



City Council Staff Report

Subject: FY 2026 – Financial Statements through December 31, 2025 (Cash Basis and Unaudited)

Author: Patrick A. Duhaney, City Manager 

Department: Finance

Date: January 16, 2026

Type of Item: Informational

Executive Summary

This financial report provides an overview of the City's General Fund revenues and expenditures compared to the amended budget for the period ending December 31, 2025 (six months, or 50% of the fiscal year), as well as actual results from the previous fiscal year to date. Please note that staff does not include revenue or expenditure projections until after the eighth month of the fiscal year.

As of December 31, 2025, General Fund revenues totaled \$670.6 million, reflecting an increase of \$20.3 million, or 3.1%, compared to the same period in the prior year. It is important to note that revenue collections can fluctuate month to month, as due dates for various revenue sources are not evenly distributed throughout the year. The largest revenue source, real estate tax, is billed twice annually, with payments due on December 5, 2025, and June 5, 2026. The first half of the net levy is \$398.3 million. The current collection percentage on this levy is 96.85%. Personal property tax payments are also due on June 5, 2026. Additionally, various supplemental billings are ongoing, and some collections through December 31, 2025, apply to the previous year's tax bills. Notable revenue increases include real estate taxes at \$16.4 million, personal property taxes at \$1.9 million, charges for services at \$3.0 million and state reimbursements of \$2.0 million. Interest income decreased \$4.7 million due to lower interest rates and utility taxes decreased \$2.2 million due to timing differences.

As of December 31, 2025, General Fund expenditures totaled \$832.5 million, an increase of \$40.5 million, or 3.2%, from the prior year. No unexpected or unbudgeted significant expenditures occurred in the first six months of FY 2026. Total transfers increased \$10.5 million, or 3.0%, primarily due to increased funding for general government capital projects of \$12.8 million and Storm Water capital projects of \$1.8 million, combined with a decrease in school transfers of \$4.5 million. Human Services expenditures increased \$7.5 million, or 11.1%, due to increases in purchased client services and personnel costs associated with new full-time positions. Parks and Recreation expenditures increased \$2.9 million, or 14.1%, due to increases in salaries and

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professional services. Police expenditures increased \$7.1 million, or 9.7%, due to increases in salaries and software maintenance services.

Total Water and Sewer revenues as of December 31, 2025, are \$74.8 million, which is 47.2% of the current year budget of \$158.4 million and is \$2.5 million less than prior year collections of \$77.3 million for the same period. Charges for services revenue of \$68.6 million are more than the prior year's charges for services of \$67.8 million by \$0.8 million. Water and Sewer capital recovery fees decreased \$2.2 million from the prior year attributable to less new construction enrollments. Water and Sewer interest income also decreased \$1.0 million from the prior year. Year-to-date expenditures are \$84.3 million, which is 49.1% of the current year budget of \$171.4 million and is \$5.9 million or 7.5% more than prior year expenses of \$78.3 million (for the same time period) due to anticipated increased capital outlay expenditures of \$1.2 million, increase in funding of Water and Sewer Capital projects of \$1.4 million and increased supply costs of \$2.3 million. Total budgeted expenditures for FY 2026 of \$171.4 million are \$11.0 million or 6.9% more than the FY 2025 expenditure budget of \$160.4 million.

Total Storm Water revenues as of December 31, 2025, are \$27.8 million, which is 48.3% of the current year budget of \$57.5 million and is \$4.8 million or 20.9% more than prior year collections totaling \$23.0 million due to increased utility fees of \$3.7 million and increased interest income of \$1.1 million. The Storm Water utility fee increased from 49.3 ¢ per day in FY 2025 to 58.2¢ per day in FY 2026. Year-to-date expenditures are \$33.3 million, which is 51.2% of the current year budget of \$65.0 million and is \$7.0 million or 26.6% more than prior year expenses totaling \$26.3 million (for the same time period) due to higher debt service costs associated with the issuance of new debt in FY 2025, combined with increases in the purchase of new vehicles and rolling stock and increases in professional services.

