



Office of the City Auditor

**Audit of the Tourism Investment Program (TIP) and
Tourism Advertising Program (TAP) Special Revenue Funds**

Report Date: February 17, 2026

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"Promoting Accountability and Integrity in City Operations"



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<https://auditor.virginiabeach.gov>

Lyndon Remias, CPA, CIA
Alex Nichols

City Auditor
Auditor



February 17, 2025

Patrick A. Duhaney, City Manager

Subject: Audit of the Tourism Investment Program (TIP) and Tourism Advertising Program (TAP)
Special Revenue Funds

I am pleased to present the report showcasing our Audit of the TIP and TAP Special Revenue Funds. The purpose of this audit was to evaluate the adequacy and effectiveness of operational and financial controls pertaining to the TIP and TAP funds. This audit was included in our FY26 Audit Plan. We completed our fieldwork on February 2, 2025.

The Office of the City Auditor reports to the City Council through the Audit Committee and is organizationally independent of all other City departments. This report is intended solely for the information and use of the Audit Committee, City Council, and appropriate City management. It is not intended to be, and should not be, used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

We would like to thank the management and staff of the Convention and Visitors Bureau, Finance, Information Technology, and Budget and Management Services departments for their courteous and prompt assistance during our audit.

If you have any questions about this report or any audit-related issue, I can be reached at (757) 385-5870 or via email at lremias@vbgov.com.

Respectfully submitted,

Lyndon S. Remias, CPA, CIA
City Auditor

LSR/an

c: City Council Members
Audit Committee Members
Amanda Jarratt, Deputy City Manager
Nancy Helman, Director, Convention and Visitors' Bureau
Wendy Hu, Director, Finance
Peter Wallace, Director, Information Technology
Kevin Chatellier, Director, Budget and Management Services

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Purpose

The purposes of the audit were to determine whether the Tourism Improvement Program (TIP) and Tourism Advertising Program (TAP) Special Revenue Funds were receiving revenue in accordance with specified allocation rates and that the expenditures from those funds were appropriate. This audit was included in our FY26 Audit Plan.

Scope and Objectives

The scope of the audit was for the period from FY22 – FY25.

The objectives of the audit were to determine that:

1. Trustee tax revenues were properly allocated in accordance with the specified rates.
2. Expenditures made from the TIP and TAP funds were appropriate.

Background



As one of the largest industries in the city, tourism plays a pivotal role in economic growth and funding initiatives that enhance Virginia Beach as a community. Tourism-related City projects and events attract visitors in support of this major business sector while also providing an enhanced quality of life for residents. These amenities are paid for by dedicated taxes generated by tourism industry partners (hoteliers, short-term rental operators,

restaurateurs, and entertainment venues) that are imposed to help pay for tourism-related City projects. City investment in this business sector keeps Virginia Beach relevant in the very competitive coastal tourism industry.

Millions of visitors spend money every year on hotels, meals, and activities in Virginia Beach and consequently contribute to the city's financial health. Virginia Beach welcomed approximately 14 million visitors in 2024, resulting in around \$2.6 billion in tourism-related spending. Of that \$2.6 billion, the city received approximately \$234.6 million from various taxes and fees. These revenues are then split to be used for various funds in the city: the General Fund, the Tourism Investment Program (TIP) Fund, the Tourism Advertising Program (TAP) Fund, the Sandbridge Special Service District (SSD), the Arts and Culture Fund, the Open Space Program, the Economic Development Investment Program (EDIP), and the Major Projects Fund.

Tourism Investment Program (TIP) Fund

The TIP Fund was created on July 1, 2011, by combining two existing funds: the Tourism and Growth Investment Fund (TGIF) and the Major Projects Fund. The TGIF fund was established in 1993 to support tourism-related capital projects and initiatives in the city's Resort Area. The City Council created the Major Projects fund in 2001 to help fund construction and debt service costs for multiple City projects at the time.

The Major Projects fund was absorbed by the TIP fund in 2011 and subsequently re-established by the City Council as part of the FY26 budget process; this was done in the interest of securing another revenue stream for high-priority capital projects in the city. The TIP fund receives 5% of the 8% hotel tax, \$1 of the \$2 hotel flat tax, 1.06% of the 6% restaurant meals tax, 8% of the 10% amusement tax, and \$0.05 of the \$0.75 per-pack cigarette tax levied in the City of Virginia Beach.

The Tourism Advertising Program (TAP) Fund

The TAP Fund was established in 1995 to provide additional funding for the City's tourism marketing programs. The TAP fund is sustained by trustee taxes, including 1% of the 8% hotel tax, 0.5% of the 8% restaurant meals tax, and \$1 of the \$2 hotel flat tax per room night.

Allocation of Trustee Tax Revenues Collected

Trustee taxes do not solely benefit the City’s TIP and TAP funds; the General Fund, the Open Space Fund, the EDIP Fund, the Arts and Culture Fund, and the Major Projects Fund are all supported by these revenue streams as well. Hotels, motels, campgrounds, and short-term rental properties in the city remit two forms of trustee taxes and are crucial partners in the local economy; their locations and per-Council District counts are shown in Appendices A and B of this report. Table 9 explains the general allocation of trustee tax revenues, except for the Sandbridge Special Service District (SSD). The unique arrangements for the Sandbridge area of the city are described in a separate table.

