



**CITY OF RICHMOND**  
**Office of the City Auditor**

**DATE:** July 3, 2024

**TO:** Mr. Lincoln Saunders  
Chief Administrative Officer

**FROM:** Riad Ali, CPA  
City Auditor

**SUBJECT:** APA Comparative Cost Report Analysis FY 2023

The City Auditor's Office has completed an analysis of the FY 2023 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

# FY 2023 ANALYSIS SUMMARY

The charts and schedules that follow show a high-level ranking amongst various categories from the FY 2023 Comparative Cost Report.<sup>1</sup> **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 2023. 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.

The schedule below lists and compares Richmond’s data for FY 2022 and FY 2023.

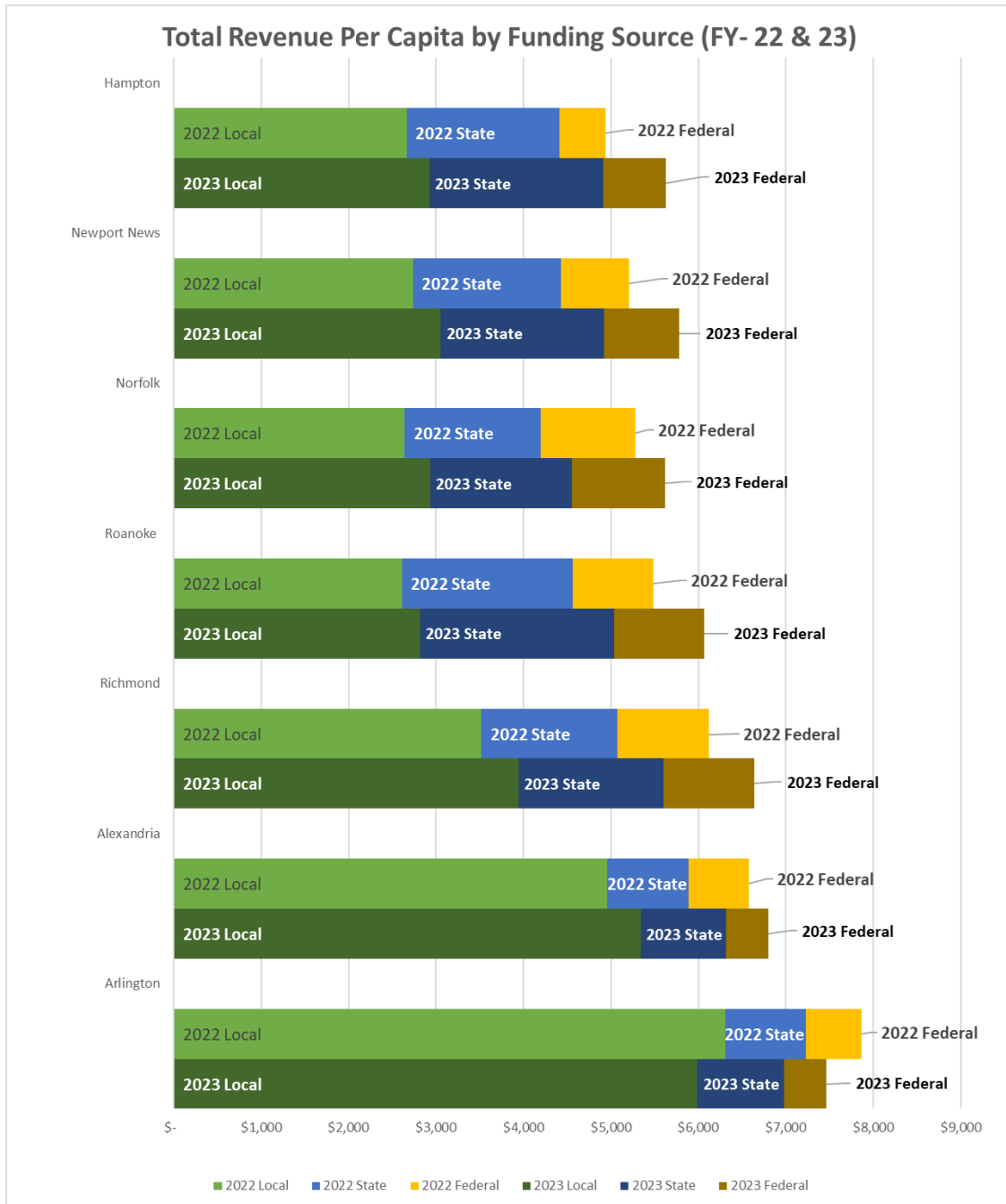
CATEGORY	FY22	FY23
<b>REVENUE AND EXPENDITURE DATA, PER CAPITA</b>		
1. TOTAL REVENUE	\$6,123	\$6,636
a. LOCAL REVENUE	\$3,514	\$3,941
b. STATE REVENUE	\$1,557	\$1,663
c. FEDERAL REVENUE	\$1,053	\$1,032
2. GOVERNMENT OPERATING COST	\$5,509	\$6,040
a. GENERAL GOVERNMENT ADMINISTRATION COST	\$234	\$250
b. JUDICIAL ADMINISTRATION COST	\$90	\$92
c. PUBLIC SAFETY COST	\$1,121	\$1,299
d. PUBLIC WORKS COST	\$587	\$683
e. HEALTH & HUMAN SERVICES COST	\$654	\$811
f. EDUCATION COST	\$2,133	\$2,126
g. PARKS, RECREATION, & CULTURAL COST	\$211	\$271
h. COMMUNITY DEVELOPMENT COST	\$479	\$507
3. BALANCE OF NET DEBT	\$10,881	\$11,163
a. EDUCATION COST	\$2,403	\$2,563
b. STREETS/BRIDGES COST	\$439	\$463
c. OTHER GEN.GOV'T COST	\$3,730	\$3,940
d. ENTERPRISE ACTIVITES COST	\$4,254	\$4,136
e. FUNDS RESTRICTED COST	\$55	\$62
<b>DEMOGRAPHIC AND TAX DATA:</b>		
4. POPULATION	226,623	226,967
5. UNEMPLOYMENT RATE	3%	4%
6. AVERAGE DAILY MEMBERSHIP IN PUBLIC SCHOOLS	20,008	20,365
7. TOTAL REAL ESTATE TAXABLE VALUATION	28,017,000,000	31,758,008,000
8. **PERCENT IN POVERTY	20	20
9. EDUCATION COST PER STUDENT (FOR INFORMATION PURPOSES ONLY)	\$23,925	\$23,697

\*\* Based on the available 2018-2022 United States Census Data.

<sup>1</sup> Figures, year ended June 30, 2023, were used from the Auditors of Public Accounts (APA) Comparative Report dated May 31, 2024.

**General Government Revenues include:**

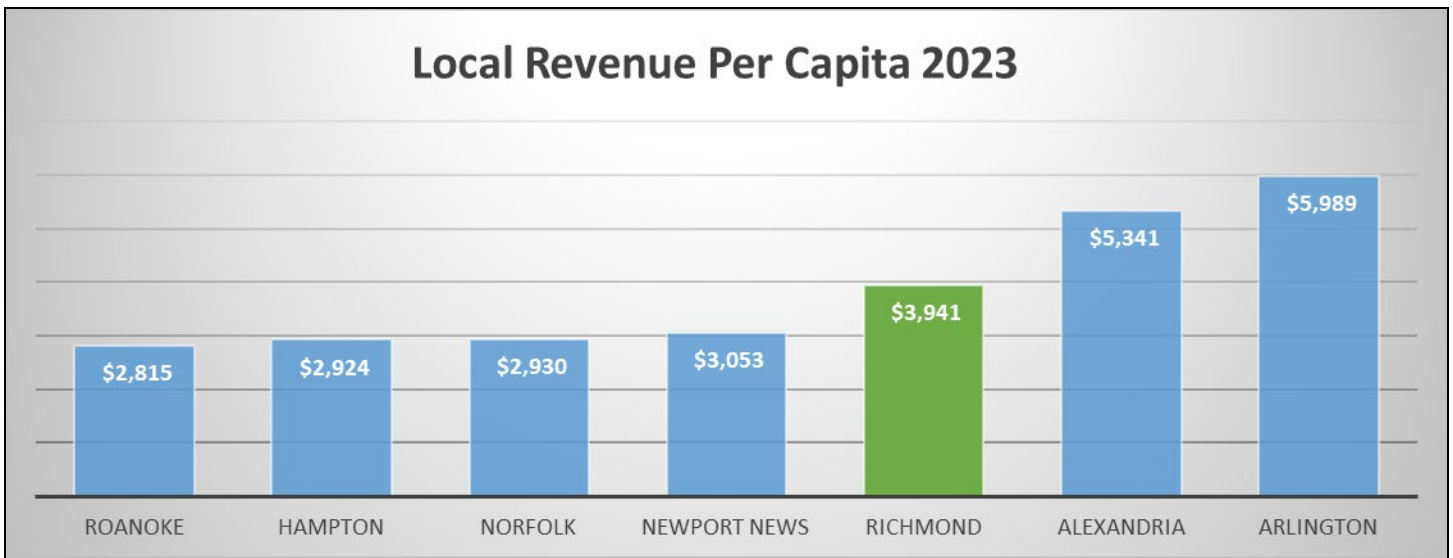
- *Local – Total revenue received by the City from local sources, such as Real Personal Property Taxes, Other Local Taxes, Permits, Privilege Fees, Regulatory Licenses, Fines and Forfeitures, Charges for Service, and Use of Money and Property Revenue, and Miscellaneous.*
- *State – Revenue received from the Commonwealth of Virginia. This does not include federal funds originally received by the Commonwealth which are reported as federal pass-through, nor does it include revenue specifically designated by the Commonwealth for capital projects.*
- *Federal – Revenue as federal pass-through (revenue of federal origin received from the Commonwealth) and direct federal aid (revenue received directly from the federal government).*