Total Tourism Investment Program (TIP) Special Revenue Fund revenues as of December 31, 2025, are \$34.9 million, which is 61.7% of the current year amended budget of \$56.5 million and are in line with prior year collections totaling \$34.8 million. Year-to-date expenditures (including encumbrances) are \$31.4 million, which is 51.1% of the current year amended budget of \$61.5 million and \$8.2 million more than prior year expenditures totaling \$23.2 million for the same period. This increase is primarily due to increased debt service payments of \$3.7 million and increased transfers to general government capital projects of \$3.1 million and increased transfers to Atlantic Park Development projects of \$1.0 million.

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(Cash Basis and Unaudited)

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Should you have any additional questions or concerns, please contact Deputy City Manager, Monica D. Croskey, at Mcroskey@vbgov.com or (757) 385-4242, or Finance Director, Wendy Hu, at whu@vbgov.com or (757) 385-4227.

Attachments (5)

- General Fund Summary Schedule A
- General Fund Revenue Schedule B
- General Fund Expenditure Schedule C
- Tourism Investment Program (TIP) Schedule D
- General Fund Glide Chart

CITY OF VIRGINIA BEACH, VIRGINIA
 GENERAL FUND REVENUE AND EXPENDITURE SUMMARY
 FOR THE PERIOD ENDING DECEMBER 31, 2025
 SCHEDULE A

	FY 2026 ADOPTED BUDGET	FY 2026 AMENDED BUDGET	FY 2026 YTD ACTUAL	FY 2026 ACTUAL % OF BUDGET	FY 2025 AMENDED BUDGET	FY 2025 YTD ACTUAL	FY 2025 ACTUAL % OF BUDGET
REVENUES (SCHEDULE B):							
LOCAL	\$ 1,318,606,100	\$ 1,318,649,508	\$ 571,086,414	43.3%	\$ 1,245,447,175	\$ 554,131,463	44.5%
STATE	195,821,821	198,751,296	80,183,745	40.3%	191,938,919	74,786,562	39.0%
FEDERAL	26,090,548	25,944,628	12,467,222	48.1%	25,496,554	14,168,477	55.6%
TRANSFERS	13,734,535	13,734,535	6,867,268	50.0%	13,504,098	7,228,694	53.5%
TOTAL REVENUES	\$ 1,554,253,004	\$ 1,557,079,967	\$ 670,604,649	43.1%	\$ 1,476,386,746	\$ 650,315,196	44.0%
EXPENDITURES (SCHEDULE C):							
GENERAL GOVERNMENT	\$ 515,924,901	\$ 549,910,928	\$ 261,202,270	47.5%	\$ 527,185,528	\$ 244,906,912	46.5%
PUBLIC SAFETY	263,084,153	282,779,762	153,040,992	54.1%	260,347,661	143,992,600	55.3%
NON DEPARTMENTAL	50,418,435	54,159,255	39,426,827	72.8%	53,546,130	35,079,352	65.5%
DEBT SERVICE	55,095,110	55,095,110	19,899,991	36.1%	63,095,110	19,603,377	31.1%
TRANSFERS	643,869,516	751,178,983	358,923,376	47.8%	673,781,780	348,402,463	51.7%
RESERVES	28,551,000	6,705,674	-	0.0%	2,011,625	-	0.0%
TOTAL EXPENDITURES	\$ 1,556,943,115	\$ 1,699,829,712	\$ 832,493,456	49.0%	\$ 1,579,967,834	\$ 791,984,703	50.1%
EXCESS OF REVENUES OVER/(UNDER)							
EXPENDITURES	\$ (2,690,111)	\$ (142,749,745)	\$ (161,888,807)		\$ (103,581,088)	\$ (141,669,507)	
LESS AMOUNTS APPROPRIATED FROM PRIOR YEAR FUND BALANCE							
FUND BALANCE:							
FY 2025 ENCUMBRANCES	\$ 29,525,759						
FY 2025 CARRYFORWARDS	5,760,638						
AQUARIUM IMPROVEMENTS	3,200,000						
AQUARIUMS & PARKS CAMERAS	1,240,631						
FY 2026 CITY OPERATIONS	6,946,665						
FY 2026 AMENDED CIP BUDGET	50,516,859						
FY 2026 SCHOOL REVERSION	45,559,193						
	\$ 142,749,745						