Table 1: FY26 General Allocation of Trustee Tax Revenues

Tax Category	Tax Rate	TIP Fund	TAP Fund	General Fund	Open Space	EDIP	Arts and Culture	Major Projects
Hotel Tax	8%	5%	1%	2%	-	-	-	-
Hotel Flat Tax	\$2	\$1	\$1	-	-	-	-	-
Restaurant Meals Tax	6%	1.06%	0.50%	3.50%	0.17%	-	-	0.77%
Amusement Tax*	10%	8%	-	-	-	-	2%	-
Cigarette Tax (per pack)	\$0.75	\$0.05	-	\$0.54	-	\$0.16	-	-

Source: FY26 Adopted Budget

* Tax rate is 5% for sporting events

Table 2: FY26 Sandbridge Allocation of Trustee Tax Revenues

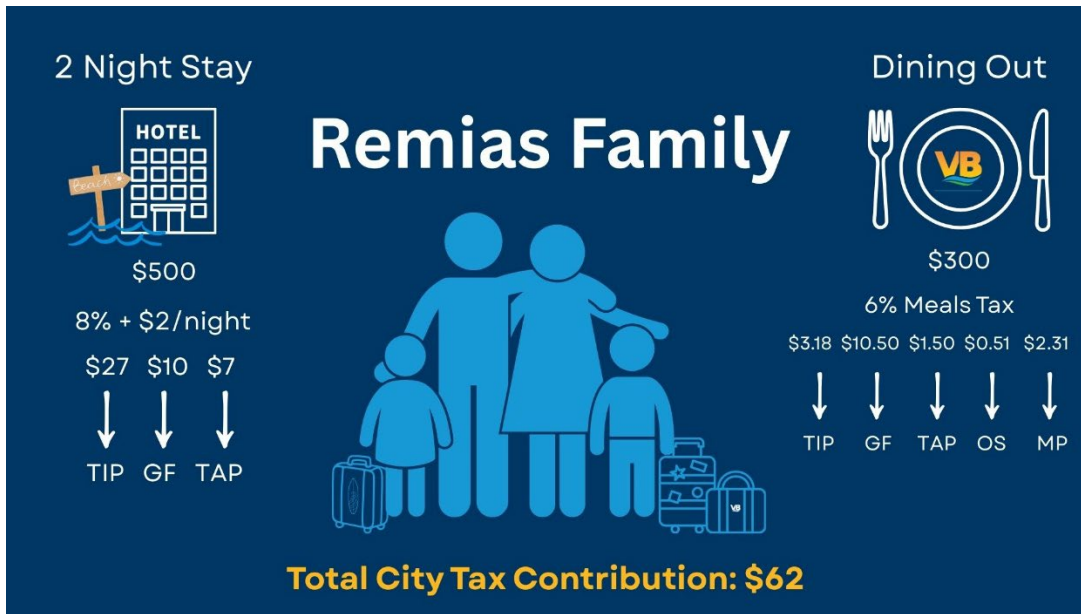
The Sandbridge region of Virginia Beach is taxed at a different rate than the rest of the city for the hotel percentage tax and has a different distribution structure compared to hotel taxes in the rest of Virginia Beach. The primary purpose of the Sandbridge SSD is to fund beach replenishment and maintenance efforts in that part of the city.

Tax Category	Tax Rate	TIP Fund	TAP Fund	General Fund	Sandbridge SSD
Hotel Tax	9.5%	-	1%	2%	6.5%
Hotel Flat Tax	\$2	\$1	-	-	\$1

Source: FY26 Adopted Budget

The figure below shows a breakdown of a typical family’s weekend vacation in Virginia Beach and how their spending on lodging and meals in the city contributes to various City funds and initiatives:

Figure 1: Example - Tourist Family’s Spending on Lodging and Meals and Contributions to City Funds



The Remias family vacationed in Virginia Beach for two nights, spending \$500 on lodging. The taxes remitted by the hotel from their stay totaled \$44 (8% x \$500 plus \$2/night x 2 nights). Using the tax rates as shown in Table 1, the breakdown of the \$44 hotel tax between the TIP fund, TAP fund, and General Fund is calculated below:

- The TIP Fund received \$25 (5%) of the \$500 plus \$1 per night (\$2) for a total of \$27.
- The TAP Fund received \$5 (1%) of the \$500 plus the \$1 per night (\$2) for a total of \$7.
- The General Fund received the remaining 2%, or \$10.

The Remias family also spent \$300 on meals during their stay in the city. The total meal taxes generated from their dining experiences were \$18 (6% x \$300). The breakdown of the \$18 meal tax between the TIP Fund, TAP Fund, General Fund, Open Space Program, and the Major Projects Fund is demonstrated below:

