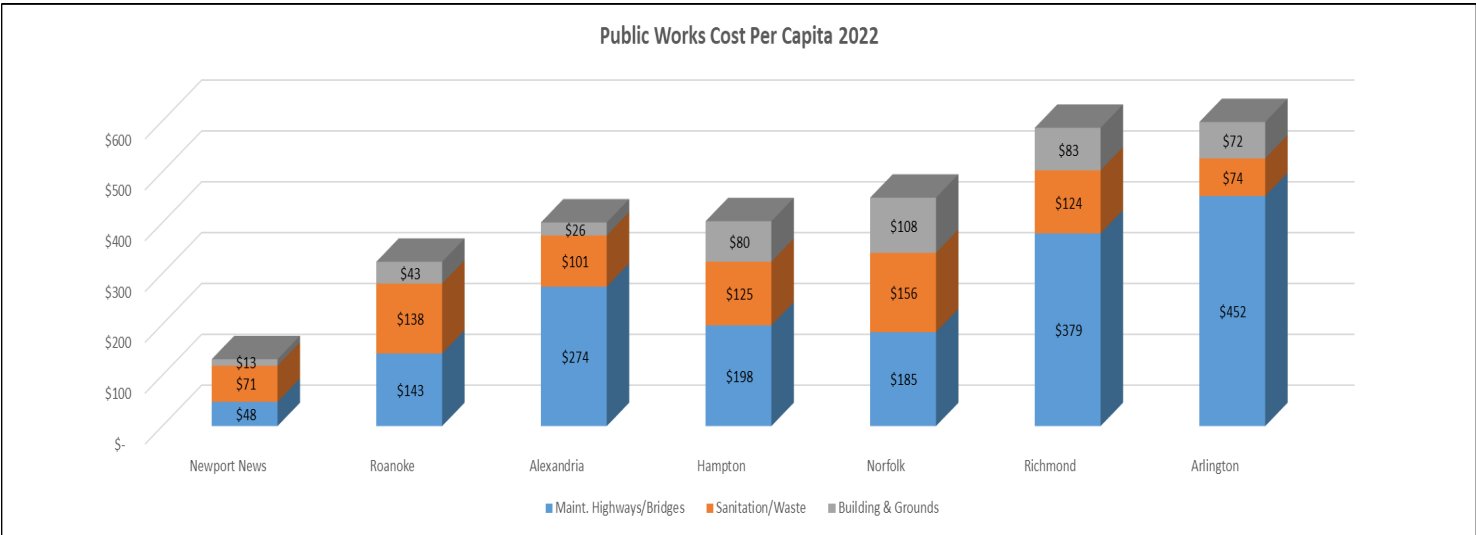




Locality	Law Enforcement/Traffic	Fire & Rescue	Corrections/Detention	Inspections	Other	Total
Hampton	\$ 295	\$ 281	\$ 154	\$ 3	\$ 42	\$ 774
Roanoke	\$ 246	\$ 267	\$ 215	\$ 10	\$ 59	\$ 797
Norfolk	\$ 221	\$ 127	\$ 200	\$ 10	\$ 279	\$ 838
Newport News	\$ 396	\$ 282	\$ 194	\$ 21	\$ 1	\$ 894
Alexandria	\$ 399	\$ 354	\$ 119	\$ 56	\$ 63	\$ 990
Richmond	\$ 480	\$ 378	\$ 205	\$ 1	\$ 56	\$ 1,121
Arlington	\$ 407	\$ 468	\$ 238	\$ 6	\$ 35	\$ 1,154

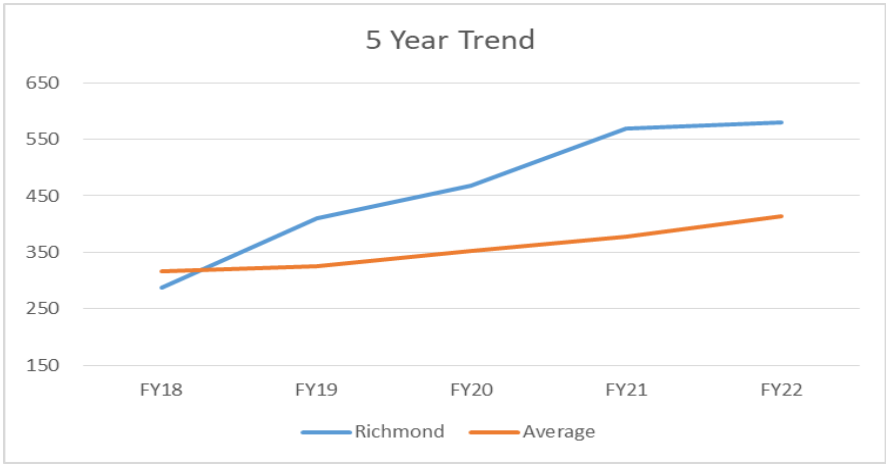
Richmond had 2nd highest costs of the seven and \$183 above the average of \$938.