CITY OF VIRGINIA BEACH, VIRGINIA
 GENERAL FUND REVENUES
 FOR THE PERIOD ENDING DECEMBER 31, 2025
 SCHEDULE B

	FY 2026 ADOPTED BUDGET	FY 2026 AMENDED BUDGET	FY 2026 YTD ACTUAL	FY 2026 ACTUAL % OF AMENDED BUDGET	FY 2025 AMENDED BUDGET	FY 2025 YTD ACTUAL	FY 2025 ACTUAL % OF AMENDED BUDGET
LOCAL REVENUE:							
REAL ESTATE TAXES	\$ 734,375,613	\$ 734,375,613	\$ 375,338,451	51.1%	\$ 700,281,996	\$ 358,947,097	51.3%
PERSONAL PROPERTY TAXES	167,188,166	167,188,166	25,842,280	15.5%	153,312,589	23,915,398	15.6%
SALES TAX	97,846,775	97,846,775	42,495,070	43.4%	93,281,986	41,684,268	44.7%
BUSINESS LICENSE	67,166,505	67,166,505	3,992,899	5.9%	62,625,915	4,757,673	7.6%
UTILITY TAXES	25,879,291	25,879,291	10,983,730	42.4%	25,879,291	13,148,337	50.8%
TELECOMMUNICATION TAX	17,229,098	17,229,098	8,341,327	48.4%	16,448,063	8,417,527	51.2%
MEAL TAX	65,149,968	65,149,968	32,714,571	50.2%	62,047,929	32,337,718	52.1%
HOTEL TAX	11,274,805	11,274,805	8,122,414	72.0%	11,477,696	7,725,069	67.3%
AUTOMOBILE LICENSE	10,639,555	10,639,555	4,415,609	41.5%	10,639,555	4,079,887	38.3%
CIGARETTE TAX	5,669,939	5,669,939	2,985,371	52.7%	6,993,331	2,915,898	41.7%
OTHER LOCAL TAXES	16,715,085	16,715,085	5,592,019	33.5%	14,969,319	4,880,588	32.6%
CHARGES FOR SERVICES - HUMAN SERVICES	27,711,214	27,711,214	13,122,320	47.4%	26,468,226	11,557,836	43.7%
CHARGES FOR SERVICES - OTHER	29,452,548	29,452,548	13,823,886	46.9%	28,090,439	12,412,153	44.2%
PERMITS AND FEES	11,269,972	11,269,972	5,207,949	46.2%	9,720,511	5,126,908	52.7%
INTEREST INCOME	13,757,734	13,757,734	10,681,720	77.6%	8,387,187	15,336,768	182.9%
OTHER LOCAL REVENUE	17,279,832	17,323,240	7,426,798	42.9%	14,823,142	6,888,336	46.5%
TOTAL LOCAL REVENUE	1,318,606,100	1,318,649,508	571,086,414	43.3%	1,245,447,175	554,131,463	44.5%
STATE REVENUE:							
MAINTENANCE OF ROADS	68,018,500	68,018,500	35,108,400	51.6%	66,174,346	34,015,832	51.4%
STATE AID LAW ENFORCEMENT	14,064,783	14,064,783	7,284,306	51.8%	13,372,311	7,284,144	54.5%
STATE REIMBURSEMENTS	15,165,150	15,348,594	6,721,920	43.8%	14,375,552	4,630,759	32.2%
STATE PUBLIC ASSISTANCE GRANTS	18,131,287	18,131,287	10,145,790	56.0%	18,131,287	8,701,259	48.0%
STATE REVENUE - HUMAN SERVICES	25,005,501	27,595,580	13,377,276	48.5%	24,566,479	12,474,966	50.8%
PERSONAL PROPERTY TAX PAID BY THE COMMONWEALTH OF VIRGINIA	53,412,868	53,412,868	6,526,559	12.2%	53,412,868	6,526,559	12.2%
OTHER STATE REVENUE	2,023,732	2,179,684	1,019,494	46.8%	1,906,076	1,153,043	60.5%
TOTAL STATE REVENUE	195,821,821	198,751,296	80,183,745	40.3%	191,938,919	74,786,562	39.0%
FEDERAL REVENUE	26,090,548	25,944,628	12,467,222	48.1%	25,496,554	14,168,477	55.6%
TRANSFERS	13,734,535	13,734,535	6,867,268	50.0%	13,504,098	7,228,694	53.5%
TOTAL GENERAL FUND REVENUE	\$ 1,554,253,004	\$ 1,557,079,967	\$ 670,604,649	43.1%	\$ 1,476,386,746	\$ 650,315,196	44.0%