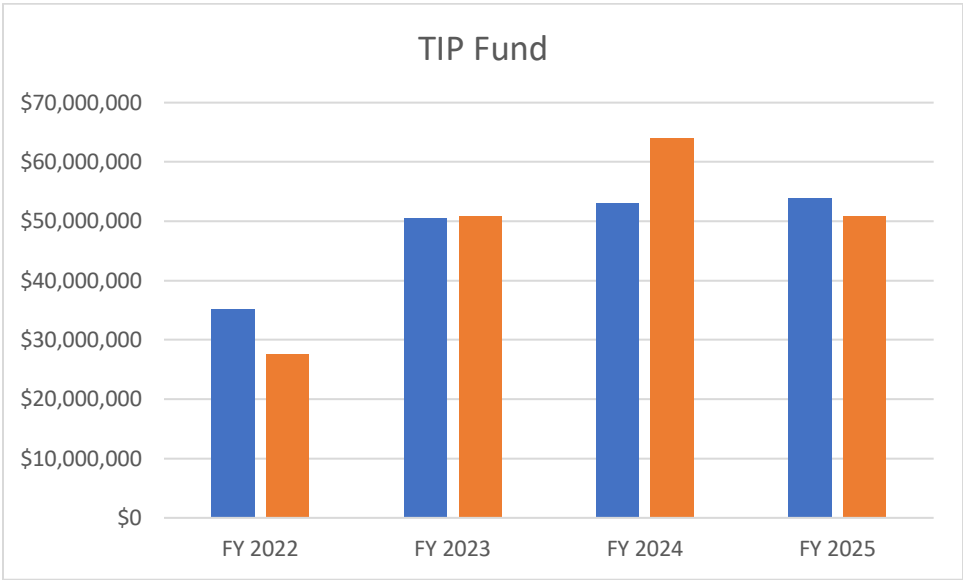
- The TIP Fund received \$3.18 (1.06%) of the \$300
- The General Fund received \$10.50 (3.5%)
- The TAP Fund received \$1.50 (0.50%)
- The Open Space Program received \$0.51 (0.17%)
- The Major Projects Fund received \$2.31 (0.77%)

All in all, the Remias family paid \$62 in taxes to the City of Virginia Beach during a 2-night stay just from their spending on lodging and meals.

Budgeted Amounts and Fund Balances of the TIP and TAP Fund for FYs 2022 to 2025

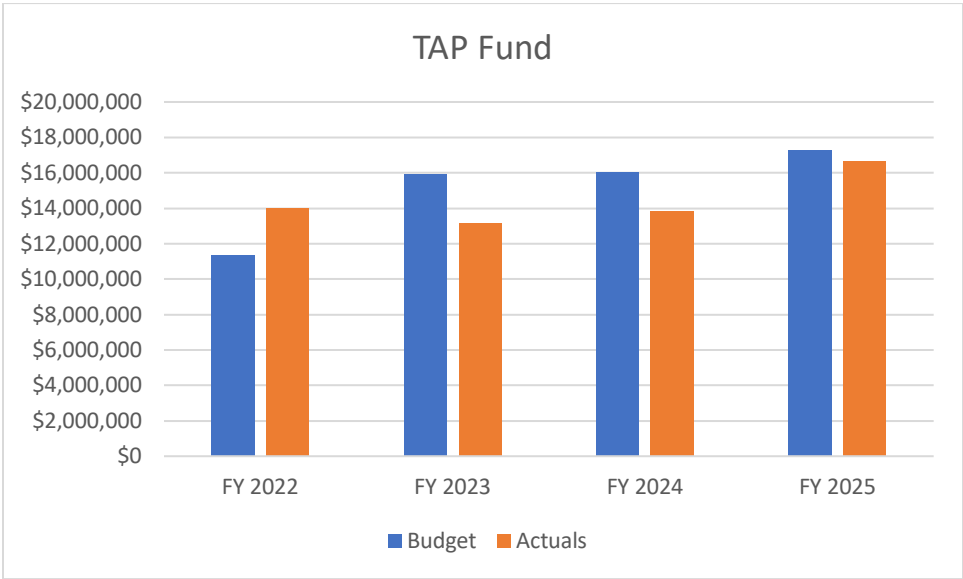
Charts 1 and 2 show FY22 – FY25 budgeted expenditure amounts compared against actual expenditures for the TIP and TAP funds.

Chart 1: Budgeted Amounts versus Actual Expenditures for the TIP Fund



Source: City Annual Comprehensive Financial Report (ACFR)

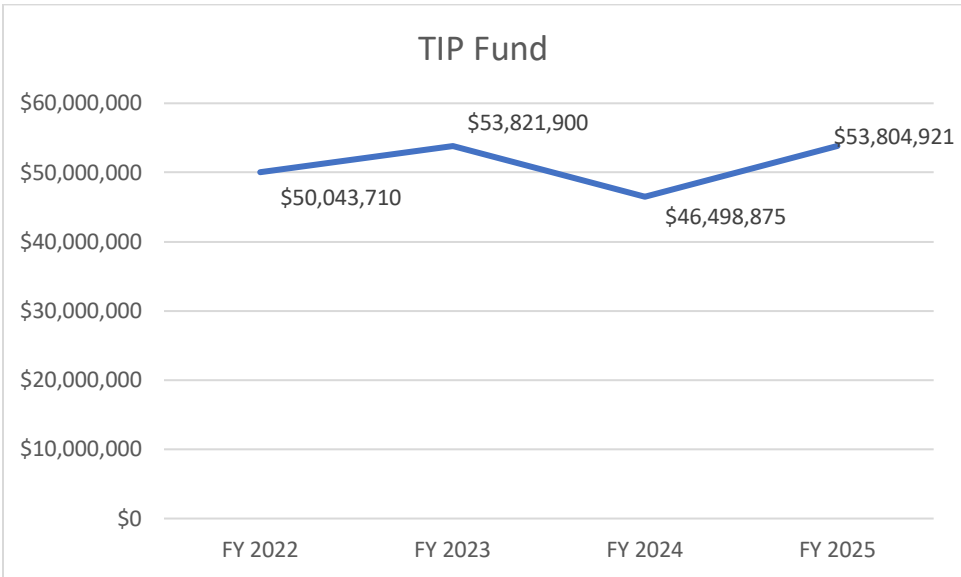
Chart 2: Budgeted Amounts versus Actual Expenditures for the TAP Fund



Source: City Annual Comprehensive Financial Report (ACFR)