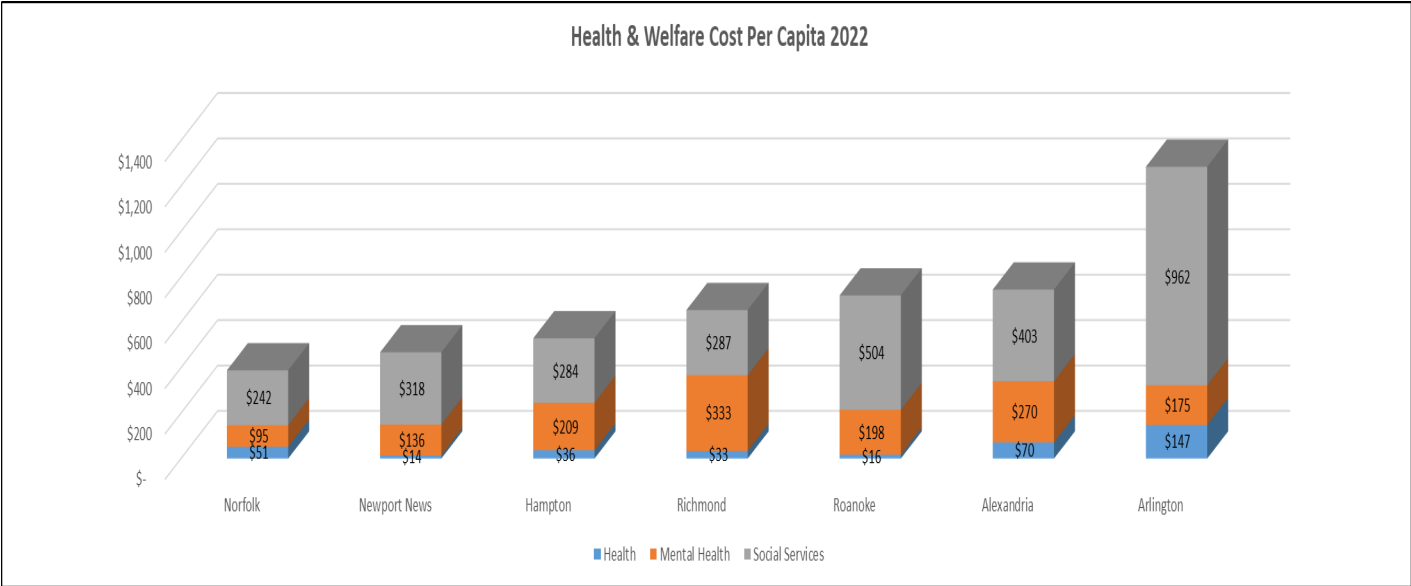




Locality	Maint. Highways/Bridges	Sanitation/Waste	Building & Grounds	Total
Newport News	\$ 48	\$ 71	\$ 13	\$ 132
Roanoke	\$ 143	\$ 138	\$ 43	\$ 323
Alexandria	\$ 274	\$ 101	\$ 26	\$ 401
Hampton	\$ 198	\$ 125	\$ 80	\$ 403
Norfolk	\$ 185	\$ 156	\$ 108	\$ 449
Richmond	\$ 379	\$ 124	\$ 83	\$ 587
Arlington	\$ 452	\$ 74	\$ 72	\$ 598

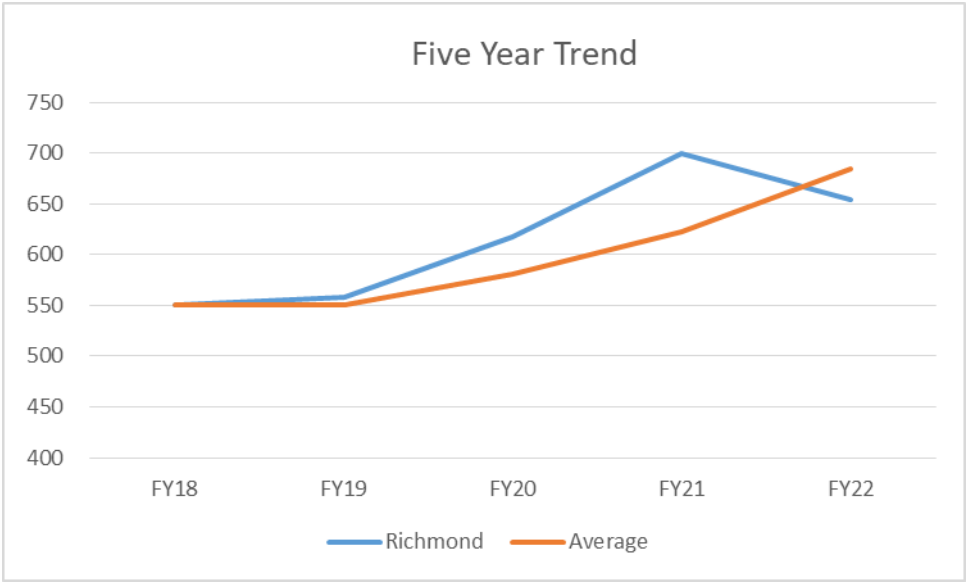
Richmond had the 2nd highest costs of the seven and \$174 above the average of \$413. The Administration provided that Richmond’s Public Works Buildings and Grounds numbers include approximately \$1.4 million in grounds maintenance costs for Parks and Recreation. This raises Public Works cost per capita and reduces Parks and Recreation cost per capita by \$7.