### Total Revenue Per Capita - 2 Year Data

Locality	2022 Total Revenue	2023 Total Revenue
Arlington	\$7,867	\$7,458
Alexandria	\$6,578	\$6,795
Richmond	\$6,123	\$6,636
Roanoke	\$5,479	\$6,062
Norfolk	\$5,280	\$5,616
Newport News	\$5,204	\$5,778
Hampton	\$4,939	\$5,625

### Local Revenue Per Capita 2023

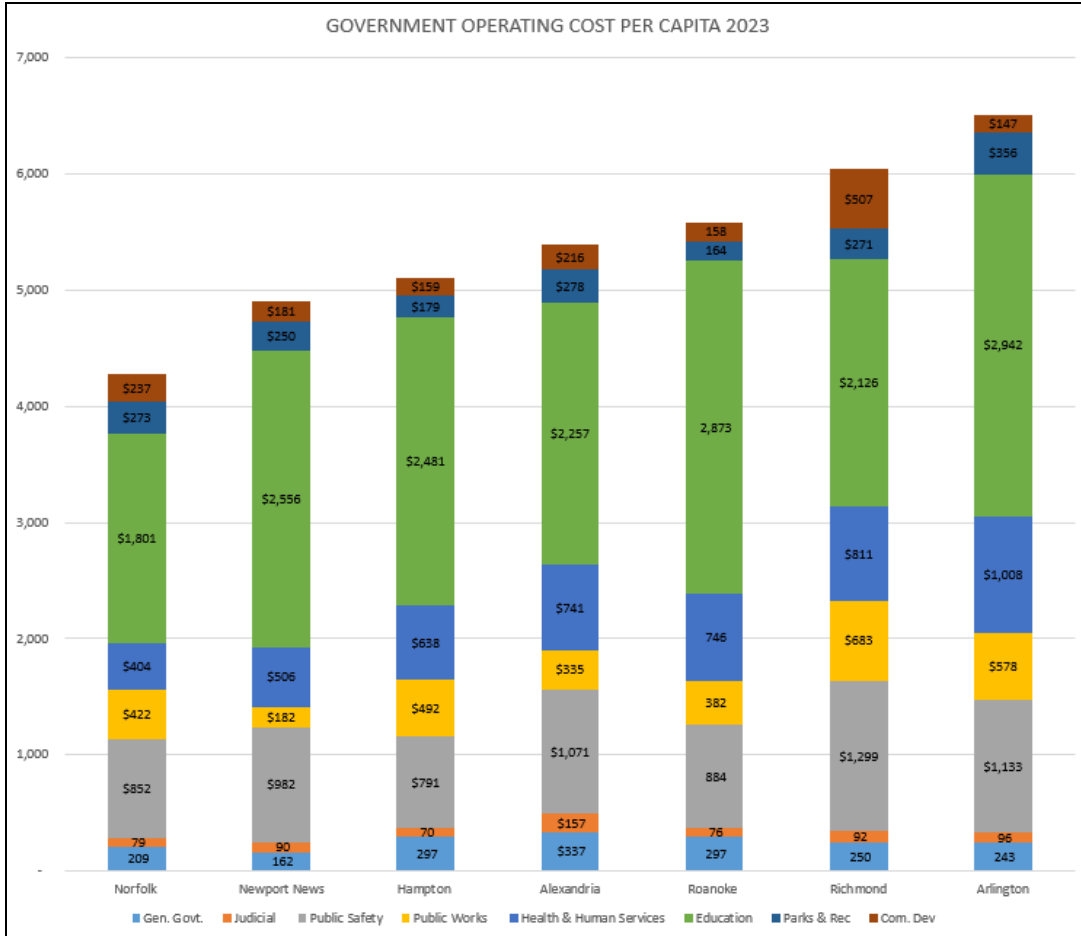


### Local Revenue Per Capita - 2 Year Data

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 2023	\$ 3,714	\$ 963	\$ 85	\$ 20	\$ 346	\$ 139	\$ 74	\$ 5,341
Arlington 2022	\$ 4,267	\$ 1,175	\$ 43	\$ 24	\$ 504	\$ 109	\$ 181	\$ 6,303
Arlington 2023	\$ 4,208	\$ 1,240	\$ 45	\$ 21	\$ 367	\$ 97	\$ 10	\$ 5,989
Hampton 2022	\$ 1,438	\$ 643	\$ 15	\$ 7	\$ 457	\$ 20	\$ 83	\$ 2,663
Hampton 2023	\$ 1,589	\$ 676	\$ 16	\$ 7	\$ 452	\$ 74	\$ 111	\$ 2,924
Newport News 2022	\$ 1,643	\$ 606	\$ 19	\$ 6	\$ 252	\$ 54	\$ 154	\$ 2,733
Newport News 2023	\$ 1,863	\$ 633	\$ 24	\$ 6	\$ 284	\$ 131	\$ 112	\$ 3,053
Norfolk 2022	\$ 1,504	\$ 712	\$ 16	\$ 6	\$ 295	\$ 38	\$ 65	\$ 2,636
Norfolk 2023	\$ 1,619	\$ 778	\$ 21	\$ 5	\$ 321	\$ 85	\$ 101	\$ 2,930
Richmond 2022	\$ 1,971	\$ 768	\$ 15	\$ 37	\$ 411	\$ 13	\$ 299	\$ 3,514
Richmond 2023	\$ 2,215	\$ 871	\$ 14	\$ 35	\$ 450	\$ 26	\$ 329	\$ 3,940
Roanoke 2022	\$ 1,342	\$ 862	\$ 19	\$ 8	\$ 353	\$ 5	\$ 19	\$ 2,607
Roanoke 2023	\$ 1,428	\$ 909	\$ 14	\$ 6	\$ 379	\$ 70	\$ 8	\$ 2,815

# FY 2023 Cost Analysis

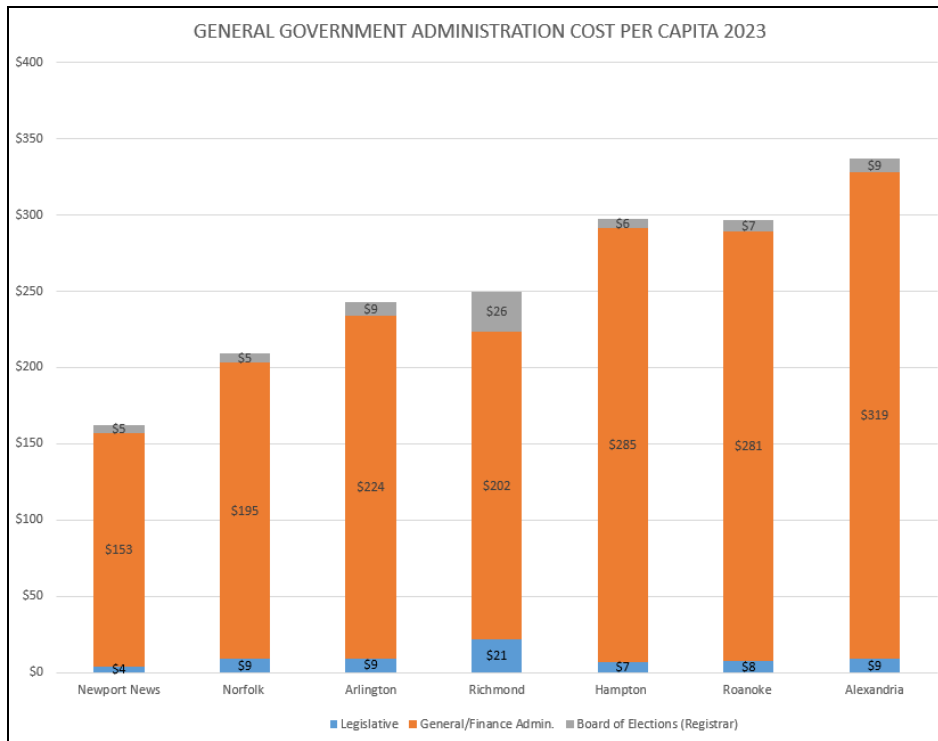
The first chart below is a roll-up for all Government Operations with subsequent charts providing further details for these categories. General government includes the functions of general government administration; judicial administration; public safety; public works; health and human services; education; parks, recreation, and community development.