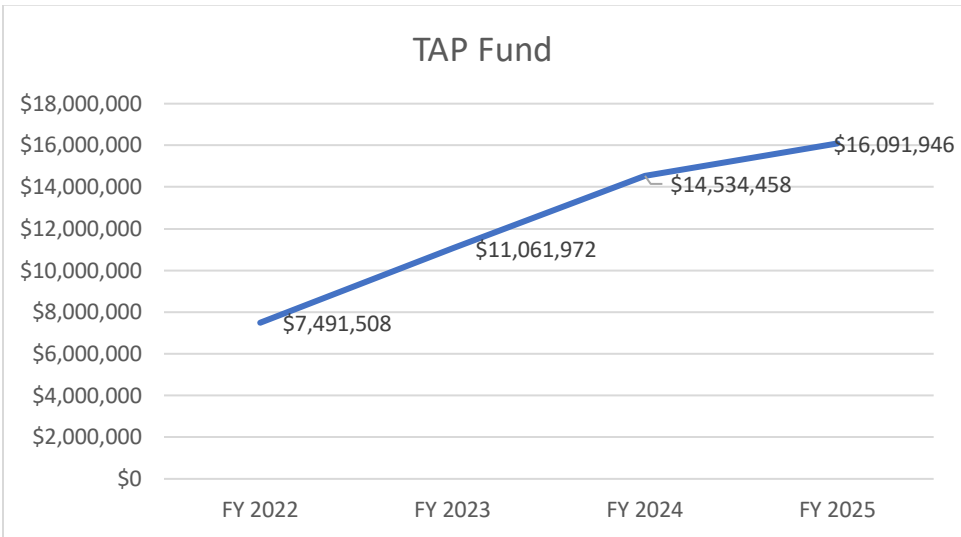
Charts 3 and 4 show the end-of-fiscal-year balances for the TIP and TAP funds from FY22 to FY25. The unaudited FY25 year-end fund balance for the TIP Fund was \$53,804,921, and the unaudited TAP Fund balance for that period was \$16,091,946.

Chart 3: Ending Balance of the TIP Fund from FY22 to FY25



Source: City Annual Comprehensive Financial Report (ACFR)

Chart 4: Ending Balance of the TAP Fund from FY22 to FY25



Source: City Annual Comprehensive Financial Report (ACFR)

Results**1. Revenues Collected Were Properly Allocated**

Based on our review, we determined that the various trustee tax revenues collected in FY25 were allocated to the designated funds in accordance with the specified rates below:

Table 3: FY25 Allocation of Trustee Tax Revenues

Tax Category	Tax Rate	TIP Fund	TAP Fund	General Fund	Open Space	EDIP	Arts and Culture	Sandbridge SSD	CBD South TIF
Hotel Tax	8%	5%	1%	2%	-	-	-	-	\$500,000
Hotel Tax - Sandbridge	9.5%	-	1%	2%	-	-	-	6.50%	-
Hotel Flat Tax	\$2	\$1	\$1	-	-	-	-	-	-
Hotel Flat Tax - Sandbridge	\$2	\$1	-	-	-	-	-	\$1	-
Restaurant Meals Tax	5.5%	1.06%	0.50%	3.5%	0.44%	-	-	-	-
Amusement Tax	10%	8%	-	-	-	-	2%	-	-
Cigarette Tax (per pack)	\$0.75	\$0.05	-	\$0.54	-	\$0.16	-	-	-

Source: FY25 Adopted Budget

Office of the City Auditor

Audit of the Tourism Investment Program and Tourism Advertising Program Funds

The FY25 taxation structure resulted in a total trustee tax collection amount of \$166,297,835 and the following revenue distribution:

Table 4: FY25 Distribution of Trustee Tax Revenues*

Tax Category	Tax Rate	TIP Fund	TAP Fund	General Fund	Open Space	EDIP	Arts and Culture	Sandbridge SSD	CBD South TIF
Hotel Tax	8%	\$23,246,970	\$4,704,950	\$9,187,677	-	-	-	-	\$500,000
Hotel Tax - Sandbridge	9.5%	-	\$923,420	\$1,845,964	-	-	-	\$6,000,039	-
Hotel Flat Tax	\$2	\$2,679,463	\$2,679,463	-	-	-	-	-	-
Hotel Flat Tax - Sandbridge	\$2	\$107,834	-	-	-	-	-	\$107,834	-
Restaurant Meals Tax	5.5%	\$18,772,437	\$8,855,291	\$62,025,754	\$7,793,435	-	-	-	-
Amusement Tax	10%	\$8,609,855	-	-	-	-	\$2,152,464	-	-
Cigarette Tax (per pack)	\$0.75	\$409,034	-	\$4,394,176	-	\$1,301,775	-	-	-
Total:		\$53,825,593	\$17,163,124	\$77,453,571	\$7,793,435	\$1,301,775	\$2,152,464	\$6,107,873	\$500,000

Source: Oracle Financial Cloud

* Does not include tax penalties, which are allocated separately

2. TIP/TAP Fund Expenditures Were Appropriate

We determined that expenditures made from the TIP and TAP Special Revenue Funds were appropriate. For informational purposes, the top 20 vendors for both the TIP and the TAP Funds with their cumulative expense totals for the last three fiscal years are listed as tables in this report. All figures were extracted and compiled from Oracle Financial Cloud (OFC).