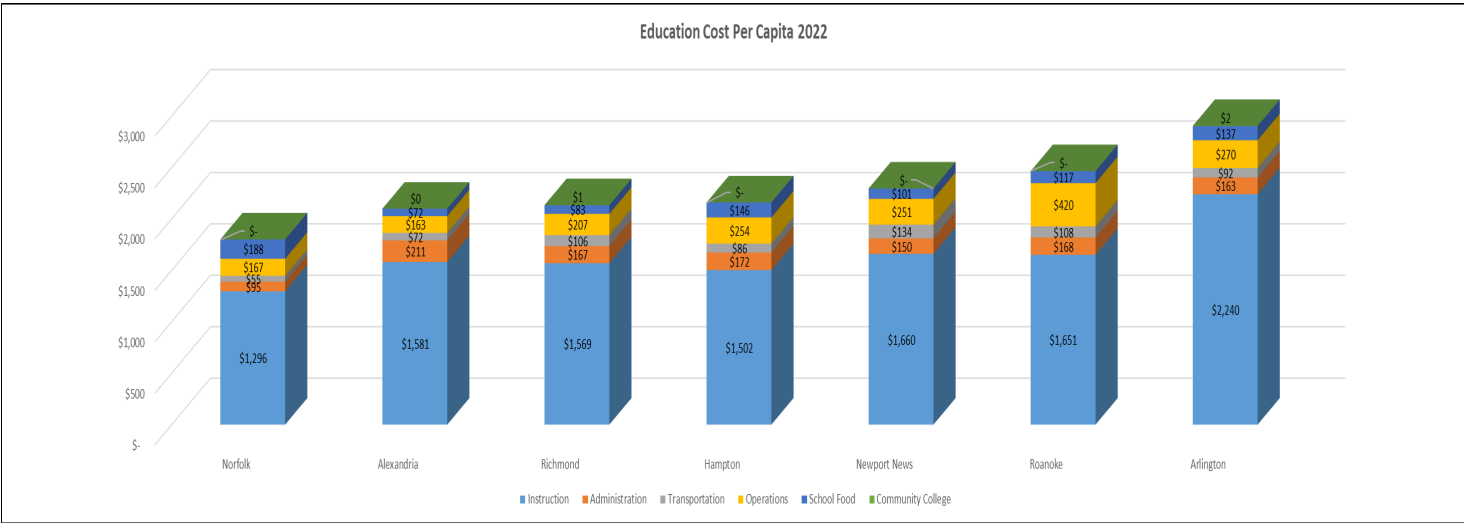




Locality	Health	Mental Health	Social Services	Total
Norfolk	\$ 51	\$ 95	\$ 242	\$ 388
Newport News	\$ 14	\$ 136	\$ 318	\$ 468
Hampton	\$ 36	\$ 209	\$ 284	\$ 530
Richmond	\$ 33	\$ 333	\$ 287	\$ 654
Roanoke	\$ 16	\$ 198	\$ 504	\$ 718
Alexandria	\$ 70	\$ 270	\$ 403	\$ 744
Arlington	\$ 147	\$ 175	\$ 962	\$ 1,285

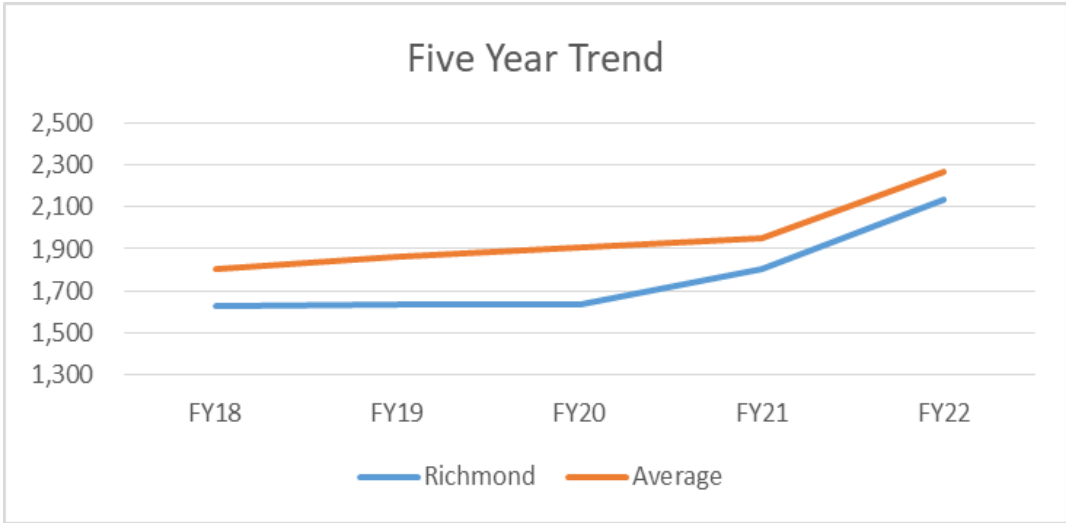
Richmond had the 4th highest costs of the seven and \$30 below the average of \$684.