## Government Operating Cost Per Capita - 2 Year Data

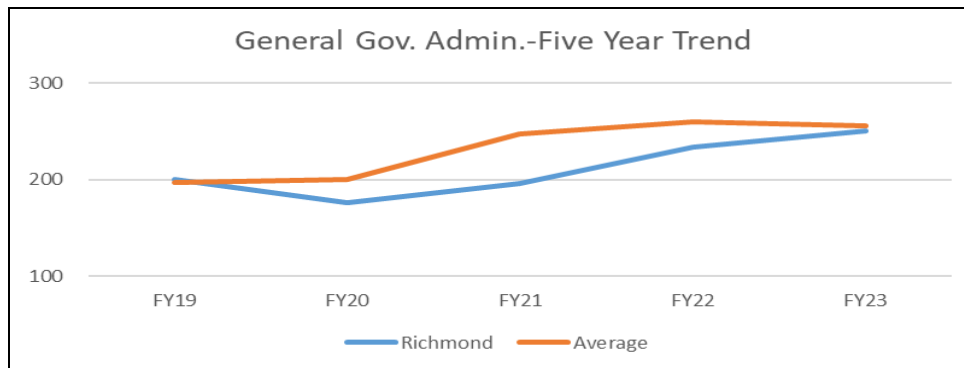
Locality	Gen. Govt.	Judicial	Public Safety	Public Works	Health & Human Services	Education	Parks & Rec	Com. Dev	Total
Norfolk 2022	\$ 195	\$ 73	\$ 838	\$ 449	\$ 388	\$ 1,800	\$ 214	\$ 368	\$ 4,327
Norfolk 2023	\$ 209	\$ 79	\$ 852	\$ 422	\$ 404	\$ 1,801	\$ 273	\$ 237	\$ 4,276
Hampton 2022	\$ 465	\$ 62	\$ 774	\$ 403	\$ 530	\$ 2,160	\$ 182	\$ 201	\$ 4,776
Hampton 2023	\$ 297	\$ 70	\$ 791	\$ 492	\$ 638	\$ 2,481	\$ 179	\$ 159	\$ 5,107
Newport News 2022	\$ 148	\$ 78	\$ 894	\$ 132	\$ 468	\$ 2,296	\$ 223	\$ 162	\$ 4,400
Newport News 2023	\$ 162	\$ 90	\$ 982	\$ 182	\$ 506	\$ 2,556	\$ 250	\$ 181	\$ 4,909
Roanoke 2022	\$ 238	\$ 72	\$ 797	\$ 323	\$ 718	\$ 2,464	\$ 133	\$ 158	\$ 4,904
Roanoke 2023	\$ 297	\$ 76	\$ 884	\$ 382	\$ 746	\$ 2,873	\$ 164	\$ 158	\$ 5,581
Alexandria 2022	\$ 289	\$ 137	\$ 990	\$ 401	\$ 744	\$ 2,099	\$ 240	\$ 76	\$ 4,975
Alexandria 2023	\$ 337	\$ 157	\$ 1,071	\$ 335	\$ 741	\$ 2,257	\$ 278	\$ 216	\$ 5,390
Richmond 2022	\$ 234	\$ 90	\$ 1,121	\$ 587	\$ 654	\$ 2,133	\$ 211	\$ 479	\$ 5,509
Richmond 2023	\$ 250	\$ 92	\$ 1,299	\$ 683	\$ 811	\$ 2,126	\$ 271	\$ 507	\$ 6,040
Arlington 2022	\$ 252	\$ 102	\$ 1,154	\$ 598	\$ 1,285	\$ 2,904	\$ 329	\$ 877	\$ 7,501
Arlington 2023	\$ 243	\$ 96	\$ 1,133	\$ 578	\$ 1,008	\$ 2,942	\$ 356	\$ 147	\$ 6,503

## FY 2023 ANALYSIS BY FUNCTIONAL AREAS



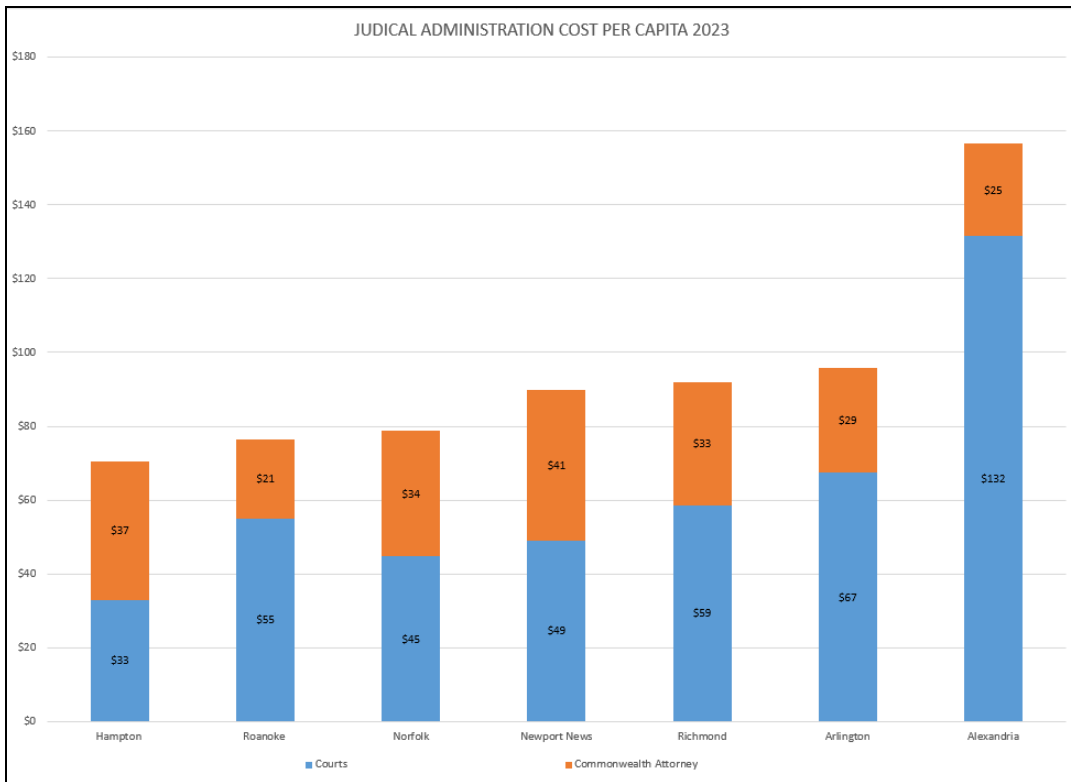
Locality	Legislative	General/Finance Admin.	Board of Elections (Registrar)	Total
Newport News	\$4	\$153	\$5	\$162
Norfolk	\$9	\$195	\$5	\$209
Arlington	\$9	\$224	\$9	\$243
Richmond	\$21	\$202	\$26	\$250
Hampton	\$7	\$285	\$6	\$297
Roanoke	\$8	\$281	\$7	\$297
Alexandria	\$9	\$319	\$9	\$337

Richmond’s total General Government Administration cost fell in the middle range of the other cities reviewed and was below the average cost of \$256.<sup>2</sup>



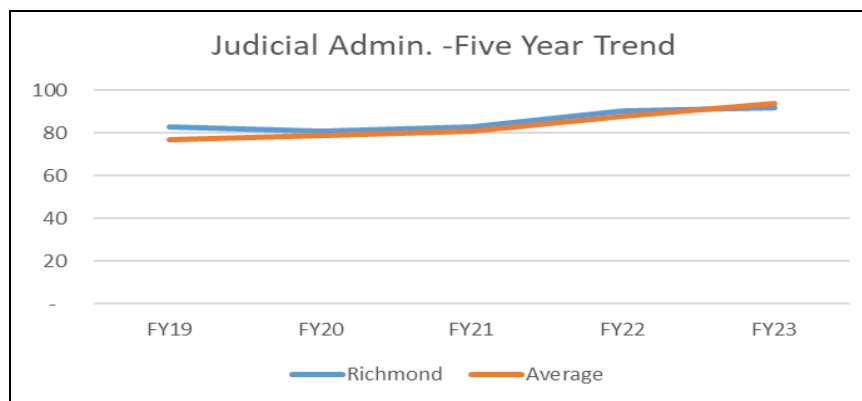
Richmond’s General Government Administration cost has increased over the last few years and is trending closer to the average cost of the cities reviewed.