Table 5: TIP – FY25 Top 20 Vendors

	Vendor	Amount	Description
1	US Bank NA	\$26,964,830	Bond Principal/Interest - CIP Projects
2	Integrated Management Group	\$5,427,723	Oceanfront Entertainment
3	Block by Block	\$1,687,448	Beach Ambassador Program
4	Hampton Roads Transit	\$1,415,384	HRT Cost Allocation
5	Tribu USA	\$1,000,000	Sponsorship of Jackalope Festival
6	Virginia Beach Lifesaving Service	\$923,208	Resort Area Lifeguard Services Contract
7	Houston Freightliner-Western Star	\$648,011	Two Public Works Box Trucks and Hook Lift Bodies
8	Virginia Beach Events Unlimited	\$625,000	Sponsorship of Neptune Festival and Classical Music Concert Series
9	Global Cleaning Services	\$593,200	Custodial services in Oceanfront Area
10	Abacus Corporation	\$528,159	Contracted Manpower
11	Tidewater Development Services Corporation	\$444,924	14th Street Park Improvements
12	Atlantic Machinery	\$417,107	Machinery - Street Sweepers
13	Virginia Museum of Contemporary Art	\$380,500	Art Museum Sponsorship and Boardwalk Art Show
14	Dills Architects	\$312,549	Land Use Study, Wayfinding System, and Construction Services for 14th Street Event Space
15	Point Break Festival LLC	\$300,000	Sponsorship of Point Break Festival
16	Audacy Operations	\$250,000	Oceanfront Concert
17	Freebee	\$224,520	Shuttle Service for Oceanfront Area
18	Dominion Energy	\$158,460	Electricity for VB Sports Center and Administrative Office on 401 Virginia Beach Blvd
19	Davenport & Company	\$156,667	Administrative Fees for Bond Issuance
20	Miles Partnership	\$143,820	Economic Impact Studies, a Regional Holiday Media Campaign, and Marketing for the VB Convention Center.

Source: Oracle Financial Cloud

Table 6: TIP – FY24 Top 20 Vendors

	Vendor	Amount	Description
1	US Bank NA	\$23,401,781	Bond Principal/Interest - CIP Projects
2	ESM VBSC	\$6,110,362	Operator Buyout of Sports Center Contract
3	Integrated Management Group	\$5,635,962	Oceanfront Entertainment
4	Block by Block	\$1,662,708	Beach Ambassador Program
5	Hampton Roads Transit	\$1,205,648	HRT Cost Allocation
6	Tribu USA	\$1,000,000	Sponsorship of Jackalope Festival
7	Live Nation	\$826,848	Sponsorship of BeachIt Festival and Payout for Something in the Water Festival
8	John Deere	\$774,866	Public Works Tractor and Bulldozer Blade Attachment for Beach Operations
9	Global Cleaning Services	\$753,592	Custodial Services in Oceanfront Area
10	Abacus Corporation	\$639,257	Contracted Manpower
11	Virginia Beach Events Unlimited	\$625,000	Sponsorship for Neptune Festival and Classical Music Concert Series
12	Audacy Operations	\$500,000	Sponsorship of 2024 Audacy Concert Event
13	Virginia Museum of Contemporary Art	\$380,500	Art Museum Sponsorship and Boardwalk Art Show
14	Dills Architects	\$254,084	Wayfinding System for Resort Area and Planning for 14th Street Event Space
15	Cyclone Technology	\$243,004	Machinery/Equipment - Riding Surface Cleaner and Trailer
16	Sports Facilities Management	\$210,000	Management Fee for Sports Center
17	Dominion Energy	\$191,387	Electricity for VB Sports Center and Administrative Office on 401 Virginia Beach Blvd
18	Hampton Roads Soccer Council	\$170,000	Grant for Hampton Roads Soccer Council
19	H Barber and Sons, Inc	\$143,435	Mechanical Litter Picker
20	ViBe Creative District	\$140,000	Administrative and event costs for the ViBe Creative District

Source: Oracle Financial Cloud

Table 7: TIP – FY23 Top 20 Vendors

	Vendor	Amount	Description
1	US Bank NA	\$23,849,569	Bond Principal/Interest - CIP Projects
2	Integrated Management Group	\$4,840,926	Oceanfront Entertainment
3	Block by Block	\$1,423,159	Beach Ambassador Program
4	Hampton Roads Transit	\$1,323,888	HRT Cost Allocation
5	Tribu USA	\$800,000	Sponsorship of Jackalope Festival
6	East Coast Action Sports Entertainment	\$750,000	Sponsorship of East Coast Surfing Championships (ECSC)
7	Abacus Corporation	\$677,068	Contracted Manpower
8	Live Nation	\$500,000	Sponsorship of Something in the Water Festival
9	Virginia Museum of Contemporary Art	\$455,500	Art Museum Sponsorship
10	Virginia Beach Events Unlimited	\$450,000	Sponsorship for Neptune Festival and Classical Music Concert Series
11	ESM VBSC	\$275,000	Transfer from TIP Fund to VBSC Operator to Offset Losses from COVID-19-related Event Cancellations
12	Global Cleaning Services	\$241,194	Custodial Services in Oceanfront Area
13	Precision Safe Sidewalks	\$135,209	Sidewalk Maintenance
14	3001 Atlantic LLC	\$100,000	Payment for Better Than Ezra, Permalee, Spin Doctors, and Matisyahu Concerts
15	Virginia Beach Restaurant Association	\$100,000	Sponsorship of VB Restaurant Week and Something on the Menu Events
16	Affordable and Luxury Event Rentals	\$95,789	Replacement Canopy for 31st Street Stage
17	Mediabarn	\$85,550	Advertising and Economic Impact Studies
18	Spivey Services	\$83,322	Portable Toilet Units
19	Industrial Alloy Welding	\$71,925	Repair and Refurbishment of Oceanfront Trash Cans
20	Software House International	\$61,094	Software Subscription for Issuing Special Event Permits