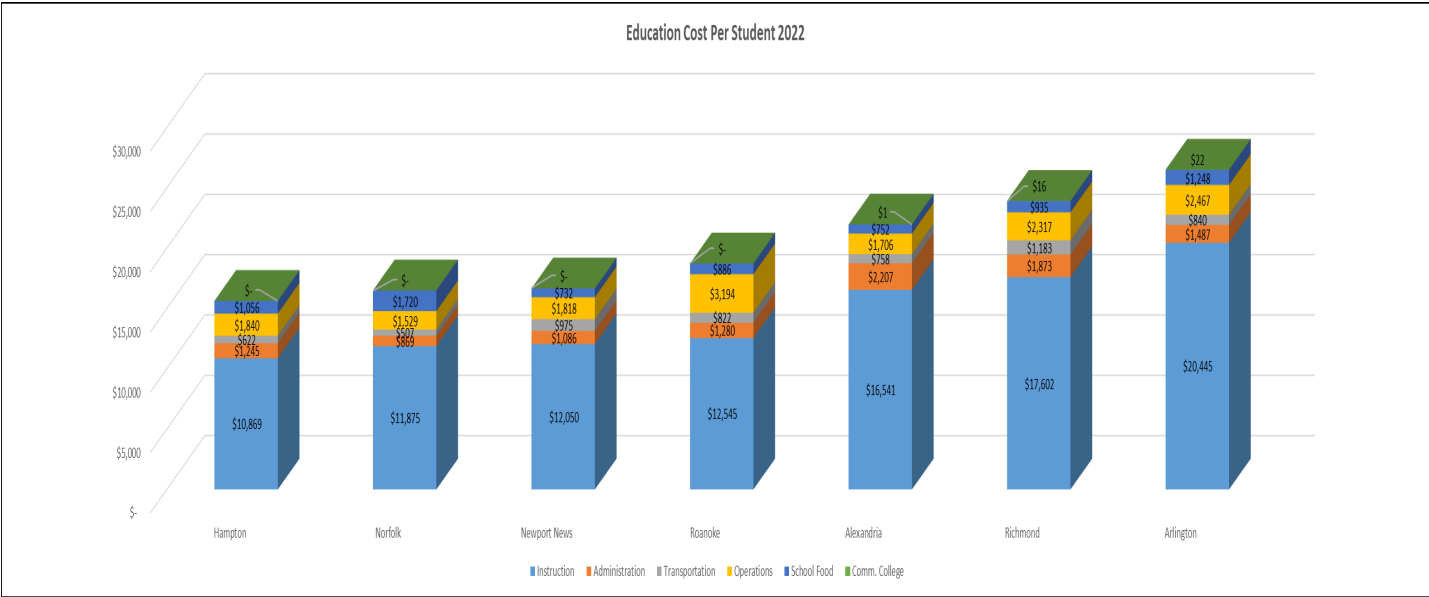




Locality	Instruction	Administration	Transportation	Operations	School Food	Community College	Total
Norfolk	\$ 1,296	\$ 95	\$ 55	\$ 167	\$ 188	\$ -	\$ 1,800
Alexandria	\$ 1,581	\$ 211	\$ 72	\$ 163	\$ 72	\$ 0	\$ 2,099
Richmond	\$ 1,569	\$ 167	\$ 106	\$ 207	\$ 83	\$ 1	\$ 2,133
Hampton	\$ 1,502	\$ 172	\$ 86	\$ 254	\$ 146	\$ -	\$ 2,160
Newport News	\$ 1,660	\$ 150	\$ 134	\$ 251	\$ 101	\$ -	\$ 2,296
Roanoke	\$ 1,651	\$ 168	\$ 108	\$ 420	\$ 117	\$ -	\$ 2,464
Arlington	\$ 2,240	\$ 163	\$ 92	\$ 270	\$ 137	\$ 2	\$ 2,904