<sup>2</sup> The General Government Administration costs are comprised of Legislative, General Finance and Administration which includes the function of Commissioner of Revenue, Treasurer, Data Processing, Automotive Motor Pool, Central Purchasing, Print Shop, and Risk Management/Self Insurance, and the Board of Elections.

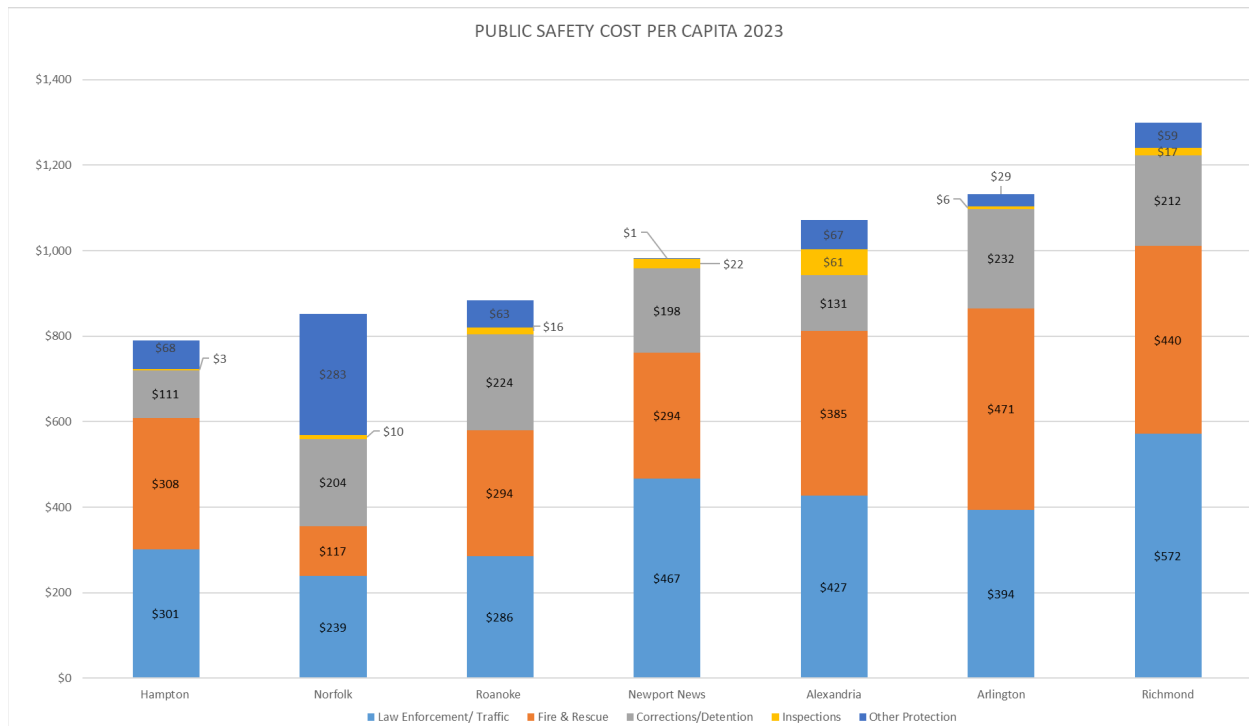


Locality	Courts	Commonwealth Attorney	Total
Hampton	\$33	\$37	\$70
Roanoke	\$55	\$21	\$76
Norfolk	\$45	\$34	\$79
Newport News	\$49	\$41	\$90
Richmond	\$59	\$33	\$92
Arlington	\$67	\$29	\$96
Alexandria	\$132	\$25	\$157

Richmond's total Judicial Administration Cost per capita is the 3<sup>rd</sup> highest cost of the seven cities compiled and just below the average of \$94.

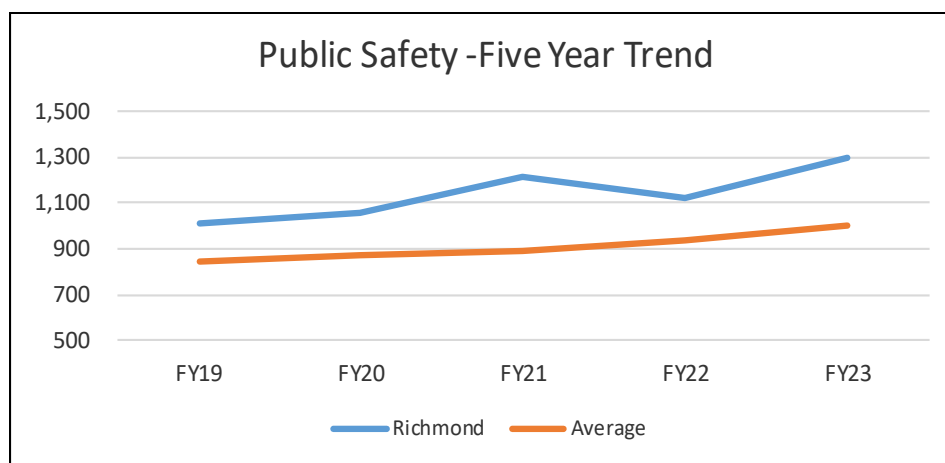


Richmond's Judicial Administration Cost per capita continues to trend close to the average cost of all cities reviewed.



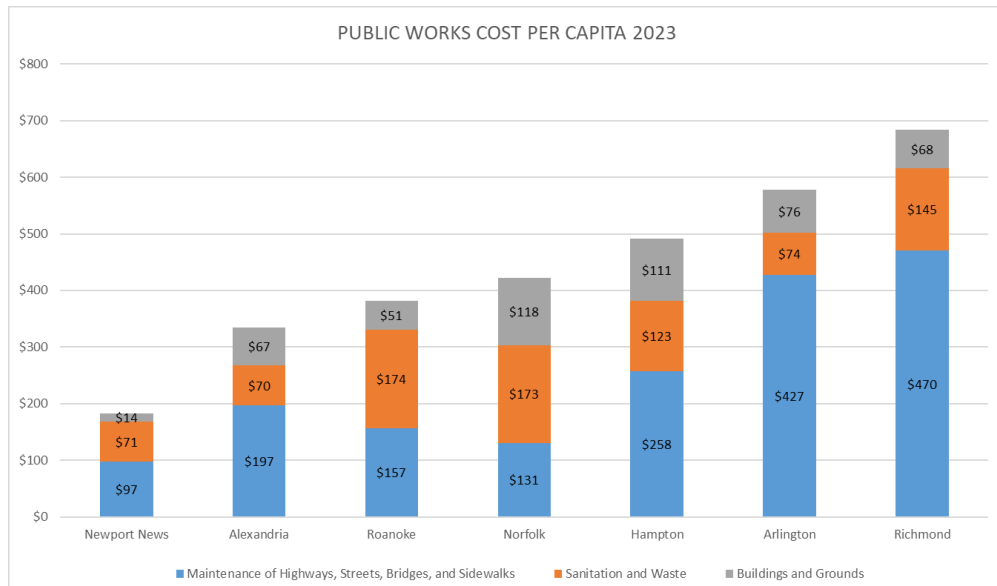
Locality	Law Enforcement/ Traffic	Fire & Rescue	Corrections/Detention	Inspections	Other Protection	Total
Hampton	\$301	\$308	\$111	\$3	\$68	\$791
Norfolk	\$239	\$117	\$204	\$10	\$283	\$852
Roanoke	\$286	\$294	\$224	\$16	\$63	\$884
Newport News	\$467	\$294	\$198	\$22	\$1	\$982
Alexandria	\$427	\$385	\$131	\$61	\$67	\$1,071
Arlington	\$394	\$471	\$232	\$6	\$29	\$1,133
Richmond	\$572	\$440	\$212	\$17	\$59	\$1,299

Richmond had the highest total cost of the seven cities reviewed and was \$298 above the average of \$1,002. Richmond also had the highest cost in the Law Enforcement/Traffic category.



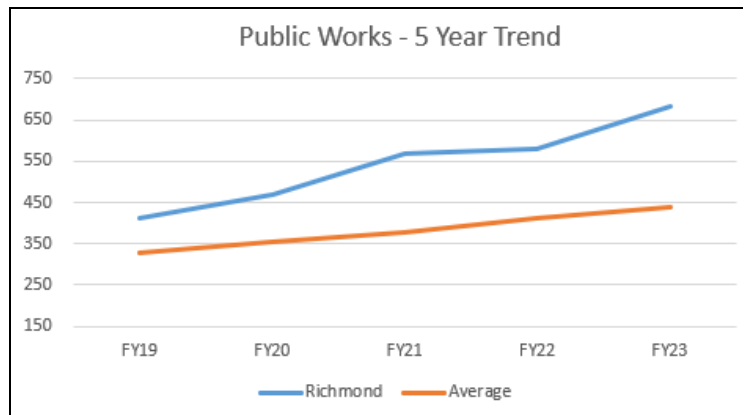
Richmond's Public Safety Cost per capita has increased over the last five years.