CITY OF VIRGINIA BEACH, VIRGINIA
 GENERAL FUND EXPENDITURES
 FOR THE PERIOD ENDING DECEMBER 31, 2025
 SCHEDULE C

GENERAL GOVERNMENT ACTIVITIES	FY 2026 ADOPTD BUDGET	FY 2026 AMENDED BUDGET	FY 2026 YTD ACTUALS	FY 2026 ACTUAL % OF AMENDED BUDGET	FY 2025 AMENDED BUDGET	FY 2025 YTD ACTUALS	FY 2025 ACTUAL % OF AMENDED BUDGET
	\$	\$	\$	%	\$	\$	%
AGRICULTURE	\$ 1,082,362	\$ 1,112,301	\$ 535,971	48.2%	\$ 1,149,004	\$ 528,129	46.0%
BUDGET AND MANAGEMENT SERVICES	1,639,215	1,644,026	853,267	51.9%	1,684,507	902,582	53.6%
CIRCUIT COURT	1,623,983	1,657,542	896,111	54.1%	1,695,590	940,486	55.5%
CITY ATTORNEY	6,193,939	6,454,377	3,449,517	53.4%	6,314,523	3,262,179	51.7%
CITY AUDITOR	1,166,443	1,169,405	569,849	48.7%	1,177,194	607,000	51.6%
CITY CLERK	785,503	868,768	538,602	62.0%	776,924	412,938	53.2%
CITY COUNCIL	777,218	919,164	500,061	54.4%	798,401	407,848	51.1%
CITY MANAGER	3,923,768	4,022,101	2,017,321	50.2%	4,112,793	1,996,862	48.6%
CITY REAL ESTATE ASSESSOR	4,319,674	4,462,515	2,349,247	52.6%	4,201,902	2,150,087	51.2%
CITY TREASURER	8,729,988	8,936,714	4,554,937	51.0%	8,685,038	4,414,307	50.8%
CLERK OF THE CIRCUIT COURT	4,978,461	5,117,766	2,661,917	52.0%	5,394,012	2,936,587	54.4%
COMMISSIONER OF THE REVENUE	7,508,247	7,637,086	3,979,746	52.1%	7,180,503	3,667,227	51.1%
COMMONWEALTH'S ATTORNEY	14,326,447	14,922,576	7,644,668	51.2%	14,097,026	7,020,183	49.8%
COMMUNICATIONS	4,553,403	4,861,447	2,915,919	60.0%	4,137,874	2,365,991	57.2%
CONVENTION AND VISITORS BUREAU	11,685,419	12,244,787	6,176,559	50.4%	11,771,068	5,812,024	49.4%
CULTURAL AFFAIRS AND HISTORIC HOUSES	5,384,079	7,273,365	3,331,833	45.8%	8,124,412	3,657,209	45.0%
ECONOMIC DEVELOPMENT	4,834,440	5,082,928	1,774,900	34.9%	5,635,786	1,964,340	34.9%
FINANCE	7,429,669	8,302,842	4,049,981	48.8%	8,932,624	4,207,630	47.1%
GENERAL DISTRICT COURT	491,097	504,960	190,670	37.8%	499,292	163,718	32.8%
HEALTH DEPARTMENT	4,374,594	4,393,093	2,217,954	50.5%	4,273,283	3,121,338	73.0%
HOUSING AND NEIGHBORHOOD PRESERVATION	8,767,361	9,073,307	4,163,335	45.9%	8,816,968	3,848,609	43.7%
HUMAN RESOURCES	9,773,374	10,290,436	4,920,901	47.8%	9,539,901	4,576,024	48.0%
HUMAN SERVICES	153,495,772	157,294,958	75,751,545	48.2%	152,302,070	68,197,569	44.8%
INFORMATION TECHNOLOGY	25,637,163	26,830,644	14,583,671	54.4%	26,271,425	13,772,628	52.4%
JUVENILE AND DOMESTIC RELATIONS DISTRICT	195,199	198,336	92,936	46.9%	209,249	80,365	38.4%
JUVENILE PROBATION	1,239,772	1,249,428	949,102	76.0%	1,425,373	650,935	45.7%
LIBRARY	22,087,821	22,927,875	11,998,861	52.3%	22,139,449	11,520,572	52.0%
MAGISTRATES	43,982	43,982	5,407	12.3%	58,256	17,683	30.4%
OFFICE OF PERFORMANCE & ACCOUNTABILITY	966,137	776,801	470,579	60.6%	1,035,873	504,715	48.7%
PARKS AND RECREATION	44,601,663	47,046,277	23,835,194	50.7%	44,150,288	20,887,619	47.3%
PLANNING	16,187,715	17,586,072	9,526,068	54.2%	17,801,215	8,320,609	46.7%
PUBLIC WORKS	116,216,568	133,196,063	53,015,862	39.8%	121,047,002	51,225,197	42.3%
VIRGINIA AQUARIUM	17,866,602	18,527,794	8,368,771	45.2%	17,340,268	7,807,520	45.0%
VOTER REGISTRATION AND ELECTIONS	3,037,823	3,281,192	2,311,012	70.4%	4,406,433	2,958,201	67.1%
TOTAL GENERAL GOVERNMENT	515,924,901	549,910,928	261,202,270	47.5%	527,185,528	244,906,912	46.5%