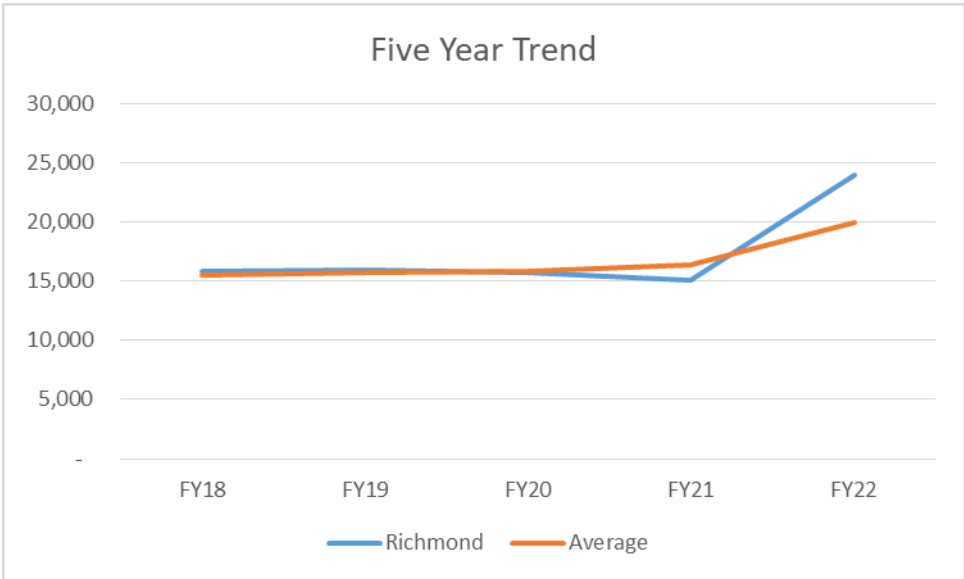
Richmond had the 3rd lowest costs of the seven and \$132 below the average of \$2,265.

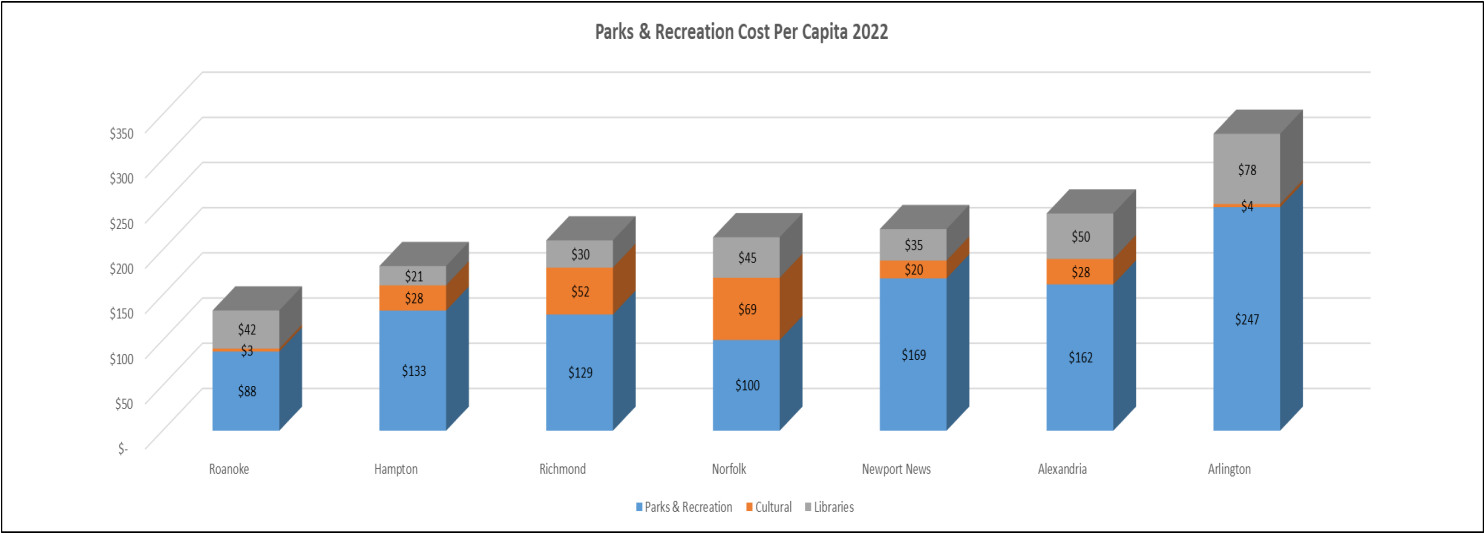




Locality	Instruction	Administration	Transportation	Operations	School Food	Comm. College	Total
Hampton	\$ 10,869	\$ 1,245	\$ 622	\$ 1,840	\$ 1,056	\$ -	\$ 15,632
Norfolk	\$ 11,875	\$ 869	\$ 507	\$ 1,529	\$ 1,720	\$ -	\$ 16,499
Newport News	\$ 12,050	\$ 1,086	\$ 975	\$ 1,818	\$ 732	\$ -	\$ 16,661
Roanoke	\$ 12,545	\$ 1,280	\$ 822	\$ 3,194	\$ 886	\$ -	\$ 18,727
Alexandria	\$ 16,541	\$ 2,207	\$ 758	\$ 1,706	\$ 752	\$ 1	\$ 21,965
Richmond	\$ 17,602	\$ 1,873	\$ 1,183	\$ 2,317	\$ 935	\$ 16	\$ 23,925
Arlington	\$ 20,445	\$ 1,487	\$ 840	\$ 2,467	\$ 1,248	\$ 22	\$ 26,508