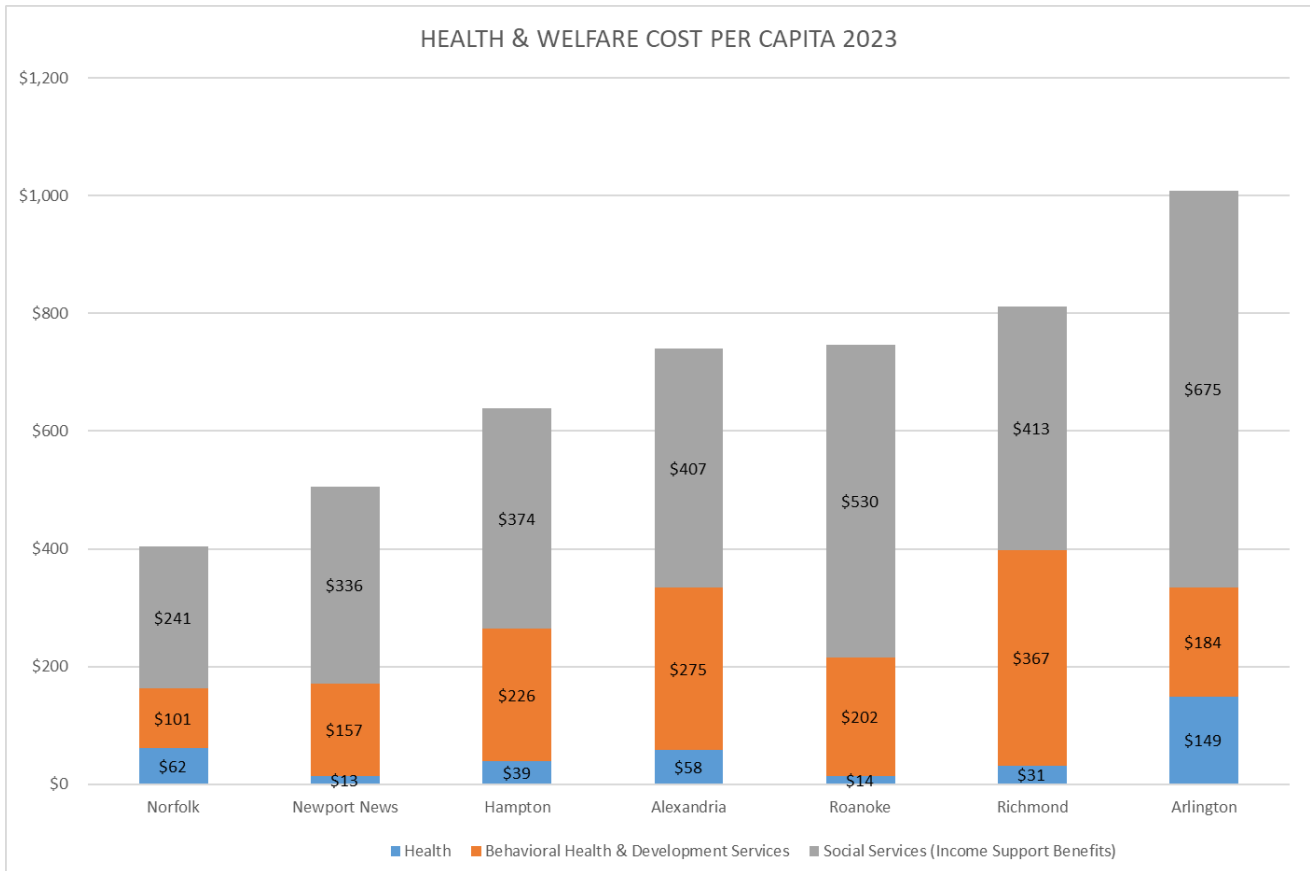
Locality	Maintenance of Highways, Streets, Bridges, and Sidewalks	Sanitation and Waste	Buildings and Grounds	Total
Newport News	\$97	\$71	\$14	\$182
Alexandria	\$197	\$70	\$67	\$335
Roanoke	\$157	\$174	\$51	\$382
Norfolk	\$131	\$173	\$118	\$422
Hampton	\$258	\$123	\$111	\$492
Arlington	\$427	\$74	\$76	\$578
Richmond	\$470	\$145	\$68	\$683

Richmond had the highest total cost of the seven cities reviewed and \$244 above the average cost of \$439.<sup>3</sup> Richmond had the highest overall cost in the Maintenance of Highways, Streets, Bridges, and Sidewalks category.



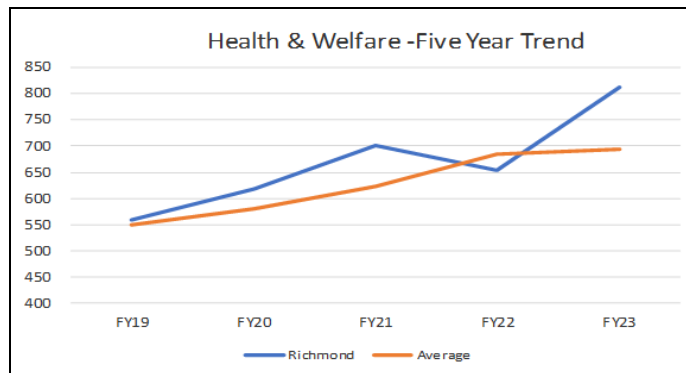
Richmond's Public Works cost per capita has generally increased over the last five years.

<sup>3</sup> **Disclaimer:** The APA's original figures were higher than the data presented in the chart. Richmond Department of Public Works (DPW) provided an estimate of \$1.35 million they spent for Parks and Recreation related building and grounds work. The \$1.35 million has been subtracted out of DPW figures and added to Parks and Receptions expense total.