Source: Oracle Financial Cloud

Table 8: TAP – FY25 Top 20 Vendors

	Vendor	Amount	Description
1	Miles Partnership	\$10,653,298	Advertising via Digital, Print, and Social Media and Market Research Services
2	Virginia Beach Sports Center	\$670,282	Sponsorship of Various Events at the VBSC
3	Finn Partners	\$643,729	Public relations
4	Simpleview	\$510,031	Customer Relationship Management (CRM) System, Search Engine Optimization, and Advertising
5	Venture Tours	\$229,623	Shuttle and Van Transportation Services for Oceanfront Events
6	J&A Racing	\$217,968	Sponsorship of Various Running-related Events
7	Liskey and Sons	\$137,340	Tourism-related Publications, Posters, and Brochures
8	Tourism Economics	\$85,200	Economic Impact Study
9	Banks Charter Bus Line	\$62,400	Shuttle and Van Transportation Services for Oceanfront Events
10	Agape Travel and Tours	\$53,313	Shuttle and Van Transportation Services for Oceanfront Events
11	Abacus Corporation	\$52,022	Contracted Manpower
12	Hampton Roads Soccer Council	\$47,500	Sponsorship of Various Soccer-related Events
13	Virginia Beach Jaycees	\$45,000	Sponsorship of East Coast Surfing Championships (ECSC)
14	Destinations International	\$36,274	Membership and Economic Impact Study
15	Costar Realty Information	\$35,136	Subscription for Commercial Real Estate Database
16	PCI Municipal Services	\$32,237	Parking Lot Attendants at VB Sports Center
17	Capital Region USA	\$30,591	Advertising
18	National High School Coaches Association	\$30,000	Sponsorship of NHSCA
19	Kenilworth Media	\$26,745	Sponsorship of S.P.O.R.T.S. The Relationship Conference
20	Searchwide Global	\$26,666	Executive Recruitment Services for CVB's VP of Sales and VP of Marketing Positions

Source: Oracle Financial Cloud

Table 9: TAP – FY24 Top 20 Vendors

	Vendor	Amount	Description
1	Miles Partnership	\$7,115,687	Advertising via Digital, Print, and Social Media
2	Mediabarn	\$1,382,957	Advertising
3	Simpleview	\$677,541	Customer Relationship Management (CRM) System, Search Engine Optimization, and Advertising
4	Finn Partners	\$493,328	Public Relations
5	Virginia Beach Sports Center	\$373,982	Sponsorship of Various Events at the VB Sports Center
6	Venture Tours	\$205,094	Shuttle and Van Transportation Services for Oceanfront Events
7	J&A Racing	\$196,960	Sponsorship of Various Running-related Events
8	Capital Region USA	\$186,925	Advertising and Sponsorship of USA Global Travel Exchange Event
9	Tourism Economics	\$143,783	Economic Impact Studies
10	Meridian Group	\$118,476	Advertising Services and Cvent Supplier Network Membership
11	Liskey and Sons	\$80,146	Tourism-related Publications, Posters, and Brochures
12	Agape Travel and Tours	\$79,893	Shuttle and Van Transportation Services for Oceanfront Events
13	Abacus Corporation	\$66,847	Contracted Manpower
14	Meeting Professionals International	\$50,000	Sponsorship of Various Events
15	Destinations International	\$47,864	Membership and Booth at Convention Sales and Services Summit Event in Washington, DC
16	Hampton Roads Soccer Council	\$36,100	Sponsorship of Various Soccer-related Events
17	ESM VBSC	\$36,054	Sponsorship of Various Events at the VB Sports Center
18	National High School Coaches Association	\$30,000	Sponsorship of NHSCA
19	STR LLC	\$29,745	Annual Subscription for Tourism Market Research Service
20	Virginia Beach Jaycees	\$25,000	Sponsorship of East Coast Surfing Championships (ECSC)

Source: Oracle Financial Cloud

Table 10: TAP – FY23 Top 20 Vendors

	Vendor	Amount	Description
1	Mediabarn	\$4,051,204	Advertising and Consulting Services
2	Meridian Group	\$3,620,969	Advertising
3	Simpleview	\$650,290	Customer Relationship Management (CRM) System and Advertising
4	Finn Partners	\$452,800	Public Relations
5	Liskey and Sons	\$157,912	Tourism-related Publications, Posters, and Brochures
6	J&A Racing	\$151,985	Sponsorship of the Shamrock Marathon and Wicked 10K Events
7	ESM VBSC	\$147,544	Sponsorship of Various Events at the VB Sports Center
8	Venture Tours	\$83,280	Shuttle and Bus Transportation Services for Oceanfront Events
9	Capital Region USA	\$75,665	Advertising and Sponsorship of USA Global Travel Exchange Event
10	National High School Coaches Association	\$54,000	Sponsorship of the NHSCA
11	Formula E Operations	\$50,000	\$110 K Formula E Race Championship Event Feasibility Study. Split Cost Between TAP Fund and Department of Economic Development
12	Tourism Economics	\$45,167	Economic Impact Study
13	Hampton Roads Soccer Council	\$45,000	Sponsorship of Various Soccer-related Events
14	Victus Advisors	\$44,860	Assessment - Sports Tourism Venues in CoVB
15	Agape Travel and Tours	\$37,950	Shuttle and Van Transportation Services for Oceanfront Events
16	Marriott Oceanfront	\$35,000	Sponsorship of Cavalier Resort Compendium Event
17	Abacus Corporation	\$34,848	Contracted Manpower
18	Centerplate	\$28,364	Sponsorship of Various Events
19	STR LLC	\$27,025	Annual Subscription for Tourism Market Research Service
20	Polihire Strategy Group	\$25,000	Executive Recruitment Services for Vice President of CVB Marketing

Source: Oracle Financial Cloud

Conclusion

Overall, we determined that the TIP and the TAP Funds received revenue in accordance with the specified allocation rates and that the expenditures from those funds were appropriate.