CITY OF VIRGINIA BEACH, VIRGINIA
 GENERAL FUND EXPENDITURES
 FOR THE PERIOD ENDING DECEMBER 31, 2025
 SCHEDULE C

GENERAL GOVERNMENT ACTIVITIES	FY 2026 ADOPTD BUDGET	FY 2026 AMENDED BUDGET	FY 2026 YTD ACTUALS	FY 2026 ACTUAL % OF AMENDED BUDGET	FY 2025 AMENDED BUDGET	FY 2025 YTD ACTUALS	FY 2025 ACTUAL % OF AMENDED BUDGET
PUBLIC SAFETY							
EMERGENCY COMMUNICATIONS AND CITIZEN SERVICES	13,398,289	13,790,301	7,160,511	51.9%	13,273,296	6,338,567	47.8%
EMERGENCY MANAGEMENT	2,071,682	2,116,352	871,132	41.2%	1,982,871	933,952	47.1%
EMERGENCY MEDICAL SERVICES	25,440,800	28,170,815	16,481,754	58.5%	27,839,412	16,040,189	57.6%
FIRE	85,111,476	92,049,538	48,502,446	52.7%	82,222,817	47,752,835	58.1%
POLICE	137,061,906	146,652,755	80,025,149	54.6%	135,029,265	72,927,057	54.0%
TOTAL PUBLIC SAFETY	263,084,153	282,779,762	153,040,992	54.1%	260,347,661	143,992,600	55.3%
NON DEPARTMENTAL	50,418,435	54,159,255	39,426,827	72.8%	53,546,130	35,079,352	65.5%
DEBT SERVICE	55,095,110	55,095,110	19,899,991	36.1%	63,095,110	19,603,377	31.1%
TRANSFERS	643,869,516	751,178,983	358,923,376	47.8%	673,781,780	348,402,463	51.7%
RESERVES	28,551,000	6,705,674	-	0.0%	2,011,625	-	0.0%
GRAND TOTAL	\$ 1,556,943,115	\$ 1,699,829,712	\$ 832,493,456	49.0%	\$ 1,579,967,834	\$ 791,984,703	50.1%

CITY OF VIRGINIA BEACH, VIRGINIA
TOURISM INVESTMENT PROGRAM SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES FOR THE PERIOD ENDING DECEMBER 31, 2025
SCHEDULE D