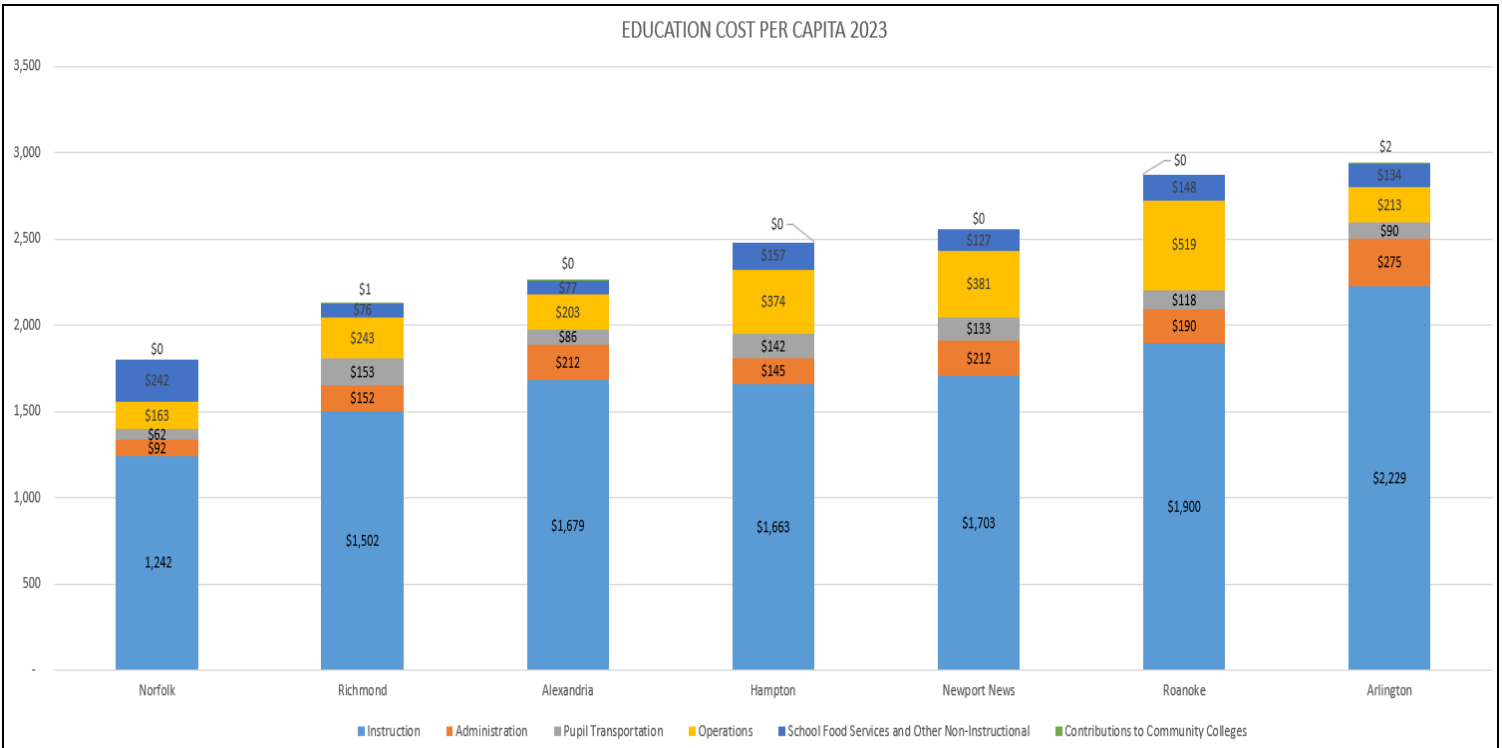


Locality	Health	Behavioral Health & Development Services	Social Services (Income Support Benefits)	Total
Norfolk	\$62	\$101	\$241	\$404
Newport News	\$13	\$157	\$336	\$506
Hampton	\$39	\$226	\$374	\$638
Alexandria	\$58	\$275	\$407	\$741
Roanoke	\$14	\$202	\$530	\$746
Richmond	\$31	\$367	\$413	\$811
Arlington	\$149	\$184	\$675	\$1,008

Richmond had the 2nd highest total cost of the seven cities reviewed and is \$118 above the average of \$693. Richmond had the highest cost in the Behavioral Health and Development Services category.

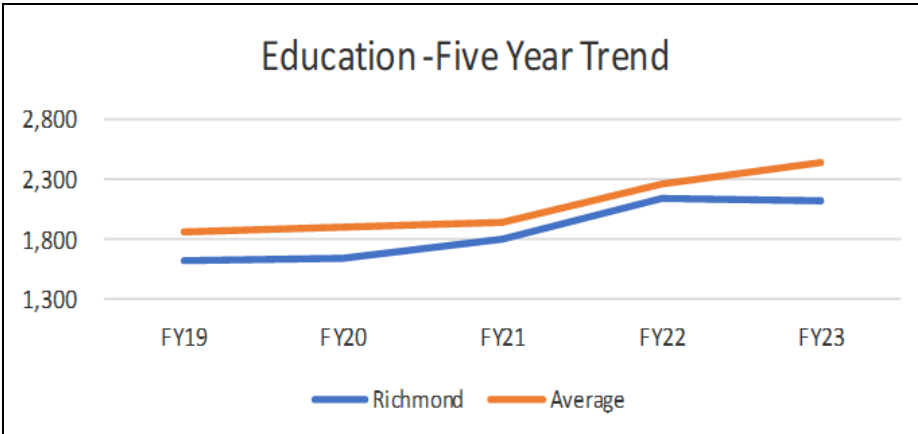


Richmond's Health and Welfare costs have generally increased over the last five years. After falling below the average in FY 2022, the costs have increased above the average in FY 2023.

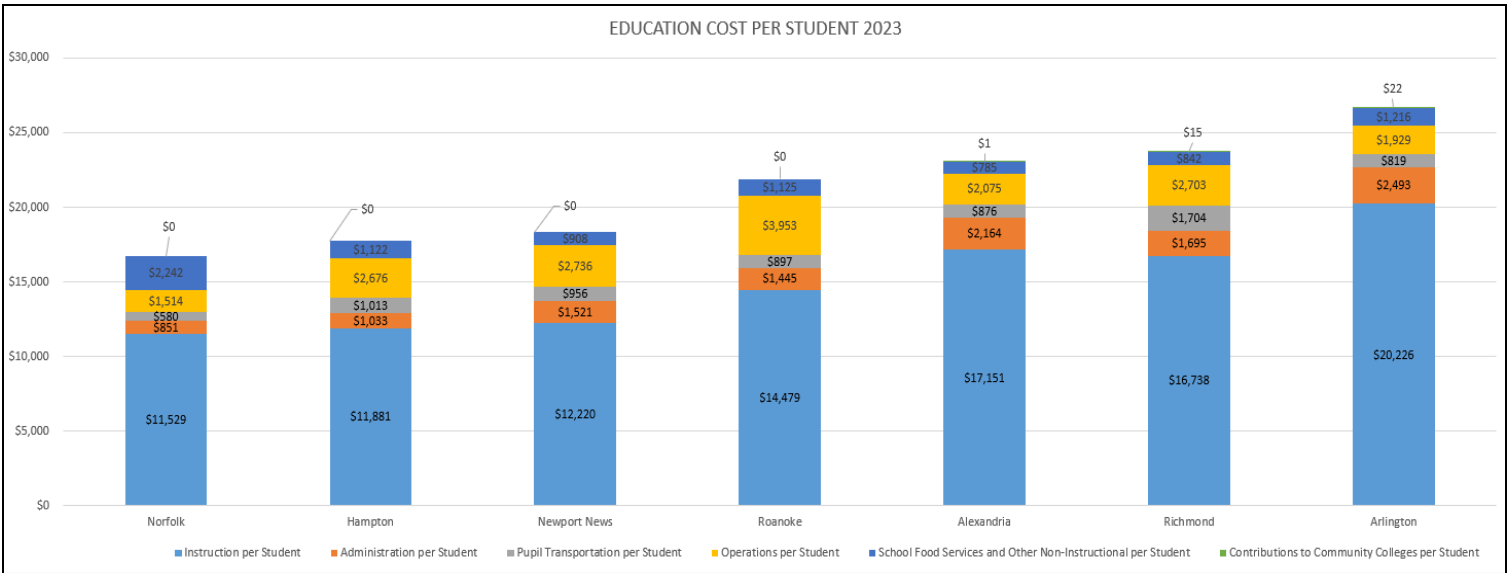


Locality	Instruction	Administration	Pupil Transportation	Operations	School Food Services and Other Non-Instructional	Contributions to Community Colleges	Total
Norfolk	1,242	\$92	\$62	\$163	\$242	\$0	\$1,801
Richmond	\$1,502	\$152	\$153	\$243	\$76	\$1	\$2,126
Alexandria	\$1,679	\$212	\$86	\$203	\$77	\$0	\$2,257
Hampton	\$1,663	\$145	\$142	\$374	\$157	\$0	\$2,481
Newport News	\$1,703	\$212	\$133	\$381	\$127	\$0	\$2,556
Roanoke	\$1,900	\$190	\$118	\$519	\$148	\$0	\$2,873
Arlington	\$2,229	\$275	\$90	\$213	\$134	\$2	\$2,942

Richmond's total Education cost per capita was the 2<sup>nd</sup> lowest of the seven cities reviewed and \$308 below the average of \$2,434.

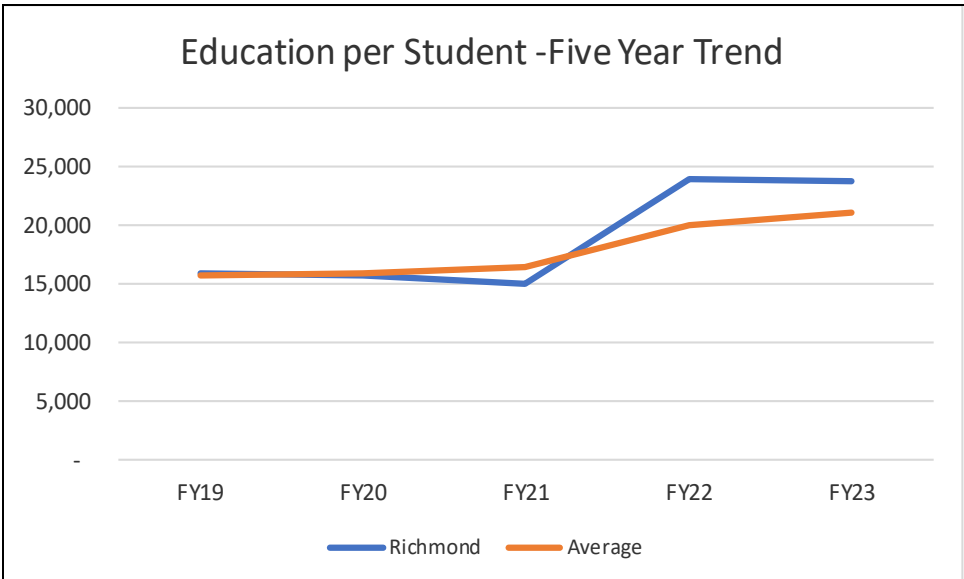


Richmond's Education per capita generally followed the trend of the other cities reviewed over the last five years. However, from FY 2022 to FY 2023, Richmond's Education cost per capita decreased as compared to an increase of the average of the seven cities reviewed.