Methodology

To accomplish our objectives, we performed the following:

- Met with City management and staff
- Reviewed applicable City resolutions, policies, procedures, and other related documents
- Reviewed TIP/TAP Fund financial reports
- Reviewed documentation to support expenditures from the funds
- Assessed the reliability of data by (1) performing electronic testing, (2) reviewing existing information about the data and the system that produced them, and (3) interviewing agency officials knowledgeable about the data. Determined that the data was sufficiently reliable for the purposes of this report.
- Observed and performed walkthroughs of key processes associated with the collection and allocation of trustee taxes.
- Obtained an understanding of the significant internal control components and assessed the design, implementation, and operating effectiveness of key controls.
- Summarized results.

Standards

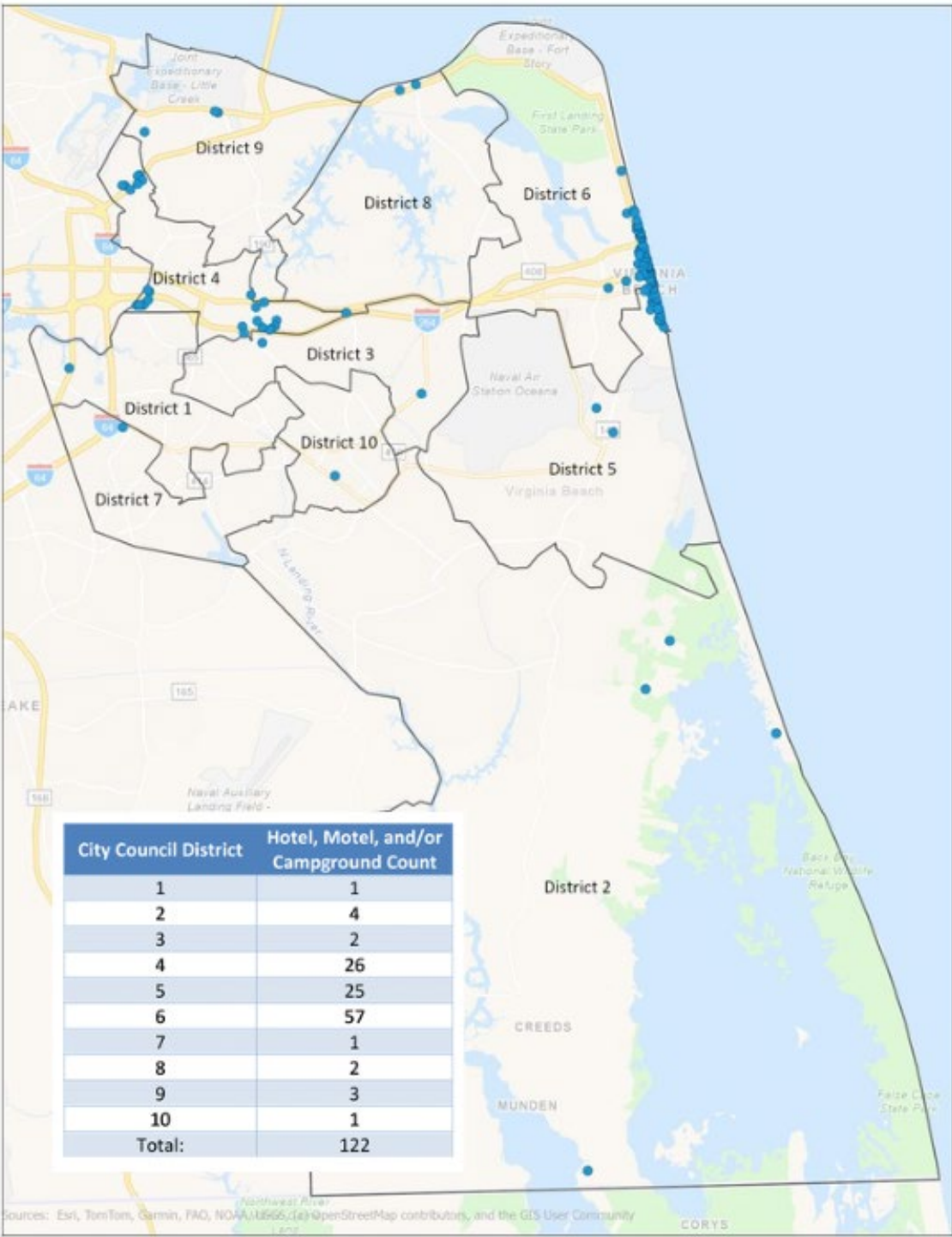
We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient appropriate evidence to provide a reasonable basis for our findings and conclusions, aligned with our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions, consistent with our audit objectives.

The Office of the City Auditor reports to the City Council through the Audit Committee and is organizationally independent of all other City departments. This report will be distributed to the City's Audit Committee, City Council, and appropriate management within the City of Virginia Beach. This report will also be made available to the public through the Office of the City Auditor's webpage.