	FY 2026 ADOPTED BUDGET	FY 2026 AMENDED BUDGET	FY 2026 YTD ACTUAL	FY 2026 YTD ACTUAL % OF AMENDED BUDGET	FY 2025 AMENDED BUDGET	FY 2025 YTD ACTUAL	FY 2025 YTD ACTUAL % OF AMENDED BUDGET
REVENUES:							
Hotel Room Tax (5% of total 8% and \$1/night)	\$ 25,727,271	\$ 25,727,271	\$ 17,263,636	67.1%	\$ 27,137,471	\$ 16,826,631	62.0%
Restaurant Meal Tax (1.06% of total 5.5%)	19,619,699	19,619,699	9,838,099	50.1%	18,746,230	9,892,628	52.8%
Cigarette Tax (5 cents of 75 cents/pack)	404,996	404,996	213,355	52.7%	499,524	219,476	43.9%
Admission Tax	7,578,563	7,578,563	5,486,655	72.4%	6,454,098	5,900,386	91.4%
Franchise Fees & Event Permits	592,415	592,415	143,064	24.1%	442,415	89,056	20.1%
Interest on Bank Deposits	5,000	5,000	1,647,519	32950.4%	5,000	1,566,568	31331.4%
Miscellaneous Reimbursements	2,088,240	2,088,240	-	0.0%	-	84,177	0.0%
Use of Property	445,613	445,613	270,500	60.7%	445,613	265,500	59.6%
TOTAL - REVENUES	\$ 56,461,797	\$ 56,461,797	\$ 34,862,828	61.7%	\$ 53,730,351	\$ 34,844,421	64.9%
EXPENDITURES:							
Administration and Support	\$ 520,500	\$ 520,500	\$ 520,500	100.0%	\$ 745,020	\$ 745,020	100.0%
Community and Organization Contributions	1,161,109	1,259,361	1,161,109	92.2%	1,415,384	1,415,384	100.0%
Facilities Management	1,535,560	1,565,169	588,079	37.6%	1,580,503	422,804	26.8%
Infrastructure Maintenance	3,420,051	3,755,408	2,181,778	58.1%	4,372,927	2,738,767	62.6%
Landscape Management	1,356,489	1,426,702	688,334	48.2%	1,244,211	660,344	53.1%
Lifeguard Services	1,228,647	1,228,647	130,424	10.6%	1,073,772	47,572	4.4%
Programming and Operations	10,626,496	12,653,667	11,194,493	88.5%	13,368,511	9,785,996	73.2%
Sales and Marketing	614,896	540,643	290,289	53.7%	1,007,609	526,820	52.3%
Waste Management	105,061	131,276	101,215	77.1%	105,061	112,857	107.4%
Debt Service	26,345,109	26,345,109	9,093,526	34.5%	27,860,574	5,419,893	19.5%
Transfer to General Fund	15,170	15,170	7,585	50.0%	15,170	8,127	53.6%
Transfer to General Government Capital Projects	4,400,000	4,400,000	4,400,000	100.0%	2,450,000	1,312,500	53.6%
Transfer to Atlantic Park Development Agreement	2,088,240	2,088,240	1,044,120	50.0%	-	-	0.0%
Contingencies	3,044,469	5,581,276	-	0.0%	3,480,000	-	0.0%
TOTAL - EXPENDITURES AND ENCUMBRANCES	\$ 56,461,797	\$ 61,511,169	\$ 31,401,453	51.1%	\$ 58,718,742	\$ 23,196,084	39.5%
EXCESS OF REVENUES OVER (UNDER)							
<u>EXPENDITURES AND ENCUMBRANCES</u>	<u>\$ -</u>	<u>\$ (5,049,372)</u>	<u>\$ 3,461,375</u>				
<u>AMOUNT APPROPRIATED FROM FUND BALANCE</u>	<u>\$ -</u>	<u>\$ (5,049,372)</u>	<u>\$ 3,461,375</u>				
<u>FUND BALANCE - JULY 1, 2025</u>			<u>53,804,925</u>				
<u>FUND BALANCE - ENDING</u>			<u>\$ 48,755,552</u>				

*Includes encumbrances of \$5,785,968 as of December 31, 2025.

CITY OF VIRGINIA BEACH, VIRGINIA
 GENERAL FUND REVENUE AND EXPENDITURE TREND THROUGH
 THE PERIOD ENDING DECEMBER 31, 2025