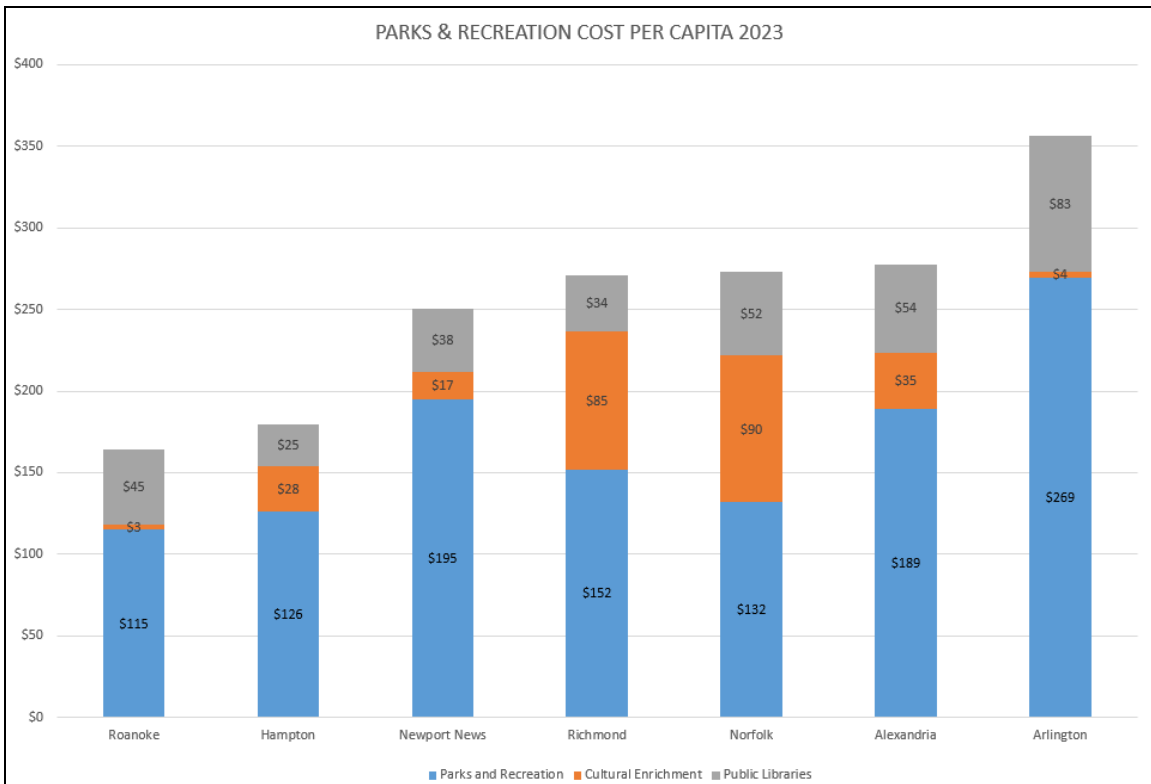


Locality	Instruction per Student	Administration per Student	Pupil Transportation per Student	Operations per Student	School Food Services and Other Non-Instructional per Student	Contributions to Community Colleges per Student	Total
Norfolk	\$11,529	\$851	\$580	\$1,514	\$2,242	\$0	\$16,717
Hampton	\$11,881	\$1,033	\$1,013	\$2,676	\$1,122	\$0	\$17,725
Newport News	\$12,220	\$1,521	\$956	\$2,736	\$908	\$0	\$18,341
Roanoke	\$14,479	\$1,445	\$897	\$3,953	\$1,125	\$0	\$21,812
Alexandria	\$17,151	\$2,164	\$876	\$2,075	\$785	\$1	\$23,052
Richmond	\$16,738	\$1,695	\$1,704	\$2,703	\$842	\$15	\$23,697
Arlington	\$20,226	\$2,493	\$819	\$1,929	\$1,216	\$22	\$26,705

Richmond had the 2<sup>nd</sup> highest total Education cost per student of the seven cities reviewed and \$2,535 above the average cost of \$21,162.

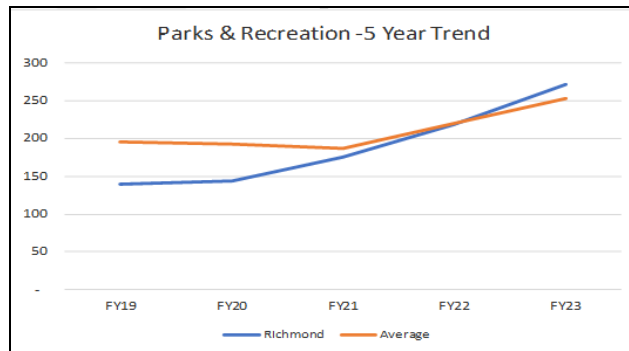


Richmond's Education cost per student increased from FY 2021 to FY 2022 and slightly decreased from FY 2022 to FY 2023.



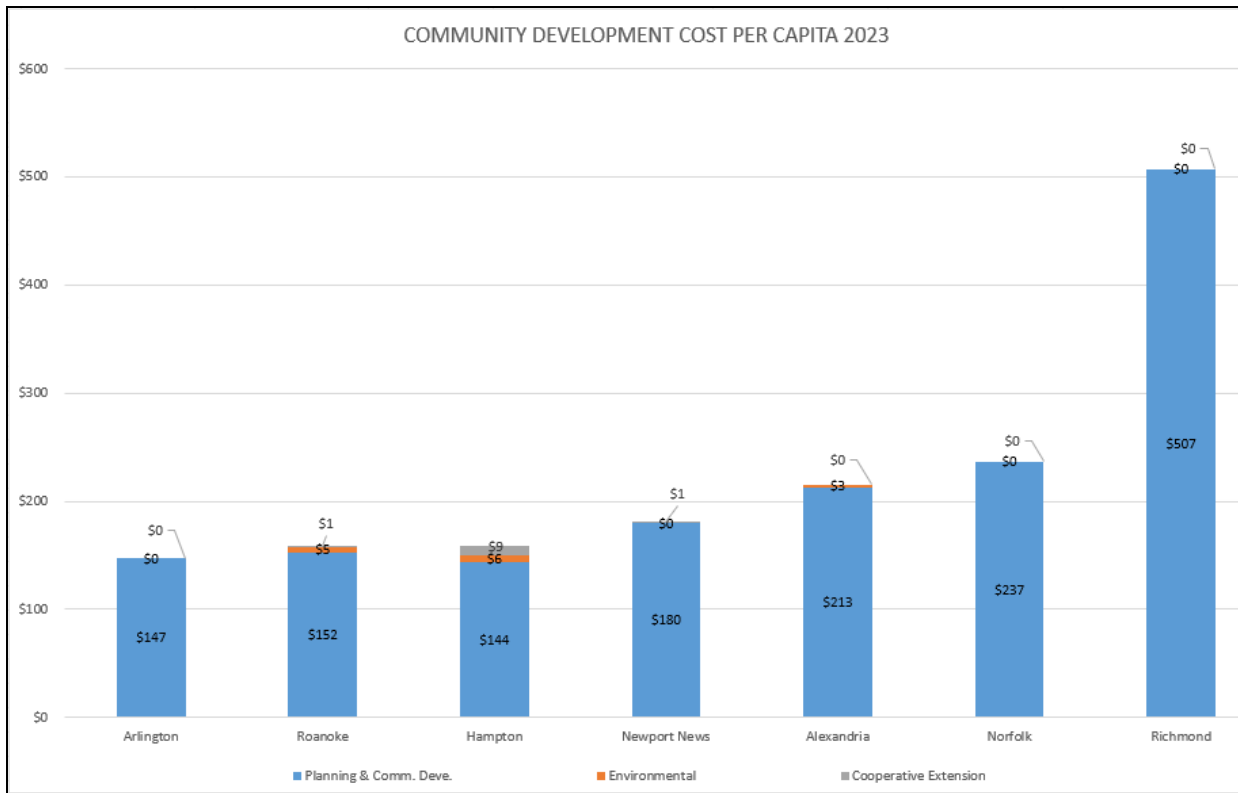
Locality	Parks and Recreation	Cultural Enrichment	Public Libraries	Total
Roanoke	\$115	\$3	\$45	\$164
Hampton	\$126	\$28	\$25	\$179
Newport News	\$195	\$17	\$38	\$250
Richmond	\$152	\$85	\$34	\$271
Norfolk	\$132	\$90	\$52	\$273
Alexandria	\$189	\$35	\$54	\$278
Arlington	\$269	\$4	\$83	\$356

Richmond’s Parks and Recreation total cost per capita fell in the middle range of the seven cities reviewed and \$18 above the average of \$253.<sup>4</sup>



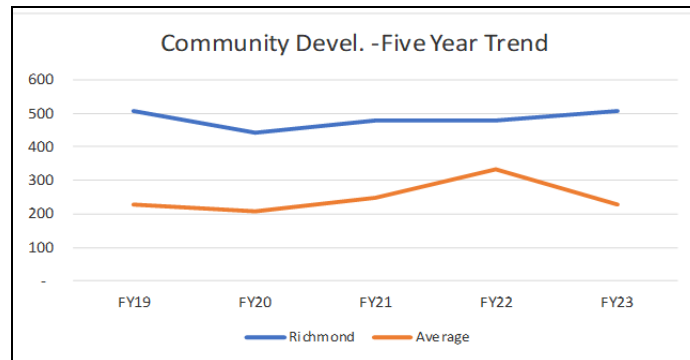
Richmond’s Parks and Recreation costs per capita increased over the five-year period and are more similar to the average of the seven cities reviewed.