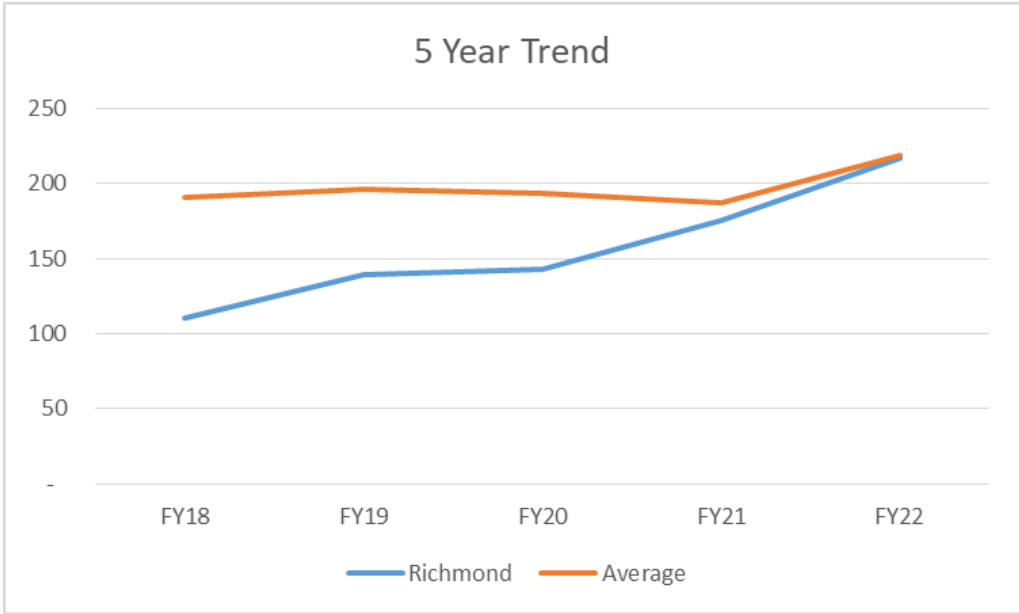
Richmond had the 2nd highest costs of the seven and \$3,937 above the average of \$19,988.