Acknowledgments

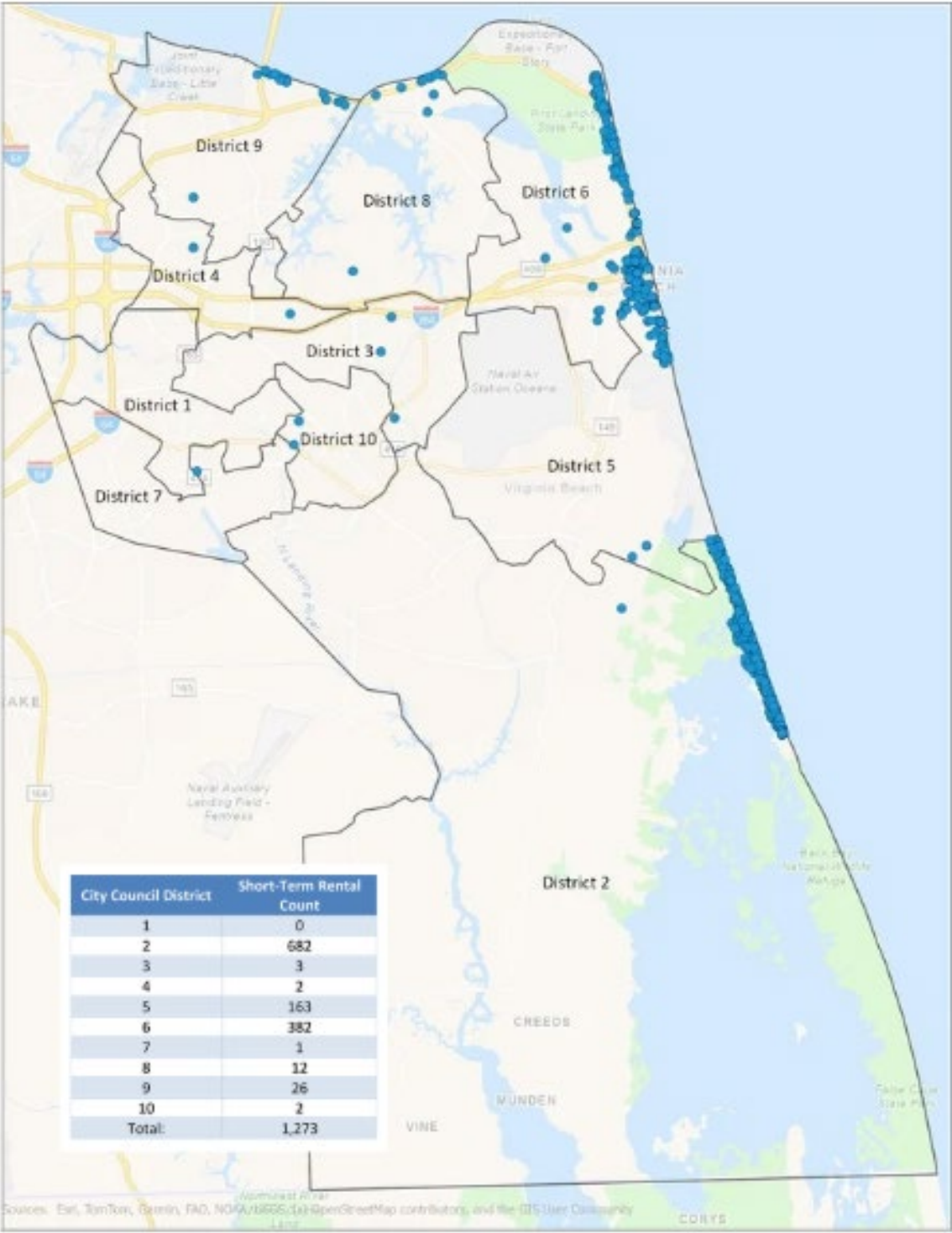
We would like to thank the management and staff who worked with us during the audit, including the Convention and Visitors Bureau, Finance, Information Technology, and Budget and Management Services departments, for their cooperation and responsiveness to our requests during our audit and for their receptiveness to questions, recommendations, and suggestions.

Appendix A: Map of Hotels, Motels, and Campgrounds in Virginia Beach*



Source: Office of the City Auditor
 * Does not include campgrounds on land owned by the Commonwealth of Virginia or the Department of Defense, as campgrounds in those areas are exempt from remitting trustee taxes to the city.

Appendix B: Map of Short-Term Rentals in Virginia Beach



Source: Department of Planning



MEMO

DATE: February 11, 2026
TO: Lyndon Remias, City Auditor
FROM: Nancy Helman, CVB Director
RE: **TIP/TAP Funds Audit Report**

The Department would like to thank the City Auditor's Office for their thorough work and open communication.

The TIP Fund and TAP Fund make up the two largest dedicated funding streams at CVB and deliver a very high-profile return on investment. Under the leader of Deputy Director Michelle Boyette, and with the expertise of Accountant Wilonda Spratley, Financial Specialist Diane Harrison, and the Business Services Unit team, we uphold our fiduciary responsibilities with diligence and integrity. We focus on clear processes and accountability to ensure transparency and confidence in our financial practices.

We are proud of the audit results and look forward to collaborating with the City Auditor's Office on future projects.

Cc: Amanda Jarrett, Deputy City Manager
Michelle Boyette, CVB Deputy Director
Alexander Nichols, Auditor II