<sup>4</sup> **Disclaimer:** The APA’s original figures were higher than the data presented in the chart. Richmond Department of Public Works (DPW) provided an estimate of \$1.35 million they spent for Parks and Recreation related building and grounds work. The \$1.35 million has been subtracted out of DPW figures and added to Parks and Recreations expense total.

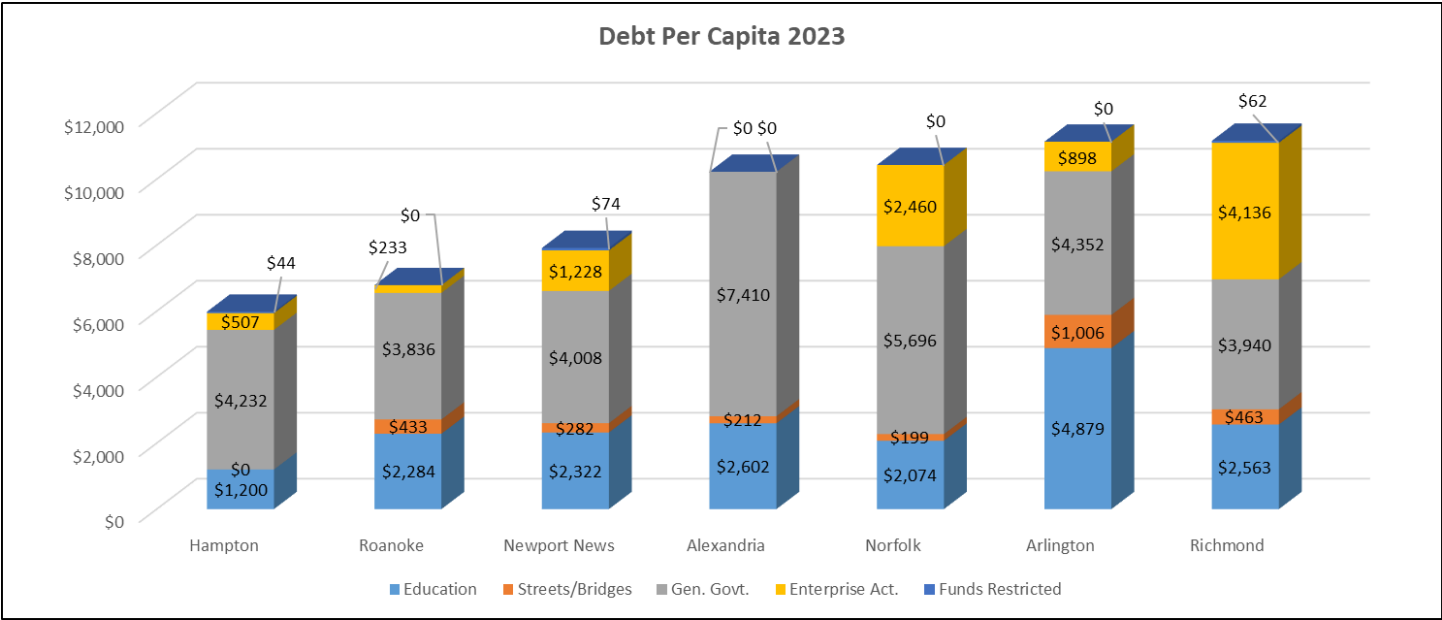


Locality	Planning & Comm. Deve.	Environmental	Cooperative Extension	Total
Arlington	\$147	\$0	\$0	\$147
Roanoke	\$152	\$5	\$1	\$158
Hampton	\$144	\$6	\$9	\$159
Newport News	\$180	\$0	\$1	\$181
Alexandria	\$213	\$3	\$0	\$216
Norfolk	\$237	\$0	\$0	\$237
Richmond	\$507	\$0	\$0	\$507

Richmond had the highest total cost of the seven cities reviewed and was \$278 above the average of \$229. The primary cost driver for the cost per capita (\$507) for Richmond is the Richmond Redevelopment and Housing Authority with \$78.8 million of the \$115.1 million reported for this category. RRHA has other revenues that offset these expenses.

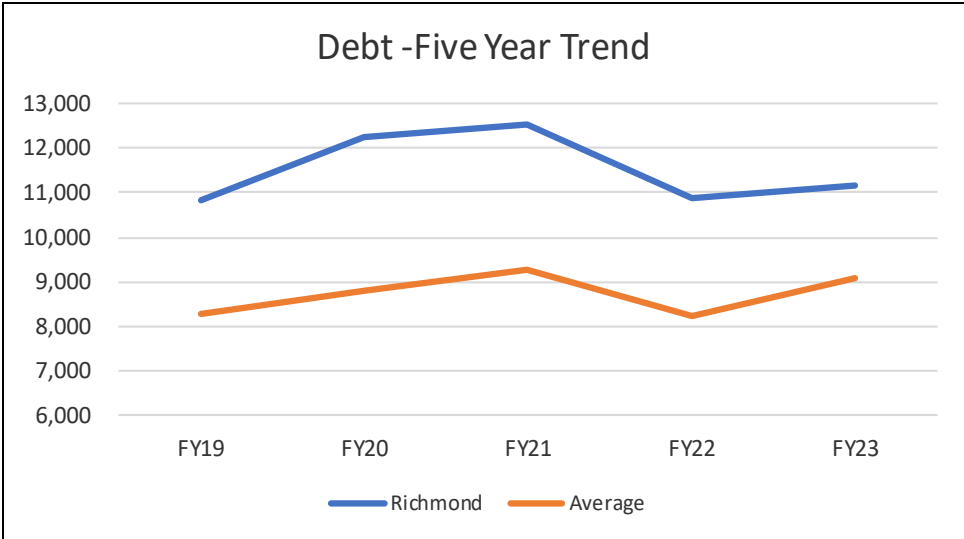


Richmond's Community Development cost per capita has remained above the average of the seven cities reviewed and has remained relatively consistent over the last five years.



Locality	Education	Streets/Bridges	Gen. Govt.	Enterprise Act.	Funds Restricted	Total
Hampton	\$1,200	\$0	\$4,232	\$507	\$44	\$5,983
Roanoke	\$2,284	\$433	\$3,836	\$233	\$0	\$6,786
Newport News	\$2,322	\$282	\$4,008	\$1,228	\$74	\$7,915
Alexandria	\$2,602	\$212	\$7,410	\$0	\$0	\$10,224
Norfolk	\$2,074	\$199	\$5,696	\$2,460	\$0	\$10,429
Arlington	\$4,879	\$1,006	\$4,352	\$898	\$0	\$11,135
Richmond	\$2,563	\$463	\$3,940	\$4,136	\$62	\$11,163

Richmond had the highest total debt per capita cost of the seven cities reviewed and was \$2,072 above the average of \$9,091. Richmond's Enterprise Activities are a primary reason debt per capita is higher than the other cities 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 below shows that Richmond's General Government debt service to capita costs fell in the middle range of the other cities reviewed.

General Gov't Debt Service Per Capita	
Hampton	\$ 241
Roanoke	\$ 258
Newport News	\$ 356
<b>Richmond</b>	<b>\$ 392</b>
Norfolk	\$ 411
Arlington	\$ 549
Alexandria	\$ 550

The chart below lists demographic information for the localities selected for comparison in this report. 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 (2023)	Land Area (Square Miles)(2020)	Population Density (2023)	Unemployment Rate (%) (2023)	Average Daily Membership in Public Schools (2022-2023)
Roanoke	99,634	43	2,343	3%	13,072
Hampton	136,387	51	2,650	4%	19,088
Alexandria	158,128	15	10,584	2%	15,482
Newport News	183,504	69	2,660	3%	25,574
<b>Richmond</b>	<b>226,967</b>	<b>60</b>	<b>3,787</b>	<b>4%</b>	<b>20,365</b>
Norfolk	237,770	53	4,463	3%	25,619
Arlington	241,283	26	9,280	2%	26,585