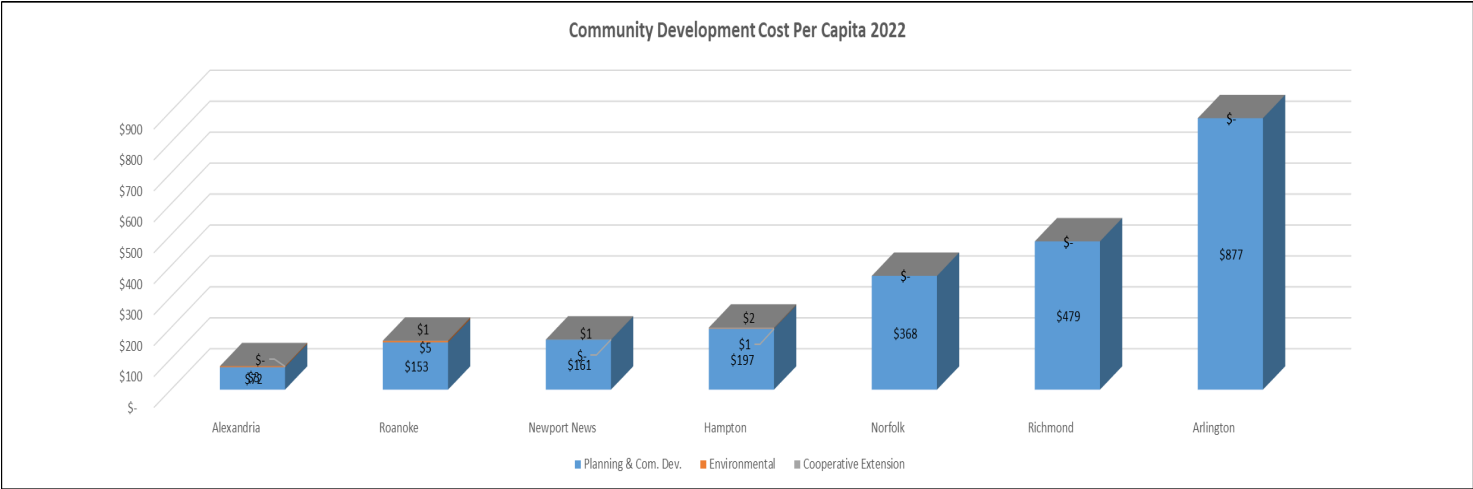




Locality	Parks & Recreation	Cultural	Libraries	Total
Roanoke	\$ 88	\$ 3	\$ 42	\$ 133
Hampton	\$ 133	\$ 28	\$ 21	\$ 182
Richmond	\$ 129	\$ 52	\$ 30	\$ 211
Norfolk	\$ 100	\$ 69	\$ 45	\$ 214
Newport News	\$ 169	\$ 20	\$ 35	\$ 223
Alexandria	\$ 162	\$ 28	\$ 50	\$ 240
Arlington	\$ 247	\$ 4	\$ 78	\$ 329

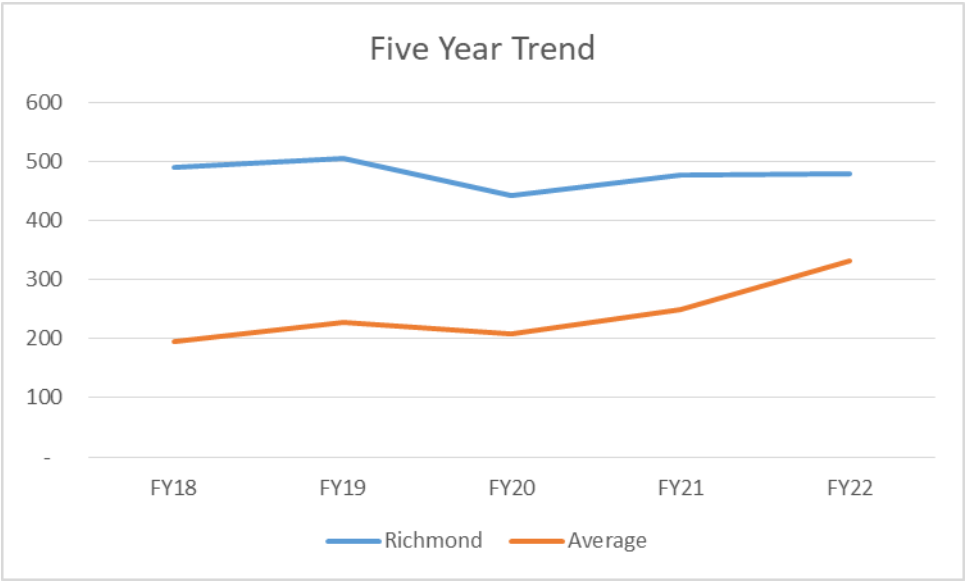
Richmond had the 3rd lowest costs of the seven and below the average of \$219. The Administration provided that Richmond’s Public Works Buildings and Grounds numbers include approximately \$1.4 million in grounds maintenance costs for Parks and Recreation. This raises Public Works cost per capita and reduces Parks and Recreation cost per capita by \$7.

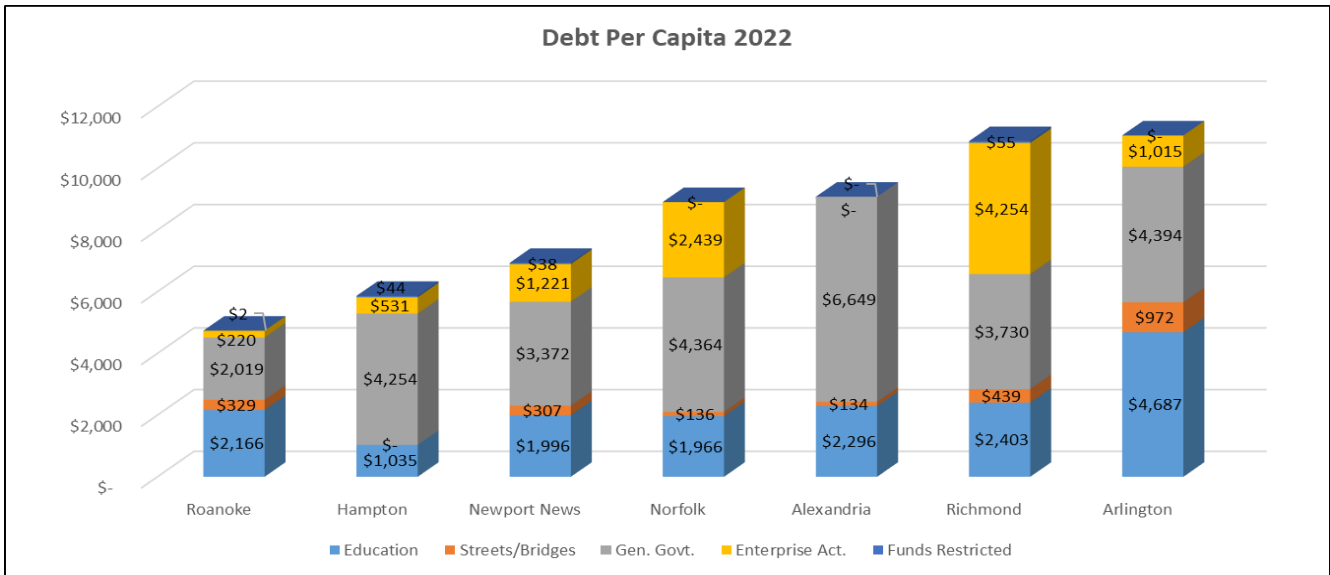




Locality	Planning & Com. Dev.	Environmental	Cooperative Extension	Total
Alexandria	\$ 72	\$ 3	\$ -	\$ 76
Roanoke	\$ 153	\$ 5	\$ 1	\$ 158
Newport News	\$ 161	\$ -	\$ 1	\$ 162
Hampton	\$ 197	\$ 1	\$ 2	\$ 201
Norfolk	\$ 368	\$ -	\$ -	\$ 368
Richmond	\$ 479	\$ -	\$ -	\$ 479
Arlington	\$ 877	\$ -	\$ -	\$ 877

Richmond had the 2nd highest costs of the seven and was well above the average of \$332. The primary cost driver for the cost per capita (\$479) for Richmond is the Richmond Redevelopment and Housing Authority with \$78.9 million of the \$108.5 million reported for this category. RRHA has other revenues that offset these expenses.



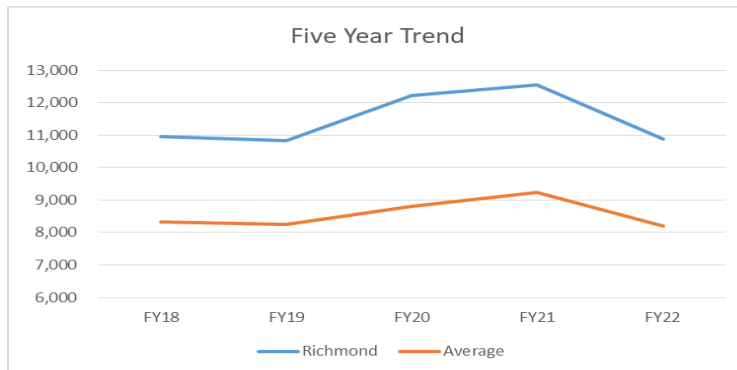


Locality	Education	Streets/Bridges	Gen. Govt.	Enterprise Act.	Funds Restricted	Total
Roanoke	\$ 2,166	\$ 329	\$ 2,019	\$ 220	\$ 2	\$ 4,737
Hampton	\$ 1,035	\$ -	\$ 4,254	\$ 531	\$ 44	\$ 5,865
Newport News	\$ 1,996	\$ 307	\$ 3,372	\$ 1,221	\$ 38	\$ 6,935
Norfolk	\$ 1,966	\$ 136	\$ 4,364	\$ 2,439	\$ -	\$ 8,905
Alexandria	\$ 2,296	\$ 134	\$ 6,649	\$ -	\$ -	\$ 9,079
Richmond	\$ 2,403	\$ 439	\$ 3,730	\$ 4,254	\$ 55	\$ 10,881
Arlington	\$ 4,687	\$ 972	\$ 4,394	\$ 1,015	\$ -	\$ 11,067

Richmond had the 2nd highest costs of the seven and was well above the average of \$8,210. Richmond's Enterprise Activities are a primary reason debt per capita is higher and this debt is supported by user fees. Enterprise activities also serve customers outside of the city limits but in the Richmond region which can be a factor in this cost. The table to the right shows that Richmond's General Government debt service to capita costs were the third highest out of the seven.

General Gov't Debt Service Per Capita

Hampton	\$ 232
Roanoke	\$ 248
Newport News	\$ 339
Norfolk	\$ 340
Richmond	\$ 376
Alexandria	\$ 477
Arlington	\$ 577



The chart below lists demographic information for the localities selected for comparison in this report. Like localities were chosen based on similarities in population, urban and industrial regions, and services provided. Localities selected were cities of approximately 100,000 in population or more, from various regions of the Commonwealth of Virginia. The County of Arlington was also included due to its similarity to an urban locality like the City of Richmond.

Locality	Population Estimates (2021)	Land Area (Square Miles)(2020)	Population Density (2020)	Unemployment Rate (%) (2022)	Average Daily Membership in Public Schools (2021-2022)
Roanoke	99,883	43	2,352	3%	12,971
Alexandria	158,675	15	10,674	2%	15,018
Hampton	136,581	51	2,665	4%	18,731
Richmond	226,623	60	3,781	3%	20,008
Newport News	185,082	69	2,700	4%	25,226
Norfolk	238,102	53	4,468	4%	25,705
Arlington	237,107	26	9,179	2%	25,976